

Company description business plan examples

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Business Plan for Baak Tours Company

Executive Summary

The tourism industry has undergone a series of changes over the last decades. This has been mainly due to the advents of 'borderless' world and increase in the flow of information on the attractive sceneries found in the world, with Turkey being no exception.

We are planning to enter the lucrative market of tourists entering the country which presents an opportunity for Baak Tours Company. An opportunity exists for the company because the rapid growth in national tourism industry over the past few decades. Baak Tours intends to provide airport transportation and car hire services in Istanbul as well as other towns within Turkey. Initial products and services will include custom packages, travel consultants, and with time making reservations amongst other services.

We will position our products as extremely high quality, informative, comfortable, and tailored to the specific needs of clients. This will motivate customers to consider repeat visits and referrals. Our main marketing strategy will be ensuring that customers are aware of our existence.

Baak Tour Company intends to deliver tour operations and travel agency services in the Turkish tourism sector. Products and services provided by Baak will initially include providing airport transfers and car hire services to its customers. Baak intends to differentiate itself as the premier tour company in the Turkish tourism industry. The company plans to start its

operations in July 2013 after completing the legal requirements required in Turkey.

Market

The company will develop its tour packages based on the customer needs. The company will base its analysis on user profiles, set by the customers, which includes preferences such as: destination, budget, activities, and time of travel. This will allow travelers to select packages of interest based on their preference and subsequent identification of a site to visit. The program is intended to provide customers with information about travel destinations, allow them appreciate destinations through information packages, not just sight-seeing, and providing access to special interest travel.

Services

Baak tour premier tour operator services to domestic and international tourists. The company will provide car hire and airport transfer services to its customers. Pre-trip services will include assistance in arranging trip insurance, airfare, as well as offering information regarding packages. Baak tours will also provide information regarding superior lodgings, accommodation services, and food and entertainment opportunities before the trip.

Company locations and facilities

Baak Tours Company has identified two locations from which it will conduct its business:

- The address of the main office is 129 City Way, Suite 500, Istanbul. This is a commercial with the capacity to accommodate walk-ins and guests on

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transit.

- The company will locate another office in Zurich.

Both offices have full facilities and staff.

Market

Baak Tours will focus in attracting both national and international tourists visiting Zurich and other towns interested in the luxury travel market.

Tourism and travel industry is the largest service sector in the country and the industry is expected to account for 7% of the country's GDP in 2015.

Market segment

Baak's target market will include individuals and couples, with median household incomes in excess of \$100, 000 and between the ages of 35-70 years. This group of people travel for various reasons and are interested in history, adventure, travel culture, and unique experiences. Target groups include:

- Households with incomes in excess of \$100, 000.
- Travel agents with an established client base, especially in the luxury market
- Civic groups, corporations, retreats, interested incentives, fund raisers, and field trips.
- Internet users seeking luxury travel.

Market analysis

Marketing Plan

In order to achieve its goal of becoming one of the luxury tour operators in Turkey, Baak Tours will adopt the following strategies:

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- Build a brand of BTC as a differentiated, and provider of specialty premiere travel. The company will achieve this through wide application of marketing communication program directed at the company's target market using various media channels.
- Provide outstanding service to customers in order to get repeat visits and referrals. Baak will achieve this through providing superior services throughout the Baak experience, including feedback response.
- Aggressive promotion of Baak brand luxury tour services, in particular, small group travel through Baak Tours which will be promoted as " the ultimate luxury travel in small groups".

Value Proposition

Baak Tours bases its value proposition from the personal knowledge and love for travel among its entrepreneurs. They have the confidence in their ability to meet customers' needs because they share the enthusiasm of the customers for the travel experience they offer. Their ability and confidence translates into customer satisfaction, which together contributes to long-term trusting relationship.

Competitive Edge

The company's competitive edge focuses on experience, passion, and offering superior tour services. Baak Tours offers a differentiated offering featuring creative commitment and management.

Sales Strategy

Baak Tours plans to sell the benefits of the services it provides and the luxury tours it offers. The product and service offerings will include

arrangements they can foresee and many they would have not contemplated. The company's concern is not on maximizing profits but to ensure customer satisfaction. We believe that doing so will reduce costs in the long-run and increase profits. Evidently, it is less expensive to build and maintain a relationship than initiate a new one. Baak Tour believes in the value of service they provide and confident that they can meet the desires of seasoned traveler as well as newcomers.

Sales Programs

Baak's sales programs will include customer service awards for best performing employees and sales awards for the highest grossing sales representative. The company will closely relate its online sale, telephone sales, on-site sales, off-site sales, and third-party sales with marketing programs. In addition, Baak Tours will evaluate and clearly describe all aspects of the sales process, including cold-calling, training, productivity, leads, measurements and attainments of goals.

Marketing Strategy

Baak Tours believes in the theory that the goal of the business is to create and maintain customers. The marketing strategy of the company will reflect this goal as it strives to build national and international reputation.

Marketing Programs

Direct methods that the company will use include:

- Direct mail: newsletters and brochures.
- Advertising: these include items, specifically; cotton T-shirts printed with Baak Tours Journeys, to be given to Baak Tours employees and customers.

- E-Mail Mailings: follow-up mailings to clients with updated information and special offers.

- Sampling: Offering occasional discounts to repeat clients

Baak Tours will also use networking activities such as participating in conferences, public relations will be explored. The company will engage in a variety of charitable organizations in promotion and sale of airport transfers and car hire. The company will also join networking organizations in the industry.

Customer-based marketing may include:

- Add-on sales facilitated by links to our site.

- Induce repeat sales by clients who have enjoyed company's tours.

- Strategic partnerships including distribution agreements, cooperative advertisement, and bundling.

- Promotions and special offers that may include increased commission offer to travel agents and Baak's salespeople for seasonal promotions.

Position Statement

Our services and products are directed at individuals, civic groups, corporations, and non-governmental organizations who wish to pursue luxury travel, and travel agents interested in selling luxury tours to the market.

Pricing Strategy

The company's pricing is determined by market demand and seasonality. It will attempt to maintain slightly higher margins for its services. Baak Tours will adopt a pricing policy that will maintain its prices slightly lower than the price of other luxury tours for the first two years. However, as the company

builds its reputation as a luxury tour operator, it will have the ability to increase its prices to match the rates of other luxury tour companies.

Organization Plan

Human resource will constitute an essential component of service delivery. Encouraging employees to handle customer well and cultivating an enthusiastic, empowered and capable people interacting with customers will help build a competitive edge over other competitors. Baak Tours will need to conduct job evaluation and remuneration packages against market benchmarks to their agreed, and define tasks to ensure competitiveness. These principles also extend to medical, accident, death, and welfare benefits.

Organizational Structure

The management of Baak Tours will be vested on the working owners/partners. The company intends to adopt a functional organization structure where employees will focus on their primary area of expertise. Despite pursuing this type of organizational structure, we intend to ensure an open communication between all personnel at different levels. With such arrangement in place, it is possible to ensure efficient communication. The structure chosen by our company demonstrate the degree of importance attached to quality customer service.

The company will make changes to its organizational structure as it grows. These will include assigning new responsibilities such as supervisors and departmental managers. When the company reaches its full employee-potential, it will operate just like any other company, but maintain personal

interest in each employee's personal and family affairs. The company acknowledges the importance of successful recruiting, discipline, and motivation procedures. It is therefore important to maintain strong morale, good labor relations and high quality work among employees through team management, personnel management, and training.

Assessment of Risk

The Turkish tourism industry has been growing rapidly over the last few years owing to the increase in numbers of people seeking holiday in the country. We intend to increase our marketing programs in response to increase in market share. The introduction of quality brochures and other sales materials to increase accordingly to enable Baak Tours market to potential customers. We have projected sales to increase gradually, though slightly lower than expected. However, with time, we intend attract a larger share in the minds of customers.

We intend to conduct regular evaluations to our marketing programs throughout the year to ensure we achieve organizational objectives. Our assessment will include the following:

- Market segment focus: Baak Tours intends to ensure consistent quality to maintain segment focus.
- Tracking and follow-up: the company will focus on tracking the results of the business plan and make amendments as required.
- Customer follow-up: the company intends to conduct customer follow-up in order to ensure that their expectations are met.

Financial Plan

Financial will help in ensuring that we meet our objectives. The financial goal is to grow through cash flow and equity. One important aspect will be terms of payment agreed between the client and customer. It is practically difficult to force customers to pay because they are extremely sensitive and can make judgments based on our terms. This makes it important to make payment terms and agreements between both parties. As such, our financial plan will have the following:

- Cash flow as the first priority, followed by growth, and profits last.
- Giving respect to customers' value, and maintaining congenial and healthy workplace.
- Adherence to conservative cash flow, realistic focus, and financial management.

Assumptions

This financial plan is based on the following assumptions:

- A strong economy.
- We assume that there are no unforeseen changes in the country's economic policy that can make our products obsolete or unwanted.

We assume that an average collection period is 60 days, all sales conducted on invoice basis with exception of customers who come to the company directly, and expenses met on a 30 days basis.

Key Financial Indicators

The company will experience slow initial growth in sales, as they penetrate the market, though overhead cost will be relatively high and reducing sales

and revenue collection.

The projected profit and loss is shown in the table below with sales increasing gradually for the three year period. Baak's net profit margin is relatively good for a new business in the industry. We therefore expect the firm to break-even in the first year of operation. We have projected the break-even conservatively by taking into account the cost of sales and gross margin. Conservative projection will help the firm to ensure that it has enough funds.