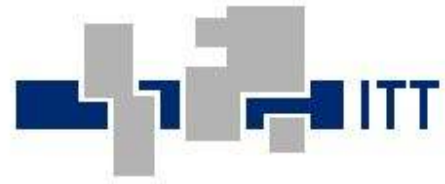




Fachhochschule Köln  
University of Applied Sciences Cologne



# BUSINESS PLAN



*NUSANTARA adventure*

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# NUSANTARA-adventure TRAVEL

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## 1. Executive Summary

### 1.1 Objectives

- Sales of more than 150.000 tickets by 10 years
- Maintain margin of 10% of all airlines
- Achieve margin or (sales) of 8% from partnership with hotel, etc.
- Develop strategic alliances with service providers nationally and internationally.
- Promote Indonesia as a tourism destination
- Become the foremost provider of adventure travel for the people of Cologne. Provide all type of customers desires, fit their budget and skill level.

### 1.2 Keys to Success

- Develop a repeat business base of loyal customer
- Promotion; offering through personal interaction and media
- Working together with Indonesian Ministry of Tourism
- Working together with (e.g. Globetrotter)

## 2. Company Summary

Nusantara-Adventure Travel (NAT) is a full service travel agency for ordinary public needs with primary customer who is interested in outdoor activities and adventure particularly in Indonesia.

NT will position itself as a specialist in the field of adventure travel and will generate the majority of its income from this segment.

### 2.1 Company Ownership

The Gesellschaft mit beschränkter Haftung (GmbH) or Limited Liability Company has become the most common company form in Germany. The foundation procedures is simple and beside that also flexibility on the framework structure. With GmbH, the owners (*Gesellschafter*, also known as members) of the entity are not personally liable for the company's debts.

### 2.2 Start-Up Summary

NAT's total start-up capital requirement is 917.736 EUR. Start-up details are shown in the table below.

Total Investment and Depreciation Cost		
Description	Total Investment	Total Depreciation Cost
Startup	230.330,00 €	3.378,73 €
Furniture	2.570,00 €	257,00 €
Office equipment	3.150,00 €	565,00 €
Financing	681.686,00 €	0,00 €
<b>Total</b>	<b>917.736,00 €</b>	<b>4.200,73 €</b>

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### 2.3 Company Location and Facilities

People will find us in Cologne city centre, at the same building as Globe Trotter. Globe Trotter is the biggest and the best Adventure Equipments Store in Cologne. NAT has a corporation agreement with Globe Trotter, which is a mutual benefit for both sides. We will rent a place in Globe Trotter of 180 m<sup>2</sup>; therefore Globe Trotter is going to be the one and only provider to provide the adventure equipments and classes (e.g. diving and climbing) for the customer.

### 3. Services

NAT provides individual and group travel to leisure and corporate clients. Services and products provided by NAT include travel consultation, pre-arranged tours, custom packages, accommodations reservations for lodging, rental cars, etc.

#### 3.1. Service Description

Full service agency and sells standard travel agency goods, particularly outdoor and adventure. Offering access to better than average activities, accommodations and entertainment.

Adventure Travel:

- Soft Adventure: less physically demanding, more passive than
- Hard Adventure: involve risk and athletic competence

#### 3.2. Competitive Comparison

The travel agency market is competitive, and technology, namely the Internet and Global Distribution System (GDS), has changed the way travel agencies operate. The Internet gives agencies and individuals the ability to perform travel related research. Discount air fare brokers have taken advantage of the Internet by offering tickets on line at discounted rates. This has increased price competition. GDS increased the speed and efficiency of the agency to customer transaction.

Moreover, industry competition and the increased number of travel options available have made it necessary for smaller travel agencies to establish themselves as specialists in one or more types of travel.

NAT has done this by positioning itself as an adventure travel specialist.

#### 3.3 Sales Literature

Brochures for travel locations, entertainment, etc. are obtained from the wholesale houses and service providers with whom NAT deals. Brochures for NAT are handled by a local graphic arts company and are mailed to potential customers upon request. Additional literature such as direct mail, print ads, and sales promotion materials will be utilized as needed.

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### 3.4 Technology

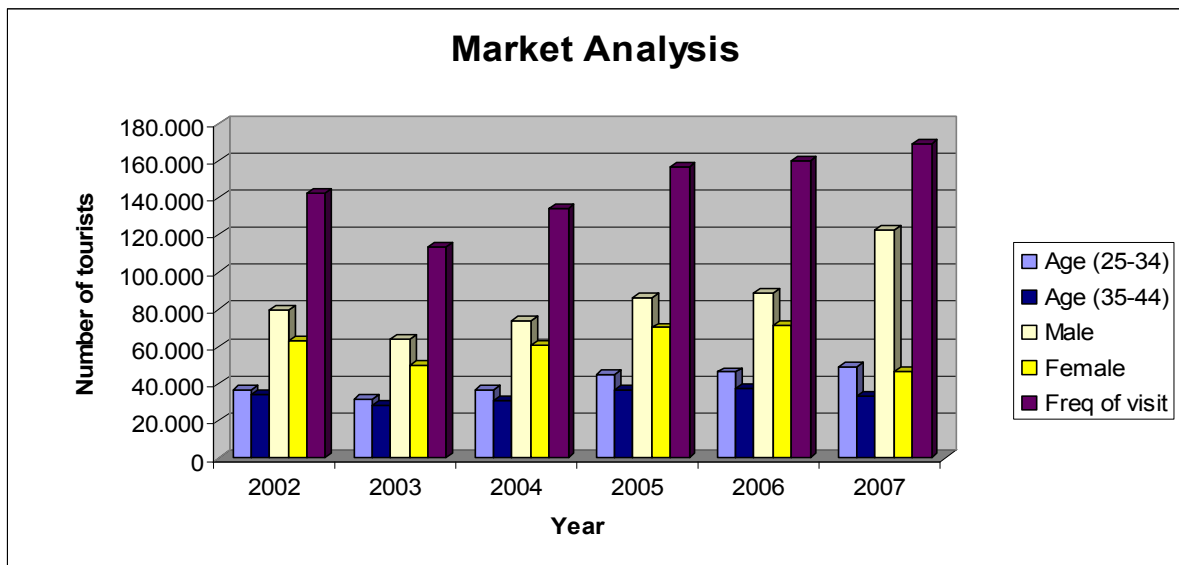
NAT will rely on a GDS for all client reservations. The GDS enables travel agencies to identify what the customer is looking for and make that information available quickly. It also increases the speed and efficiency with which NAT can communicate with suppliers. In addition, the GDS makes customer data storage and retrieval relatively simple. NAT will also make use of the Internet for market research and communications.

### 3.5 Future Service

- Possibility to open agencies at additional locations
- Researching the market to identify potential opportunities for future sales
- Long term goal is to establish itself as an internationally recognized provider of top of the line adventure travel.

## 4. Market Analysis Summary

Adventure travel is a sub-category of leisure travel and can be further broken down into hard and soft adventure travel. The number of tourist from Germany going abroad for leisure increasing from time to time. More than 10 % decided to go to South East Asia and around 3% is visiting Indonesia<sup>1</sup>.



Source: Ministry of Tourism Indonesia

### 4.1 Market Segmentation

Target customers are health-conscious couples and individuals, because for the European having a vacation in Indonesia is more than affordable.

<sup>1</sup> [www.tourismireland.com](http://www.tourismireland.com)

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Adventure travelers are slightly more likely to be men between the ages of 25-44. Men on average spend more than women on their adventure travels. However married couples, with children are still possible.

### 4.2 Target Market Segment Strategy

The natural beauty and abundance of outdoor activities such as climbing, kayaking, whitewater rafting, mountain biking, hiking, diving, surfing and camping attract many fitness oriented individuals. Indonesia has everything mentioned above to offer. NAT will focus on the sale and promotion of adventure travel customer.

#### 4.2.1 Market Needs

Many potential customers are unsure of the location they wish to reach. Part of the value associated with travel agencies is the knowledge they possess about destinations. Customers look to the agency to provide them with sound advice for a competitive price. NAT is confident in its ability to do so. Time is a precious commodity. NAT can save the customer time and money, and help to ensure that they are satisfied with their vacation.

#### 4.2.2 Market Growth

The travel industry in South East Asia is growing. Reasons for this growth include a healthy domestic economy and the devaluation of currency in other regions which has made travel less expensive for German residents. Leisure travel is expected to be 4.1% in 2008 and to average 5.3% per annum over the coming 10 years<sup>2</sup>. Adventure travel, which is growing 10% annually, is one of the fastest growing segments of the travel industry.

### 4.3 Competition

There are many activities and types of travel available to people contemplating an adventure vacation. These substitute products and services are one type of competition. Theme parks and cruises are just a few. Other substitutes include less expensive, self-planned, or trips geared towards more traditional types of vacations. In addition, potential customers do not have to vacation. Instead, they may elect to spend elsewhere, or invest the money they would have otherwise spent on a vacation. Direct competition can come from virtually any agency. Lifestyle, age, and disposable income influence the decision to travel and in which type of travel to participate. Adventure travelers make purchase decisions based upon their desire to combine athletic interests with vacation time.

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<sup>2</sup> [www.wwtc.travel/eng/Tourism\\_Research](http://www.wwtc.travel/eng/Tourism_Research)

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### 4.4 Competitors

There are more than enough Travel Agents which focused their services to South East Asia in Germany, but NAT is the only Travel Agent specialized in outdoor activities and adventure.

## 5. Management Summary

NAT is a small organization and its employees will share in management duties and decision making. It will be important for each member of the team to be capable in all aspects of the business. Therefore the share owners are also become the Managers of NAT. Below is the list of NAT's personnel:

Personnel	Number
Managers	2
Accountant	1
Travel Agents	2
Cleaning Service	1
<b>Total</b>	<b>6</b>

## 6. Financial Plan

### 6.1 Start-up Investment

The details of start-up investment are as follow:

Startup Investment					
Item	Price (€)	Amount (pcs)	Total Investment (€)	Depreciation time (year)	Annual depreciation cost (€/year)
<b>Startup</b>					
3 month rent deposit	3.000,00 €	3	9.000,00 €	0	0
License (IATA)	100.000,00	1	100.000,00		
GDS	10.665,00	1	10.665,00		
- Software	2.347,00	1	2.347,00	3	782
- Booking Engine	1.247,00	1	1.247,00	3	416
- System Link	4.300,00	1	4.300,00	3	1433
- Support Items	1.449,00	1	1.449,00	3	483
- Hardware	1.322,00	1	1.322,00	5	264
Lawyer	100.000,00	1	100.000,00		
<b>Total</b>			<b>230.330,00</b>	<b>Total</b>	<b>3379</b>
<b>Furniture</b>					
Tables	200,00	4	800,00	10	80
Chairs	70,00	11	770,00	10	77
Pantry	1.000,00	1	1.000,00	10	100
<b>Total</b>			<b>2.570,00</b>	<b>Total</b>	<b>257</b>
<b>Office equipment</b>					
Computers (PC)	500,00	3	1.500,00	5	300

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Telephone	100,00	3	300,00	5	60
Printer	300,00	1	300,00	3	100
Fax machine	100,00	1	100,00	10	10
Microwave	100,00	1	100,00	10	10
Coffee machine	50,00	1	50,00	10	5
Refrigerator	350,00	1	350,00	10	35
Lighting equipment	50,00	5	250,00	10	25
Office equipment	200,00	1	200,00	10	20
<b>Total</b>			<b>3.150,00</b>	<b>Total</b>	<b>565</b>
<b>Financing</b>					
Circulating capital (30%)	181.686,00	1	181.686,00		
Unexpected	500.000,00	1	500.000,00		
<b>Total</b>			<b>681.686,00</b>	<b>Total</b>	<b>0</b>

### 6.2 Financing Costs

The NAT's initial investment capital is 917.736 EUR. 40% of this amount is to be shared among the shareholders and the remaining 60% from potential investors or a loan from the bank. The loan has an interest rate of 19% and it has to be paid in 10 years. The repayment per year is 55.064,16 EUR and the total money that will be paid back to the bank is 550.641,60 EUR. The shared capital and repayment details are as follow:

Financial costs	
Total investment cost	917.736,00 €
40% Equity capital	367.094,40 €
60% Credit loan capital	550.641,60 €

Financial year	Balance of debt	Interest rate	Cost of Interest	Installment
1. Year	550.641,60 €	19%		
2. Year	495.577,44 €	19%	104.621,90 €	55.064,16 €
3. Year	440.513,28 €	19%	94.159,71 €	55.064,16 €
4. Year	385.449,12 €	19%	83.697,52 €	55.064,16 €
5. Year	330.384,96 €	19%	73.235,33 €	55.064,16 €
6. Year	275.320,80 €	19%	62.773,14 €	55.064,16 €
7. Year	220.256,64 €	19%	52.310,95 €	55.064,16 €
8. Year	165.192,48 €	19%	41.848,76 €	55.064,16 €
9. Year	110.128,32 €	19%	31.386,57 €	55.064,16 €
10. Year	55.064,16 €	19%	20.924,38 €	55.064,16 €
			10.462,19 €	55.064,16 €
		<b>Total</b>	<b>575.420,47 €</b>	<b>550.641,60 €</b>



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### 6.3 Consumption Costs

The details of consumption costs are as follows:

Consumption costs		
Description	Cost per month	Cost per year
Rent	3.000,00 €	36.000,00 €
Heating	600,00 €	7.200,00 €
Waste	100,00 €	1.200,00 €
Insurance	1.500,00 €	18.000,00 €
Electricity	1.000,00 €	12.000,00 €
GDS	-	1.322,00 €
Marketing	1.000,00 €	12.000,00 €
Internet	60,00 €	720,00 €
Telephone	2.000,00 €	24.000,00 €
Paper, soap, etc	100,00 €	1.200,00 €
<b>Total</b>	<b>9.360,00 €</b>	<b>113.642,00 €</b>

Personnel costs			
Personnel	Number	Salary per month	Salary per year
Manager	2	6.000,00 €	72.000,00 €
Accountant	1	5.000,00 €	60.000,00 €
Travel agent	2	3.000,00 €	36.000,00 €
Cleaning Service	1	400,00 €	4.800,00 €
<b>Total</b>	<b>6</b>	<b>14.400,00 €</b>	<b>172.800,00 €</b>

### 6.4 Revenue

NAT divided the revenue of flight ticket into direct sales and by internet which we believe the number of ticket will increase 10% per year. In addition, we also expect revenue from shared profit of hotels which we divided into five top places, e.g. Bali, Java, Lombok, Sulawesi and Sumatera.. Below are the details of revenue:

Flight Ticket				
Assumption inflation 2,0% per year	Price		Profit 10% from ticket	
	direct sales	by internet	direct sales	by internet
1. Year	800,00 €	785,00 €	80,00 €	78,50 €
2. Year	816,00 €	800,70 €	81,60 €	80,07 €
3. Year	832,32 €	816,71 €	83,23 €	81,67 €
4. Year	848,97 €	833,05 €	84,90 €	83,30 €
5. Year	865,95 €	849,71 €	86,59 €	84,97 €
6. Year	883,26 €	866,70 €	88,33 €	86,67 €
7. Year	900,93 €	884,04 €	90,09 €	88,40 €
8. Year	918,95 €	901,72 €	91,89 €	90,17 €
9. Year	937,33 €	919,75 €	93,73 €	91,98 €
10. Year	956,07 €	938,15 €	95,61 €	93,81 €

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Hotel			
Type of Package	Price	Profit 8%	Percentage of visitors
Bali	400,00 €	32,00 €	35%
Java	250,00 €	20,00 €	20%
Lombok	300,00 €	24,00 €	15%
Sulawesi	370,00 €	29,60 €	10%
Sumatera	300,00 €	24,00 €	5%

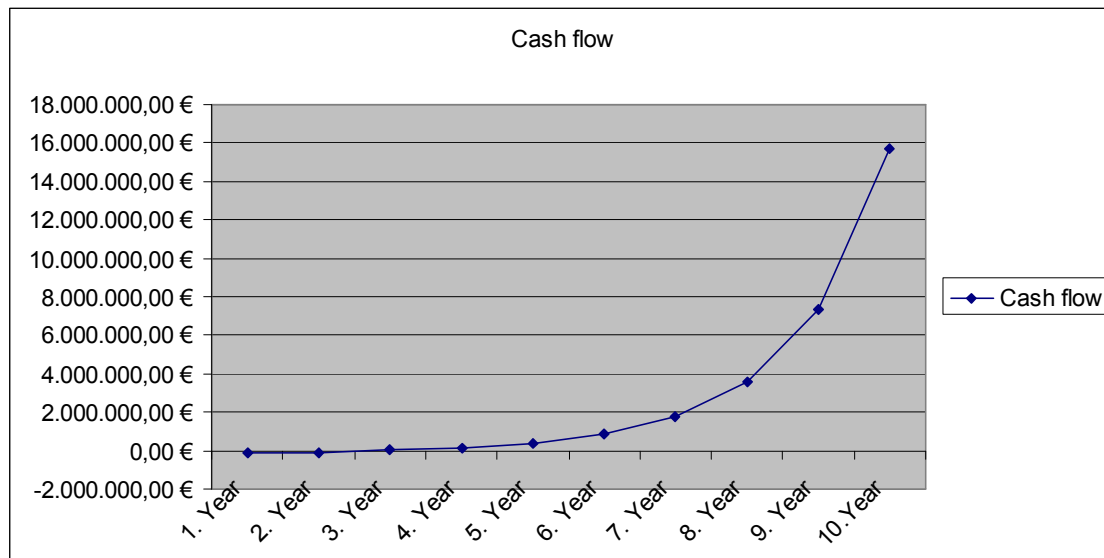
Expected Revenue					
Year	Flight Ticket		Revenue	Hotel Revenue	Total Revenue
	Ticket sales per year				
	direct sales	by internet			
1. Year	1.200	1.440	209.040,00 €	60.614,40 €	269.654,40 €
2. Year	1.440	1.872	267.395,04 €	76.043,52 €	343.438,56 €
3. Year	1.872	2.621	369.854,71 €	103.154,69 €	473.009,40 €
4. Year	2.621	3.931	549.985,05 €	150.433,92 €	700.418,97 €
5. Year	3.931	6.290	874.880,90 €	234.676,92 €	1.109.557,82 €
6. Year	6.290	10.693	1.482.320,59 €	389.924,72 €	1.872.245,31 €
7. Year	10.693	19.247	2.664.872,82 €	687.422,84 €	3.352.295,66 €
8. Year	19.247	36.570	5.066.261,61 €	1.281.552,58 €	6.347.814,19 €
9. Year	36.570	73.139	10.154.764,81 €	2.518.913,70 €	12.673.678,50 €
10. Year	73.139	153.592	21.401.873,81 €	5.205.754,97 €	26.607.628,78 €

### 6.5 Cash Flow

From cash flow below, NAT will make profit on the third year and afterwards NAT will not have any debt by having the maximum capacity. Details cash flow and profitability of share holders is as follow:

Cash Flow Calculation										
Description	1. Year	2. Year	3. Year	4. Year	5. Year	6. Year	7. Year	8. Year	9. Year	10. Year
Turnover	269.654,40 €	343.438,56 €	473.009,40 €	700.418,97 €	1.109.557,82 €	1.872.245,31 €	3.352.295,66 €	6.347.814,19 €	12.673.678,50 €	26.607.628,78 €
Depreciation	4.200,73 €	4.200,73 €	4.200,73 €	4.200,73 €	4.200,73 €	4.200,73 €	4.200,73 €	4.200,73 €	4.200,73 €	4.200,73 €
Consumption costs	113.642,00 €	113.642,00 €	113.642,00 €	113.642,00 €	113.642,00 €	113.642,00 €	113.642,00 €	113.642,00 €	113.642,00 €	113.642,00 €
Personel costs	172.800,00 €	172.800,00 €	172.800,00 €	172.800,00 €	172.800,00 €	172.800,00 €	172.800,00 €	172.800,00 €	172.800,00 €	172.800,00 €
Interest costs	104.621,90 €	94.159,71 €	83.697,52 €	73.235,33 €	62.773,14 €	52.310,95 €	41.848,76 €	31.386,57 €	20.924,38 €	10.462,19 €
Profit without tax	-125.610,24 €	-41.363,89 €	98.669,14 €	336.540,91 €	756.141,94 €	1.529.291,62 €	3.019.804,17 €	6.025.764,89 €	12.362.111,39 €	26.306.623,80 €
Tax	40%	-50.244,08 €	-16.545,55 €	39.467,56 €	134.616,36 €	302.456,78 €	611.716,66 €	1.207.921,67 €	2.410.313,96 €	4.944.844,56 €
Profit after tax	-75.366,14 €	-24.818,33 €	69.201,49 €	201.924,54 €	453.685,17 €	917.574,97 €	1.811.882,50 €	3.616.470,93 €	7.417.206,83 €	15.783.914,32 €
Cash Flow (profit+depreciation)	-71.165,41 €	-20.617,60 €	63.402,22 €	206.125,28 €	457.885,90 €	921.775,71 €	1.816.083,23 €	3.619.671,67 €	7.421.467,57 €	15.798.115,05 €
Installment	55.064,10 €	55.064,16 €	55.064,10 €	55.064,16 €	55.064,10 €	55.064,10 €	55.064,10 €	55.064,10 €	55.064,16 €	55.064,10 €
Dividend	-125.229,57 €	-75.681,76 €	8.338,06 €	-151.061,12 €	-402.821,74 €	866.711,56 €	1.761.019,07 €	3.564.607,51 €	7.366.403,41 €	15.733.050,89 €

## NUSANTARA-adventure TRAVEL



Profitability of Shareholders Capital				
Shareholders Capital	Profit after Tax	Dividend	Return on	Investment
367.094,40 €	-125.610,24 €	-126.229,57 €	-34,39	1. Year
367.094,40 €	-41.363,89 €	-75.681,76 €	-20,62	2. Year
367.094,40 €	98.669,14 €	8.338,06 €	2,27	3. Year
367.094,40 €	336.540,91 €	151.061,12 €	41,15	4. Year
367.094,40 €	756.141,94 €	402.821,74 €	109,73	5. Year
367.094,40 €	1.529.291,62 €	866.711,55 €	236,10	6. Year
367.094,40 €	3.019.804,17 €	1.761.019,07 €	479,72	7. Year
367.094,40 €	6.025.784,89 €	3.564.607,51 €	971,03	8. Year
367.094,40 €	12.362.111,39 €	7.366.403,41 €	2006,68	9. Year
367.094,40 €	26.306.523,86 €	15.733.050,89 €	4285,83	10. Year