



Ajotel

Business Plan

T3181 Entrepreneurship
Prof. Dr. Ulrich Daldrup

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AJOTEL

CONTENTS

Executive Summary	3
Background and motivation.....	5
Company Overview	7
Business idea.....	7
Mission.....	7
Vision.....	7
Ajotel services and product.....	7
Right of ownership.....	10
Market Analysis	12
Market segmentation.....	12
Marketing strategy	14
Competitor analysis	15
Articles of Association.....	18
Type of company and liability	18
Article of association	18
Human Resources	21
Contract of employment	21
Self-employment contract.....	26
Financial plan.....	33
Cost calculation.....	33
Opening balance.....	40
Cash flow analysis	41
Profitability	42
Business Model.....	45
Distribution channels	45
Key partners	46
Value Proposition.....	47
Conclusions.....	48
References.....	49



EXECUTIVE SUMMARY

AJOTEL

Partners

Msc. Itzel Ochoa 33%
Msc. Tania Quintero 33%
Msc. Pedro Chasi 33%

Number of employees 8

Partnerships

- Sustainable Travel International
- German Council for Sustainable Development (RNE)
- Touristik Group.

Description of the business

Ajotel GmbH is a virtual startup company that connects travelers concerned for the environment with responsible eco-friendly accommodations. The company fosters sustainable tourism by connecting a new and growing market using the technology of an internet-driven website and smartphone app.

Management structure

Ajotel is managed by three equal partners/shareholders. The entrepreneurs of Ajotel have sound knowledge and experience on Environmental Sciences and Tourism, which they fully devote to the company.

Financial projections

The first five-year financial projections show that Ajotel is possible and profitable. Starting from year one with a 34% margin of profit and elevating to 138% on the fifth year. The investment capital required does

not exceed the 40,000 euros. And by the fifth year the total capital would have increased to near 187,000 euros inside the company. The business opens targeting 1000 memberships of ecological stays (hotels, hostels, lodges, farms, etc.) in Mexico with the aim to increase 10% of memberships each year, and finally expand to other countries around the world after the fifth year.

Key Activities

The success of the company is driven by the sound, scientific-based indicators that review the ecological performance of each stay; the transparency and constant feedback to the customers, the push for stays to get better in terms of sustainability, and a strong marketing campaign to make sure that every ecological traveler knows the site; until sustainable tourism becomes the rule.

Competitor Analysis



Ajotel compared to the competitors offers a slightly a higher price, however, the price ensures to the customer more services such as an international visibility, consumer outreach with monthly statistical indicators and constant monitoring and advice on sustainability standards, all in one.



BACKGROUND AND MOTIVATION

The idea of starting Ajotel is born from the identification of a global problem that has increased in importance in the last two decades. The problem are the high levels of CO₂ released by the traditional tourism offer. It is estimated that 8% of all global greenhouse gas emissions are caused by tourism, and particularly the hotel industry accounts for around 1% of them (UNFCCC, 2018). Also, according to the European Commission (Styles et al., 2017) hotels discharge around 35 million tons of waste every year. This numbers are expected to increase as the touristic demand continues to grow (UNWTO, 2018).

It is in the interest of all countries to manage and reduce emissions, and to make the tourism sector more sustainable in order to prevent impacts of climate change such as fires, floods, and water shortages, which threaten the tourism industry. In line with the Paris Climate Change Agreement and the Global Sustainable Development Goals, the UN determined that the global accommodation industry must reduce its carbon emissions by 66% by 2030 and 90% by 2050 to stay within the 2°C threshold agreed at COP21 (UNFCCC, 2018). That is why alternative tourism establishments that are ecological and emission-free have received government support to flourish and will continue to be rewarded. Sustainable tourism “attempts to make a low impact on the environment and local culture, while helping to generate income, employment, and the conservation of local ecosystems. Responsible tourism is both ecologically and culturally sensitive.” (Eco India, 2009). This new sector with public support to green tourism accommodation suppliers has opened a large area of opportunity for our business.

Our business connects not only with the green accommodation supply, but with the demand. With the released alarming numbers and several current environmental awareness campaigns, more and more people decide to shift every day to choosing the most ecological option in every sector of consumption, from the food they buy to the way they travel (Andorfer, 2013). The benefits are significant: it is estimated that tourists who choose an eco-friendly accommodation reduce CO₂ emissions up to 8 kg per person per night, which is also the equivalent of 295 saved trees (Ecobnb.com, 2019).

Ajotel’s opportunity area and contribution is precisely the way of bridging the eco-friendly accommodation suppliers, with the consumers looking to stay in eco-friendly accommodations. It might sound simple, but this gap still exists, and filling it, is both economically viable and profitable. Thus, Ajotel takes into



consideration the benefits of the three pillars of sustainable tourism as shown in figure 1. The aim of this business plan is to explain how.

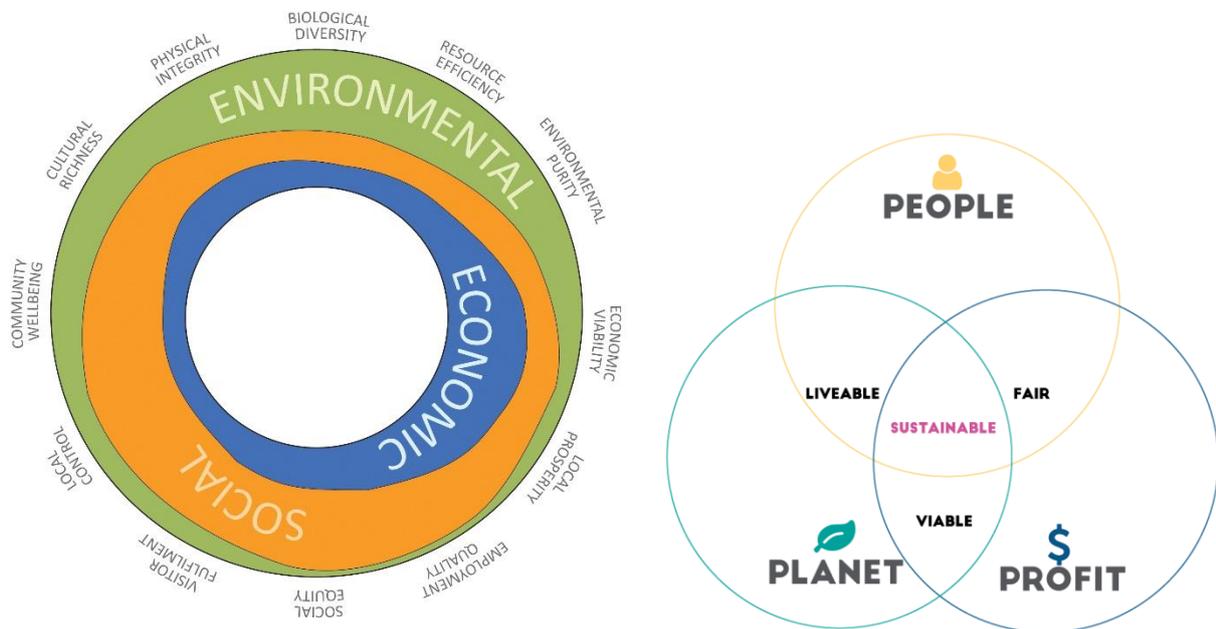


Figure 1. Benefits of sustainable tourism. Source: The Travel Foundation UK, 2013.



COMPANY OVERVIEW

Business idea

The idea of Ajotel began in 2019 with the aim of creating an Eco-friendly online search engine in form of a website and smartphone application for travelers searching environmentally-friendly stays.

Mission

Our mission is to help adventurers to reduce their ecological footprint while traveling and to give presence to sustainable hosting alternatives. We do so by nurturing a network capable of providing the best eco-friendly alternatives to stay while traveling.

Vision

We want to change the way of traveling by supporting a different kind of tourism: one that respects nature, local communities, and is still profitable. Starting from the accommodation sector in Mexico, we aim to operate globally within the next ten years.

Ajotel services and product

Our product is mainly intangible; it is a service we provide to connect a specific market's (green accommodation) supply and demand. The product belongs to the software category of online search engines. It is both a web page and a smartphone app (both contain same information, only the format is different).

Our search engine, based on the travelers' needs, drives customers to the most relevant green accommodation for them. It works as follows:

1. The customer opens our web link on their preferred internet searcher. www.ajotel.com
2. The customer is presented a simple search bar, like the one shown in figure 2.



Figure 2. A glimpse on our product's looks. Source: Ecobnb, 2019.

3. The customer fills in the options. The website will also display a list with the specific environmental and social sustainability features that are more relevant for the consumer. For example, car-free accessibility, organic food production, etc.

4. The best fit options appear to the consumer with pictures, a complete summary of the sustainability advantages of the accommodation they are seeing, and several links regarding sustainable initiatives and activities around the accommodation. The price will also be displayed, as well as the payment and booking options.

Now, the product offered to the suppliers—the green accommodations—will look a little different. They will be given a username and a password. As other platforms like Netflix or Spotify do. They will be able to see the bookings and visits made to their place offers, make profile changes and adjust features and updates regarding their accommodations. All the changes made will be approved by one person of our team, the hotel evaluator. This worker will also visit the accommodations featured regularly to elaborate complete sustainability reports and progress according to the performance indicators. Some of the indicators we will review and enhance for sustainable tourism and the sustainable accommodations featured are:

- Use of renewable energy
- Selling organic or local food



- Car-free accessible
- Use of ecological cleaning products
- Waste recycling and composting
- Green building (annual energy consumption is less than 60 Kwh/mq; uses materials from local sources)
- Uses energy saving lights
- Solar thermal panels for hot water
- Water flow reducers
- Recovery and reuse of rainwater
- Bicycle rental service
- Regional food (sources indicated on menus)
- Environmental-friendly furniture (tested for harmful substances; built stable and safely, repair friendly through long-term available spare parts; built with wood from sustainable forestry as well as recyclable).
- Biodiversity of green areas (preferring native species, or plants that arise naturally in the environment)
- No single dose products (refillable containers yes)
- No disposable packaging (buys fresh unpackaged products)
- Uses and sells fair trade products
- Supports the local economy
- Automatic lighting controls
- Towel change on request
- Uses recycled paper (toilet paper, printing paper, paper for advertising material)
- Water-saving toilets (less than 4.5 liters per flush)
- Appliances in energy label class A
- Natural conditioning or class A conditioning
- High efficiency boiler >90%
- Promoting eco-activities (walking, hiking, horseback riding, bike tours, visits to local organic farms, cooking classes, educational programmes)
- Guest satisfaction
- Ecolabels and other environmental certifications



Ajotel will also offer full support, both for questions of consumers and suppliers. This will be done in two ways and the person is free to decide which one to use: first, with a private mailbox option that is sent to our account management team; second, through a public space or forum, which increases transparency and community-sense.

Right of ownership

When starting a virtual company one must make sure to own and protect not only the name and the logo of the startup, but the functionality, appearance, and usability of the app and website created. The regulations in the USA allow cyber co-inventors to patent apps for 20 years. “User interfaces, the configuration of workspaces, visual effects, and even the app’s icon are protectable under design patent law as ornamental novelties” (Bold Patents, 2018). An invention is new if it does not form part of the state of the art. The state of the art comprises all knowledge made available to the public by every conceivable means, anywhere in the world, before filing the application. This includes technical literature as well as lectures and, in particular, all published patent applications and utility models (DPMA, 2019).

However, in Germany, the Federal Supreme Court (BGH) clarifies in its jurisdiction that the patent right serves to protect and to benefit new and industrial applicable solutions on the field of engineering. A patent therefore is only possible if the software solves a concrete technical problem. In this case the underlying procedure which can be implemented in the computer program can be patented. The jurisdiction relating to conventional computer programs cannot be transferred to modern apps. The precondition is that the app does not only include an innovational function but it has to solve a certain technical problem.

For Ajotel the app might not be patentable, we would need to approach the German Patent and Trade Mark Office (DPMA) to be consulted on the specific case. However, filing a patent could take up to one year. For this purpose, we will hire an IT-lawyer, who will be in charge of the respective submissions.

The general documents needed to submit a patent application are:

1. Oath/Declaration
2. Information Disclosure Statement
3. Cover Sheet
4. Abstract
5. Specification and technical description of the invention (including a list of reference signs, if needed)
6. Patent Claims



7. Drawings
8. Patent Cooperation Treaty (for International Filings)
9. Fee Sheet
10. Entity Status Form
11. Application Data Sheet

In case the patent cannot be pursued, Ajotel would require a copyright, trademark or design right. The trademark right offers the possibility to protect the name of the app and also the logo. The app name can be registered by the developer as so called word mark, the logo as word-figurative mark. If a worldwide protection is requested, the application takes place at the World Intellectual Property Organization.



MARKET ANALYSIS

According to World Tourism Organization, international tourist arrivals grew 7.0% in 2017, the highest increase since the 2009. A total of 1,236 million international tourist arrivals were recorded in destinations around the world, some 86 million more in 2016 (UNWTO, 2018). Also, as stated by ITW Working Paper Series 2011, the 15.1% of all European travelers are interested in staying on environmentally-friendly lodgings when traveling. Based on a comparison between the total number of accommodations available on Bookng.com in Italy (25,000 at the end of 2012) and the number of these accommodations that were eco-friendly (1500), the green accommodations represent the 6% of the total Booking.com market and they don't even have a special way of presenting them.

Ajotel believes that accommodation providers who already invested in the green switch need to be especially considered and supported. Thus, Ajotel want to help them catch rapidly the proper segment of this market's consumers. They need a stable and efficient platform for doing it.

Market segmentation

The diversity of types of travelers is increasing, particularly the increase in travelers interested not only in having a unique and personalized experience, but booking 'green' eco-friendly accommodations. "According to booking.com, 87% of the people they interviewed indicate that they want to travel sustainably" (Booking, 2018). For the segmentation of the market, Ajotel has focused on the final consumer and not on the suppliers for this analysis. Ajotel has identified the potential market based on shared characteristics such as common needs and common interest. We have taken into account a certain criteria for segmentation such as: Demographic, Geographic, Behavioral or Product-Related Factors.

Segmentation criteria	Variables	Description
Demographic Segmentation (Martin, 2011).	This type of segment takes into consideration factors such as: age, gender, income, marital status, family size, religion,	The potential market is based on two types of travelers: 1. Young people who are usually more linked to the use of online reservations, this young traveler is still willing to invest their money to travel before taking family responsibilities.



	<p>nationality and among others.</p>	<p>2. Retired people from their work, have a good economic income and with the time to be able to make this type of trips. Likewise, children play an important role in relation to family trips.</p> <p>In recent years it has been seen a balance of travelers in relation to gender, over the age of sixty women outnumber men due to their longer life expectancy (WTO. Market Intelligence and Promotion Section, 2001)</p>
<p>Geographic Segmentation (Dolnicar, Leisch and Vienna, 2004).</p>	<p>For this segment we considered variables such as climate, population density and others.</p>	<p>Many experts in the tourism industry think youth travel is the fastest growing market segment. The World Tourism Organization estimates that in the near future youth travel will tote up 25% of the worldwide tourism market (G., Wilson, 2003).</p> <p>In relation to the above, we have identified that in many parts of the world the climate is an important determinant to increase the motivation to travel. Tourism can be seen as very seasonal for travelers looking to escape the winter season, for example, towards a beach destination.</p>
<p>Psychographic Segmentation (Camilleri, 2018).</p>	<p>The variables for this type of segmentation are more related to the behavior of the individual.</p>	<p>The traveler has a degree of interest in using a more sustainable accommodation connected with the conviction that she will find on this trip a facility that meets her expectations, and simultaneously, will take into consideration the ability of the traveler to invest in that service. These factors</p>



		will determine the individual's decision of whether or not to reserve for the accommodation services we are offering.
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Marketing strategy

As part of our Marketing strategy we will use web-based channels, this includes email, social media, display and advertising. Inspired by our objectives, we believe in the benefits of Online Marketing, it is important to mention that, by using these digital media to attract and convert our visitors to our future clients, as a company we are optimizing our costs. In addition, with the use of these channels for marketing we are gaining the ability to measure their impact. With this we can determine which of the channels used are the most effective (PAWAR, 2014). There are a number of tools that can be used to carry out the online marketing program. Ajotel intends to use the next ones.

- Email marketing.

Email marketing is one of the most powerful strategies for any business. In addition, giving a personalized service helps to have greater segmentation power. In order to integrate the email marketing with the other data systems, we will use HubSpot's software. Which has low cost access. Combining the different databases available. For example, through alliances strategies established with green travel agencies, we will be able to obtain a database for clear segmentation, which will allow us to target the right audience with the right message. It should also be mentioned that, as an incentive it is possible to integrate a strategy that encourages customers to enter their email addresses and refer friends to receive discounts up to 10 euros for every referral (Hubspot, 2016).

- Influencer marketing.

Ajotel is aware that we cannot directly connect with the client in the way that an influencer can achieve it. An influencer can target audiences in different forms and numbers, for this reason the WebFX platform can help us leverage the power of an influencer network at a low cost. Simultaneously, we have identified our type of influencer according to the requirements of our market. It is also important for this to establish the content indicated to work with these influencers. Now to work on advertising campaigns we propose discount code and affiliate marketing. For example, our influencer during the broadcast of his podcast will have to provide in thirty seconds or one minute a spot about his partnership with our company. As a reward, influencers can



provide codes with discounts to their followers, with these codes users can have discounts on accommodations made on our platform (Content Marketing Institute, 2012).

- Social media marketing

Social media in marketing uses people's platforms to create relationships in order to satisfy their needs. These platforms help businesses to spread a positive word of mouth for themselves and their goods so that customers' needs could be addressed effectively. Aware of the above, we have identified the importance of developing pages and creating accounts on social platforms such as Facebook, Twitter, Instagram, etc. They keep updating with the latest information, latest offers, service information we offer, and others. Our company will create promotions and other variety of events in order to involve the audience more. In addition, this type of activities will attract the attention of potential customers (Nadda and Dadwal, 2015).

Competitor Analysis

Ajotel services will compete indirectly in the market with existing platforms for tourism accommodations for instance Trivago or Booking.com, and other innovative companies with eco-friendly accommodations. The following section will describe the current platforms with similar services as Ajotel and define how Ajotel compares to similar start-ups in the market by analyzing some criteria such as price, place, customer service, indicator of sustainability.



AJOTEL

Competitor analysis



Competitors

- / Ecobnb
- / Rusticae
- / Greenpearls
- / Bio hotels

Analysis Criteria

	Ajotel	1.Ecobnb	2. Rusticae	3.Greenpearls	4.Bio hotels
Market 	Worldwide	Mainly Italy	Spain	Asia and EU	Germany, Austria, Greece, Italy, Slovenia
Price 	Monthly 30 euros	Monthly Basic: Free Pro :12.50 euros Plus : 29 euros	NA (Not available)	It is variable. It depends on the characteristics and partnership with the company.	NA (Not available)
Customer Service 	Responsive in two ways: personal private inbox or public question and comment forum.	Fast and easy to contact the company. Direct contact details of the Customer service team.	Long process to contact the company. No direct contact.	Long process to contact the company. No direct contact.	Easy access to contact the company. Direct contact details of the Customer service team.
Sustainable scheme 	Several rigorous and context adapted.	Defined and concrete. Renewable energy, organic or local Food, car free accessibility, ecological cleaning products, waste recycling, green building, energy saving lights, flow reducers, recovery & reuse of rainwater.	Not defined.	Defined, diversified. Management plan, architecture, environment, water consumption, energy, waste management, economics, Food, Guidelines, Employee, Social projects, Cultural commitments, communication.	Defined & concrete. Audit system. Organic standards for food, cosmetics & energy consumption

Source:
 1.(Ecobnb, 2019)
 2. (Rusticae, 2019)
 3. (Greenpearls, 2019)
 4. (Biohotels, 2019)



The above figure shows that Ajotel offers a higher price compared to the competitors, however, the membership offered by Ajotel ensures to the customer an international visibility, consumer outreach with monthly statistical indicators and constant monitoring and advice on sustainability standards, all in one. Regarding the customer service, Ajotel is in advantage because it seeks relationships in a long term. Ajotel not only offers a direct contact with its customer support team but the customer can reach help at any time when they have any question, complain or doubt. Also it provides a forum where ideas can be exchanged between all the stakeholders involve (customers and hotels). Competitors in this area do not offer any forum where ideas can be exchanged or a place where the customer can be heard.

In addition, competitors offered more variety of ecological accommodations in Europe, especially in Germany and Austria. But they have a lack of variety of ecological accommodations when it comes to America, Africa, Asia and Australia, where there are many places in high demand by the market. Ajotel in this aspect has a high potential to be introduced in the market because it starts with a great offer of ecological accommodations in Mexico which is one of the 10 most visited countries in the world.

Finally, Ajotel offers a sustainability monitoring scheme based on the evaluation of the hotel's conditions. For Ajotel it is very important to adapt the whole to the sustainability conditions of the hotel, so that no one is disadvantaged. The scheme allows to be more rigorous since the supervision of the sustainability standards works in the same way as a voluntary environmental certification, transparent, independent of the interests of the corporation and reliable.



ARTICLES OF ASSOCIATION

Type of company and liability

Ajotel is conceived as a Gesellschaft mit beschränkter Haftung (GmbH-Private limited company). The GmbH is popular for entrepreneurs and corporate groups and can be more easily upgraded to an Aktiengesellschaft (AG-public Corporation). The GmbH combines the basic structure of partnership law with benefits of limited liability (Lenhardt, 1996). The GmbH has not only proven its value domestically, but also become Germany most appreciated legal export (Leyendecker LL.M. (NYU), 2008). The advantage of GmbH is chance of protect our private assets while projecting a public image of legitimacy to the customers and business partners. Additionally, registering the business as a GmbH gives us the possibility to establish the company as a separate legal entity and the opportunity to appoint a third-party manager (MÜLLER, 2006).

Article of association

HANDELSREGISTER B DES AMTSGERICHTS KÖLN	Abteilung B Wiedergabe des aktuellen Registerinhalts Abruf vom 17.01.2020 18:38	Nummer der Firma: HRB 4957
-Ausdruck-	Seite 1 von 2	

1. Anzahl der bisherigen Eintragungen:

3

2. a) Firma:

Ajotel GmbH

b) Sitz, Niederlassung, Zweigniederlassungen:

Köln



c) Gegenstand des Unternehmens:

Verkauf und Verwaltung von Beteiligungen insbesondere an anderen Unternehmen der Unterkunft Reservierungsbereich, verwalten ihre eigenen Vermögenswerte und machen sie alle verwandtes Geschäft

3. Grund- oder Stammkapital:

5.000,00 EUR

4. a) Allgemeine Vertretungsregelung:

Die Gesellschaft hat zumindest drei Geschäftsführer.

Die Gesellschaft wird durch drei Geschäftsführer oder durch einen Geschäftsführer gemeinschaftlich mit einem Prokuristen vertreten.

b) Vorstand, Leitungsorgan, geschäftsführende Direktoren, persönlich haftender Gesellschafter,

Geschäftsführer, Vertretungsberechtigte und besondere Vertretungsbefugnis: Geschäftsführer: Tania, Berenice, Quintero, *28.11.1994

Geschäftsführer: Pedro, Sebastian, Chasi, Tinoco, *20.12.1992 Geschäftsführer. Itzel, Yolotzin, Ochoa, Juarez, *23.08.1993

Handelsregister B des Amtsgerichts Köln	Abteilung B Wiedergabe des aktuellen Registerinhalts Abruf vom 17.01.2020 18:38	Nummer der Firma: HRB 4957
-Ausdruck-	Seite 2 von 2	..

5. Prokura:

Gesamtprokura gemeinsam mit einem Geschäftsführer oder einem anderen Prokuristen: Tania, Berenice, Quintero, *28.11.1994

Pedro, Sebastian, Chasi, Tinoco, *20.12.1992

Itzel, Yolotzin, Ochoa, Juarez, *23.08.1993

6. a) Rechtsform, Beginn, Satzung oder Gesellschaftsvertrag:



Gesellschaft mit beschränkter Haftung Gesellschaftsvertrag vom 23.12.2019
Zuletzt geändert durch Beschluss vom 17.01.2020 7. a) Tag der letzten Eintragung:
14.01.2020



HUMAN RESOURCES

CONTRACT OF EMPLOYMENT

This is an example of one type of contract we will offer. On this case the contract is for the position of App Developer and Programmer.

This agreement is made on:

07.01.2020

Between

Ajotel GmbH., Köln, Germany as employer,

and

Herrn Pedro Sebastian Chasi Tinoco, Köln, Germany as employee.

1 Position, Commencement Date and Place of Work

1. The employee is to be employed as **App developer and programmer** with effect as of **January 13, 2020**. Place of Work is the registered office of the company.

2 Working Hours

2.1 The Employee's **regular weekly** working time amounts to **40 hours**. The daily working hours are scheduled in accordance with company policy with special consideration being given to operational requirements.

2.2 If necessary, the Employee will work hours in excess of the contractual working hours within the permitted statutory thresholds.



3 Remuneration

3.1 The Employee receives an annual gross base salary of **30,000 EUR**, payable in equal monthly installments at the end of each calendar month.

Work performed over and above the contractual regular working hours (including any work on Sundays or public holidays as well as night-work) is deemed remunerated by the base salary.

3.2 During the probation period that is defined in chapter 8.1., the salary will be gross **2500 EUR** on a monthly base. After this probation period the base salary that is defined in chapter 3.1. takes place.

3.3 All payments to the Employee are made by bank transfer into an account to be nominated by the Employee with a bank based in Germany.

4 Holiday

4.1 The Employee is entitled to **26 working** days paid holiday in each calendar year.

5 Absenteeism

5.1 The Employee will immediately notify the Company of any absenteeism and the likely duration thereof. Upon request, the Employee is to inform the Company of the reasons for his absence.

5.2 The statutory rules on continued payment of remuneration apply.

6 Secrecy

6.1 During the employment and after it has terminated, the Employee will not disclose to any third party any of the business affairs not generally known.

6.2 Any kind of business records, including personal notes concerning business affairs and activities must only be used for business purposes. They are to be carefully retained and handed over at any time



to the Company at its request and upon the termination of the employment in the absence of such request. The Employee has no rights of retention.

7 Other Activities or Interests

7.1 The acceptance of other remunerated positions, the membership of boards of other companies, the acceptance of honorary positions in economic associations or of public offices as well as the participation in other companies requires the prior consent of the Company if it affects the Company's interests.

7.2 Furthermore, the Employee is to notify the Company of each and every other activity or participation with the exception of minor investments for private asset management purposes.

8 Term and Termination of Employment, Garden Leave

8.1 The **contract of employment is concluded after 12 months of the starting date of the contract. During the first two months**, a termination notice period of 4 weeks to the end of the month (probationary period) shall apply for both parties. After the probationary period, the termination notice period for both parties is 3 months to the end of a month. Any statutory or other prolongation of the notice period to be complied with by the Company also applies when the Employee gives notice of termination

8.2 The employment terminates without notice of termination at the latest upon expiry of the month in which the Employee is entitled to the statutory regular age pension (at present, upon completion of 67 years of age). It terminates before that date upon expiry of the month in which the Employee begins receiving a statutory age pension. If a statutory pension provider determines that the Employee is entitled to a pension based on complete inability to engage in gainful activities, then the employment terminates upon the expiry of the day prior to the commencement of the pension payments. If the pension based on complete inability to engage in gainful activities will be accorded only for a temporary period, the employment will suspend as of the expiry of the day preceding the commencement of the pension payments until expiry of the day until which the temporary pension is authorised, but no later than until expiry of the day on which the employment terminates.

8.3 The Company may at any time temporarily release the Employee from his work duties. Following notice of termination, the Company may release the Employee from his work duties up until expiry of the notice period. The Employee's remuneration claims remain unaffected by such release to the extent that nothing is agreed differently in writing.



10 Collecting, Processing and Using Personal Data

10.1 The Employee authorises the Company to collect, process and use his personal data for the purpose of establishing, performing and terminating the employment. Personal data are in particular first names and surnames, academic titles, date and place of birth, nationalities, family status and number of dependants, income tax-relevant information (such as income tax class and religious denomination), private and professional addresses, position and status with the Company, working time, remuneration and remuneration components, school, academic and professional qualifications, professional admissions, membership in professional associations, type and duration of residence and work permits, notice periods and facts justifying special protection against dismissal (such as severe disability), bank details as well as performances and performance evaluations.

10.2 The Employee authorises the Company to transfer personal data to third parties belonging to the Company's group of companies within the limits of the purpose of the employment. The transfer is made within the limits of the purpose of the employment if it is made for the purposes of evaluating and analysing performance within the group, granting remuneration components or employee participations in the group, producing employee statistics in the group, making personnel plans in the group including establishing a group of possible future management and „high potentials“ individuals or for the purposes of personnel management for the group, including processing on behalf of controllers, or in the context of a sale of a company or business to possible purchasers.

10.3 The transmission of personal data to a foreign country is permitted if a reasonable level of data protection is guaranteed at the recipient.

10.4 The third party may only record, use and transmit the transferred data to other parties within the limits of the purpose of the employment.

10.5 Other rights of the Company to collect, process and use personal data remain unaffected.

11 Granting and Transfer of Rights

11.1 The Employee grants to the Company an exclusive right of use which is unlimited in terms of time and location, for any and all work results which are generated within the scope of his activities for the Company, each respectively as of the time of the creation of the right and already now transfers to the



Company the ownership to any and all work results, in particular the object and source codes as of the point in time of their creation and in their respective processing condition.

11.2 The granting of the rights to the work results is completely covered by the remuneration pursuant to section 3, i.e., also for the time after termination of the employment relationship

12 Miscellaneous

12.1 This Agreement embodies the entire employment and service relation between the parties. There are no ancillary agreements. Any amendments or additions to this Agreement must be in writing in order to be legally effective.

12.2 All prior employment and service agreements, if any, between the Company or Group companies and the Employee terminates upon the Commencement Date. The Employee will not assert any rights or claims out of such agreements for the time after the Commencement Date.

12.3 Should any provision of this Agreement be or become in total or in part ineffective, the effectiveness of the other provisions are not affected thereby.

12.4 The employment is governed by German law.

12.5 The German version of this Agreement is controlling.

AS WITNESS the hands of the Parties hereto or their duly authorized representatives the day and year first above written.

On behalf of the Company: **Ajotel GmbH.**

Arbeitnehmer / Employee: **Herrn Pedro Sebastian Chasi Tinoco.**

Ort / Place: **Köln, Germany**

Datum / Date: **07.01.2020**

Signed by Tania Quintero
for and on behalf Ajotel GmbH.

Signed by Pedro Sebastian Chasi Tinoco
For and on behalf the employee



Employee Data Protection Declaration

I have read and understood the provision contained in clause 11 of this contract relating to the collection, processing and use of personal data. I hereby express my agreement to this provision.

Self-employment Contract

CONTRACT OF EMPLOYMENT ACCOUNTANT

This agreement is made on:

07.01.2020

Between

Ajotel GmbH., Köln, Germany as employer,

and

Accounting Services Firm, Köln, Germany as subcontractor.

1 Engagement of Sub-contractor, Commencement Date

1.1 The employer hereby engages the sub-Contractor for a period of **12 months** to provide the service of **Accounting** with effect as of **January 13, 2020**.

The period should preferably be linked to the completion of a task but if a time-based engagement is unavoidable the period should not exceed 12 months. Ideally the services should refer to a task and not a role.

(“The services”), in accordance with the terms and conditions hereinafter appearing.

1.2 This appointment is mutually non-exclusive and the Sub-Contractor shall be entitled, at his own expense, to substitute or to employ some other worker, having the requisite skills and who is acceptable to **the employer**, to perform the services. The Sub-Contractor shall in any event always provide such a substitute where the provision of the services is unduly delayed by absence due to incapacity, or for any



other reason upon notification by a duly authorized representative of **the employer** that the delay occasioned is unacceptable.

It is important the Sub-Contractor is free to choose whether or not to undertake the services personally. The ability to supply a substitute worker is vital to maintaining self-employed status. It matters not whether the Sub-Contractor actually exercises this right providing it is real possibility.

1.3 It is understood and agreed that Sub-Contractor's activities and those of his substitutes or employees are at all times under Sub-Contractor's exclusive direction and control.

1.4 Sub-Contractor is responsible for the quality of the work undertaken and shall ensure that the services are performed with all reasonable care and without limitation is wholly responsible for ensuring that anyone authorised by him to perform all or any part of the services shall also do so competently and with reasonable care.

1.5 Sub-Contractors shall be responsible for organising how and in what order the work is done, and shall liaise with The Company's on-site representative to ensure that due account is taken of the impact of the timing of the work to be performed upon the activities of The Company and any other Sub-Contractors also engaged by the Company.

The company should not be able to exercise control over the Sub-Contractor such that he can be told where, how and when to work. He should be given a task and left alone to organise it as he sees fit.

1.6 The Sub-Contractor shall be responsible for rectification of any unsatisfactory work at his own expense.

This demonstrates the Sub-Contractor bears personal financial risk, which is a classic feature of self-employment.

1.7 The grant/acceptance of this appointment does not create any mutual obligations on the part of the Company or the Sub-Contractor to offer/accept any further appointment and no continuing relationship shall hereby be created or implied.

2. Provision of equipment and health insurance



2.1 It is understood and agreed that Sub-Contractor shall be responsible for the provision of all Tools, or any equipment needed to perform the services.

Typically employees only provide small tools – the need to hire plant reinforces self-employed status.

2.2 Sub-Contractor is responsible for the provision of safety equipment, and health insurance cover for himself and anyone authorized by him to perform all or any part of the services.

This reinforces self-employed status as an employee is provided by Statute with a wide-ranging degree of health and safety protection.

3. Status of the sub-contractor

3.1 The Sub-Contractor's relation to The Company is that of an independent contractor and shall have the status of a **self-employed person** and shall be responsible for all Income Tax and National Insurance or similar taxes or contributions in respect of the consideration payable hereunder and the Sub-Contractor hereby indemnifies the Company in respect of any claims that may be made by the relevant authorities against the Company in respect of Income Tax or National Insurance or similar taxes or contributions, including interest and penalties, relating to the services of the Sub-Contractor hereunder.

3.2 The Sub-Contractor agrees to be responsible for his expenses and Value Added Tax.

3.3 Nothing in this agreement shall be deemed to create any partnerships, joint venture or employment relationships between the parties.

4. Remuneration

4.1 The agreed remuneration for the provision of the services is 2,500 €, payable monthly following submission of an invoice.

Ideally the remuneration should be based upon completion of a task or in some way geared to performance, rather than an hourly rate and in no circumstances should weekly wage or similar earnings be involved. Obviously the 'price' should reflect the additional costs now borne by the sub-contractor personally (e.g. viatics). Also, there should absolutely be no entitlement to overtime, sick pay or holiday pay.



4.2 All payments made under this Agreement are expressed exclusive of any Value Added Tax chargeable thereon.

4.3 No further payment will be made to the Sub-Contractor for the services over and above the entitlement contained in this clause and without limitation no payment will be made to the Sub-Contractor in respect of any expenses incurred by the Sub-Contractor in performing the services.

5. Term and Termination of Employment.

5.1 This agreement is terminable at any time by the Company or by the Sub-Contractor without notice and without giving any reason for such termination. Without prejudice to the generality of that provision, this Agreement shall terminate, notwithstanding any other rights and remedies the parties may have, in the following circumstances:

- If either party fails to comply with the terms and obligation of this Agreement and such failure, if capable of remedy, is not remedied within fourteen days of written notice of such failure from the other party;
- If the Sub-Contractor goes into bankruptcy or liquidation either voluntary or compulsory (save for the purposes of corporate reconstruction or amalgamation) or if a receiver is appointed in respect of the whole or any part of its assets.

5.2 The termination of this Agreement shall be without prejudice to any rights, which have already accrued, to either of the parties under this Agreement.

6. Granting and Transfer of Rights

6.1 The Employee grants to the Company an exclusive right of use which is unlimited in terms of time and location, for any and all work results which are generated within the scope of his activities for the Company, each respectively as of the time of the creation of the right and already now transfers to the Company the ownership to any and all work results, in particular the object and source codes as of the point in time of their creation and in their respective processing condition.

6.2 The granting of the rights to the work results is completely covered by the remuneration pursuant to section 4, i.e., also for the time after termination of the employment relationship

7. Miscellaneous



7.1 This Agreement contains the whole agreement between the Sub-Contractor and the Company and supersedes any prior agreement between the parties whether written or oral and such prior agreements are cancelled as from the date hereof and both parties acknowledge they have no claim against the other in respect of any previous agreement.

7.2 Any notice to be served by either of the parties on the shall be sent by prepaid recorded delivery or registered post to the address shown in this Agreement or to such address as that party shall have notified to the other in writing taking effect for the purposes of this Clause or Agreement, and shall be deemed received 48 hours after posting.

7.3 The headings in this Agreement are for reference purposes only and shall not be incorporated into this agreement.

7.4 In this agreement, unless the context otherwise requires, words in the singular include the plural and vice versa, words importing any gender include any gender, and a reference to a person includes a reference to a body corporate and to an unincorporated body of persons.

7.5 This Agreement shall be governed by the laws of Germany.

7.6 The German version of this Agreement is controlling.

AS WITNESS the hands of the Parties hereto or their duly authorized representatives the day and year first above written.

On behalf of the Company: **Ajotel GmbH.**

Arbeitnehmer / Subcontractor: **Accounting Services Firm.**

Ort / Place: **Köln, Germany**

Datum / Date: **07.01.2020**

Signed by Tania Quintero
for and on behalf Ajotel GmbH.

Signed by Accounting Services Firm
For and on behalf the sub-contractor



Sub-contractor Data Protection Declaration

I have read and understood the provision contained in clause 6 of this contract relating to the collection, processing and use of personal data. I hereby express my agreement to this provision.

4.3. Insurance

Ajotel understands the importance of insuring its employees, therefore, in the following table, the role of Ajotel is described according to the employee and self-employed insurance.

Type of Insurance	Employee	Self employed
Health insurance	<p>Due to the fact that Ajotel's employees earn less than €59.400 per annum, state health insurance is mandatory. Therefore, Ajotel offers to the employee a state health insurance where the basic level of cover is deducted in a fixed percentage from the gross income, under German law.</p> <p>The state health insurance payments have been set at 15.5% from the gross income. This percentage applies to salaries up to €442,500 a month. An Ajotel covers 50% of the amount, up to €379.45 a month. (Bprotectedgermany,2020)</p>	<p>In order to have a contract with Ajotel, the freelancer must have a Health insurance in Germany. Ajotel won't provide any insurance payment however, some options that the self-employed has for getting an insurance are the following:</p> <ul style="list-style-type: none"> ● German private health insurance ● German state health insurance ● Join a scheme provided by an international health insurance company.



Unemployment Insurance	The unemployment insurance is deducted from the salary of the employee with the contribution rate of 3%. (Kasser, 2020)	Not applicable. It is only voluntary, however if this person wants to pay it the self-employed must work at least 15 hours a week.
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FINANCIAL PLAN

The Excel file attached to this business plan is fundamental to understand the financial plan of Ajotel's first five years. The calculations show that the company is profitable from an early stage and realistic. Ajotel's income comes from memberships paid monthly or annually by the accommodations. Through this membership, hotels will buy from us a guarantee of international visibility, targeted consumer reach with monthly statistic indicators, and constant supervision and advice on sustainability standards all in one. The supervision of sustainability standards acts the same way an official environmental certification does, instead it is cheaper, transparent, independent from corporation interests, and reliable.

Cost calculation

The first part of the financial plan is the cost calculation. It includes a projection of total costs divided into investment costs, financial, labour, and consumption expenses. From these numbers we obtained the self-cost of each membership that Ajotel plans to sell.

→ Investment

Fix Asset	Quantity	Unit price	Total	Useful life	Own Contribution	External financing
Computers	4	3,199.00 €	12,796.00 €	3	5,118.40 €	7,677.60 €
	10	1,999.00 €	19,990.00 €	3	7,996.00 €	11,994.00 €
Mouses	13	79.00 €	1,027.00 €		410.80 €	616.20 €
Keyboards	13	99.00 €	1,287.00 €		514.80 €	772.20 €
Monitors	2	699.95 €	1,399.90 €		559.96 €	839.94 €
Adapters	14	19.00 €	266.00 €		106.40 €	159.60 €
Printers	2	279.95 €	559.90 €		223.96 €	335.94 €
Projector	1	399.95 €	399.95 €		159.98 €	239.97 €
Hard disks	14	21.37 €	299.21 €		119.68 €	179.52 €
Boards	3	94.90 €	284.70 €		113.88 €	170.82 €
			38,309.66 €		15,323.86 €	22,985.79 €

Total		15,323.86 €	22,985.79 €
		38,309.66 €	

DEPRECIATION			
Asset	Total	Useful life	Dep. anual
Computers	32,786.00 €	3	\$ 10,929
		TOTAL	\$ 10,929



A virtual website-app startup requires little investment compared to other types of companies that have a personal contact with the clients or products. The most important investment is the IT equipment needed to establish a functioning and serious virtual environment. These tools can be as simplified or sophisticated as wanted. In our case, we chose high-range technology recommended for tough programming and developing work. That way, our team would have everything they need to work fast and efficiently on the website and app.

A total investment of 38,309.66 euros will be needed to start our business operation. The three business partners will cover 40% of that amount. That is around 5,100 euros each. The rest 60% (22,985.79 euros) will be externally funded in form of a bank loan.

As for the depreciation rates, the only asset that depreciates are the computers, which are stated to have a useful life of 3 years according to the German legislation (EY, 2018).

The specific technology needed as the investment that correspond to the costs calculated are:

- Computers: Macbook Pro 16 inches 2.3 GHz 8-core processor, 1 TB storage, AMD Radeon Pro 5500M. Macbook Pro 13 inches 2.4 GHz quad-core processor (Turbo Boost up to 4.1 GHz), 256 GB storage space, Touch ID.
- Mouses: Apple Magic Mouse 2 Silver.
- Keyboards: Apple Magic Keyboard.
- Monitors: LG UltraFine 4K Display.
- Adapters: USB-C to USB Adapter.
- Printers: HP OfficeJet Pro 7740.
- Projector: Miroir HD Pro Projector M220.
- Storage disks: Nature, Leichtholz, 32GB.
- Boards: Mobiles Whiteboard “Stanford”.

→ **Financial**



CAPITAL	22,985.79 €
INTEREST RATE	4.59%
PERIODS	5

	YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Initial capital	22,985.79 €	22,985.79 €	18,388.64 €	13,791.48 €	9,194.32 €	4,597.16 €
Payments to capital	0.00 €	4,597.16 €	4,597.16 €	4,597.16 €	4,597.16 €	4,597.16 €
Interest	0.00 €	1,055.05 €	844.04 €	633.03 €	422.02 €	211.01 €
Final capital	22,985.79 €	18,388.64 €	13,791.48 €	9,194.32 €	4,597.16 €	0.00 €

The financial costs for five years are the amount of initial capital coming from the bank loan: 22,985.79 euros plus an interest rate of 4.59%. The payments to capital are set equal for each of the five periods. The interest rate estimate was obtained from a simulation with the bank N26 in Germany.

I'd like to and pay back over

Great! Here's what your credit plan may look like.*

Monthly payment of
€428.52
For 60 months

€25,711.20 4.59% p.a.
Total to repay

Nominal Effective

→ **Labour, consumption and rent**



AJOTEL

YEAR 1 (BASE)			
CONCEPT		MONTHLY	ANUAL
EXPENSES			
Labour costs			
1	Programmer	2,500.00 €	30,000.00 €
2	Agile Software Development Supervisor	3,750.00 €	45,000.00 €
3	User Interface and Experience Designer	2,500.00 €	30,000.00 €
4	Customer Support	2,000.00 €	24,000.00 €
5	Marketing Expert	2,500.00 €	30,000.00 €
6	Hotel Evaluators (3)	1,500.00 €	18,000.00 €
7	IT Lawyer	2,000.00 €	24,000.00 €
8	Accountant	2,500.00 €	30,000.00 €
TOTAL			231,000.00 €
Administration expenses			
Consumption			
	Snacks	450.00 €	5,400.00 €
	Travel expenses	1,250.00 €	15,000.00 €
	Stationery	833.33 €	10,000.00 €
	Ink	60.00 €	720.00 €
	Web page domain	6.67 €	80.00 €
	Server and page maintenance	41.67 €	500.00 €
Rent			
	Co-working space	2,300.00 €	27,600.00 €
TOTAL		4,941.67 €	59,300.00 €

YEAR 2			
CONCEPT		MONTHLY	ANUAL
EXPENSES			
Labour			
	Programmer	1,000.00 €	12,000.00 €
	Agile Software Development Supervisor	1,000.00 €	12,000.00 €
	User Interface and Experience Designer	1,000.00 €	12,000.00 €
	Customer Support	2,000.00 €	24,000.00 €
	Marketing Expert	416.67 €	5,000.00 €
	Hotel Evaluators	1,500.00 €	18,000.00 €
	IT Lawyer	500.00 €	6,000.00 €
	Accountant	2,000.00 €	24,000.00 €
			113,000.00 €
Administration expenses			
Consumption			
	Snacks	450.00 €	5,400.00 €
	Travel expenses	1,250.00 €	15,000.00 €
	Stationery	833.33 €	10,000.00 €
	Ink	60.00 €	720.00 €
	Web page domain	6.67 €	80.00 €
	Server and page maintenance	41.67 €	500.00 €
Rent			
	Co-working space	2,300.00 €	27,600.00 €
TOTAL		14,358.33 €	59,300.00 €

YEAR 3			
CONCEPT		MONTHLY	ANUAL
EXPENSES			
Labour			
	Programmer	1,000.00 €	12,000.00 €
	Agile Software Development Supervisor	1,000.00 €	12,000.00 €
	User Interface and Experience Designer	1,000.00 €	12,000.00 €
	Customer Support	2,000.00 €	24,000.00 €
	Marketing Expert	416.67 €	5,000.00 €
	Hotel Evaluators	1,500.00 €	18,000.00 €
	IT Lawyer	500.00 €	6,000.00 €
	Accountant	2,000.00 €	24,000.00 €
			113,000.00 €
Administration expenses			
Consumption			
	Snacks	450.00 €	5,400.00 €
	Travel expenses	1,250.00 €	15,000.00 €
	Stationery	833.33 €	10,000.00 €
	Ink	60.00 €	720.00 €
	Web page domain	6.67 €	80.00 €
	Server and page maintenance	41.67 €	500.00 €
Rent			
	Co-working space	2,300.00 €	27,600.00 €
TOTAL		14,358.33 €	59,300.00 €

YEAR 4			
CONCEPT		MONTHLY	ANUAL
EXPENSES			
Labour			
	Programmer	1,000.00 €	12,000.00 €
	Agile Software Development Supervisor	1,000.00 €	12,000.00 €
	User Interface and Experience Designer	1,000.00 €	12,000.00 €
	Customer Support	2,000.00 €	24,000.00 €
	Marketing Expert	416.67 €	5,000.00 €
	Hotel Evaluators	1,500.00 €	18,000.00 €
	IT Lawyer	500.00 €	6,000.00 €
	Accountant	2,000.00 €	24,000.00 €
			113,000.00 €
Administration expenses			
Consumption			
	Snacks	450.00 €	5,400.00 €
	Travel expenses	1,250.00 €	15,000.00 €
	Stationery	833.33 €	10,000.00 €
	Ink	60.00 €	720.00 €
	Web page domain	6.67 €	80.00 €
	Server and page maintenance	41.67 €	500.00 €
Rent			
	Co-working space	2,300.00 €	27,600.00 €
TOTAL		14,358.33 €	59,300.00 €

YEAR 5			
CONCEPT		MONTHLY	ANUAL
EXPENSES			
Labour			
	Programmer	1,000.00 €	12,000.00 €
	Agile Software Development Supervisor	1,000.00 €	12,000.00 €
	User Interface and Experience Designer	1,000.00 €	12,000.00 €
	Customer Support	2,000.00 €	24,000.00 €
	Marketing Expert	416.67 €	5,000.00 €
	Hotel Evaluators	1,500.00 €	18,000.00 €
	IT Lawyer	500.00 €	6,000.00 €
	Accountant	2,000.00 €	24,000.00 €
			113,000.00 €
Administration expenses			
Consumption			
	Snacks	450.00 €	5,400.00 €
	Travel expenses	1,250.00 €	15,000.00 €
	Stationery	833.33 €	10,000.00 €
	Ink	60.00 €	720.00 €
	Web page domain	6.67 €	80.00 €
	Server and page maintenance	41.67 €	500.00 €
Rent			
	Co-working space	2,300.00 €	27,600.00 €
TOTAL		14,358.33 €	59,300.00 €

The estimates for labour costs are high on the first year because it is when we will hire for our headquarters in Cologne, Germany a full-time app programmer (in charge of stem, coding and script), agile software development supervisor, user interface and format (UI) and user experience, concept and features (UX) designer, customer supporter for customer care and feedback, marketing expert, IT-lawyer, and accountant. Plus three hotel evaluators in-field (Mexico). A contract for one of our basic staff on this year, the app programmer can be seen under the Employment section. However, from the year two we expect to have the website and app running smoothly. That is why we will reduce the working hours of the staff and shift all contracts to a temporal basis in form of consulting jobs, not permanent ones. This will be informed to them



since day one. As for the marketing expert, the contract will be only for one year with a high pay, and after that we will shift to pay the pure marketing campaign.

Meanwhile, the consumption expenses will remain the same. We consider as our basic consumption items:

- Snacks: Varied Bags of Nuts, Fruits, Chips that will keep our employees working hard but fit and motivated.
- Travel expenses: Plane tickets to Mexico and inside the country expenses for the managing directors visit once in a year and for the hotel evaluators all year round.
- Stationery: Markers, Pens, Pencils, Erasers, Tape, Paper.
- Ink: HP 302 Tintenpatrone.
- Web page domain: domain.com name and page.
- Server and page maintenance.

As for the rent cost, Ajotel's best option is not to rent an individual office, but a co-working space. The co-working includes one large and two small offices, the possibility to use a meeting room for 20 hours a month, unlimited WiFi, water, coffee, tea, security, mailbox, and the headquarters address. The advantage of paying a coworking is that our people can work separately but together at the same time. Also, each month we can decide between renting the whole space or reducing, for example, that is useful when we no longer need the complete staff every day. The estimated cost of the co-working space was based on the Co-Work Lab rent prices for Cologne. The working spaces will look as follows:



Office Co-Work Lab Cologne, 2019.



Coffee break Co-Work Lab Cologne, 2019.



Meeting Room Co-Work Lab Cologne, 2019.

→ **Total costs**

YEAR 1 (BASE)			YEAR 2-5		
	Own Contribution	External financing		Own Contribution	External financing
EXPENSES	15,323.86 €	22,985.79 €	EXPENSES	15,323.86 €	22,985.79 €
		231,000.00 €			113,000.00 €
Total Cost	269,309.66 €		Total Cost	151,309.66 €	
	Annual self-cost	269.31 €		Annual self-cost	151.31 €
	Monthly self-cost	22.44 €		Monthly self-cost	12.61 €

In summary, the first year total costs will be of 269,309.66 euros, which will give us an annual self-cost for each membership of 269.31 euros, and a monthly self-cost of 22.44 euros. With that cost we could even sell at a lower public price than our competition does and still have a small margin profit. However, we will not, because our product and service is even more exclusive and complete. From the second year our total costs will drop to 151,309.66 euros, and our monthly self-cost then will only be of 12.61 euros per membership. At that point we could start thinking on lowering the public price, hiring more hotel evaluators (this would be ideal for expanding) or looking into new countries and features to add to the platform.



It is important to recognize that some additional costs might arise, which are not accounted for. But this cost calculation includes realistic (not the cheapest) but the accurate quantities to our best understanding.

Opening balance

OPENING BALANCE / BALANCE SHEET						
	YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
ASSETS						
<i>CURRENT ASSETS</i>						
Bank	0.00	19,599.63	117,018.97	133,299.13	147,907.61	167,693.78
<i>FIX ASSETS</i>						
Computers	32,786.00	32,786.00	32,786.00	32,786.00		
Accumulated depreciation		-10,928.67	-21,857.33	-32,786.00		
Mouses	1,027.00	1,027.00	1,027.00	1,027.00	1,027.00	1,027.00
Keyboards	1,287.00	1,287.00	1,287.00	1,287.00	1,287.00	1,287.00
Monitors	1,399.90	1,399.90	1,399.90	1,399.90	1,399.90	1,399.90
Adapters	266.00	266.00	266.00	266.00	266.00	266.00
Printers	559.90	559.90	559.90	559.90	559.90	559.90
Projector	399.95	399.95	399.95	399.95	399.95	399.95
USB Sticks	299.21	299.21	299.21	299.21	299.21	299.21
Boards	284.70	284.70	284.70	284.70	284.70	284.70
TOTAL ASSETS	38,309.66	46,980.62	133,471.29	138,822.79	153,431.27	173,217.44
LIABILITIES						
<i>LONG-TERM LIABILITIES</i>						
Debt to bank	22,985.79	18,388.64	13,791.48	9,194.32	4,597.16	0.00
TOTAL LIABILITIES	22,985.79	18,388.64	13,791.48	9,194.32	4,597.16	0.00
CAPITAL						
Social capital	15,323.86	15,323.86	15,323.86	15,323.86	15,323.86	15,323.86
Net profit		13,268.12	110,687.46	126,967.62	152,504.77	172,290.94
TOTAL CAPITAL	15,323.86	28,591.99	126,011.32	142,291.49	167,828.64	187,614.80



AJOTEL

Cash flow analysis

FREE CASH FLOW ANALYSIS						
	YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Initial balance	15,323.86					
INCOME						
Sales	0.00	360,000.00	396,000.00	435,600.00	479,160.00	527,400.00
External Financing	22,985.79					
TOTAL INCOME	22,985.79	360,000.00	396,000.00	435,600.00	479,160.00	527,400.00
TOTAL AVAILABLE	38,309.66	360,000.00	396,000.00	435,600.00	479,160.00	527,400.00
EXPENSES						
Computers	32,786.00					
Mouses	1,027.00					
Keyboards	1,287.00					
Monitors	1,399.90					
Adapters	266.00					
Printers	559.90					
Projector	399.95					
USB Sticks	299.21					
Boards	284.70					
REAL EXPENSES						
Cost of sales		269,309.66	166,440.62	183,084.69	201,393.15	221,668.65
Administration expenses		59,300.00	59,300.00	59,300.00	59,300.00	59,300.00
Financial expenses (interest)		1,055.05	844.04	633.03	422.02	211.01
Taxes		6,138.50	47,799.21	54,685.99	65,540.05	73,929.41
Capital payment		4,597.16	4,597.16	4,597.16	4,597.16	4,597.16
TOTAL EXPENSES	38,309.66	340,400.37	278,981.03	302,300.87	331,252.39	359,706.22
NET FLOW	-15,323.86	19,599.63	117,018.97	133,299.13	147,907.61	167,693.78
FINAL BALANCE	0.00	19,599.63	117,018.97	133,299.13	147,907.61	167,693.78



Profitability

YEAR 1 (BASE)	
Annual increase	10%
Public price	30.00 €
Cost	22.44 €

Margin profit	34%
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NEXT YEARS	
Annual increase	10%
Public price	30.00 €
Cost	12.61 €

Margin profit	138%
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Year 1														
MONTH	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL	
QUANTITY	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	10000
INCOME	30,000.00 €	30,000.00 €	30,000.00 €	30,000.00 €	30,000.00 €	30,000.00 €	30,000.00 €	30,000.00 €	30,000.00 €	30,000.00 €	30,000.00 €	30,000.00 €	30,000.00 €	360,000.00 €
COST	22,442.47 €	22,442.47 €	22,442.47 €	22,442.47 €	22,442.47 €	22,442.47 €	22,442.47 €	22,442.47 €	22,442.47 €	22,442.47 €	22,442.47 €	22,442.47 €	22,442.47 €	269,309.66 €

Year 2														
MONTH	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL	
QUANTITY	1100	1100	1100	1100	1100	1100	1100	1100	1100	1100	1100	1100	1100	11000
INCOME	33,000.00 €	33,000.00 €	33,000.00 €	33,000.00 €	33,000.00 €	33,000.00 €	33,000.00 €	33,000.00 €	33,000.00 €	33,000.00 €	33,000.00 €	33,000.00 €	33,000.00 €	396,000.00 €
COST	13,870.05 €	13,870.05 €	13,870.05 €	13,870.05 €	13,870.05 €	13,870.05 €	13,870.05 €	13,870.05 €	13,870.05 €	13,870.05 €	13,870.05 €	13,870.05 €	13,870.05 €	166,440.62 €

Year 3														
MONTH	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL	
QUANTITY	1210	1210	1210	1210	1210	1210	1210	1210	1210	1210	1210	1210	1210	12100
INCOME	36,300.00 €	36,300.00 €	36,300.00 €	36,300.00 €	36,300.00 €	36,300.00 €	36,300.00 €	36,300.00 €	36,300.00 €	36,300.00 €	36,300.00 €	36,300.00 €	36,300.00 €	435,600.00 €
COST	15,257.06 €	15,257.06 €	15,257.06 €	15,257.06 €	15,257.06 €	15,257.06 €	15,257.06 €	15,257.06 €	15,257.06 €	15,257.06 €	15,257.06 €	15,257.06 €	15,257.06 €	183,084.69 €

Year 4														
MONTH	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL	
QUANTITY	1331	1331	1331	1331	1331	1331	1331	1331	1331	1331	1331	1331	1331	13310
INCOME	39,930.00 €	39,930.00 €	39,930.00 €	39,930.00 €	39,930.00 €	39,930.00 €	39,930.00 €	39,930.00 €	39,930.00 €	39,930.00 €	39,930.00 €	39,930.00 €	39,930.00 €	479,160.00 €
COST	16,782.76 €	16,782.76 €	16,782.76 €	16,782.76 €	16,782.76 €	16,782.76 €	16,782.76 €	16,782.76 €	16,782.76 €	16,782.76 €	16,782.76 €	16,782.76 €	16,782.76 €	201,393.15 €

Year 5														
MONTH	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL	
QUANTITY	1465	1465	1465	1465	1465	1465	1465	1465	1465	1465	1465	1465	1465	14650
INCOME	43,950.00 €	43,950.00 €	43,950.00 €	43,950.00 €	43,950.00 €	43,950.00 €	43,950.00 €	43,950.00 €	43,950.00 €	43,950.00 €	43,950.00 €	43,950.00 €	43,950.00 €	527,400.00 €
COST	18,472.39 €	18,472.39 €	18,472.39 €	18,472.39 €	18,472.39 €	18,472.39 €	18,472.39 €	18,472.39 €	18,472.39 €	18,472.39 €	18,472.39 €	18,472.39 €	18,472.39 €	221,668.65 €

INCOME STATEMENT					
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Sales	360,000.00	396,000.00	435,600.00	479,160.00	527,400.00
Cost of sales	269,309.66	166,440.62	183,084.69	201,393.15	221,668.65
Gross profit	90,690.34	229,559.38	252,515.31	277,766.85	305,731.35
Administration expenses	59,300.00	59,300.00	59,300.00	59,300.00	59,300.00
EBITDA	31,390.34	170,259.38	193,215.31	218,466.85	246,431.35
Depreciation	10,928.67	10,928.67	10,928.67		
EBIT	20,461.68	159,330.71	182,286.65	218,466.85	246,431.35
Financial expenses (interest)	1,055.05	844.04	633.03	422.02	211.01
Taxes	6,138.50	47,799.21	54,685.99	65,540.05	73,929.41
30% Net profit	13,268.12	110,687.46	126,967.62	152,504.77	172,290.94

On the first sheet of the Excel attached, named *Sales*, one can see a five-year projection for the quantity of memberships sold each month and the income achieved. We decided to sell each membership for a public price of 30 euros based on our self-cost calculation and the competitor's price. On year one, our self-cost for each membership will be of 22.44 euros. We do not know the self-cost of our competitors, but we know



the price they sell their membership at. The closest competitor—Ecobnb— has a public price of 29 euros per membership. We sell it at 30 euros because ours is better: the standards used will be more rigorous and scientific-based, the monitoring will be closer, and the reach will be higher, as explained on the market analysis section. Also, if we sell at 30 euros we have a margin profit of 34%. That is only during the first year. From years two to five we expect the membership quantity to increase a 10% each year, because our market of sustainable accommodations is still growing and our marketing campaign will make sure that our service is better known by then. Not only our sells will increase from year two, but our costs will reduce. Specifically, the labour and financial costs. The financial costs will decrease because our debt interests with the bank will be lower. The labour costs decrease because we will not need a full-time programmer, designer, and IT-lawyer anymore, since the application is already set. We will still pay maintenance and supervision costs for the application and website, but less than what we paid in the first year for the development. This logic applies to every web business.

On the first year of operations we expect to start selling 1000 memberships. This calculation was made going through the estimates of some competitors. For example, ViaggiVerdi (2012) states to have 1,500 featured ecological accommodations in Italy. While Ecobnb (2019) claims to have a record of more than 2000 ecological lodgings. Assuming that in our initial market (Mexico) there is a similar amount of ecological lodgings (2000) to the present year, our company expects to sell approximately 50% memberships of that segment in the first year. The above represents 1000 sales. As stated earlier, our company also expects sales to increase by around 10% annually, in response to the marketing strategy and the growth of the offer. So if we maintain our public price of 30 euros, by the fifth year our self-cost drops to 12.61 euros, and **our margin profit goes from 34% in the first year to 138% by the end of the fifth**. These numbers show that our business idea is profitable within five years, even after paying corporate taxes of 30% and financial payments to the bank. This is how the investment in this company will look after five years:

INITIAL INVESTMENT	-38,309.66
YEAR 1	19,599.63
YEAR 2	117,018.97
YEAR 3	133,299.13
YEAR 4	147,907.61
YEAR 5	167,693.78

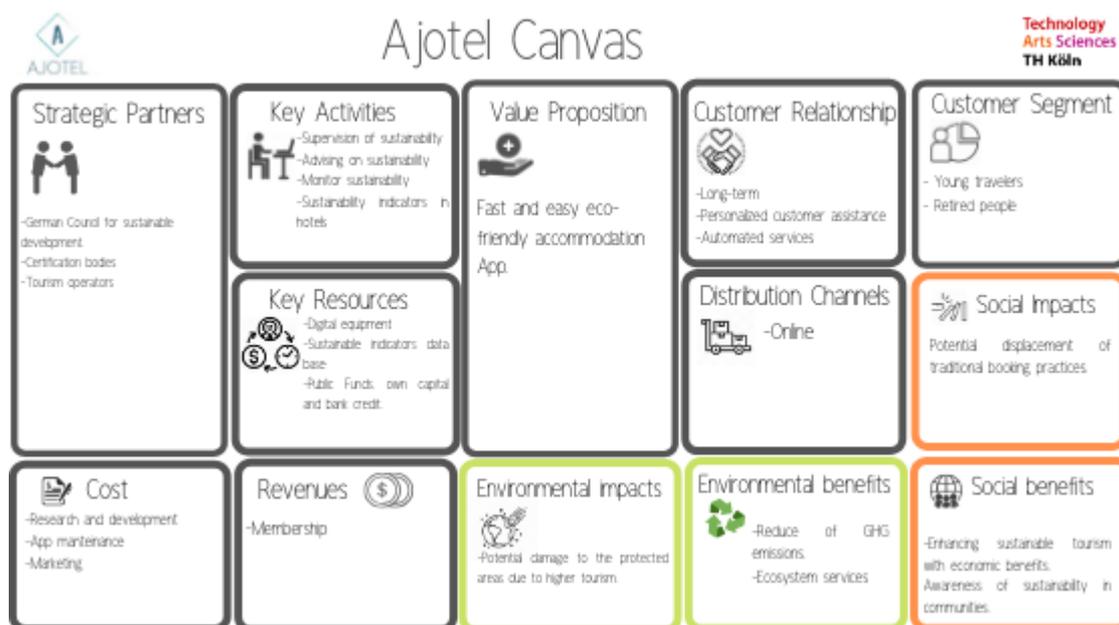


From there, the shares to the partners/investors can be drawn. Even though we could start taking profit out after the first year, we only calculate to start receiving money out of the company for ourselves after those starting five years and before that only reinvesting on the company.



BUSINESS MODEL

For Ajotel, sustainability is the cornerstone of the business. Therefore, it has structured its business based on the model proposed by Osterwalder and Pigneur. This model shows briefly the different strategies taken from management of strategic partners to customer segmentation. Ajotel's business model (see figure 3) not only covers the economic part, but also the social and environmental benefits and impacts that surround the ecotourism industry.



Ajotel Business Model

Distribution channels

Due to the fact that Ajotel is an intangible product, the most efficient and effective way to place Ajotel product into the hands of the final customer, is via Online. Ajotel's business model is mainly focused on **selling memberships** to green accommodations for being featured on our search engine. This way, Ajotel promotes Green Tourism and encourages the preference of consumers for sustainable alternatives by making available a decision tool that is accessible from every device with internet connection and easy to use, time-saving, free of cost for users, reliable, transparent and rigorous on the sustainability indicators used. Ajotel wants consumers



to know that green accommodations are not necessarily more expensive than regular ones, but they are indeed much more responsible.

Key partners

Ajotel also takes into account the development of an app. Partnering with a sponsor and other business funders is a way and opportunity to raise funds and support the key activities of the company.

Therefore, Ajotel seeks to have partners who share the same goal, contribute to reducing the environmental footprint of tourism and change the mindset of travel to a more sustainable. The following table describes the possible partnerships, the description of the activity and how they could collaborate with Ajotel.

Table of Partnerships

Stakeholder	Type of agreement	Description	Potential to collaborate (KR- Key resources/KA- Key activities)
Sustainable Travel International	Joint- venture (contractual)	This organisation collaborates with tourism businesses to ensure that they are actively engaged in the long-term health and well-being of the places and people their businesses depend on.	Collaborate in the auditing part to make sure that the hotels are complying with the standards that Ajotel requires. (KA)
The German Council for Sustainable Development (RNE)	Financial partnership	Making sustainability a public issue of vital importance	To get funding (KR)
Tour operators and travel companies such as DER Touristik Group, Intrepid Travel.	Strategic Partnership	Organizations that offer traveling services.	To promote Ajotel worldwide. (KA)



Value Proposition

The biggest searchers or bridging platforms between tourism accommodations and tourists nowadays are Booking.com, Kayak, Trivago, TripAdvisor, Expedia, Priceline, Hotels.com, HotelsCombined, Agoda, Google, and Hotwire. This is what already exists, however, our business idea is to add something that none of these companies can offer. While the mentioned companies allow the consumer to choose where to stay going through filters of attributes such as price, location, number of persons staying together, and type of travel; they do not include important attributes for ethical decision-making, neither social nor environmental. So, an eco-friendly accommodation might be featured on their searchers but not especially rewarded or visible. And a traveler looking to stay in a more sustainable place finds herself in a big trouble when looking for it. This market segment, which actually exists (their profile is described on the Market Analysis section), is left without the possibility to compare different options of eco-friendly accommodations fast and easily.



CONCLUSIONS

The creation of this business plan made us realize that our company idea actually has a strong potential. It could and should be implemented. Ajotel's main benefit is the opportunity of creating a network that enforces sustainable tourism by approaching the supply and the demand side of eco-friendly stays, first in Mexico, then all over the world.

We identified a big market opportunity and a realistic possibility to be funded with own savings and a bank credit. The competitors are still only few and not well known, as shown on the Market Analysis. However, the possibility of partnerships is high because the interested parties involve both public and private sectors, as well as the civil society.

As shown on the Financial Analysis, the investment needed to start Ajotel is relatively low and the returns are high. The cost calculation, sales projection, opening balance, income statements, and cash-flow analysis prove that Ajotel is profitable already on the first five years of establishment.

Also, the technology needed to develop Ajotel's website and smartphone application is already known and available for everyone with programming skills. So, as stated on our Human Resources Analysis, the proposed contracts for our employees are attractive and well remunerated for one year, because this first year is the most labour intensive period. We offer our employees the exciting possibility of working on a collaborative space during one year, a coworking network surrounded by young, passionate and diverse people. A unique opportunity of being part of a new project based on environmental and sustainability goals related to travel: Something good to believe in. After that one year, the costs of labour will be reduced and the site will run smoothly only requiring maintenance and support.

Tania, Itzel and Pedro, entrepreneurs and managing partners of Ajotel GmbH invite you to contact us with any regards, or visit our future website for more information on collaboration opportunities.



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