

Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Management



Diploma Thesis Abstract

Business Plan for a Bespoke Travel Agency

Ilia Kulik

© 2020 CZU Prague

1 Abstract

The purpose of the Diploma thesis on following topic of a business plan for a bespoke travel agency was focused on providing a new trend in the travel business niche. A new trend that is gaining popularity among the Russian-speaking population is the organization of individual group tours to places that are difficult to get to alone because of inexperience in this matter, and destinations that are difficult to plan a journey by yourself. The main goal of the business plan was to show you that this type of travel business can't only bring beautiful photos to your social networks, but also be profitable. Profit of a business is a proof that you've chosen a proper niche and developed and calculated everything correctly. Thesis consists of two main parts: theoretical and practical. The theoretical part explains the content of the business plan and describes the type of tourism activity. The practical part on the basis of the theory studied shows how to apply the acquired knowledge in practice. A SWOT analysis, financial analysis, and calculations were made that prove the relevance and profitability of the chosen direction.

Keywords: business plan, travel agency, bespoke travel agency, SWOT, net profit, income statement, cash flow, entrepreneurship, Iceland, individual group tour.

2 Introduction

Choosing the topic of this paper, the author decided to dwell on such an urgent issue, in our time, as business planning in tourism.

In the modern world, tourism acts as a complex multifaceted social phenomenon. Its basis is the historical and cultural potential of the country, including the socio-cultural environment with traditions and customs, features of household and economic activities. The term 'tourism' itself should be perceived by society as a benefit for the country, for the territory where it is developed, since its main function is to revitalize life in the regions, the demand for a large number of workers in the service sector, the development perspective for a number of poorly developed regions of the country, its own, real income for residents of these areas. Tourism contributes to the preservation of the cultural heritage of the countries, their traditions, trades, identities, restoration and preservation of historical and cultural monuments. Today tourism is one of the most profitable and rapidly developing sectors of the world economy.

There are many different types of tourism, but in this paper the specificity of organizing individual group tour as a bespoke travel agency will be considered in more detail. The relevance of the topic of work is caused by the fact that, despite all the difficulties and problems, millions of people are already employed in the field of private enterprise. However, business is a very special way of life, involving the willingness to make independent decisions and take risks. Having decided to go into business, an entrepreneur must carefully plan his organization. We are talking about business plans with which it is customary to start any commercial enterprise all over the world. In market conditions, such plans are necessary for everyone: consulting firms, bankers and consumer-investors, employees of companies wishing to evaluate their perspectives and tasks, and, above all, the entrepreneur himself, who must carefully analyze his ideas and verify their realism.

As a matter of fact, without a business plan, you can't undertake any kind of activity at all, since the possibility of failure will be too great. Each company, starting its activities, is obliged to clearly represent the need for the future in financial, material, labor and intellectual resources, the sources of their receipt, and also be able to accurately calculate the effectiveness of the use of available funds during the operation of the company. In a market economy, entrepreneurs cannot achieve stable success if they do not clearly and efficiently plan their activities, constantly collect and accumulate information about the state of target markets, the position of competitors in them, and about their own prospects and opportunities.

3 Aim and Objectives

The main purpose of the thesis is to develop a business plan in order to improve author's a small business based on the organization of an individual group tour as a bespoke travel agency. In order to achieve this goal, it is necessary to achieve a number of objectives, in particular:

- to study the theoretical foundations of business planning;
- to characterize the process of developing and implementing a business plan;
- to study the activities of an agency and its products;
- to determine the composition of the marketing activities of the company for market research, advertising and sales promotion;
- to consider the financial results of the company;
- to conduct a SWOT analysis;
- to develop a business strategy, as well as an organizational, marketing, operational and financial plan;
- to anticipate difficulties that may interfere with the practical implementation of the business plan.

After developing a business plan, it is necessary to offer recommendations for the efficient organization of an individual group tour. To achieve the main goal of the work, it is first necessary to conduct a literature review in which the importance of small business, the peculiarities of Czech legal regulation of this business, as well as the specifics of creating a business plan will be revealed. Then the general characteristics of the future tour will be represented. This will be the theoretical part of the work. In the practical part, the peculiarities of the organization of bespoke travel agency will be directly described.

4 Conclusion

The purpose of the diploma thesis was to clearly demonstrate that a modern approach to travel services such as organizing individual group tours tends to bring good profit to individuals. It is not necessary to open a travel agency and sell obsolete package tours. Time goes on and new trends appear in the world, one of them is the Besoke Travel Agency.

Thanks to the theoretical part of the thesis, the necessary knowledge was acquired, which gave an understanding of the practical application of financial, human and marketing resources. Also, a detailed theoretical study of financial indicators made it possible to show the profitability of a new type of service as a Bespoke Travel Agency.

The financial part in the business plan proves that the selected type of service is profitable, and the analysis of competitors shows that there is an opportunity to grow in the near future. An income forecast for 3 years was made. In the income statement, it can be seen that if all expenses are taken into calculation, then revenues over 3 years will grow 2,1 times. Such an increase was achieved by a large volume of travel throughout the year and an annual increase of 2 guides. Such an increase was achieved by a large volume of travel throughout the year and an annual increase of 2 guides.

The SWOT analysis helped to understand and estimate the factors and facts that can affect on the project. A regular update of the SWOT analysis is recommended for the possibility of monitoring the projects in achieving their goals.

All the goals for the thesis were achieved. All indicators are positive, which means the agency will be profitable. Initial investment will pay off in less than 1 month.

5 References

5.1 Book Publications

BLACKWELL, Edward. *Podnikatelský plán, průvodce pro malé a střední podnikání*. Praha: Readers International, 1993. 134 p. ISBN: 80-901454-1-8.

CARTER, Sara, JONES-EVANS, Dylan. *Enterprise and Small Business: Principles, Practice and Policy*. Harlow: Financial Times, 2006. ISBN: 978-0-273-70267-2.

COVELLO, Joseph A., HAZELGREN, Brian J. *Your First Business Plan*. Sourcebooks, 1998. 256 p. ISBN 978-14-0220-412-8.

COATE, Patricia. *Focus on Strategic Management*. Emerald Group Publishing Ltd, 2007. ISBN 978-18-466-3120-7.

CREGO, Edwin T., SCHIFFRIN, Peter D., KAUSS, James C. *How To Write A Business Plan*. US: American Management Association, 1995. ISBN 978-07-6121-428-1.

ČERVENÝ, Radim. *Business plan: Krok za krokem*. Praha: C. H. Beck, 2014. 240 p. ISBN 978-80-7400-511-4.

EVANS, Carter and Jones. *Enterprise and Small Business: Principles, Practice and Policy*, 2006. ISBN: 9780273726104

FEDERALNI shromáždění ČSFR, zákon č. 455/1991 Sb., o živnostenském podnikání (živnostenský zákon), 1991.

FERNANDES, N., van Zyl J., van Noordwyk A. *Business functions - An introduction*, 2015. ISBN: 9781485111818

FRIEND, Graham, ZEHLE, Stefan. *Guide to Business Planning*. London: Profile Books, 2004. ISBN 978-18-6197-474-7.

KORÁB, Vojtěch, PETERKA, Jiří, REŽŇÁKOVÁ, Mária. *Podnikatelský plán*. Brno: Computer Press, 2007. 216 p. ISBN 978-80-251-1605-0.

McLAUGHLIN, Harold J. *The Entrepreneur's Guide to Building a Better Business Plan, Step-by-Step Approach*. New York: Wiley, 1992. 304 p. ISBN 978-04-7155-213-0.

PINSON, Linda. *Anatomy of a Business Plan: A Step-by-step Guide to Building a Business and Securing Your Company's Future*. Chicago: Dearbon Trade Pub, 2005. 352 p. ISBN 978-09-442-0537-2.

Sitarz D., *Sole Proprietorship: Small Business Start-up Kit*, 2011. ISBN 9781892949592.

SRPOVÁ, Jitka. *Podnikatelský plán*. Praha: Oeconomica, 2007. ISBN 978-80-245-1263.

TICHÁ, Ivana, HRON, Jan. *Strategické řízení*. Praha: Česká zemědělská univerzita v Praze. 2014. ISBN 978-80-213-0922-7 86.

WUPPERFELD, Udo. *Podnikatelský plán pro úspěšný start*. Praha: Management Press, 2003. 159 p. ISBN 978-80-726-1075-4

5.2 Online Resources

- ALTER, Sutia, Kim. *The Vision, Mission, Objectives, and Business Discription*, VIRTUE VENTURES [online]. 2000. [Referred 20/4/2015]. Available at: <http://www.virtueventures.com/files/mdbl-chapter2.pdf>
- BUSINESS CENTER. *Law No. 90/2012 Coll. on commercial companies and cooperatives*. [online]. valid from January 1, 2014. [Referred 21/2/2015]. Available at: <http://business.center.cz/business/pravo/zakony/obchodni-korporace/uvod.aspx>
- BUSINESS CENTER. *Law No. 455/1991 Coll. on Trades (Trade Act)*. [online]. [Referred 21/2/2015]. Available at: <http://business.center.cz/business/pravo/zakony/zivnost/>
- CESTOVNÍ KANCELÁŘ ADVENTURA. [online]. [Referred 13/10/2015]. Available at: <https://www.adventura.cz/>
- ČESKÁ AGENTURA NA PODPORU OBCHODU CZECHTRADE. *Společnost s ručením omezeným od roku 2014*. Portál BusinessInfo. [online]. 2014. [Referred 17/3/2015]. Available at: <http://www.businessinfo.cz/cs/clanky/spolecnost-s-rucenimomezenym-od-roku-2014-43857.html>
- CHROUST, Martin. *Nejlepší aplikace pro cestování*, Mladá fronta a.s. [online]. 08/07/2014. [Referred 9/10/2015]. Available at: <http://www.mobilmania.cz/clanky/nejlepsi-aplikace-pro-cestovani/sc-3-a1327520/default.aspx>
- CZECH STATISTICAL OFFICE. *Demografické ročenky 2010 - 2013*, CZSO [online]. 08/06/2015. [Referred 20/11/2015]. Available at: https://www.czso.cz/csu/czso/casova_rada_demografie
- CZECH STATISTICAL OFFICE. *Hlavní makroekonomické ukazatele*, CZSO [online]. 01/10/2015. [Referred 8/10/2015]. Available at: https://www.czso.cz/csu/czso/hmu_cr
- EUROPEAN COMMISSION, *The new SME definition: User guide and model declaration*, News [online]. 2015. [Referred 6/2/2015]. Available at: http://ec.europa.eu/enterprise/policies/sme/files/sme_definition/sme_user_guide_en.pdf, p. 12
- EUROVISION. *Region a cestovní ruch*, MMR [online]. 2007. [Referred 20/10/2015]. Available at: <http://www.mmr.cz/getmedia/b4aff6ee-1f70-4bb7-bbc6-142734ba4d5d/GetFile11.pdf>
- FREELANCE, the resources of data freelancers, [online], [Reffered at 20.03.2020], Available at: <https://www.freelance.com>
- FRIPITO. [online]. [Referred 13/10/2015]. Available at: <http://fripito.com/>
- HŘEBÍČKOVÁ, Pavla. *Od české koruny zřejmě nelze čekat návrat do defenzivy, kurzycz* [online]. 24/09/2015. [Referred 08/10/2015]. Available at: <http://www.kurzy.cz/zpravy/386776-od-ceske-koruny-zrejme-nelze-cekat-navrat-dodefenzivy/>
- KUČEROVÁ, Michaela. *Marketing na sociálních médiích se zaměřením na cestovní kanceláře, diplomová práce* [online]. 2014. [Referred 15/10/2015]. Available at: <http://www.vse.cz/vskp/eid/41162>

LESSORA, the juridical agency [online], [Referred at 26.03.2020], Available at:
<https://www.leesora.eu>

LETSTRAVEL.PRO, the official website, [online], Referred at 25.03.2020], Available at
<https://letstravel.pro>

MISHKA.TRAVEL, the official website [online], Referred at 20.03.2020] Available at:
<https://mishka.travel>

NEVERBOREDTRAVEL, the official website [online] [Referred at 20.03.2020] Available at:
<https://neverboredin.com>

STATISTA, Population of Russia by age group [online], [Referred at 27.03.2020] Available at:
<https://www.statista.com/statistics/1005416/population-russia-gender-age-group/>

TRAVELMATE, the official website [online], Referred at 19.03.2020] Available at
<http://travelmatetrips.ru>

TRAVEL TRADE GAZETTE. Trendy a realita prodeje zájezdů, TTG [online]. 19/02/2013.
[Referred 09/10/2015]. Available at: <http://www.ttg.cz/trendy-a-realitaprodeje-zajezdu/>

TRAVEL TRADE GAZETTE. Trendy on-line prodejů zájezdů CK: Být na síti, TTG [online].
12/08/2014. [Referred 09/10/2015]. Available at: <http://www.ttg.cz/trendy-online-prodeju-zajezdu-byt-na-siti/>

TRAVEL TRADE GAZETTE. *Výsledky ankety TTG Travel Awards 2014*, TTG [online].
19/02/2015. [Referred 13/10/2015]. Available at: <http://www.ttg.cz/vysledky-ankety-ttgtravel-awards-2014/>

90 TRIPADVISOR. [online]. [Referred 13/10/2015]. Available at: <https://www.tripadvisor.cz/>

UNWTO. Tourism Highlights. [online]. 2015. [Referred 20/10/2015]. Available at: <http://www.e-unwto.org/doi/pdf/10.18111/9789284416899>

VIGBO. The constructor of the website [online] [Referred 25.02.2020] Available at: www.vigbo.com

YOUTRAVEL.ME [online] [Referred 20.03.2020] available at: The official website of Youtavel.me
- <https://youtravel.me/en/>

6 Appendix

Pamphlet

