

Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Management



Diploma Thesis

Business Plan for a Bespoke Travel Agency

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CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

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DIPLOMA THESIS ASSIGNMENT

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Economics Policy and Administration
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Thesis title

Business Plan for a Bespoke Travel Agency

Objectives of thesis

The main purpose of the thesis is to develop a business plan in order to start a small business based on the organization of individual group tours.

After developing the business plan, the planned operation of the business will be closely examined to offer recommendations to ensure the efficient organization of tailor-made, individual group tours.

Methodology

This thesis can be divided into two parts: theoretical and practical:

The theoretical part includes an introduction, a description of the methodology, goals and objectives of the study, and a review of current literature. Much attention is paid to a wide review of current literature especially on marketing and business planning topics related to the tourism industries.

The practical part includes the Market Research and the Promotion process, upon which an effective business plan will be prepared. Finally the various practical issues will be identified to ensure the organization of an individual group tour will be successful, and the business will be profitable.

The proposed extent of the thesis

Approx 60 – 70 pages

Keywords

business plan, travel, travel agency, Individual tour, Iceland

Recommended information sources

- Carter S., Jones-Evans D., (2006), Enterprise and Small Business: Principles, Practice and Policy. Harlow UK.: Financial Times, 592pp., ISBN: 978-0-273-70267-2
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Declaration

I declare that I have worked on my diploma thesis titled "Business plan for Bespoke Travel Agency" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the diploma thesis, I declare that the thesis does not break copyrights of any their person.

In Prague on 6.04.2020

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Business Plan for a Bespoke Travel Agency

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.

Podnikatelský plán pro cestovní kancelář na zakázku

Abstrakt

Účelem diplomové práce na následující téma obchodního plánu pro cestovní kancelář na míru bylo zaměřit se na poskytnutí nového trendu v oblasti cestovního ruchu. Novým trendem, který získává na popularitě mezi rusky mluvící populací, je organizování individuálních skupinových zájezdů na místa, která se kvůli nezkušenosti v této záležitosti obtížně získají, a destinací, které si sami obtížně naplánují cestu. Hlavním cílem obchodního plánu bylo ukázat vám, že tento druh cestovního ruchu nemůže přinést pouze krásné fotografie na vaše sociální sítě, ale také být ziskový. Zisk firmy je důkazem toho, že jste vybrali správný výklenek a vše správně vyvinuli a vypočítali. Práce se skládá ze dvou hlavních částí: teoretické a praktické. Teoretická část vysvětluje obsah obchodního plánu a popisuje typ turistické činnosti. Praktická část na základě studované teorie ukazuje, jak získané znalosti aplikovat v praxi. Byla provedena SWOT analýza, finanční analýza a výpočty, které prokazují relevanci a ziskovost zvoleného směru.

Klíčová slova: obchodní plán, cestovní kancelář, zakázková cestovní kancelář, SWOT, čistý zisk, výkaz zisku a ztráty, peněžní tok, podnikání, Island, individuální skupinové turné.

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1 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.

2 AIM, OBJECTIVES AND METHODOLOGY

2.1 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.

2.2 METHODOLOGY

In general, this thesis can be conditionally divided into two parts: theoretical and practical part.

The theoretical part includes an introduction, a description of the methodology, goals and objectives of the study, a literature review, as well as a general characteristics of

further research. Much attention is paid to a review of the literature on the topic of the study, as well as the characteristics of the future tour.

The literature review consists of four small sections: Enterprises, Czech Legal Regulation, Business Plan, Structure and Contents of a Business Plan. In the first part of the literature review, the definition of the term 'enterprise' is introduced, the main types of businesses are characterized, and the importance of small business is revealed. The second chapter of the literature review is devoted to the analysis of the specifics of Czech legal regulation of business and the identification of peculiarities of obtaining a trade license. In the third part, the concept of a business plan is directly revealed, the purpose of its application is determined, different types of business plans according to utilization are characterized, etc. The structure and content of the business plan are represented in the fourth part of the literature review.

The general description of the future tour includes three separate sections: Theoretical Foundations of the Design of Tour Products, Characteristic of Own Research and The Promotion Process. Due to this, in this part the process of preparing for the organization of an individual group tour is described in detail.

The basic purpose of the practical part of the paper consists in the organization of an individual group tour. Therefore, all practical issues are disclosed, problems are identified, and recommendations are represented there.

In order to draw up an effective business plan, several research questions were put forward, on the basis of which the analysis was carried out:

- What are the legal peculiarities of starting a business in the Czech Republic?
- What factors of macro and micro environments have the greatest impact on companies in the tourism industry?
- What do people think about traveling? What are their preferences?

Thus, in the practical part, statistics are compiled, the results obtained during the analysis are represented, and a generalized SWOT analysis is presented.

3 LITERATURE REVIEW

3.1 ENTERPRISES

A person's need for free self-expression of a personality acting in conditions of risk has determined the main features of an entrepreneur, describing him as the owner of capital, which is ready to take risks for the sake of implementing a certain commercial idea and making a profit. Such people, for the effective development of their own enterprise, are constantly searching for new combinations of production factors. Therefore, entrepreneurship, as a way of managing in a result of centuries of evolution, has become the basis of the innovative, productive nature of the economies of many developed countries, and entrepreneurs, or as they were originally called entrepreneurial people, continue to act in the market as energetic and prone to risky operations.

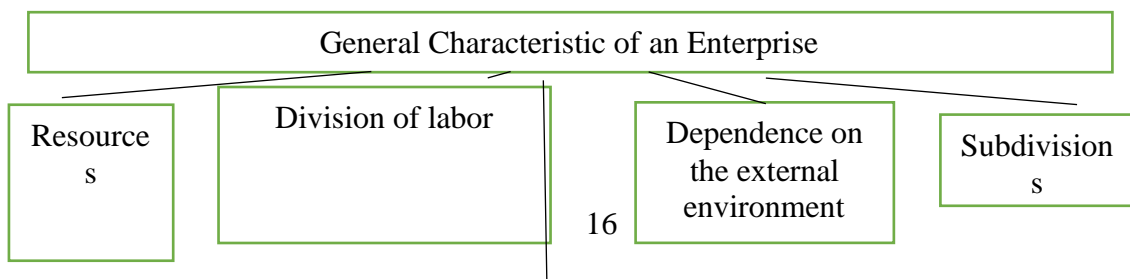
The main form of entrepreneurship organization is an enterprise. Considering an enterprise as a subject of economic relations within the framework of private or collective common capital, as a process of searching for new opportunities, using new technologies, searching for capital investments, overcoming old management stereotypes, it can be called an entrepreneurial enterprise.

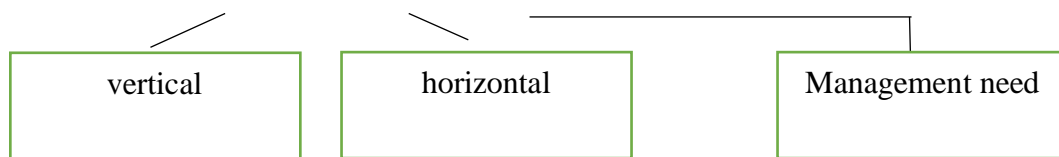
An enterprise contains in its description the main features as a subject of market relations, which include:

- industrial and technical unity based on the development of a commonality of production processes, capital, technology;
- organizational unity, representing a single management system and organizational structure with a vertical and horizontal division of labor;
- dependence on external factors, manifested in changes in politics, the economy of the regulatory framework at the level of world order;
- economic unity expressed in the resource potential and economic results of the enterprise.

The characteristics of the enterprise are presented in Figure no. 1.

Figure 1: Basic Characteristics of an Enterprise





Source: Own Processing

The functions of each enterprise are the following areas:

- production of products (services, works);
- implementation of quality products;
- after-sales service of goods;
- providing production with the necessary resources;
- organization and management of production processes;
- ensuring the growth of production;
- compliance with applicable laws, standards and regulations;
- compliance with the rules of the tax policy of the country.

The state of the economy in the country and the world, the development trends of a particular industry, to which the enterprise relates, the nature of competition in it, and the stage of the life cycle of the enterprise itself determine the main criteria for achieving the target settings.

3.1.1 Medium and Small Businesses

The formation and development of market relations presupposes the free and equal coexistence and development of various forms of ownership and various sectors within each form of ownership. Considering the private sector of the economy, we can talk about three groups of enterprises, which, according to generally accepted terminology, are defined as large, medium and small enterprises depending on their size, as well as a group of individual entrepreneurs. Each of these four groups has its own internal interests that determine the strategy of their economic behavior, their attitude to the state and its policies, to socio-economic, political and national problems.

In our research, it is necessary to dwell on the study of the characteristics of small business, but for this, first of all, it is important to talk about large and medium businesses and determine how they differs from small business. International Organization for

Economic Co-operation and Development identifies enterprises with up to 10 people as 'very small', up to 50 people as 'small', up to 250 people as medium-sized. (The European Commission 2015)

Medium-sized businesses are more dependent on domestic economic conditions and are forced to compete within their group, as well as with large domestic and foreign capital. This determines the interest of medium-sized businesses in protecting the domestic market by pursuing a protectionist state economic policy and the formation of certain rules of market relations, which predetermines a closer connection between medium-sized businesses and national interests. (Carter and Jones – Evans, 2006)

Small business, including individual entrepreneurship, represents a large layer of small owners, who, due to their mass character, largely determine the socio-economic and partly political level of development of the country. By their standard of living and social status, they belong to the majority of the population, while being both a direct producer and a consumer of goods and services. The small business sector represents the most extensive network of enterprises and individual entrepreneurs operating mainly in local markets and directly related to the mass consumer of goods and services. Together with the small size of small enterprises, their technological, production and managerial flexibility, this allows sensitively and timely respond to changing market conditions. The small business sector is an integral, objectively necessary element of any developed economic system, without which the economy and society as a whole cannot normally exist and develop. Although the 'face' of any developed state is made up of large corporations, and the presence of a powerful economic force – large capital largely determines the level of scientific, technical and production potential, but the true basis of a country's life with a market management system is formed by a small business as the most massive, dynamic and flexible form of a business life. (Carter and Jones – Evans, 2006)

Table no. 1 shows the comparative characteristics of large, medium and small businesses.

Table 1: Differences between enterprises

Small Businesses	Medium Businesses	Large Businesses
Equity held by founder/family	Mostly privately held – family/P-E; few with public	Mostly public investor-held equity
Owner-managed	Owners + professionals in key roles	Professional management
Decision-making largely by owner	Decision-making by owner/CEO and some key leaders (single/dual)	Distributed decision-making by organizational hierarchy
Short-term (seat-of-the-pants) planning – primarily by owner	Some long-term planning – mostly by owner/key executives	Extensive long-term planning horizon by dedicated teams
Informal processes; mostly ‘people’ get things done	Some formal processes; ‘people’ get many things done	Formal structure & processes – mostly people-independent
Most capital needs met by leveraging personal net worth	Limited sources of capital, some hard to access	Wide range of funding sources
Small customer base – generally local markets	Limited customer base – limited to geographical or industry niche	Diverse markets (many global) with diverse customers
Limited personnel development opportunities	Personnel development limited to key employees	Multiple career development paths and programs
Little external input – mostly from friends and network	Little external input - from friends, network & ‘trusted’ professionals	Significant external inputs – from network and consultants; have separate governance structure

Source: Own Processing, (Carter and Jones – Evans, 2006)

So, in the small business sector, the bulk of national resources are created and circulated, which are a breeding ground for medium and large businesses.

3.1.2 Importance of Small Business

The essence and significance of small business is manifested through the performance of its functions. Table no. 2 shows the main functions of small business.

Table 2: Functions of Small Business

Functions of Small Business	Brief Description
Economic Function	<ol style="list-style-type: none"> 1. Creates a wide range of goods and services in the context of rapid differentiation and individualization of consumer demand. 2. Provides mobility necessary in the market conditions, deep specialization and extensive cooperation of production, without which its high efficiency is unthinkable. 3. Creates the atmosphere of competition necessary for the market and a variety of forms, a willingness to instantly respond to any changes in market conditions. 4. Carries out the development and implementation of innovations (trying to survive in the competition, small enterprises are more likely to take

	<p>risks, introducing and implementing new projects).</p> <p>5. Promotes the mobilization of material, financial and natural resources, including local resources and production waste, uninteresting to large business.</p> <p>6. Helps strengthen the country's economic security and reduce economic threats.</p>
Social Function	<p>1. Promotes the formation of the middle class (the main core of a market economy and the guarantor of economic, social and political stability) through an increase in the number of owners.</p> <p>2. Provides an increase in the share of the economically active population, which increases the incomes of citizens and smoothes the imbalances in the welfare of various social groups.</p> <p>3. Contributes to the development of personality and self-realization, as it carries out the selection of the most energetic and capable people.</p> <p>4. Creates new jobs and provides employment for workers released in the public sector, the army, large and medium-sized businesses, as well as representatives of socially vulnerable groups of the population (pensioners, disabled people, youth, women with small children, immigrants, etc.).</p> <p>5. Carries out training of personnel who, in the course of their activities, acquire new qualifications, abilities and skills.</p> <p>6. Provides social and psychological assistance to the population. Plays an important role in ensuring the health of the nation through the creation of comfortable working conditions in comparison with the apparently respectable conditions of large enterprises.</p>
Innovative Function	<p>1. Provides significant competitive advantages, as innovation often requires less investment per employee compared to large enterprises.</p> <p>2. Contribute to the structural adjustment of production and increase the efficiency of indicators of socio-economic development.</p> <p>3. Contribute to the expansion of international scientific and technical cooperation and the growth of the country's prestige in the world through the development, mastering and implementation of innovations.</p>
Resource Function	<p>1. Ensures the efficient use of financial, labor, material, information and natural resources, means of production and scientific achievements, as well as entrepreneurial talent.</p>
Organizational Function	<p>1. Manifested in the adoption by entrepreneurs of independent decisions related to the organization of their own business.</p> <p>2. Promotes the introduction of new forms and methods of organizing production, wages, developing strategies for small businesses, etc.</p>
Personality Function	<p>1. Manifests itself in the self-realization of the entrepreneur as a person through the achievement of his own goal, the satisfaction of his work.</p> <p>2. Allows to be independent, not to work on orders, not to be an ordinary member of the team.</p> <p>3. Allows to realize one`s own talent as a leader, organizer, specialist.</p> <p>4. Makes it possible to receive decent remuneration for the work and significantly improve the financial situation.</p>

Source: Own Processing, (Fernandes N., van Zyl J., van Noordwyk A., 2015)

Thus, for the country's economy, the activity of small business is an important factor in increasing its flexibility. According to the level of development of small business, experts judge the country's ability to adapt to a changing economic environment.

3.2 CZECH LEGAL REGULATION

The Czech Republic is a state in Central Europe, bordered by Germany, Slovakia, Austria and Poland. It was founded on January 1, 1993 after the division of Czechoslovakia. In administrative-territorial terms, the Czech Republic is divided into 14 entities (13 territories and the city of Prague). The territory of the Czech Republic is 78.9 thousand km².

Since 1st January 2014, there is the re-codification of the New Civil Law in the Czech Republic. Act no. 89/2012 sets a definition of an entrepreneur: *“Whoever performs independently on their own account and responsibility of trade or employment in a similar manner with the intent to do so consistently for profit, is considered with regard to this business for entrepreneurs.”* (§420, 89/2012 Coll.)

It should be mentioned that each entrepreneur must be included in the register of enterprises. The entrepreneur has two basic options for starting a business: under his own name as an individual entrepreneur or under the created name as a commercial company (partnership).

3.2.1 Act no. 90/2012, on commercial corporations

The legal regulation of commercial activities in the Czech Republic is carried out in accordance with Law No. 90/2012 “On Trade Corporations” and the Civil Code, which entered into force on January 1, 2014.

According to Section 1 of this Law, commercial corporations are companies or societies (společnost) and cooperatives (družstvo). The main organizational and legal forms of conducting commercial business in the Czech Republic include:

- joint-stock company – akciová společnost (a.s.);
- limited liability company – společnost s ručením omezeným (s.r.o.);
- open partnership – veřejná obchodní společnost (v.o.s);
- limited partnership – komanditní společnost (k.s.);
- cooperative – družstvo;
- state-owned enterprise – statní podnik (s.p.).

- solo proprietorship - živnostenský list

The Czech Republic is a full member of the European Union and, in accordance with European law, the commercial activities of so-called legal entities of a supranational nature are also permitted on its territory:

- European company (evropská společnost / societas europaea / SE);
- European Association of Legal Entities (evropské hospodářské zájmové sdružení / European economic interest grouping / EHZS);
- European Cooperative Company (evropská družstevní společnost / societas cooperativa europaea / SCE).

Commercial activities can also be carried out through branches of a foreign legal entity, local agents and distributors.

3.2.2 Solo Proprietorship

Most often, to create their subsidiaries and independent companies in the Czech Republic, foreigners choose the form of a Solo Proprietorship company, which is the most common legal form used to conduct business in the Czech Republic, both by its citizens and foreigners.

Activities that make a profit are considered entrepreneurial. If you are engaged in it illegally, without registration Solo Proprietorship and if you don't pay taxes, sooner or later you will have to respond according to the law. Another factor in registering your activity is the blocking of your personal account if you receive money illegally.

A big advantage compared with LLC is that all the money belongs to you and in order to withdraw it you don't have to report to anyone. The big disadvantage is that you risk all your personal property in case of debts. (Sole Proprietorship: Small Business Start-up Kit, 2011)

To make it legally, you need to obtain a license for entrepreneurial activity in živnostenský úřad, it can be issued at any business agency živnostenský úřad, it can be done in any city in the Czech Republic. Entrepreneurial activity can be carried out both independently and by hiring employees.

You will need documents such as: a criminal background check, in my case, from Russia and the Czech Republic; agreement from a landlord to provide you a juridical address; passport or valid visa; and registration fee 1000 CZK. (Zákon č. 455/1991 Sb.)

3.3 BUSINESS PLAN

A business plan is a concrete statement of an entrepreneur intention, his/her business strategy and a tool for his/her realization in everyday organization practice (Červený, 2014, p. 3).

Factors that determine the volume, composition and structure of a business plan, the degree of detail, can also include: the specifics of the type of entrepreneurial activity, the size of the enterprise, the purpose of drawing up a business plan, the overall strategy of the enterprise, the growth prospects of the newly created enterprise, the size of the proposed sales market, the presence of competitors, etc.

Depending on the purpose of drawing up a business plan (as a justification plan for investments, for financial partners, attracting partners, contracts with company personnel), sections can be developed with one degree or another of specificity. The larger is the sales market, the more the number of segments must be taken into account, and the presence of a large number of competitors requires the study of the largest of them, their goods and services, which requires a more complicated business plan structure.

3.3.1 Purpose of Business Plan

A business plan is required:

- to develop a business concept and general enterprise development strategy;
- to perform the planning function;
- to assess and control the development process of the main activities of the enterprise;
- to attract funds;
- to attract private investors, efficient use of investments, competitive placement of public investments in highly efficient projects.

The business plan includes the development of goals and objectives that are set for the entrepreneur in the near and future, assessing the current state of the economy, the strengths and weaknesses of production, market analysis and customer information. It provides an assessment of the resources necessary to achieve the goals in a competitive environment.

A business plan allows to show the profitability of the proposed project and attract potential financial partners. It can convince investors that the company has an effective, consistent program to implement the goals and objectives of the project.

Thus, the main purpose of developing a business plan is to provide a reasonable, holistic, systematic assessment of the prospects for the development of the company, i.e., to predict and plan its activities for the near term and future, based on the needs of the market and the firm's ability to meet them.

3.3.2 Types of Business Plan According to Utilization

In the practical activities of organizations, there are various forms of planning using the methods appropriate to them, and types of plans. Depending on the content, goals and objectives, as well as depending on the duration of the planning period, the following forms of planning can be distinguished:

- long-term planning;
- medium-term planning;
- short-term (current or operational) planning.

Long-term business plan consists mainly in determining the main goals of the organization and is focused on determining the intended final results, taking into account the means and methods of achieving the goals and providing the necessary resources for this. Long-term planning covers a period of 5-10 years or more, relates to the enterprise as a whole, has long-term consequences, affects the functioning of the entire management system and is based on the attraction of significant resources.

Medium-term plans cover a period of 2-5 years. Such a plan usually contains quantitative indicators, including regarding the distribution of specific resources. The medium-term plan provides detailed information on the entire range of products, data on investments (investment in fixed assets) and sources of financing. Medium-term plans relate to the enterprise as a whole, as well as to its branches, subsidiaries and other structural divisions that determine the main directions of the enterprise's business activities.

Short-term (current) business plan consists in determining intermediate (short-term) goals and objectives. The planning horizon is 1 year. At the same time, tools and methods for solving all the tasks provided in the plan, the use of specific resources, including the introduction of new technology, are developed in detail. The main links in the current

production are calendar plans (monthly, quarterly, semi-annual, annual), which are a detailed specification of the goals and objectives defined by long-term and medium-term planning. Short-term plans reflect the activities of units and the enterprise as a whole.

Moreover, there are several types of business plans that can be divided into three groups according to goals and motives:

- for an existing company or for a new product,
- to getting new partners,
- for searching the financial support (banks, investors).

A business plan is usually developed in the first case for the implementation of a new business. It is created using the necessary analysis and supported implementation plans that allow monitoring the implementation of the business plan.

The second category includes the merger of the two companies with the goal of a stronger company in order to have a better market position, attract more customers, gain access to new distribution channels, sources, know-how, etc.

The last type of business plans is usually developed to obtain the necessary finances and loans (Červený, 2014, p. 8-9).

3.3.3 Before Writing a Business Plan

Before you begin to draw up a business plan, you need to answer yourself three important questions:

1. Where are you at present?
2. What do you want to do?
3. How are you going to do this?

The essence of the answer to the first question is to determine the real capabilities of the organization in its core business based on an analysis of its strengths and weaknesses in important functional areas.

When formulating the answer to the second question, in addition to the analysis performed, other factors that determine the success of the organization are studied. The economic conditions, social and cultural changes, as well as the influence of environmental factors on the organization's activities (consumer demand, competition, general factors of the state of the economy, scientific and technological progress, political conditions and other environmental factors) are analyzed. The answer is expressed in reasonably setting

realistic goals for the organization and identifying threats that may hamper their achievement.

The answer to the third question contains specific measures that the departments and employees of the organization must carry out when solving assigned tasks in order to achieve the stated goals.

With this approach, the implementation of the planning function goes beyond the definition of plans for the company. Planning in this case is considered as a way by which management provides a single direction for the efforts of all members of the organization to achieve success by presenting in detail the desired result and determining measures to achieve it, taking into account the use of the enterprise's capabilities and the environment.

3.4 STRUCTURE AND CONTENTS OF A BUSINESS PLAN

For the quality development of business plans, reliable initial marketing, production, financial and other planning and economic information is required. In this regard, we will consider the approximate structure of business plans operating at modern firms that disclose in more detail both the initial information and the planned indicators developed on its basis.

The formal structure of a business plan, e.g. for banks and investors, can include the following elements:

- a title page;
- an executive summary;
- a company description;
- strategic analyses;
- a business strategy;
- a marketing plan;
- an organizational plan;
- a production plan;
- a financial appraisal;
- appendix (Koráb, Řežňáková, Peterka, 2007).

3.4.1 Title Page

The title page has the following content:

- the title of the plan;

- the date of its creation;
- who created the plan, the full name and address of the company, the name of the entrepreneur and his home phone number;
- for whom the plan is designed;
- sometimes it is recommended to include in the title page a statement that the information contained in the document is not subject to disclosure, so the entrepreneur's right to his idea is fixed.

It should also be noted that it is recommended to make a statement that contains information in the document which is privileged and is a subject of a trade secret (Srpková, 2011).

The table of contents is the most widely read part of the business plan, after the title page and resume. It should give a clear idea of the entire content of the business plan. The table of contents should not be oversaturated with details, but it is necessary to highlight the subtitles of the most significant sections of the plan and not forget to number the pages (Koráb, Řežňáková, Peterka, 2007).

3.4.2 Executive Summary

The executive summary is written after the business plan as a whole is drawn up. It should include the main provisions and ideas of the business plan, the conclusions reached by the entrepreneur (Friend, Zehle, 2004, p. 15).

The structure of the summary should consist of 3 parts:

1. Introduction: includes the objectives of the plan, the brief essence of the project;
2. Main content: concise all key elements of the business plan and its main parts: occupation, demand forecast, sources of financing, etc.;
3. Conclusion: summarizes the factors of the entrepreneur's future success, may include a description of the entrepreneur's main methods of action.

To create a summary, it is extremely important to have a good idea about it. The executive summary should be short, usually three to four pages, but it is better if it fits on one page. The summary is a key part of the document, and it should be written so that the reader has a desire to continue reading the business plan. That is, an executive summary should attract not by quantity, but by quality, taking into account the specifics of the activities and requests of potential investors.

3.4.3 Company Description

The description of the company includes the characteristics of its current and past development or situation. The basic information about company should contain:

- a name of the company;
- a place of business;
- date and place of founding a business;
- who finds it and their contacts;
- a business subject;
- legal relations inside the firm, division of shares;
- medium-term and long-term objectives;
- a legal form;
- a place of operation (Wupperfeld, 2003).

3.4.4 Strategic Analysis

According to Friend and Zehle, this part is a strategic review that examines customers, suppliers and competitors. There is also a mapping of the wider environment in relation to a business category, such as political, economic, social and technological changes.

The most important thing in the strategic planning process is how to maximize the use of business resources, internal factors, taking into account the environment, external factors, etc. Many analyzes are included in this section since they help to set goals and generate alternative strategic options (Friend, Zehle, 2004). A better overview of this part is provided in figure no. 2.

Figure 2: The Strategic Review and Strategic Planning Process



Source: own processing, Friend and Zehle, 2004

3.4.4.1 Environmental Analysis

The company's environment is a combination of two relatively independent subsystems:

- macro-environment;
- immediate surroundings.

The macro-environment has its own characteristics, which are determined by the following factors:

1. Demographic factors.
2. Economic factors include: the general economic situation (degree of development) of the city, the income level of the population, the nature of its solvency, inflation, unemployment, etc.
3. Natural factors cannot but affect the activity of an enterprise, especially since the issues of rational use of natural resources and environmental protection are

becoming global. In addition, natural factors (climate, topography, flora and fauna), etc.

4. Socio-cultural factors. The greatest force in the quality of socio-cultural factors of the company's activity is possessed by established norms adopted in society, systems of social rules, spiritual values, relations of city residents to nature, labor, between themselves and to themselves. Knowledge of socio-cultural factors is very important, as they affect both other elements of the macro-environment and the internal environment of the enterprise (for example, the attitude of employees to work).
5. Political and legal factors include: the policy and intentions of state authorities and local self-government regarding the development of society; the means by which the state intends to implement its policy. The analysis of laws and other normative acts that establish legal norms and the framework of relations gives a company the opportunity to determine for itself the acceptable boundaries of actions and acceptable methods of defending its interests.

Speaking about the factors of the macro-environment, it should be noted that they are all closely interconnected and affect each other; the degree of influence of macro-environment factors on the enterprise activity is not the same.

When determining its strategy, the company defines for itself which of the external factors have the most significant effect on its functioning. Therefore, it is important to identify those factors that are potential carriers of threats to the enterprise. It is also advisable to know external factors, changes in which may open additional opportunities for the company.

The immediate environment of the company is represented by those components of the external marketing environment with which the firm is in direct interaction. It is important to emphasize that the company can have a significant impact on the nature and content of this interaction. Thus, it can actively participate in the formation of additional opportunities and the prevention of threats to its continued existence.

The immediate environment of the company is formed, first of all, by consumers. Their study allows better understanding what services will be most accepted by them, how much sales you can expect, how much you can increase the circle of potential customers. Competitors, participating in the ongoing competition for consumer preferences, create the next most important component of the immediate external environment of the firm.

Considering the extreme importance of the first two components of the immediate environment of the external marketing environment, consumer research and competitor research stand out as independent marketing research areas.

3.4.4.2 Analysis of the Firm

Both the entrepreneur and his investors must know for sure what products and services are planned to be offered to the market. That is, the business plan should include a detailed analysis of the firm and description of the future product.

Questions that relate to the description of a product (service) may constitute the following list:

- A specific description of the product and how to use it. In this case, the properties of the goods should be coupled with the needs of its potential buyers.
- The tendency to use the selected product (service) (will its consumption increase or decrease over time? If there are new ways of its usage?). How does the company see the life cycle of its product (service)?
- What is the range of similar products (services) offered by competitors? Does the selected product (service) have uniqueness compared to competitor models, does the market (consumers) require the uniqueness and specificity of the product (service)?
- What is the level of protection of products (services), that is, does the entrepreneur have a patent, copyrights, registered trademark, etc.?

3.4.4.3 Industry and Competitor Analysis

Describing the industry, it is important to show the absolute size of the market, whether this market is prone to growth or stagnation, the main market segments (consumer groups). It is necessary to determine how sensitive the market is to various internal and external factors, whether it is subjected to cyclical and seasonal fluctuations, etc. It is necessary to describe its competitors, the market share that they have captured, the segments they are oriented to, and to take into account other industry factors.

The business plan should describe the selected strategies and their application.

If the entrepreneur has seriously decided to change his strategy or is just introducing himself into the competitive market, he should predict possible response actions of competitors:

- degree of probability of response;

- their possible impact on the company;
- when this can happen;
- how aggressive they will be;
- is there an opportunity to evade particularly aggressive influences.

The competitor analysis should contain the list of the most significant competitors, how they present yourself and how communicate with customers (Friend, Zehle, 2004, p. 63).

3.4.4.4 Market Analysis

Market and marketing are critical factors for all firms. The most ingenious technologies are useless if they have no customers. Therefore, this section of the business plan is the most difficult to write. It is necessary to convince investors and lenders of the existence of a market for the goods (services) and show that the entrepreneur can sell products (services) there.

In the course of market analysis, it is important to be based on market segmentation.

Friend defines a market segment as: *“a sufficiently large group of buyers with a differentiated set of needs and preferences that can be targeted with a differentiated marketing mix”* (Friend, Zehle, 2004, p. 100).

Market segmentation is very important because an individual customer has different needs. It helps to organize customers into groups of similar types such as needs and behavior (Barrow, Barrow, Brown, 2008).

So, marketing analysis usually occurs in several stages:

1. Segmentation. This implies a breakdown of the market into distinct groups of buyers according to certain principles (geographical, psychographic, behavioral, demographic).

2) Decision on the coverage of market segments. After selecting several market segments, the company faces the question: “How many segments should be covered and how to determine the most profitable segments?”. A company can neglect differences in segments and turn to the entire market as a whole with the same offer (undifferentiated marketing), enter into several segments and develop a separate offer for each of them (differential marketing) or concentrate efforts on a large share of one or several submarket (concentrated marketing). Whatever marketing strategy the company chooses, it is

necessary to take into account its resources (with limited resources, a concentrated marketing strategy is rational), the degree of product homogeneity (undifferentiated marketing is suitable for uniform products, and differentiated or concentrated marketing is more suitable for products that differ from each other), degree of market uniformity.

3) Selecting the most attractive segments. Here, the company needs to collect information about all segments: sales volumes in monetary terms, projected profit margins, and expected sales growth rates. The most profitable segment should have a high level of current sales, high growth rates, and high profit margins. However, in practice one segment rarely meets all these requirements, so the company has to compromise and choose the most significant segments for it in terms of established goals.

4) Assessment of segment capacity. This indicator characterizes the possible volumes of sales of goods (services) and is determined by the number of goods sold (or potentially sold) (services) during a certain period.

5) Evaluation of the potential amount of sales, i.e. the market share that the company hopes to seize.

6) Assessment of real sales, i.e. it is necessary to evaluate how much a company can actually sell in specific operating conditions, at advertising costs, and most importantly – how this indicator can change month after month, quarter after quarter, etc.

3.4.4.5 SWOT Analysis

SWOT analysis is an analysis of the strengths and weaknesses of an organization, as well as opportunities and threats from the external environment. “S” and “W” refer to the status of the company, and “O” and “T” refer to the external environment of the organization (Friend, Zehle, 2004, p. 85-87).

The abbreviation SWOT means: strengths, weaknesses, opportunities, threats (Figure no. 3).

Figure 3: SWOT Analysis



Source: Own processing, Friend and Zehle, 2004

The methodology for conducting a SWOT analysis is as follows:

- analyzes the environmental market environment of a product or service in terms of external and internal factors;
- based on the analysis, the strengths of the business, the weaknesses of the business, the threats and opportunities of the market for the business are formed;
- the obtained parameters are entered into the SWOT matrix for ease of analysis:
 - a) on the basis of the SWOT matrix, conclusions are drawn about the necessary actions indicating the implementation priorities and deadlines;
 - b) each factor gets a quantitative assessment and then, using special calculations, the crisis resistance of the enterprise is determined.

The procedure for conducting a SWOT analysis in general is reduced to filling out a matrix, which reflects and then compares the organization's strengths and weaknesses, market opportunities and threats. This comparison allows to determine what steps can be taken to further develop the organization, as well as what problems need to be urgently addressed.

3.4.5 Business Strategy

A business strategy is the basis of a business plan for the development of an enterprise. It is a combination of the main ideas and the main ways and methods of achieving the given parameters of enterprise development. Strategy development consists in preparing a strategic plan: a description of the future prospects of the enterprise; key growth indicators; resource intensity parameters; performance parameters; enterprise competitiveness parameters.

The following types of strategies for a company's business development are usually characterized:

1. Strategy of Cardinal Change. It involves a concentration of efforts to clarify the reasons for the decline in the number of customers, effective development planning, and the formation of supportive measures;
2. Growth Preservation Strategy. It involves the attraction of clients with additional services to maintain a low level of growth under adverse external conditions;
3. Growth Strategy. It is applied at the stage of development with a limited range of new services, when a company is not able to process a new market;
4. Selective Growth Strategy. Only a certain segment is subjected to the target direction of efforts.

It should also be noted that Tichá suggests strategies by using SWOT matrix:

- 1) WO strategy - "seeking": (combination of Weaknesses and Opportunities): overcoming weaknesses by exploiting opportunities,
 - 2) SO strategy – "exploiting": exploiting strengths in favor of opportunities,
 - 3) WT strategy – "avoiding": minimization of weaknesses and avoiding threats,
 - 4) ST strategy – "confrontation": exploiting strengths to turning away threats
- (Tichá, Hron, 2014, p. 118-119).

3.4.6 Marketing Plan

In order to achieve success, the company must create an effective market for its product (service). The main steps to create such a market are described in the marketing section of a business plan. This section is intended to explain to its potential investors and partners the basic elements of marketing. In this section of the business plan, any entrepreneur necessarily includes such items as goals and marketing strategies, pricing, distribution scheme of goods, methods of sales promotion, organization of after-sales customer service, formation of public opinion about the company and its products (Crego, Schiffrin, Kauss, 1995, p. 5-8).

3.4.7 Organizational Plan

The organizational plan introduces the form of ownership chosen by the company, management issues, the distribution of powers and responsibilities, the type of organizational structure of the company (Koráb, Řežňáková, Peterka, 2007).

If the company has existed for several years, it is necessary to describe the history of the formation of property, the changes that occurred in it. Also tell about the parent company or subsidiaries, if they exist. From this point of view, the organization chart can be supplemented with information on the percentage of shares and voting rights.

3.4.8 Operational Plan

The operational plan shows how the business is structured, which and how resources are used to achieve strategic objectives (Friend, Zehle, 2004). The main rule when writing this section: the presentation should be extremely simple, you should not abuse the use of technical jargon, since most likely people without special engineering education will read this section.

At the same time, one cannot think that financiers are not interested in production problems and their justification. All the main components of the production system should be described in the business plan.

In addition to the technical description, the production plan should include economic calculations of production costs.

3.4.9 Financial Plan

This section of a business plan contains numerical formulation or quantification. It is one of the key factors to find out if the business is feasible also from the economic point of view (Srpová, 2011).

The financial section of the business plan includes three main planning documents: organization balance sheet, Net profit, Income Statement, Profit & Loss, Cash Flow Statement.

In addition, when drawing up a business plan, a so-called sensitivity analysis is carried out. Sensitivity analysis is a method of studying the effect of changes in the current net cost (net present value) of a project in connection with a change in the key parameters of the project — research and development costs, construction costs, market size, price, production costs, advertising and sales costs, etc. Net present value is an indicator of the effectiveness of investments undertaken as part of an entrepreneurial project. Discounting the value is the determination of the present value of the company's future cash income, which should be received as a result of the project. The higher the discounted cost of the project, the more effective it is.

The criterion for the effectiveness of a business project is the positive value of the net present value. Thus, a sensitivity analysis makes it possible to determine whether changes in key project parameters will lead to a decrease in the net present value to a negative value, that is, to a loss in project effectiveness. In other words, this method determines how sensitive the project is to changes. Preliminary application of sensitivity analysis within the framework of business planning allows reducing entrepreneurial risk and avoiding unproductive capital investments.

Another important component of the financial section of a business plan is the determination of the sources of capital (funds) necessary for the activities of the company. This part of the financial plan is relevant both for small firms that are just entering the business, as well as for large enterprises that require additional capital inflows. Data on capital sources should be linked to the use of funds with a specific indication of the methods and directions of capital use.

When determining the sources of financing, it is recommended to pursue an active policy of seeking the necessary capital, diversify the methods of obtaining them – from applying to the bank, to venture capitalists and issuing shares and bonds, to seeking help

from the federal government and municipal structures through state subsidies, small business financing schemes, etc.

4 GENERAL CHARACTERISTICS OF THE FUTURE TOUR

This is an important section of the present diploma paper, since a characteristic of future research is represented here.

4.1 THEORETICAL FOUNDATIONS OF TOUR PRODUCTS

4.1.1 General Structure of the Tour Product

The success of commercial activity in the tourism market is determined by an attractive tourist product, therefore, the main task of a tourist enterprise is to create an attractive tourist product. A tourist product is a right to a tour intended for sale to a tourist. A tour is a complex of services for accommodation, transportation, meals of tourists, excursion services, as well as services of guide-interpreters and other services provided depending on the purpose of the trip. However, the “Right to Tour” is a legal category, not an economic one. A tourist product as an economic category has a sufficiently capacious content, therefore its generally accepted definition is still missing.

However, it is believed that a tourist product is a complex of material (consumer goods), non-material (in the form of services) consumer values necessary to meet the needs of a tourist arising during his travel, and the costs associated with its production and sale and forming the price of a tour product.

The tour product in real execution is a certain set of properties that allow to realize the plan: to satisfy a certain need of the client. The main properties and characteristics of a tour product are: level of quality, comfort, prestige, profitability, safety, impression.

A tourist product consists of three elements: a tour, additional tourist and excursion services, and goods. Tour – the primary unit of the tourist product, sold to the client as a whole, a product of the tour operator's work on a specific route and on a specific date. This is a complex of various types of services, united by the main purpose of travel and provided at a certain time on a certain route with a pre-established program.

4.1.2 Package of Services

The main type of tourist product is a comprehensive service, i.e. standard set of services sold to tourists in one “package”. Tourist trips abroad, implemented on the basis of standard sets or service packages with a pre-established service program and a single price for the consumer, are called package tours or inclusive tours.

Packing tours are the main activity of tourist enterprises and are defined as a package of services that includes the following components – transportation and accommodation, as well as other services not related to the first two. The structure of such tours varies greatly depending on the country, the characteristics of tourists, their purchasing power, nature, range and quality of services offered.

Packing tours have advantages over other tourist services companies, since their cost is usually lower than the total retail prices for individual services included in the package.

4.1.3 Main Advantages of Individual Group Tours

Individual group tours are such tours that are formed by a tourism company on an individual basis, taking into account personal requests and wishes of customers. Individual group tours provide tourists with more independence. But they are more expensive, since the transport services, guide services, etc. the tourist pays in full, unlike group tours, where this price is laid out for all members of the group. That is why individual group tours are not always accessible to the mass tourist.

The organization of individual group tours is a time-consuming process that requires the use of computer technology for booking, settlements and other operations. On the other hand, individual tourism from an economic point of view is very beneficial for tourism enterprises, as it gives higher income per tourist as compared to group tours.

4.1.4 Tour Design

The design of the tour provides for the coordination of the capabilities of the enterprise carrying out this design with the requests of tourists. The main objective of the tour operator is to create a tour, supported by an appropriate service program.

4.1.5 Service Program

A service program is a set of services provided to tourists in accordance with their needs and themes of the tour, pre-paid and distributed over the time of the tour.

When developing a service program, the following aspects are determined:

- travel route;
- list of tourist enterprises – service providers;
- period of service provision by each enterprise;

- the composition of excursions and attractions;
- list of hiking, walking;
- set of leisure activities;
- number of tourists;
- types of transport for domestic transportation;
- need for guides, etc.

So, the preparation of the tour provides for the provision of a range of services to tourists in accordance with their requirements for the level of service, the content of the tour and the technology for providing services. At the same time, the level of service directly depends on the level of components of tourist services, such as food, accommodation, excursion service. Therefore, the technology of organizing and conducting the tour is determined by the optimality of service, which consists in an integrated approach to the formation of the entire service program and the compilation of daily excursion and leisure programs.

4.1.6 Hotel and Flight Reservations

Some travel agencies include in the main content of the agreement a clause on the booking procedure of the tour, detailing the mechanism for booking, payment and provision of documents. This item greatly facilitates the production process during the design of the tour by the buyer and indicates the professionalism of the seller. The aforementioned conditions can also be placed in applications or in price catalogs.

After the client of the travel agency decided to make a trip and chose the hotel that he liked the most, the type of food, the excursion program, the date of departure, the manager's turn to embody verbal intentions into reality.

To do this, it is necessary to book a tour or the package of services that the client ordered. For this purpose, the agent sends a request to the tour operator. The application can be accepted via the Internet or by mail. It should be noted that many large tour operators have recently encouraged reservations via the Internet and increase the percentage of commission as bonuses. Online booking has several advantages. The main one is a real reflection of the availability of certain services (free places in a hotel, airplane, etc.). In addition, the processing of an online application takes much less time and the agency can give a response to the client as early as the day the application is submitted. Each travel agency develops an individual sample booking sheet.

4.1.6.1 Booking as a Popular Hotel Reservation System

Booking.com is the leading online hotel reservation company. The main direction is providing vacationers with an extensive catalog of villas, hotels and hostels around the world. The Internet project was introduced by the Priceline Group of tourism companies in 1996. It is claimed: the resource offers cheap accommodation of any class, which is important for the modern traveler who prefers to significantly save on housing, rather than on entertainment and flights. Search engine Booking.com works for free, without charging an additional penalty for online services.

The catalog volume is regularly increasing thanks to the opening of new partners. In addition to working directly with individuals and owners of accommodation, the project proposes cooperation with other travel companies. Villas.com has now been added to the main friendly lists. There is also a permanent employee search program.

Booking.com collects hotel reservations in a catalog of five-star, three-star hotels and cheap hostels. The most expensive options – private apartments, deluxe rooms and self-contained guest villas – are currently popular for summer and winter holidays abroad (according to numerous traveler reviews).

4.1.6.2 Air Ticket Reservation (Aviaseyls and Skyscanner)

Aviaseyls and Skyscanner are special search services for airline tickets that look for flight options for a necessary route from hundreds of airlines and in a matter of minutes finds the most profitable ones. With the help of Aviasales and Skyscanner it is possible to find cheap flights not only to Italy or Europe, but also around the world.

4.1.7 Pricing of a Tour Product

Price is a market expression of the cost of services, goods, products. The movement of prices in the market reflects the dynamics of consumer preferences and solvent demand. Focusing on prices, enterprises and entrepreneurs redistribute a market strategy.

Pricing for tourism services occurs at two levels.

At the first level, a pricing strategy is defined. It manifests itself through a set of prices to be published in catalogs, brochures, guides and other special print publications. These prices affect the positioning of services and goods, their cost, long-term profit on invested capital, as well as prospects for the development of the industry and market position.

At the second level, pricing reflects the formation of selling prices in the coming period. The price changes with the implementation, the time of production of the tourist product, as well as when booking tickets before the trip.

In conclusion, it is also important to mention that the price structure of a tourist product usually includes the following main elements: cost, profit, discounts and allowances.

4.2 CHARACTERISTIC OF OWN RESEARCH

“URVOYAGE” is a modern universal travel company that offers a wide range of services for all groups of customers, is actively involved in the social and economic life of the society since organizes individual group tours in interesting areas. The activity of the company is aimed at becoming the best on market of individual tours. So, the travel agency “URVOYAGE” doesn’t sell “tickets”, “tour package”, it develops “adventure”. We have invested in each journey and will continue to invest a piece of the soul. We go on a trip with our customers and show new directions and create cool memories. We select the best places on the planet, work out and draw up such interesting routes, the planning of which requires a lot of effort and time, we take on the entire organization from booking hotels and cars to amazing places for photos, delicious breakfasts and entertainment. In each country, we rent cars to enjoy the full journey. Remember, a journey is not certain route points, it is the path itself.

We are creating a journey for Russian-speaking people living around the world. Therefore, you can join us from anywhere in the world, just by buying a ticket from your city to the meeting point and back.

4.2.1 Justification of the Choice of Direction, General Characteristics of the Country

As it was already mentioned above, the travel agency “URVOYAGE” organizes individual group tours to different countries of the world, for example, such as Hallstatt, Holland and Portugal, Istanbul, Cappadocia, etc., however, the main direction is Iceland since it is a country with many attractions and a wonderful natural environment. That is why, in this paper, we will focus more on its characteristics.

The name Iceland (“ice country or land of ice”) was given by the Norwegian Viking Flouki. The first Scandinavian settler was Ingulfur Adnarson, who landed in 874 in the area of the current capital Reykjavik. The name of the country comes from island –

“ice country”. Area – 102819 km². The climate is subarctic, marine, subject to the strong influence of the Gulf Stream. At the end of winter and spring, polar ice is close to the island. The average annual temperature is + 4 ° C. The average temperature in July in Reykjavik is + 11.2 ° C, and in January – 1 ° C.

There are practically no poor people in the country and class stratification is less pronounced than in many other countries. Increased prosperity was accompanied by increased economic and social security and equality. Icelanders almost always refer to each other only by name. Accordingly, all telephone and other directories indicate the names in alphabetical order. The reason is that so many in Iceland do not have a last name. Icelanders show great interest in genealogy. According to sagas and ancient documents, one can trace the genealogy of many residents up to the time of the initial settlement of the country, as well as establish complex family ties.

The country is distinguished by a high level of cultural development due to long-standing literary traditions and a high standard of education. In public schools, free education for all children from 6 to 15 years is compulsory.

There are no railways in Iceland, but there is an extensive network of roads with a total length of 12.4 thousand km. There are regular bus services between many cities and towns. Many families have cars. In 1996, there were 125 thousand cars in the country, that is, one for every two inhabitants. Only Reykjavik and Akureyri have a true network of city bus routes. Steamboats and motor vessels regularly run between coastal cities and towns. Maritime communications are supported with the United States, Britain, Germany, Denmark and Norway. Modern Iceland is characterized by the rapid development of air traffic.

4.2.2 Analysis of Tourist Resources in Iceland

Iceland is a country of the most mysterious nature. Everything is based there on relief. Since the island is of volcanic origin, the relief is very diverse. Plateaus prevail in the north-west of the country, and in the east and in the central part the relief takes on an alpine appearance.

Iceland has the largest glacier in Europe – Vatnajokul with an area of 8 thousand km². Also unique volcanoes include Hekla, Laki, Grimsvetn volcanoes, a volcano on the island of Heimaei, and fjords.

There are many thermal springs in Iceland, the most famous of which is the Blue Lagoon. The water temperature there reaches 40 degrees Celsius, and steam rooms are arranged on the shore. For ecotourism, lakes such as Kerid and Mivatn are important. Unique water bodies include the group of Hreinfossar waterfalls, Godafoss waterfall, Dehtifoss waterfall (Europe's most powerful waterfall), and the famous Valley of Geysers.

The island has many natural parks. The most famous national park – Thingvellir was founded in 1928. It is located east of Reykjavik. The entire surface of the park is cut with numerous cracks, caves and canyons, the most popular of which is the Peningagya canyon. Here is Lake Thingwalavatn – the largest natural lake in the country.

The architecture of Iceland is represented mainly by modern buildings. This is due to historical development features. In the period of development, the main forms of settlements were farms and estates. Hallgrimskirkja church belongs to religious buildings. It was built in 1986 in the center of Reykjavik and is visible from anywhere in it. This is the tallest building in Iceland (75 m.). The most visited historical site is the Tingvetlir park, where since 930 meetings of the althing – Icelandic folk chamber have been held.

The main archaeological site is the excavation on Heimaey Island. In 1973, part of the city was covered with ashes during the eruption of the volcano. These excavations are underway now, anyone can take part. The project was called Northern Pompeii.

One of the most interesting buildings is in Reykjavik. The building is called Perlan. There is a winter garden and an artificial geyser. The building has many cafes and shops.

On the Reykjanes Peninsula there is a narrow bridge with a length of about 10 meters, allowing you to get from Europe to North America in a few seconds. The western end of the bridge is located on the American tectonic plate, and the eastern – on the Eurasian plate.

There are also many museums in Iceland. The National Museum of Iceland was founded in 1863. Many documents of historical importance are stored here. The museum also has the function of preserving architectural landmarks, so the museum has branches throughout the country. Among them is the famous peat church in Vidimiri.

The most unusual museum in Iceland is the Museum of Phalology. It is located in the town of Husavik in the north of the country. The museum was opened in 1974, and now there are about 300 exhibits.

Almost at any time of the year, a festival is held in Iceland. The year begins with the Trettoundinn (Thirteenth-Day-After-Christmas). Then the Winter Festival is held. It is

aimed to glorify the generosity of Icelanders. In February, Food & Fun, a culinary art festival, is held, followed by a spring beer festival. The third Thursday of April – the first day of summer is accompanied by a carnival. The first week of June – the festival of the sea, smoothly flows into Independence Day (June 17). In the middle of July – the summer solstice. In autumn, three music festivals are held at once.

4.2.3 Development of a Route Scheme Indicating the Transport

The attractiveness of the tourist route depends on the method of transporting tourists between the points included in it. Travel agencies should be very careful in choosing one or another means of transporting tourists. In particular, the following requirements should be considered:

- when drawing up the route, do not allow tourists to re-visit cities (points) in which they have already been; it is necessary to look for options for transporting tourists along the route, providing a single visit to the planned cities;
- when choosing means of transportation, preference should be given to those carriers that can provide faster and most comfortable delivery of tourists from city to city;
- when planning passenger transport along the route, it is also necessary to try to leave as much light as possible for organizing excursions or free activity of tourists, using, for example, night hours for transportation by train, and morning or evening hours for transportation by plane or bus.

In the organization of an individual group tour, a type of transport service such as air transportation was chosen. There are a number of reasons for this:

- firstly, aviation is the fastest and most convenient mode of transport when moving long distances;
- secondly, such service very attracts modern tourists;
- thirdly, airline companies directly and through international reservation and reservation networks pay a fee to travel agencies for each seat booked on the plane, thereby motivating them to choose air travel.

In addition, a rented minibus is used for the most comfortable movement of tourists along the route points, as well as for transfer from the airport to the hotel and back.

4.3 THE PROMOTION PROCESS

4.3.1 The Essence of the Promotion Process

Initially, the term “promotion” denoted a set of ways to bring information to the consumer and was considered as an analogue of advertising. Over time, the concept of promotion is complicated and is considered as an element of the marketing complex, becoming part of the enterprise management system. Today, the role of the communication process in promotion is increasing, information occupies an important place, the ways of its presentation are various and are interpreted as “any form of action”. As a result, promotion is considered as a “set of activities”, “focused activities” and stands out as an independent part of the marketing complex.

So, “promotion” is associated with such categories as the marketing complex and the communication process, which in turn have their own structure and features. A marketing complex is a combination of marketing components aimed at adapting to the market and actively influencing it. A communication process refers to the exchange of information between two or more people. In the process of exchanging information, six basic elements are distinguished: sender, encoding, message, channel, receiver, decoding. Thus, promotion is a part of the marketing complex, based on the communication process between potential consumers and producers of goods and services, with the goal of increasing demand and interest in the organization. The promotion is always subjected to the specific goals of the organization.

In the process of promoting goods and services, various methods (tools, methods, ways) of promotion are usually used. The main ones are advertising, public relations, sales promotion, personal sales, fair or exhibition activities and others. The company chooses the choice of tools for promoting products on its own, based on its own capabilities, needs and goals.

4.3.2 Traditional Promotion Methods

In the modern educational literature, various methods of promotion are highlighted, which have already become traditional, since they involve the sale of products or services, mainly through an advertising campaign and individual work with key customers. The main traditional promotion methods include the following: advertising, sales promotion, publicity and personal sale, etc. Each promotion method has its own characteristics:

Advertising is a paid form of one-way mass communication, coming from a clearly defined sponsor and serving as direct or indirect support for the actions of the company. Advertising is reproduced through television, print, radio, billboards and the Internet; directories, books and booklets intended for sale of advertised places.

Sales promotion is the use of short-term incentives aimed at encouraging the sale of goods and services, and obtaining a quick and positive market response. The emphasis is not on the properties of the tour product, but on the profitability of the purchase itself. Sales promotion is a means of short-term impact on the market. However, the effect of sales promotion activities is achieved much faster than as a result of other methods of promotion.

Public relations (publicity, PR) is a system of measures aimed at creating a favorable public opinion in relation to the products of the company and the company itself, that is, it is the activity of organizing public opinion. Such activities are based on communication, which can be directed at various groups of the public and at achieving specific goals. To organize public relations, it is necessary to use the media and conduct events that have differences, depending on the object to which public relations is directed.

A personal sale is a direct contact of a company representative with one or more potential buyers, in order to present products and services and make a sale.

Propaganda and direct marketing are used to promote goods and services much less frequently than other methods of promotion. Propaganda is most often understood as an analogue of public relations, but the main difference is that propaganda is more stringent and imposed on the consumer. Direct marketing is carried out by sending letters, advertising, samples, prospectuses and other mailings to potential customers. Destinations are selected based on lists of the most likely buyers of certain groups of goods.

In addition, the methods that have already become traditional methods of promotion include promotion via the Internet and mobile communications. With careful planning and harmonious development, Internet advertising is able to ensure the popularity of the organization.

4.3.3 Modern Approaches to the Promotion Process

Currently, the market is filled with a variety of products for any purpose. The media are saturated with advertising of goods and services, affecting the psyche of the consumer in any place, wherever he is. Tired of this approach, the consumer tries to purchase only

the products and services to which he is already accustomed, practically not responding to advertising. Traditional methods of promotion have little effect on him. A similar situation, which is typical for all segments of the modern market, forces enterprises to completely organize their work system, which involves a completely new approach to the buyer and how to interact with him.

A new approach to product promotion is the use of TTL-communications – a set of promotion tools that combines the use of both direct (ATL) and indirect (BTL) advertising.

TTL communications include two categories:

1. ATL communications – direct advertising through traditional means of distribution: television, radio, press, outdoor advertising, in transport and in cinemas, on the Internet.
2. BTL communications involve the use of non-standard, personalized marketing communications, in particular, sales promotion, event marketing, merchandising, POS materials (point-of-sale advertising media).

The main new areas of TTL communications are: branding and naming, guerrilla marketing and product placement. Branding is the process of brand development, its withdrawal and management. Naming is a professional activity related to the creation of a catchy, original and memorable name for a company, product or service. Guerrilla marketing include activities that go beyond the generally accepted methods and means of advertising communications and product promotion. Product placement – an advertising technique consisting in the fact that the props in films, television programs, computer games, music videos or books have a real commercial counterpart.

So, there are different ways to promote tourism services. It is advisable to use both traditional and modern methods in order to achieve the goals of the business plan.

5 PRACTICAL PART

5.1 REPRESENTING THE IDEA OF A BESPOKE TRAVEL AGENCY

The thesis on organizing individual group trips is written on the example of our “URVOYAGE Agency” (<https://urvoyage.ru>).

We are organizing individual tours in interesting places, as an example, our main area is Iceland. This area is supposed to be the main example in the thesis. We are fully engaged in the organization of the tour and support of our tourists. We work out the route, rent cars, organize exciting activities such as climbing glaciers, whales Safari, we find campsites, take our tourists to the main locations in the country. Details of the program can be found at <https://urvoyage.ru/iceland> . Usually there are 15 people in the group (2 organizers-agents and 13 tourists).

The purpose of the business plan is to show why an individual approach now in the trend and why people need individual tours, we try to develop here the advantages over classic travel agencies.

The company is formed as sole proprietor, there are 2 founders. We plan possible future expansion - hiring employees in proven areas of business (they will join us in advance and pass through tourists routes). Detailed research will be done based on contry Iceland.

Figure 4: The Logo of the Investigated Company



Source: the logo is created by a graphic designer.

5.2 PRACTICAL FOUNDATION OF THE FUTURE TOUR

5.2.1 General Structure of the Tour Product

An individual tour is an event for those who want to make a unique trip. In most cases, these tours are chosen by tourists who are not satisfied with the rest group tour programs on the market. And if you a tourist is a creative person and is constantly looking for something new and interesting, then the individual tours abroad is just what he/she needs for a good rest. The company name is “URVoyage” reflects the concept of individuality of tours, their uniqueness that can only be found in this group of tours and they are for someone who values new and unique impressions, our concept name reflects the advantages of unusual non-traditional travel offers.

The tour product is a certain set of properties that is aimed to satisfy a certain need of a client. The main properties and characteristics of a tour product are level of uniqueness, comfort, new impressions, safety, friends.

A tourist product consists of three elements: a tour, additional tourist and excursion services, and goods. Tour – the primary unit of the tourist product, sold to the client as a whole, a product of the tour operator's work on a specific route and on a specific date.

5.2.2 Package of Services

The main type of tourist product is a comprehensive servicing, i.e. standard set of services sold to tourists as one “package”. Tourist trips abroad are implemented on the basis of service packages with a pre-established tour program and a single price. In addition to this, the service includes not only a set of services, which will be described later in the chapters, but also a competent approach in communicating with customers from the beginning of the sale to the end of the journey. We at URVOYAGE take this very seriously, as we focus on each client and want our participant to feel as comfortable as possible in our trip.

5.2.3 Location

So far, only two people work in our company. 1 - the owner of the company Ilia Kulik, 2 – Anna Abramova asistent. Due to the specific type of business, we are not dependent on a specific location or country of residence, thus we do not have a permanent office. We work in freelance business, this type of business can fully function online - sales are carried out online during Skype negotiations. When the company expands, we

will also not need an office, as the sales manager can carry out activities online, and hired guides will only travel to the country of the tour.

5.2.4 Enterprise

The Agency's activity is based on a Sole Proprietorship form of business organization. This means that the partner of the author of the dissertation is already registered in the office of trade licenses (živnostenský úřad) as an individual entrepreneur (živnostník). Individual entrepreneurs in the Czech Republic can submit tax reports in a simplified form, this factor was taken into account when opening the organization. When using this form, only one person can be the owner, and employees are hired on a contract agreement.

The following are the advantages and disadvantages of the form of organization of sole proprietorship of a business, which influenced the choice of form of organization:

Figure 5: Advantages and disadvantages of Sole Proprietorship

The advantages and disadvantages of Sole Proprietorship

- | | |
|---|--------------------------------------|
| ✓ It doesn't pay corporate taxes but pays personal income taxes on the profit made. | ✗ Single owner takes all the risks. |
| ✓ The accounting system is much simpler. | ✗ A hard time raising the capital. |
| ✓ Can have total control over the company | ✗ Limited liability company. |
| ✓ Decision can be made quickly without having to consult others. | ✗ Hiring employees may be difficult. |
| | ✗ All debts are debts of the owner. |

Source: <http://scotdir.com/other/advantages-and-disadvantages-of-a-sole>

5.2.5 Advantages and Disadvantages of Bespoke Travel Agency

5.2.5.1 Main Advantages of Bespoke Travel Agency

1. Individual route

In the modern world, when social networks are developed, people strive for new places and be more individual. Discover new places that are not popular on universal resources (instagram, facebook). Therefore, we work on such destinations that are hidden from the eyes of ordinary travelers. Routes, activities, stopping places are always studied in detail at local forums, as we are sure that local residents write about special places. Our customers always get a detailed route before paying for the trip.

2. Individual travel program

We know that all people are different and have different tastes and desires. The word individuality is that we ourselves develop our program and schedule of all stops, activities, places to eat, of course, there are unplanned stops, if customers ask us to stop at a certain place along the way and we will have time, then we will do it, but our Traveling is what we bring on our taste and our subjective opinion, so clients have to think only about how to find a beautiful angle for their photo, URVOYAGE will take care of the rest.

3. Possibility to order a tour directly

Choosing an individual trip, clients will have the opportunity to contact our company directly through web site/instagram or by recommendations of their friends.

4. No standard group tours

This fact can be considered the most powerful advantage. After all, we actually go on a trip in order to take a break from work and everyday worries, but also from tight schedules and other standards hotels/cafes/traffic jams.

The organization of individual group tours is a time-consuming process that requires competence and utilization of modern technology for booking, planning and other operations organizing. On the other hand, individual tourism from an economic point of view is very beneficial, as it gives higher income per tourist as compared to standards packages.

5.2.5.2 Disadvantages of Individual Group Tours

1. Price

The main disadvantage of individual tours is their cost. This trip will cost more than regular package.

2. Time consuming

The second important point is that such a trip will require more thorough and long preparation. We solve all organizational issues so that the trip does not turn out to be a disappointment at the most inappropriate moment.

3. Additional documents

We will also need additional documents from the tourist. This can be a visa of a different type, additional information, and more.

4. Health problems

We are all people and can get sick or dislocate a leg during hiking. Therefore, we must take a responsible approach if someone in the group get sick, then provide first aid, and in the case of an emergency lift to the hospital and the trip can get broken.

5.2.6 Tour Design

The design of the tour provides for the coordination of its design with the demand of tourists. The main objective of the agent is to create a tour, supported by an appropriate servicing. It is a very fashionable and popular nowadays. People are less likely to turn to traditional travel agencies, preferring to travel independently, or looking for tours of interest accompanied by friends. But despite the increased interest, this niche on the market is relatively free.

5.2.7 Servicing Program

Tourist product comprises:

- Support of the organizers;
- Comfortable guest houses in the center of Reykjavik;
- Capsule hotels in the space style;
- Accommodation in campsites;
- Nature sightseeings in Iceland;
- Transfers from /to airport;
- Welcome dinner on arrival;

- Joint breakfasts and cooking;
- Rent jeeps for trips in the mountains of Iceland;
- Visiting the Arctic ocean, glaciers, gazers and other natural places with all excursions and interesting stories about Iceland;
- Delicious food, unforgettable impressions of individually organized entertainment events.
- Gifts

The preparation of the tour provides for the provision of a range of services to tourists in accordance with their requirements for the level of service, the content of the tour.

5.2.8 Pricing of a Tour Product

Price is a market expression of the cost of services, goods, products. A tourist should not be intimidated by the expression "individual tour". Providing such a service does not involve serious financial investments, it only helps the tourist to avoid the established standards, and to give him and people around him an unforgettable holiday.

The trip lasts according to the link to the travel program.

The cost of the tour is 34 750 CZK

Table 3: Cost of service per customer

SERVICE	Price per person (CZK)
Galaxy Pod Hostel	875
Guesthouse	1125
7 Campings	3 250
Car rental	4 650
3 Dinners	1 500
1 Breakfast	225
Glacier Tour	2 250
Whale Safari	2 250
Fuel	2 050
Transfers	1000
Parking	250

Secret lagoon	750
Gifts	500
Raincoat	250
Promotion Instragram	500
2 Salaries	250
Tickets for 2 guides	1375
Emergency	1000
TOTAL	26450

Source: Author's creation

All net prices are per person, it's divided by 13 people, taking into account the payment of 2 agents.

Insurance, tickets and visa are not included in the price.

One-time expenses for clients: thermal underwear, sleeping bags, tent, etc.

5.2.9 The cost of other trips

A detailed analysis of the tour price is presented in paragraph 5.2.8. In other tours, we use the exact same proportions of profit, employee salaries, marketing budget, etc.

Gross cost of tour is considered as adding the profit of 31.3% to Net cost

Table 4: Directions of tours and cost

Direction	Cost, CZK	
	NET	GROSS
Iceland	26 450	34 750
Norway	26 450	34 750
Portugal	22 650	29 750
Austria, Hallstadt	15 025	19 750
Turkey, Istanbul & Cappadocia	22 650	29 750
Namibia	35 950	47 250
South Africa	35 950	47 250
Peru & Chile	41 675	54 750
USA	45 475	59 750

Japan	32 150	42 250
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Source: Author's creation

Table 5: Schedule of the future tours

January	February	March	April	May	June
USA 2	Iceland 2	Japan 2	Namibia 2	Portugal 2	Hallstadt 4
Peru&Chile 2	Norway 2	Hallstadt 2	South Africa 2	Turkey 2	
July	August	September	October	November	December
Iceland 2	Peru&Chile 2	Iceland 2	Turkey 4	Namibia 2	Japan 2
Norway 2	USA 2	Norway 2		South Af. 2	Hallstadt 2

Source: Author's creation

The year of 2021 is going to be tough year with all this destinations and volume. We will do 4 tours a month. 2 tours will be done by us and 2 another ones by our employees.

5.3 CHARACTERISTICS OF URVOYAGE

5.3.1 Market segmentation & Marketing plan

Table 6: Market segmentation

Demographic	Geographic	Psychographic	Behavioral
<ul style="list-style-type: none"> • Female • 18-34 • 1500\$/+month • Child free • High degree 	<ul style="list-style-type: none"> • Russia/Europe • Moscow/Prague • Russian • Big city 	<ul style="list-style-type: none"> • Active lifestyle • Tourism, sport, discovering • Friendly, open mindset, goal oriented • Experience new culture, 	<ul style="list-style-type: none"> • Frequently traveler • Purchase good brands of clothes/technics/cars • Middle class

		love to life	
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Source: Author's creation

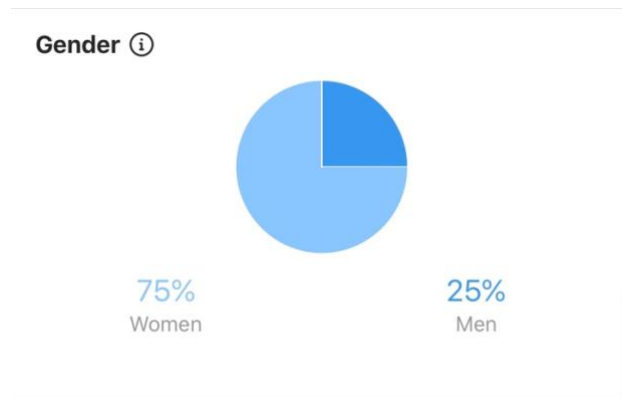
Based on our experience and data from Instragram¹

(<https://www.instagram.com/urvoyage/>), our consumer can be described as a person who leads an active lifestyle, seeks to discover new places, seeks to enjoy life, often travels, often an extrovert. The consumer has a highly developed intellect, has a good job, a higher education, which allows him to make our trips. We mainly focus on two countries: Russia and the Czech Republic, cities: Moscow and Prague, respectively. The main audience, accordingly, by the data on our Instagram, are people from 18 to 34 years old and 75% of women.

On next page you can see data which is taken from insights of our Instragram page.

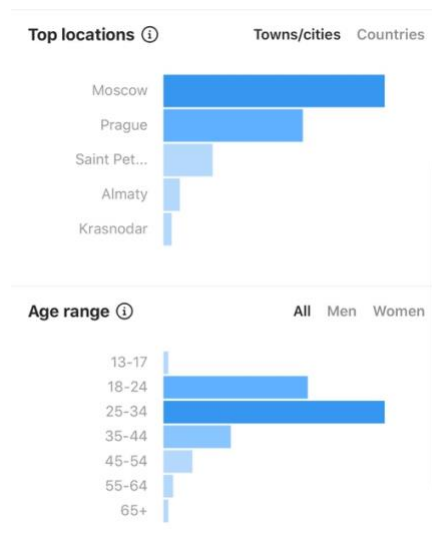
¹ URVOYAGE's the official wevsite - <https://www.instagram.com/urvoyage/>

Figure 6: Gender insight



Source: Instrgram URVOYAGE²

Figure 7: Source Instrgram URVOYAGE³



Source: Instrgram URVOYAGE⁴

5.3.2 Marketing Plan

The main requirement for the advertising strategy is a coordinated and targeted flow of information to potential customers in the EU, Russia.

Strategy for working with regular customers:

1. Determining the criteria for a regular customer-an individual.
2. Maintaining a database of the clients listed above.

² Instagram URVOYAGE – statistic of account <https://www.instagram.com/urvoyage/>

³ Instagram URVOYAGE – statistic of account <https://www.instagram.com/urvoyage/>

⁴ Instagram URVOYAGE – statistic of account <https://www.instagram.com/urvoyage/>

3. Establishing Relationship marketing, through: Instagram posts, identify customer needs and draw up a comprehensive offer of services based on them.
4. Using a WEB site as a strategic source of information (site structure that is convenient for different user segments).
5. Instagram targeting
6. Messengers chats for active promotion, online and free advertising - word of mouth

The number of online audiences that can have an impact on our online business, include:

- Clients;
 - Potential client;
 - Investors;
 - Competitors;
 - Influencers.
7. Blog.
 8. Special offers and promotions.

Internet strategy is a solution that allows to perform not only theoretical objectives of marketing policy, but also to set long-term goals for the company's development and effectively use all the opportunities of the Internet to get maximum results for business. This is a specific set of measures, a mechanism that allows to achieve strategic goals. The Internet strategy includes:

1. Target market on the Internet:

- presence and forms of influence on target groups;
- qualitative and quantitative assessment of competitors activity in the industry segment in order to adopt their positive experience and take into account mistakes and shortcomings, to develop a competitive strategy;
- identification of possible options for synergy and partnership in the Internet.

2. Strategic planning:

- strategic positioning in Instagram as well;
- definition of efficiency of ads;
- plan of marketing events.

3. Defining ways to develop the site:

- analysis of the company and development of recommendations for its modification.

4. Promotion strategy.

Developed separately for all the most important target audiences and takes into account all requirements for positioning the company on the Internet. The company's main tasks:

- analysis of the project's communication -identification of the most effective promotion channels;
- work in communities, parties, e-mail marketing, etc.

5. Working with the audience:

- user research; studies of users views;
- ratings, clubs, catalogs;
- promotion programs;
- recommendations.

We also want to develop a blog on YouTube where we will talk about our journeys. A blog will be of a great help. We can create a separate website about trips, such as Our trip to Iceland.

The highest results in our century bring a "word of mouth". Friends and acquaintances are the first clients. And this is a very important stage. Despite the general internet ads the weight of spoken information is much higher, so we are intended to communicate more with people and tell them what we offer.

We have studied Iceland well and as a promotion we can give lectures in tourist clubs, libraries, yoga centers, cafes, wherever we can. Using the projector, photos and broadcast. If our blog is promoted, we can even hold a meeting with readers.

Thematic forums are also suitable as advertising platforms. It is possible to place tour announcements on them (via admins), and it will bring a percentage of clients who come from them.

There are also great services for finding out travel offer such as Youtravel.me.

Positive reviews have a great weight for the company, sometimes maybe it is reasonable to offer a particular tour for feedback or advertising (if a person is influencer and promotes in social networks or is somehow connected with the media).

5.3.3 Development of a Route Scheme Indicating the Transport

We meet the following requirements when planning transportation:

- Faster and most comfortable delivery of tourists from city to city;
- Safety;

- Comfort.
- New impressions

Personal route planning involves analysis of climate and topography of the country, it will allow to rate approximately how long it takes from one sightseeing or another to cities, camping and etc. The routes in Iceland have a lot of landforms, sea banks and the maps help to search for difficult and easy terrains to pass and where we can safely use transport to get to desired destinations. We need to see where the lakes and rivers are as water facilities always increased interest and attracted people. Of course to plan a route we need to find out traditional places, located cities, it is necessary to understand the basic rules of living in the country, traditions of the local people, used transport, such important moments as where to change currency, favourably receive any discounts, municipal support for tourists, also we need to know the initial language phrases.

In planning we also use climatic maps, they let us know rainfall volume and temperatures in different regions of the country.

Our private tours usually offer tourists photos of the places where we plan to be and this inspires the travelers and they understand that it is their “native place” and this helps them to gain interest to see this place that summons.

There is a lot of information about the country on the Internet but the most reliable sources are the official sources of the country, published by authorities themselves where they place official information and translate it into several languages.

5.4 THE PROMOTION PROCESS

5.4.1 The Directions of the Promotion Process

Developing a strategy to promote the travel company will consist of several stages.

- Branding. The corporate identity will present the travel company as unique tours and impressions with the family or with friends.
- Pricing policy of the company. We offer average prices with regard to individual tour programs and wide set of service.

⁵ <https://guidetoiceland.is>
<https://www.glacierguides.is>
<https://www.iceland-like-a-local.com/>

- Advertising. We aim to use inexpensive advertising in Instagram and primarily word of mouth, advertising on the Internet.
- Blog;
- Lectures in places for target audience;
- Special offers and discounts.
- Partnership with Youtravel.me

We specialize in individual tours and has extensive experience in organizing unique trips in different parts of the world. Ourselves collection includes trips to Iceland, Portugal, Norway and other 27 countries.

Whatever the client chooses, he or she can be sure of quality service and individual approach. We are happy to develop an unforgettable unique trip for customers and offer special offers from hotels.

Promotion is considered as a “set of activities”, “focused activities” and stands out as an independent part of the marketing complex. Our Marketing set comprises website and Instagram. We have a website, its creation was free of charge and we pay only for access to vigbo.com. For the year about 75\$ in expenses.

The main form of promotion is advertising via targeted Instagram, the budget 200-300 Euros per the journey. The active strategy is in word of mouth advertising and Instagram reposts. We also buy advertising from bloggers, usually the expenses are 20 Euros for 1 post in stories + 100 Euros to the total budget.

We describe future tours to Cappadocia, Portugal, Norway, Halstadt that will be built according to the same scheme. We work on 30% prepayment, payment of the rest of the trip is implemented before the trip.

As a promotion it is suggested to use more special messengers. We plan to create a group chat in what’s app, telegram, viber for clients of individual tours from our company. The main audience are all those who have already traveled with us in different tours and they can post links to these chats to invite friends and acquaintances.

We can expand the number of clients by these chats in what’s app or viber/ telegram and thus expand the number of people who know about our individual tours. Recommendations to friends from people who have already been our tourists will help to share their impression to their friends. The trust of people is the best advertising and people can share impressions and tell a lot of interesting cases from their trips and by this way attracting other people to the dialogue.

We will be posting interesting tips on trips and photos and post announcements on future tourist destinations over Norway, Portugal and interest people on good things.

5.4.2 Traditional Promotion Methods

Usual advertising strategies include:

1. Brand, publications, ratings;
2. Printed products, souvenirs, decoration of premises;
3. Lectures
4. Mission and values of the company.

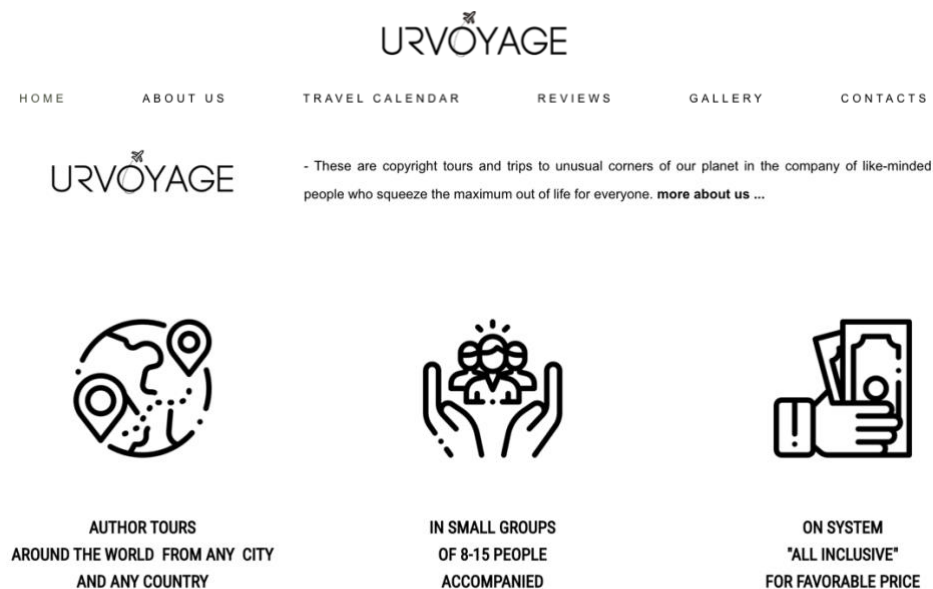
Advertising was reproduced via YouTube

In addition, the methods that have already become traditional methods include promotion via the Internet and mobile communications.

5.3.3 Website & Instagram

1. Website of URVOYAGE⁶

Figure 8: Screenshot of website



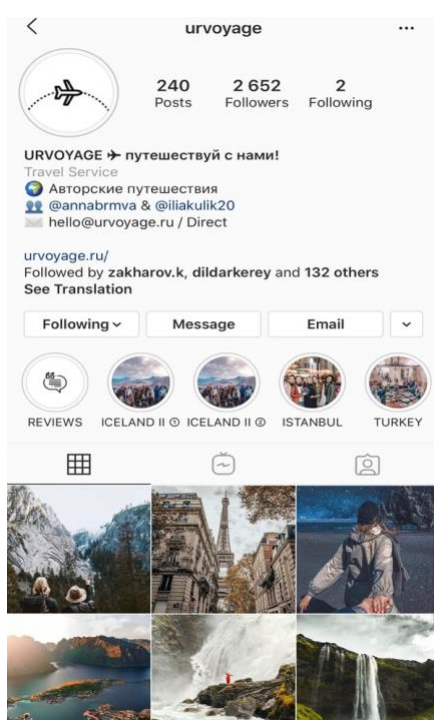
⁶ website of URVOYAGE - www.urvoyage.ru

JULY 2020	NORWAY: Fjords & Troll Language	LEAVE APPLICATION
2 - 11 AUG 2020	ICELAND: around the whole island	LEARN MORE
Aug 13 - 22, 2020	ICELAND: around the whole island	LEARN MORE
SEPTEMBER 2020	PORTUGAL: from south to north through Cape of Doom	SUBMIT YOUR APPLICATION
OCTOBER 2020	MOROCCO: Marrakesh, Casablanca and other wonders of the Arab world	SUBMIT YOUR APPLICATION

Source: Author's agency website

2. Instagram of URVOYAGE⁷

Figure 9: Screenshot of the URVOYAGE Instagram



Source: Author's agency Instagram

⁷ Instagram of URVOYAGE - <https://www.instagram.com/urvoyage/>

5.5 STRATEGIC ANALYSIS

5.5.1 SWOT Analysis

The SWOT analysis of the services contains conclusions about the strengths and weaknesses of the organization's activities in connection with external opportunities and threats.

1. Strengths of the company:

- Location (Prague, and opportunity to travel worldwide);
- Developed infrastructure;
- Long - term experience in the field of tourism business;
- Insurance and security of the client's life and property;
- A wide range of tourist services provided;
- Positive and unique image on the tourism market;
- Flexible pricing policy;
- Coordinated work with all services;
- Own website;
- Using the flexible management system
- Segmentation of customers according to interests, etc.;
- Conducting everyday ongoing marketing research;
- Individual approach to clients (maximum satisfaction of the client's needs, requests and needs, for example, the places of their dreams, parties, games, entertainment during trips);
- Continuous improvement of the staff qualification level;
- Staff participation in improving customer service quality.

2 The weaknesses of the company:

- Dependence on the seasons of the year and economic factors;
- Above-average prices of package tours;

3 Opportunities:

- Expansion the range of services provided;
- Access to the CIS/EU markets;
- Prospect of entering the entertainment tourism market;

- A favorable combination of a positive image, high categorization at a lower price level;
- Improving the skills of all guides;
- Encouraging regular customers with a flexible pricing policy, providing additional services, aimed at establishing and developing relationships with the client ("word of mouth" - advertising).

4 Threats:

- Macroeconomic indicators of the state's activity that can adversely affect the activity of a tourist company;
- Political factors (customs and border formalities).
- Pandemic

We have several constraints in business but being flexible in management and improvement of operations, they can be overcome.

5.5.4 Competitor Analysis

We have selected 4 competitors among which 4 are engaged in individualized services.

1. **Neverbored Travels**: This competitor was founded by two girls, who worked as flight attendants at Fly Emirates and wrote their travel blog before the start of this project. At the end of their career in the company, together they decided to monetize their audience from the blog and establish the Neverboard project. Two girls are married, which was the reason for choosing their narrow niche - travel where only girls. They stably have one/two trips per month. The price is high, but the service is included less. Thanks to the status of a blogger, customers are willing to overpay to travel with them.

2. **Travelmate_trips**: This competitor is also founded by two girls. Two girls are professional photographers and also owned their personal blog on Instagram before the start of the project. Trevematetrips are our main competitors, since our audience is almost identical, the website is made in a similar style, the places of travel are the same, last summer we met at the airport of Iceland when we flew away, and they flew in. The prices

⁸ <https://neverboredin.com>

⁹ <http://travelmatetrips.ru>

on the tour around Iceland are higher than ours, but this explains, because we live in tents, and they are in hotels, but the added cost is about the same.

3. **Mishka.Travel**¹⁰: This competitor actually inspired us to start a travel project. The project was founded by one guy, the main recognizable feature is the mask of a polar bear on his head, in which he posts all the photos on his Instagram profile. The founder is older than us and his audience is also older, if our audience is up to 34 years old, according his photos in Instagram, his audience only starts at 30 y.o. The main direction is places of increased complexity, Norway south and north, Iceland, Nepal, Peru - expeditions, but there are also simple versions for beginner travelers. Due to his popularity, the competitor has a cafe in the city of Perm, Russia.

The website is made in a good and simple style.

The price category is much higher than ours.

One of the biggest advantages, he provides to clients the film which was recorded in their trip on professional equipment.

TripAdvisor means that all the details and challenges in the trip the client will need to solve by himself.

4. **Letstravel.pro**¹¹: This competitor was founded by a couple. Both of them were also bloggers before the start of the project. The girl worked as a model in China, and the guy was a professional photographer. Together they started a travel project, but their main focus is Africa. They live in Africa on a permanent basis, and make two or three trips per month, and only in the summer are their focus Iceland and Norway. Their prices are also higher, they have long been on the market and have established themselves as experienced guides in Africa and, thanks to the popularity of their blog, customers are willing to overpay.

Table 7: Price comparison

Neverbored Travel	Travelmate trips	Mishka travel	Letstravel.pro
50 000 CZK	47 500 CZK	52 500 CZK	61 250 CZK

Source: Competors websites

¹⁰ <https://mishka.travel>

¹¹ <https://letstravel.pro>

5.6 BUSINESS STRATEGY

Purposes of the company's strategy:

- providing a larger number of unique tours.
- development and promotion of new travel products.
- promotion a set of additional services to the market.

To achieve these goals, we aim to search for clients (analysis of the situation on the tourist services market, maintaining a database of potential customers, analysis of customer needs and wishes, as well as quality control), improve the quality of services, improve customers satisfaction, work with hotel services to provide up-to-date information about pricing policy.

Individual tours are usually selected separately for each client and differ from standard trips. All the details and preferences of tourists are taken into account. It is important not to miss a single detail.

When developing an individual tour, we discuss the following issues with the client:

- How to get to a destination location;
- Quality and level of service in hotels;
- Excursions, events and entertainment.

Most often, tourists who seek individual trips want to get maximum of comfort. Such clients are usually with average income or wealthy. Therefore, it is profitable and cost-effective to organize an individual tour.

Most often such services are used by the following categories of citizens:

- Single or Just married;
- Employees of various companies who go on corporate trips;
- Fans of extreme recreation;
- Friends.

As mentioned earlier, these tourists expect a high level of service. Therefore, we think carefully and do not miss important moments. It is necessary to take care of booking a transfer, hotels and insurance. We also arrange personal transfer and a personalized guide program.

We offer complex services, we solve all necessary questions about the upcoming trip. This includes not only booking a hotel, plane, train, or bus tickets, but also developing a plan for attending events and organizing all the details of this trip.

It is unlikely that the regular agency will organize a trip to the North pole, help a client to rent a tent in the center of Iceland, most likely they offer to spend a weekend in capital of the EU country for reasonable small amount of money, but it's not our audience.

5.6.1 Organizational Plan

The staff of the travel company includes 2 founders. They act as directors and managers. The founders take on the duties of an accountant, deal with documentation, work as the head of the travel company. As well they negotiate with clients and partners, arrange tours, control the execution of orders, and handle a wide range of responsibilities.

It is desirable to hire additional assistants for separate tours to support operations. The assistants must have a higher education and experience in tourism, communication skills, empathy, responsibility, and the ability to resolve any issues.

5.6.2 Operational Plan

One of the significant advantages of this type of business is low initial and current costs. The initial cost will be:

- The registration cost of the company – 1000CZK;
- Web site support - 2000 CZK per year;
- Advertising – 26 000 CZK / month.

There is no rent of premises or website expenses; salary fund is allocated for two founders. With proper management.

5.5.3 Financial Plan

The financial planning includes the cost analysis, the starting balance sheet, the revenue analysis, the income statement, and the balance sheet for the first year of running the business and the Cash Flow Statement.

It is important to mention that the whole calculation is accomplished under the current legal conditions.

Costs Analysis

Initial expenses for founding the company

Registration Cost (Paid Once)

Documents Required:

- Criminal background check (Russia and Czech Republic)
- Passport
- Signed statement from the landlord stating the home address can be used for business purposes
- Rental agreement or the proof of accommodation with the duration of stay
- Application form for the trading license

Initial Partnership Expenses

The very first step will be to have a partnership agreement. Under the given condition that every client that Urvoyage receives from Youtavel.me company, Urvoyage will be paying a 15% commission on the overall amount paid to book the tour. The price to draft the partnership agreement will cost 2000 CZK. The service to get all the documents and signatures verified will cost 1000 CZK. The prices are discussed with the lawyer however it could fluctuate.

Table 8: Initial Partnership Expenses

SERVICE	PRICE, CZK
Fee for the registration of Sole Proprietorship	1000
Juridical and translation	300
Criminal background check in Czech Republic	100
Criminal background check in Russia	0
Partnership agreement	2000

Source: Author's creation

Investment for the first year of business

To give a good start to the business a well developed and working website is needed, another important part of the investment is the graphic designer. The logo of the company is already selected and the application will be introduced in the upcoming days. The element with brandings and logos (banners, badges, cups, signs on the door in the office). The laptops for the owner and the employees, camera for the photographer, printer, pages etc.

The Russian company Leesora will provide the complete IT solution and support with accounting and all the clients received from the partner company, the communication with the clients, the transactions, the travel package bought, dates etc.

There will be a budget introduced for marketing purposes. The advertisements on social media platforms.

Table 9: Investment for the first year of business

SERVICE	PRICE, CZK
Designer	2 500
2 Laptops	40 000
2 Cameras	30 000
2 Pocket printers HP	2 900
Paper for printer	5 000
Adverteisement	26 000
Leesora	72 000
2 Drones	50 000
TOTAL	228 400

Source: Author's creation

Any technique tends to depreciate, so we need to calculate it. I will only consider the equipment whose the acquisition value exceeds 12 500 CZK. The straight-line depreciation cost per year is 39 960 CZK, it means that the monthly depreciation is 3 330 CZK.

Table 10: Depreciation of equipment

Technique	Cost, czk	Useful life, years	The depreciation rate	Straight-line depreciation cost per year, czk
Laptops	40 000	3	33,3%	13 320
Cameras	30 000	3	33,3%	9 990
Drones	50 000	3	33,3%	16 650
TOTAL				39 960

Source: Author's creation

Employee cost

The salary in Czech Republic is calculated by following rates: income tax, social insurance and health insurance. Income tax is 15%, social insurance is 31,5% (employer pays 25%, employee pays 6,5%), health insurance is 13,5% (employer pays 9%, employee oays 4,5%).

But according my plan, I don't plan to have employees on permanent basis. The guides will cooperate with my agency on agreement partnership, they must have a Sole Proprietorship. Their salary will be depending on quantity of people in a group. So, it means their salary is variable cost, the sum of 1 250 CZK will be included to the cost of each tour from 1 client for 1 guide.

The company Leesora ¹²will provide the complete IT solution and support with accounting as well. For both services they charge 6 000 CZK per month.

There will be SMM agent as a freelancer ¹³for making content on daily basis and manage advertisement budget. Agent will work on outsource and get paid 5000 CZK a month.

Marketing expenses

¹² <https://www.leesora.eu>

¹³ www.freelance.com

We calculate the marketing budget at a customer cost of 500 CZK, the marketing budget is a fixed cost, according my plan that we have 4 trips per month, then there are 52 customers and therefore the marketing budget is 26,000 CZK per month and 312 000 CZK per year. The distribution of budget will be taken by SMM agent. In paragraph 5.3.1 I described methods of promotion and the budget will be spent but SMM agent will take care for distribution as more experiences.

Other costs

The last cost is considered for web-site maintenance ¹⁴which equals 2000 CZK per year.

The next financial part of the business plan will cover such points as financial support, loan conditions, balance sheet, income statement, net profit and cash flow statement.

As agency URVOYAGE is already exist, following calculation will implemented from 2021 year.

Start-up capital

The table below shows which amount will be used for the initial investment. Since my project functions an online and we take prepayment, and we don't rent any office and don't have permanent employees, these conditions significantly reduce the cost of doing business. However, I need to take a loan to buy equipment and add my own capital.

Table 11: Resources

CAPITAL	AMOUNT, CZK
Bank loan	100 000
Own capital	131 800
TOTAL	231 800

Source: Author's creation

As we can see from the previous table, the total amount of capital is 231 800 CZK, where 100 000 will be loaned from the Raiffeisen Bank, the rate is high - 7,99%, but this bank will more likely accept a loan for foreigner, and 131 800 will be my own capital.

¹⁴ www.vigbo.com

Table 12: Conditions of Bank loan

Quantity of payments for the loan	12 payments (1 year)
Interest rate	7,99%
Monthly payment	8 838 CZK
TOTAL AMOUNT OF RETURN	106 056 CZK

Source: Raiffeisen bank¹⁵

We go to next to Table №12 where represented Balance sheet for 2021. Balance sheet shows us that financial indicators are being in proper way. I allocated my funds to the balance sheet, there are represented my fixed and current assets, as well as equity and liabilities.

Table 13: Starting Balance Sheet

ASSETS, CZK		EQUITY AND LIABILITY, CZK	
FIXED ASSETS		EQUITY	
Equipment	120 000	Capital	131 800
Total fixed assted	120 000	Total equity	131 800
CURRENT ASSETS		LIABILITY	
Inventory	7 900	Bank loan	100 000
Prepaid expenses	100 500		
Cash	3 400		
Total current assets	108 400	Total Liability	100 000
TOTAL	111 800	TOTAL	231 800

Source: Author's creation

Revenue Analysis

In order to calculate the profit it is important to estimate the number of customers. The potential market is the people between 18-34 years old. The total number of people between this age group are 31.46 million¹⁶ of rissian population. It is really important to chose a pontential market and get the target market out of it. The

¹⁵ www.rb.cz – the official website of Raiffeisen bank in the Czech Republic

¹⁶ <https://www.statista.com/statistics/1005416/population-russia-gender-age-group/>

company will be focusing on the people using smart phones is the chosen age group that is 98%.

The partner company Youtavel.me¹⁷ has attracted 13,000 to their social media platform from which 5000 people booked have booked the tours. As an average 208 people are booking every month. As per our agreement the target of the partner company will be to provide us 24 customers every month. The cost for an individual to book the tour is 1390 EUR. A 15% commission will be paid to Youtravel.me for every booking provided from their platform.

In next one year Urvoyage should receive 288 customers and this strategy will be reviewed after 6 months to check the overall progress and if the company is missing the target then the existing profit will be invested in search engines like google as PPC and youtube advertisements.

Calculation based on price and schedule of our trips from paragraph 5.1.9. I will consider 2 variants optimistic and realistic forecast. As I told before the target of partner company for providing to us customers 288 a year, it is a optimistic scenario, in realistic I will consider 66,6% of their target which means 192 customers per year. As my agency is already exist I have my base of clients and for first 2 months it's possible to fullfull a groups by previous experince. Optimistic scenario is considered as I will fullfill each tour with a group of 13 people, realistic scenario is 8 people in each tour.

Table 14: Optimistic scenario

TOURS	Number of trips	Number of clients	Total Revenue, CZK	Total cost, CZK	Net profit, before TAX
Iceland	6	13	2710500	2062942	647558
Norway	6	13	2710500	2062942	647558
Portugal	2	13	773500	588705	184795
Austria, Hallstadt	8	13	2054000	1563285	490715
Turkey, Istanbul	6	13	2320500	1766116	554384

¹⁷ The official website of Youtavel.me - <https://youtravel.me/en/>

& Cappadocia					
Namibia	4	13	2457000	1870005	586995
South Africa	4	13	2457000	1870005	586995
Peru & Chile	4	13	2847000	2166832	680168
USA	4	13	3107000	2364716	742284
Japan	4	13	2197000	1672121	524879
TOTAL					5646330
AFTER COMMISSION					4010130
NET PROFIT AFTER TAX					2566483

Source: Author's creation

The net profit before TAX and commission to our partnership company which we need to pay 15% from each client as it was previously discussed. After paying the commission It equals 4010130. It was calculated as the gross price for each and multiply on 6 people (according their target), then multiply on number of trips and then multiply on 0,15. As we crossed amount of 1million CZK we need to register for VAT, VAT = 21%. Income TAX for Sole Proprietorship is 15%. To sum up, after paying all taxes and commission our Net Profit will be 2 566 483 CZK.

Table 15: Realistic scenario

TOURS	Number of trips	Number of clients	Total Revenue, CZK	Total cost, CZK	Net profit, before TAX
Iceland	6	8	1668000	1269503	398497
Norway	6	8	1668000	1269503	398497
Portugal	2	8	476000	362280	113720
Austria, Hallstadt	8	8	1264000	962021	301979
Turkey, Istanbul & Cappadocia	6	8	1428000	1086841	341159
Namibia	4	8	1512000	1150773	361227
South Africa	4	8	1512000	1150773	361227

Peru & Chile	4	8	1752000	1333435	418565
USA	4	8	1912000	1455210	456790
Japan	4	8	1352000	1028998	323002
TOTAL					3474664
AFTER COMMISSION					2383864
NET PROFIT AFTER TAX					1525673

Source: Author's creation

In realistic scenario the net profit before TAX and commission to our partnership company which we need to pay 15% from each client as it was previously discussed. After paying the commission It equals 2383864 CZK. It was calculated as the gross price for each and multiply on 4 people (according their target in realistic), then multiply on number of trips and then multiply on 0,15. As we crossed amount of 1million CZK we need to register for VAT, VAT = 21%. Income TAX for Sole Proprietorship is 15%. To sum up, after paying all taxes and commission our Net Profit will be 1 525 673 CZK.

Income statement

Next table will represent to us all the planned expenses, revenues, as well as profit and loss for results of the years 2021-23. For 3 years of work I plan to grow our agency in 2 times compare with year of 2021. This growth will be made due to the large volume of travel and brand awareness. It is also planned to increase the number of guides, which will increase the number of trips. In the second year, hire 2 more guides, and in the third year, increase by another 2, which as a result will bring 1.5 times more trips in the second year, and 2 times in the third year. Equipment and marketing budget will be increased respectively. For the second year will be bought one more camera, drone, pocket printer and printing paper, the same will be bought for the third year (depreciation will be increased respectively). On the third year the loan will be fully paid. Income tax is considered as 15% out of profit., health insurance isn't included into calculations because I am as the owner of agency is a foreigner in Czech Republic and I have a commercial insurance by MAXIMA, it's not obligatory to have a complex health insurance for foreigners in Czech Republic. The next point social tax which isn't included to the table because according Czech law students up

to 26 years old without permanent residence don't have to pay this tax. In graph of Rent is going to be also 0, as I've previously told I don't need the office as business can operate on outsource base. All calculations based on optimistic scenario.

Table 16: Income statement

ITEMS	2021	2022	2023
Start up expenses	2 000	0	0
Equipment	120 000	60 000	60 000
Rent	0	0	0
Website expenses	2 000	2 000	2 000
Marketing budget	26 000	39 000	52 000
Interest expenses	55 932	55 932	0
Depreciation	39 960	59 940	79 920
Commission	1 090 800	1 636 200	2 181 600
Income tax	601 520	902 280	1 203 040
VAT	842 127	1 263 191	1 684 254
Total expenses	2 780 339	4 018 543	5 262 814
Revenue from the tours	5 646 330	8 469 495	11 292 660
PROFIT & LOSS	2 865 991	4 450 952	6 029 846

Source: Author's creation

Next table will represent to us a Cash flow statement where all data considered regarding all cash inflows the URVOYAGE gets from provided service and initial investments. Outflow cash shows to us all operating expenses and then we will get cash flow for all forecasted years as at 2020-2023.

Table 17: Cash flow statement

ITEMS	2021	2022	2023
Bank loan	131 800	0	0
Own capital	100 000	0	0
Revenue from products	5 646 330	8 469 495	11 292 660
Inflow of cash	5 878 130	8 469 495	11 292 660
Operating costs	2 740 379	3 958 603	5 182 894

Outflow cash	2 740 379	3 958 603	5 182 894
CASH FLOW	3 137 751	4 510 892	6 109 766

Source: Author's creation

Payback period

Payback period = Initial investments/Annual Cash Flow = 3 131 751 / 231800 = 0,074

0,074 of a year is 0,9 of a month. Literally saying after 4 our tours, payback period is over.

6 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.

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8 APPENDIX

Pamphlet

URVOYAGE

iceland

REYKJAVIK

2-11 & 13-22
august

INSTAGRAM: @urvoyage
VK: vk.com/urvoyage

НАПИШИТЕ НАМ:
hello@urvoyage.ru
www.urvoyage.ru



The pamphlet features a background image of a whale breaching the ocean near a rocky coastline. Overlaid on this is a map of Iceland with a network of black lines and red location pins. A white airplane icon is positioned in the center of the network. The text 'URVOYAGE' is at the top, 'iceland' is in large cursive, and 'REYKJAVIK' is near a specific pin. Dates '2-11 & 13-22 august' are written in cursive. Contact information for Instagram, VK, email, and website is provided in the bottom right, along with a QR code in the bottom left.