



**SAMPLE BUSINESS PLAN  
(Date)**

**SEA SIDE MEXICO  
FRANCHISE BUSINESS EXPANSION  
PROGRAM**

**For Sea Side Franchise Owners Only**



# SAMPLE BUSINESS PLAN

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## **Introduction**

**Business Description** – Sea Side Mexico - \_\_\_\_\_ is a company that offers for rent affordable luxury accommodations in \_\_\_\_\_, Mexico. The accommodations feature

\_\_\_\_\_ (examples: breathtaking views of the mountains and ocean, beautiful décor, large open floor plans, secured indoor parking, private pool, walking distance to beach, along with unmatched customer service and attention). The business expansion will take advantage of

\_\_\_\_\_ (example: the existing tourist and part-time foreign resident markets currently in place with promotion to niche market segments in Mexico, the US and Canada.)

**Business History** – The business activities will be performed by \_\_\_\_\_ that has been doing business in Mexico for over \_\_\_\_ years. The principals of \_\_\_\_\_ (company) have \_\_\_\_ years of hands-on experience in the property management, rental management, operations and administration of the tourist-related hospitality segment in Mexico.

**Directors** - The director is \_\_\_\_\_, owner of \_\_\_\_\_ (City, State, Mexico). Additional directors are \_\_\_\_\_ and \_\_\_\_\_ representing the areas of \_\_\_\_\_ and \_\_\_\_\_, respectively.

**Management Team** - The management team for the business expansion is comprised of highly experienced personnel in specific areas of management and hospitality. The Manager has \_\_\_\_ years of property management, rental management, operations and administrative experience in hospitality segment relating to tourist sector.

**Business Expansion Goals/Mission** – The mission is to expand the business to create more revenue and profit. The goals are:

- Increase market exposure areas
- Add more properties
- Increase property rental rates
- Increase occupancy
- Increase repeat customers
- Increase customer referrals

**Geographical Markets** – The forecasted geographical market for the business expansion is \_\_\_\_% United States, \_\_\_\_% Canadian, \_\_\_\_% European and \_\_\_\_% Mexican. The initial markets being considered for the expansion are \_\_\_\_\_ and \_\_\_\_\_ (example: the existing rental customer market. The rental for investment scenario is relatively new to the Mexican market thus this is a primary target as well.)

**Vision of the Future** – Our vision of the future is to

\_\_\_\_\_ (example: achieve the goals and objectives listed above over a 12 month period to increase revenue and profit.)



## Executive Summary

**Main Objectives** - The main objectives are to:

- Implement specific activities to generate more market exposure
- Contract more properties
- Increase the length of the customer stay
- Obtain a future reservation from a departing customer at checkout
- Implement a customer referral “VIP” program that will increase customer referrals

**Sales Summary** – A sale is defined as a paid stay in a rental unit. All activities prior to this point are reservation activities. The key quantitative objectives of the sales program are:

- Add a minimum of \_\_\_\_ (suggestion: two) new rental properties per month
- Increase occupancy a minimum of \_\_\_\_% (suggestion: 1%) per month
- Increase customer referrals by \_\_\_\_% (suggestion: 25%) over 12 months
- Increase repeat customer by \_\_\_\_% (suggestion: 25%) over 12 months

**Strategic Positioning** – The most important strategic factors needed to achieve the business expansion are \_\_\_\_\_ (example: office location or relocation, advertising campaigns, event sponsorships)

**Strategic Alliances** – The key strategic alliances necessary to achieve the business expansion are \_\_\_\_\_ (example: advertising companies, travel or tour agents, use of RANA, more competitive provider costs).

**Licenses** – New licenses that are needed for the business expansion are \_\_\_\_\_ (List any new licenses, permits or other legal documents required for the business expansion or none of none are required).

**Key Advantages** – The key advantages in expanding the business are \_\_\_\_\_ (example: new markets, new program software, more exposure in the market place).

**Funds Required** – The funds required are \_\_\_\_\_ (Summarize the funds needed for startup or expansion of the business).

## Marketing

**The Product Mix** – The new product mix for the business expansion is:

<u>Type of Unit</u>	<u>Number of Units</u>	<u>% Mix</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____



**Sales Estimates** – The sales estimates for rentals is:  
 The key quantitative objectives are:

- To average a minimum of \_\_\_ potential customers per month
- To average a minimum of \_\_\_ qualified customers per month
- To average a minimum of \_\_\_ reservations per month
- To average a minimum of \_\_\_ sales per month
- To average a closing ratio of at least \_\_\_% of all reservations
- To obtain an average of \$\_\_\_\_\_ in sales per month
- To operate within the established sales and advertising budgets
- To maintain all accounts receivable/accounts payable current

**Analysis Current Product Mix** – The current product mix for the rental market in the area is:

<u>Type of Unit</u>	<u>Number of Units</u>	<u>% Mix</u>
_____	_____	_____
_____	_____	_____

The product mix for the current franchise business is:

<u>Type of Unit</u>	<u>Number of Units</u>	<u>% Mix</u>
_____	_____	_____
_____	_____	_____

**Competitive Research** – Research was performed on the other property management companies with the following results:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_ (List the results).

**Market Analysis** – Analysis of the current markets shows the following trends:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_ (List the trends)

**Marketing Goals & Strategies** – Specific target marketing will be conducted in \_\_\_\_\_ tourism markets in \_\_\_\_\_ (example: Northern Mexico, the southwest US and western Canada.) The goal is to cater to potential renters that prefer

\_\_\_\_\_  
 \_\_\_\_\_ (List the preferences).



The key elements are:

- **Product** – Diversification, high quality construction, high-end furnishings & desired locations
- **Price** - Under Market, Higher Value, Better Purchase Plans & Better Purchase Discounts
- **Place** - Southwest US, Northwest Mexico, Canada,
- **Promotion** - Print, Media, Presentations, Seminar/Mini-Vacations

**Pricing Policy** – The rate pricing is based on the analysis performed on pricing for like properties in the area. The pricing is

Unit Type	Standard Rate	Holiday Rate
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

(List the rate schedules)

**Advertising & Promotion** – The advertising and promotion plan will use \_\_\_\_\_ (example: print, internet, signage, promotional items, events and graphic presentations focusing on the areas. The main theme for the campaign is to promote the area as easily accessible, safe and fun!)

The key aspects of this campaign are:

- |                           |                       |
|---------------------------|-----------------------|
| ➤ Identify Target Markets | ➤ Disperse Message    |
| ➤ Develop Contact Methods | ➤ Call-to-Action      |
| ➤ Shape the Message       | ➤ Question & Quantify |

**Sales Management** – The success of any project is highly dependent on the sale of properties and activities associated with supporting these sales. A successful sales program consists of a delicate blend of sales experience and program structure. The structure for such a program is outlined in this document. Making a reservation is only the beginning of the sales process. Proper documentation, timeliness in meeting commitments and superb customer follow-up ensure satisfied clients and future referrals. Development and implementation of the enclosed activities will ensure successful sales and sales support for the project. The key elements of the sales management process are:

- Product Presentations
- Reservation/Sales Process
- Pricing Standards
- General Administration
- Property Management
- Advertising Program



**SWOT Analysis** – A SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis was performed using focus group participation, interviews and conclusions from existing/new feasibility studies. The results of the analysis are:

<u>Strengths</u>	<u>Weaknesses</u>	<u>Opportunities</u>	<u>Threats</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**Historic Analysis**

**General View** - The historical analysis shows \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_ (Discuss the historical aspects of the property management and rental market in the area and how this can support business growth).

**Market Position** – The market position is \_\_\_\_\_  
 (Discuss the position of the market, the rental units, in the local area market, the surrounding area market and the overall general market as it applies to expanding the business).

**The Organizational Structure**

**Management and Personnel** – The organizational structure for the business expansion activities are:

Management	Administrative	Other
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

(Discuss any new management and personnel needs of the business expansion).

**Administrative Organization** – New administrative process or procedures needed for the business expansion are \_\_\_\_\_ (Discuss any new administrative organization needed for the business expansion).



**Contingency Planning** – Contingency planning of 5% should be included in all cost areas.

## **Financial Plan**

**The Investment Budget** – (Provide the budget elements and costs for the business expansion activities using the Investment Budget worksheet below)

**Statistical Data (ratios)** – (Provide the data for occupancy ratios, rental rates and fees relating to the business expansion using the Statistical Data worksheet below)

**The Return on Investment** – (Provide the return on investment for the initial 12 month period and the four succeeding years using the Return on Investment worksheet below).

**Financial Projections** – (Provide a financial projection for the business using the Financial Projections worksheet below).





**Investment Budget Worksheet** – Fill-in-the-blanks:

<b>Budget Item</b>	<b>No.</b>	<b>Cost/Each</b>	<b>Total Cost</b>
<b>Advertising</b>			
Web Based			
Repeat/Referral			
Print, Media & Events			
<b>Labor</b>			
Manager			
Accounting			
Administrative			
Housekeeping			
Maintenance			
Other			
<b>Services</b>			
Fumigation			
Landscaping			
Trash Removal			
Other			
Other			
Other			
<b>Equipment</b>			
#1			
#2			
#3			
<b>Travel</b>			
Transportation			
Meals			
Accommodations			
Misc			
Other			
<b>Licenses/Permits</b>			
#1			
#2			
#3			
<b>Studies</b>			
Competitive Analysis			
Local Market Analysis			
Target Market Analysis			
SWOT Analysis/Focus Groups			
<b>Bonus Programs</b>			
Guest Referral			
Frequent Guest			
Guest Survey			
Strategic Alliance Survey			

(Complete the above for each month of the 12 month business expansion period)



**Statistical Data Analysis** – Fill-in-the-blanks:

	Current	Target	Increase	Time Period
Your Ave Occupancy Rate				
Area Ave Occupancy Rate				
Your Ave Rental Rate				
Area Ave Rental Rate				
Your Ave Rental Fee to Owners				
Area Ave Rental Fee to Owners				

**Return on Investment Analysis** – Fill-in-the-blanks:

<b>Month</b>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>	<u>12</u>
<b>Revenue</b>												
<b>Cost</b>												
<b>Margin(1)</b>												
<b>ROI(2)</b>												

- (1) – Subtract the Cost from the Revenue
- (2) – Divide the Margin by the Cost



<b>Financial Projections</b>														
<b>Income Statement</b>	<b>Month</b>	<b>Month</b>	<b>Month</b>	<b>Month</b>	<b>Month</b>	<b>Month</b>	<b>Month</b>	<b>Month</b>	<b>Month</b>	<b>Month</b>	<b>Month</b>	<b>Month</b>	<b>Month</b>	<b>Year</b>
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>Total</b>	
	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010
Number of Available Units														
Number of Available Nights														
Number of Occupied Rooms														
Occupancy Percentage														
Average Nightly Rate														
Revenue Per Available Night														
<b>Revenues</b>														
Rental Revenue														
Merchant Services Revenue														
Cleaning Fee Revenue														
<b>Total Revenues</b>														
<b>Departmental Expenses</b>														
Rental Expenses														
Merchant Services Expense														
Cleaning Expense														
<b>Total Departmental Expenses</b>														
<b>Gross Operating Income</b>														
<b>Undistributed Expenses</b>														
Administrative & General														
Sales & Marketing														
Utilities														
Office														
<b>Total Undistributed Expenses</b>														
<b>Gross Operating Profit</b>														
<b>Overhead Expenses</b>														
Franchise Fee														
Office Fee														
Advertising Fee														
Insurance														
Operating Reserve														
<b>Total Overhead Expenses</b>														
<b>Net Operating Income</b>														



### **Current Franchise Operations**

**Puerto Penasco, Sonora  
San Carlos, Sonora  
Riveria Nayarit  
Playa del Carmen  
Baja California  
Puerto Vallarta**

**Contact us at:  
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1-800-262-4580**