MASTER IN INTERNATIONAL BUSINESS

FINAL MASTER PROJECT

CAJENA: A Customized Travel Application

Business Plan

AUTHORS:

Jean Bonnin, Cassidy Driskell, and Natalia Hernández

Tutor: Prof. Pablo Martin Antoranz

Madrid, 14 June 2019
Index

Executive Summary ............................................................................................................. Page 5

Chapter One: Introduction .................................................................................................. Page 6

Chapter Two: Industry Analysis ............................................................................................ Page 13

Chapter Three: Internal Definition Analysis ........................................................................ Page 24

Chapter Four: SWOT Analysis ............................................................................................. Page 29

Chapter Five: Objectives and Strategies ............................................................................. Page 31

Chapter Six: Marketing Plan ............................................................................................... Page 46

Chapter Seven: Operations: Human Resources and Logistics ........................................... Page 65

Chapter Eight: Financial Plan ............................................................................................. Page 69

Chapter Nine: Legal Aspects ............................................................................................... Page 76

Chapter Ten: Contingency Plans ......................................................................................... Page 79

Chapter Eleven: Business Plan Timeline ............................................................................ Page 82

Chapter Twelve: Conclusions .............................................................................................. Page 83

Bibliography ....................................................................................................................... Page 84
Graphics Index

Figure 1.0: App Structure......................................................8

Figure 1.1: Visual App Design.................................9

Figure 2.0: PESTEL Analysis ............................16

Figure 2.1: Porter's Five Forces Analysis.......................17

Figure 2.2: Competitor Analysis .............................22

Figure 3.0: Social Media Ad Preview............................27

Figure 3.1: Value Chain for Online Travel Agencies........28

Figure 4.0: SWOT Analysis..................................29

Figure 5.0: Main Objectives.................................32

Figure 5.1: Market Reach Projections.........................34

Figure 5.2: Further Objectives.................................36

Figure 5.3: Main Strategies.................................37

Figure 5.4: Google Ads Impression Projection............38

Figure 5.5: Estimated Social Media Clicks...............39

Figure 6.0: 4Ps Analysis.................................46

Figure 6.1: Emotional Imagery Perception.....................47

Figure 6.2: Service Life Cycle.............................50
Figure 6.3: Total Number of Masters Students Matriculated in Spain by Nationality..........................50

Figure 6.4: Total Number of Doctorate Students Matriculated in Spain by Nationality..........................50

Figure 6.5: Total Number of Undergraduate Students Matriculated in Spain by Nationality..........................51

Figure 6.7: Survey Results..............................54

Figure 6.8: Target Customer.............................55

Figure 6.10: Product Levels.............................57

Figure 6.11: Mobile App Usage Statistics..........................58

Figure 6.12: Incoming Travel Analysis..........................59

Figure 6.13: Media Plan.................................61

Figure 6.14: Advertising Action Plan..........................63

Figure 7.0: Service Profit Chain..........................64

Figure 7.1: Company Organization..........................67

Figure 8.0: Types of Limited Companies in Spain..........................74

Figure 11.0: Gantt Chart.................................79
Executive Summary

Introducing Cajena! Cajena is a customized travel website and mobile application made for international students to book and plan their trips to a variety of breathtaking Spanish destinations. Cajena offers the opportunity to young international students to travel around Spain on their own budget. Our team will provide customized travel packages to satisfy every customer’s desire. Within this business plan, we will discuss all the different elements involved to make Cajena a success. We plan to heavily invest and indulge in marketing from a very early stage in order to successfully establish our brand awareness. In this text, we will explain to you all of the main strategies we plan to implement to reach our target market, international students living in Spain. Through the combination of capturing, converting, and establishing loyalty we believe that we will be able to attract a large majority of our target market. We, the founders, as international students have a sense of wanderlust that we want to share with our community and beyond. We want to spread our passion for adventure and expose international students to the diverse, beautiful destinations and rich culture that Spain has to offer. We are dedicated to helping lead young people into new experiences and adventures. Our customers are international students pursuing their degrees in Spain. Whether the student is here for a limited amount of timing or pursuing their entire degree program abroad in Spain, Cajena is the choice for them. Enriching every step of young travelers' journeys is our aim. Through our website, or our mobile app, customers receive top deals when booking flights, hotels, tourist activities, and travel packages. Across the world, technology is constantly revolutionizing the travel industry. The industry has seen a remarkable growth over the years. Thanks to the latest technology, collecting data on individuals and consumer behavior to provide them with a better customer experience is trendy. Therefore, customers expect now to receive an immediate answer to their questions and concerns. They are always asking for a more personalized service. Major Online Travel Agencies such as booking.com, TripAdvisor, and eDreams to site only a few are the market player of the travel industry. However, because they control a substantial market share, they are not providing a custom-made service to our target market. This is our business opportunity to provide personalized travel packages to our niche market.
Cajena’s marketing strategy is to establish our brand awareness, increase our lead generation for future conversions into sales and improving our renewals. Concerning our team organization, our team will be made up of four employees. The three cofounders; Natalia, Cassidy and Jean will run the company together. We will also hire a software developer. Cajena is determined to optimize the process of planning and booking trips for international students, one download at a time.

**Chapter One: Introduction**

This Business Plan is made up of ten core chapters that indepthly explain the plans we have made and will follow in order to launch a student online travel agency and booking Application in Spain, Cajena. The first chapter introduces Cajena as a brand and what its key services and strengths are. Our goal at Cajena is to provide the large number of international students living in Spain with an easy and accessible way to plan and book their travel experiences, during their time living abroad in Spain. We aspire to be on the dashboards of all international student’s phones and to be the first-choice students make when looking for an app to help plan and book a trip within the boarder of Spain. There are countless irresistible travel destinations in Spain and we aspire to provide international students with unforgettable experiences, that are both budget friendly and designed specifically to meet their personal preferences. Although, Cajena is not planning to stop here. Once we have our business up and running, it is in our future plans to expands to a diversify our target market beyond international students, to all travelers. Not only do we aspire to expand our network, we also plan to expand to neighboring countries once we have built a solid foundation in Spain.
Cajena Explained:

Cajena is an all-inclusive, travel booking and planning app designed for international students living abroad in Spain. Our vision is to provide travelers with their dream travel experience that has been custom selected to meet their personal desires. It is our mission to provide customers with a travel package and plan that equips them with the ultimate travel experiences for a budgeted price that will meet their personal likes and interests. At Cajena, we value quality, curiosity, loyalty, integrity, innovation, leadership, focus on impact, simplicity, and efficiency.

Our Services:

Spanish travel guide and booking application that provides international students living in Spain with a customized planned trip to major Spanish cities based on their personal preferences and desired Budget. The App will generate a variety of travel packages based off of our customers’ preferences. These packages will differ in price and style of travel. By style, we are referring to what travelers prefer and the way they like to travel. For instance, if they prefer staying in a hostel or a motel or if they enjoy going to museums. The packages will include three major categories.

Customized Travel Packages Featuring:

- **Accommodation:** Packages will include various different kinds of accommodation. This will include a range of hostels, motels, and hotels.
- **Transportation:** Travelers will have the option to choose packages that include different kinds of transport ranging from busses, car rentals, flights, and trains.
- **Cultural and Touristic Activities:** Travelers will also be able able to add touristic or cultural experiences to their packages. An average package includes 2 experiences. This ranges from locally recommended restaurants, museums, tours, and other major tourist attractions.
App Design:

After customers register for the App, they will follow the following process to generate their travel package:

App Structure

As seen in Figure 1.0 above, once customers register for the app you will first fill out the preference survey. The travel preference they choose will then help to generate the most suitable travel arrangement options for them. The app will then allow the user to choose between the options of a customized package or to create their own package. The preference survey, however, will influence both package options. If the user selects to design their own package, the top results shown will be based on their given preferences from the survey. If the customer selects customized package, the choices will be based off of the customer’s preferences chosen in their survey. The customized package option will include three packages for the customer to choose from: a low budget package, medium budget package, or a high budget package. If the customer is not satisfied with any of the three customized travel packages, we have given them, they will have the option to take the survey again to adjust their preferences and receive new results. Please see the figures below to view our basic App design:
Target Market:
Cajena will target foreign students coming to live in Spain for a temporary amount of time with desire to travel throughout Spain.

Market Needs:
In our student life the three of us combined (Natalia, Cassidy and Jean) have studied in five different countries. And with our classmates, we are accustomed to travel and visit the most popular cities of our host countries during the holidays or weekends. However, despite our accumulated networking contacts from different universities and countries, we have never heard about an application that could allow students to travel the world on a limited and discounted budget. Neither have we been exposed to a mobile application that delivers discounts and top deals to international students specifically, let alone a mobile app that provides international students with a
customized planned trip based on their personal preferences and desired budget. However, today, after some intensive research, we discovered Flights by StudentUniverse. It’s “the world’s leading travel booking service for students and youth”, it has offices in four different countries and offers student discounts and youth fares, (Studentuniverse.co.uk). Nonetheless, it doesn’t provide international students a customized travel experience that is designed to meet their personal preferences.

Moreover, since travelling is not something that an average person does regularly and is typically costly, most people analyze destinations, compare prices, and look into all relevant details before making their final choice of where to travel to. Thus, during this process of reviewing trip logistics, we could bring added value to our international students by helping them to book efficiently and providing them with their own complete, well detailed travel plan. By offering several services types: transportation, travel accommodation, touristic activities/entertainment options, and by respecting every different budget and personal preferences, we will provide our customers with the best search and purchase experience. According to Boxever, a customer data platform and personalization engine, 33% of travelers prefer relevance in their search result over lowest prices. Hence, our customers will have the possibility of giving their personal input when asked between different services, and accommodations. We want to help people choose their own travel plans without giving them the impression that they must go through the hassle of planning a trip on their own.

**Competitive Advantages**

Cajena offers four main competitive advantages. It is the first app to ever serve as both a travel planning and booking app that is specifically customized to fulfil the customer’s desires and preferences, specifically for students. The app provides low budget travel packages, has a simple and user-friendly layout, is guaranteed to optimize the travelers time both in booking and planning their trip, and will additionally offer a variety of discounts for students.
Key Competencies:
At Cajena we specialize in personalized customer service, value, innovation, quality, interpersonal relationships, cultural competence and internationalization. We are a group of highly trained, international business professionals with a unique kind of Entrepreneurial spirit. Cajena is a brand that offers top travel options and specializes in catering to the customer. As we, the founders, are students ourselves, one of other major key competencies is that we are relatable to our market and able to directly interact with our customers.

Technology: Level, Risk, Protection:
The use of big data and personalization has become a necessity for travel guide applications. For easy navigations and use, gathering information on the customer’s habits, and interests so as to offer unique and personalized travel research experience is a must. However, travel guide applications must respect data protection policies and comply to the European regulations, which will be discussed further in our legal aspects chapter. Also, a high degree of personalized promotions can leave a bad impression on the customers, as it may be overwhelming and become difficult to navigate if there is a surplus of options. So, finding the right balance is the key to a successful business. This implies a wide variety of options, but not an exhaustive amount. The other challenge at hand is the cost of maintaining and updating the mobile application. Data protection regulations are constantly changing and it is very important to us that we protect the privacy of our users in order to maintain their trust and insure transparency. According to some analyst nearly 70% of travel company’s budget for a mobile app should be reserved for update and maintenance. We will expand on this further in our financial plan, as we believe that the majority of our funds should be invested in the software, maintenance, and development of our application, as this is our main tool, we will use to establish Cajena.

Financing:
To fund out project, we will take out a bank loan of 185,000 euros. This loan will help us to cover all the costs we will need to pay off in order to begin and run our business
for the first few years. These costs will range from salaries to marketing costs and software, and all other costs which will be stated in the financial plan.

Feasibility:

In 2018, Spain was the second most visited country in the whole world with a new record number of tourist visits, more than 82 million in just one year, (Reuters, 2019). For the past six years, Spain has received an increasing number of tourists. Therefore, there is a high demand to travel to Spain and we believe that there is a gap in the market that our business could fill. Spain is home to thousands of international students studying abroad. During an international student’s time abroad, it is very likely that they will have the desire to travel outside of the city they are studying in. This is because they are only in Spain for a temporary amount of time and have the desire to see as much as possible, during their time living in the country. Spain is a country full of attractive destinations to explore. With such diverse landscape and rich culture, Spain gives students many reasons to have the desire to study abroad in its borders and provides students with so many potential travel destinations. Typically, anyone that enjoys traveling, knows the hassle that come with planning the details of a trip and finding which attractions suit your own personal interests best, rather than being pulled into tourist traps and missing out on the opportunity to really experience the city you are visiting. We believe that our business is suitable as once we establish the capital, we need to launch the app and make partners with businesses within the Spanish tourism industry, there will not be a high cost to run our app. When our app enters the market, we plan to work from home and have a minimal amount of costs. Our main expense will be the software and development of our application. We plan to invest the most in this and to hire just one extra employee apart from the three founders, the software developer, as it the quality of our app is the future of our service. To gain revenue, key partners will be paying us a compensation for advertising their services (8%) and app users will pay a small compensation fee to us for booking with us and planning their personalized vacation (5%). This means that we will receive about 13% of each package we sell. As apps are constantly developing and improving, we will invest in top of the line software and hire a well trained and experienced software developer in
order to ensure that our app is improving with time and keeping up with the constant technological advancements, in order to become and remain an attractive company in the market. Overall, we believe that this project is quite feasible as it is cost-effective and there is a high demand in the market for such a service, as international students have the desire to travel in Spain and today’s youth thrive off of convenient, fast services at their fingertips.

**Risks:**

According to Bernadett Maxwell, 2011 (Business plan analysis of a new venture, Simon Fraser University). The threat of new entrants is medium as one would need a consequent initial investment for the large systems infrastructure. Also, Global Distribution System (GDS) own the Online Travel Agencies (OTA) so they control the access to supplier reservations. On the other side, GNE new technology can compete with Global Distribution System. Finally, the new Apple ipod apps and Google purchase ITA software.

**Management Team:**

Our company is going to start just with one employee that is going to be the software developer. They are going to be in charge of the creation and maintenance of the App. Jean Bonnin, Cassidy Driskell and Natalia Hernandez, the three co-founders, will work closely together to run the business as a team. For instance, they are going to be contacting accommodation services, transportation services, and businesses that offer cultural and touristic experiences, to make the agreements and arrangements to make the business more profitable. They will share the responsibilities of marketing & sales, financing the business, logistics, book keeping, and customer relations.

As we, the founders, are a part of the international student community ourselves here in Spain, we have noticed the strong correlation between international students and the demand to take spontaneous trips to various Spanish cities from a first-hand
perspective. We at Cajena believe that it is in the best interest of international students to take advantage of living in a country with so many appealing cities to visit. As their time abroad is limited, students should fully expose themselves to as many different locations as possible, in order to maximize their experience. Traveling provides us with a greater perspective of the world and further allows us to relate to a wider mass of people each time we do so. Cajena strives to provide Spanish travel experiences to international students that allow for them to see as much of Spain as possible, for a fair price, and a guaranteed positive experience. We believe that this project is feasible is there exists no such app that is 100% identical to our design in Spain and witness the demand international students have to travel within Spain in our everyday lives.
Chapter Two: Industry Analysis

In this chapter, we will thoroughly analyze the current travel booking and planning industry in Spain. We will elaborate on the current market situation in Spain and the chances and challenges we have of entering the marketing successfully. It is critical that we understand and explain the environment and industry that we are going to enter to our best ability in order to ensure that it is in our best interest to enter the market and to understand our competitors, to further analyze where differentiation is needed. To do so, we have selected a variety of industry analysis methods. This chapter will include a PESTEL analysis, Porters Five Forces analysis, explain the opportunities and threats included in entering the industry, and more. We believe that Cajena is an App that is missing from the market, as it is not just an app that helps to book your trip or gives you suggestions of interesting sites to see and things to do while traveling, but the app will generate personalized plans and allow you to book your trip within your desired budget range.

PESTEL:

In order to understand the environment that we are entering, we’ve conducted a PESTEL analysis to further analyze whether or not there was a significant opportunity in the Spanish market for an App like Cajena.
Political Analysis:

- Spain is a stable country that is seen as both safe and secure by tourists. Its government is a constitutional monarchy that values social and democratic sovereignty.
- Spain is a part of several visa agreements, making it accessible for many tourists to come and visit. Spain issues thousands of student visas a year and is very welcoming to foreigners studying in their country.
- At the peak of the Catalonian independence movement, tourism dropped by 15% after the Catalan referendum, as tourists were discouraged to visit during times of political stability. Overtime, the tourism rate has gradually rose back to its average levels.
- Spain’s political climate is very active and constantly changing, but regardless of the chaos of it all, it still manages to remain a safe and high functional country.

Economic Analysis:

- Spain has a growing GDP and one of its major industries is tourism.
• Tourism in Spain provides over 2 million jobs in Spain.
• Tourism generates more than 16% of Spain’s GDP
• The tourism industry is able to fulfil its constantly growing demand.
• International students that study in Spain are interested in exploring all that Spain has to offer and therefore there is a high demand and a long term opportunity for Cajena to succeed in the tourism industry in Spain.

Social Analysis:
• Spain has a well developed tertiary education system that is attractive to foreigners.
• They are many public, low cost universities and several sophisticated programs.
• It is very convenient to travel from city to city in Spain using its public transportation system.
• There are several international student programs and events in Spain and the Spanish people are very open to welcoming them in their country.
• Spain is a country that has frequent demonstrations for various social causes, which may intimidate tourists, but they are more than always quite peaceful.
• There is a contrast between urban and rural development in Spain, dividing the population. This typically causes tourists to remain in more urban areas.
• Mass tourism in Spain as the demand is so incredibly high that tourists risk not having an ideal experience and the high demand may impact the quality of their trip.

Environmental Analysis:
• Spain’s mild/warm Mediterranean climate is attractive to tourists.
• EU climate change policies and Kyoto commitments
• Many beaches, mountains, and beautiful landscapes
• High ranked in clean technology
• Acceptance of international environmental agenda, improved environmental policy in the last 15 years.
• High amount of air pollution, CO2 emissions, and water pollution
• 36% of Spain is at risk of desertification (i.e. the canaries and the south-east of Spain), this could affect the tourism industry in the future.

Legal Analysis:

• High Competition in the Tourism Industry: Competition policy in Spain exists in order to protect their
• Brand and reduce market rigidities.
• Legal regulations vary in Spain on both a regional and national level, but due to immigration laws and two different kinds of student visas, the law allows for international students to study in Spain for a given amount of time.
• Spain is very open to foreign investment, which is also an advantage for Cajena, specifically during the establishment of the Project.

This PESTEL analysis illustrates that despite any economic hardship Spain has suffered in the last year or major political movements such as the Catalonian independence movement, tourism is still one of Spain’s largest industries and there is a very high demand for tourists to visit. Not only for tourists to visit, but also an attractive place for international students to study abroad. As there is such high competition in the tourism industry in Spain, it is in our best interest to stick within a very specific and reachable target group in order to become international student’s number one travel booking and planning choice. By directly marketing to our target group and due to the fact that we ourselves are members of our target group, we believe this will be possible.

Porter’s Five Forces:

This five forces analysis allowed us to better comprehend the forces within the industry that are fueling our competition.
Porter’s Five Forces Analysis

1) **Competitive Rivalry:** Currently there are many travel service-related apps within Spain that offer specific services. Some of the major competitors we’ve targeted include WayClix, Triposo, Indispensable, TripIt, and Tripadvisor. These competitors offer specific services such as sightseeing suggestions, information of Spanish beaches, a travel plan generator based off of activities the user inserts themselves, and further apps that include where to go and what to do while traveling based off of customer reviews. Although, none of these apps offer a specific booking function nor all of these services combined in one.

2) **Supplier Power:** There is high competition within the app market as there are so many being developed each and every day. It is our goal to specialize as much as possible to compete at our best. There are a lot of travel agencies that offer a similar service, but none that offer an all-inclusive, affordable package that can be designed based off of a student’s preferences at the fingertips, and booked within seconds. There is high competition between online travel agencies, but Cajena is catered towards a different target market, with a bigger purpose than just booking a trip.

3) **Buyer Power:** Spain is one of the most popular countries in the world for international students. Our buyers are students and are generally on limited budgets during their visit in Spain. Although, they are willing to spend money on traveling in order to maximize their experience in Spain and see as much as they
can, in a limited amount of time. An average buyer will spend between 200 and 300 euros on their trip, depending on the extensiveness of their travel arrangements. An average buyer will also book more than one trip. It would be much more expensive for an international student to switch to a rival travel agency as this procedure is significantly more formal and generally offer higher prices and limited packages.

4) **Threat of Substitutes:** An average travel booking agency gives you a list of options and allows you to choose from a range of various flights and accommodation. Our app is much more, offering you a full planned time table of your trip based off of your own personal preferences, at your preferred price range. A user may choose to book their flight, accommodation, tourist activities, and further entertainment all separate from each other, by selecting the lowest prices, but by booking all of these things in one, customers will receive top discounts and personally crafted experiences.

5) **Threat of New Entry:** It is important to consider that many floats towards big brand names that they are familiar with. Additionally, as apps are constantly being developed, it is necessary to work with top programmers and designers in order to consistently provide our customers with top of the line technology and limited system bugs and errors. Another important factor, is that as the app market is relatively new, there is a high learning curve, meaning that there is a high risk of fluctuation within the market, as it is constantly transforming. On the other hand, barriers of entry are low and we are a specialized service for a specific audience which both imply a long-term positive impact and also add value to our service.

Collectively, this analysis taught us that the tourism industry in Spain is highly competitive, but also confirmed that our app is different than those that currently exists, making it more attractive towards potential consumers. By introducing a unique, trendy service that is made to fit all an international student’s needs to travel without spending a fortune.
Market Analysis:

The online travel booking applications propose complete holiday packages including all trips details from transportation to accommodation and are booked via Internet. Users represent the people who placed the bookings, independent of the number of travelers. Well-known providers of package holidays are online travel agencies (OTSs) such as Expedia and Opodo. Specialized providers of hotels and private accommodation booked online are, for example, Hotels.com, Booking.com and Airbnb. According to statistica.com the revenues in the Online Travel Booking segment amounts to $6,799m in 2019. The revenue is expected to show an annual growth rate of 3.9%, resulting in a market volume of $7,933m by 2023. The market’s largest segment is hotels with a market volume of $3,109m in 2019. In global comparison, most revenue is generated by United States with a $99,055m in 2019. In the vacation rentals segment, the number of users is expected to amount to 4.8m by 2013. Our indirect competitors in Spain and Europe are Atrapolo, eDreams, and Your Spain Hostel. Atrapolo is one of Spain’s largest online travel agencies serving primarily the Spanish community. They offer a wide variety of listings for all types of properties and many deals. Their number of active users is around 2.3 million, with 30 million number of monthly visits. They are most prominent in Europe. eDreams propose a large selection of flights, hotels and accommodations, it has a significant global presence. It has a number of listings of 250,000, charging commission fees of 3%+. It is most prominent in Spain and in Europe. Your Spain Hostel, lists only hotels located in Spain and offers a lot of informations on Spanish tourism. In 2018, several well-known agencies were nominees for Europe’s Leading Online Travel Agency. Nominees included eDreams, Expedia, Tripsta and Booking.com to site only a few, and Booking.com was selected as the winner.
## Competitor Analysis

<table>
<thead>
<tr>
<th>Indirect competitors Analysis</th>
<th>Competitors</th>
<th>Service</th>
<th>Description</th>
<th>Risk (Threat high-low)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>eDreams ODIGEO</strong></td>
<td>Audience</td>
<td>One of the world’s leading OTAs</td>
<td>Medium</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Size: 5-50 million</td>
<td>18.5 million customers across 46 markets. Listed in the Spanish Stock Market</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>N° of listings: 1,100,000</td>
<td>Av. commission: 20%</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Booking.com</strong></td>
<td>Audience</td>
<td>One of the largest and most popular travel websites in the world</td>
<td>Low</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Size: Over 50 million</td>
<td>1,524,562 listings Av. Commission 15%</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>tripadvisor</strong></td>
<td>Audience</td>
<td>Impressive list of accommodations, airlines, restaurants, hotels</td>
<td>Low</td>
</tr>
<tr>
<td></td>
<td></td>
<td>size: Over 50 million</td>
<td>N° of listings 7,300,000 Av. Commission: 15%</td>
<td></td>
</tr>
</tbody>
</table>
These four Online Travel Agencies provide instant booking features for their customers to book and reserve services through their websites. Their target customers include travelers of the world but also corporate customers. Concerning booking.com and Tripadvisor, their geographical reach is global. EDreams’ geographical reach is mainly in Europe. These large companies control a significant global market share in the travel industry. We don’t necessarily consider them as direct competitors since we create our business to penetrate in a niche market. We only target a small audience size compared to these giant companies. As we noticed in the survey that we sent to multiple universities in Madrid and Barcelona, our customers, international students living in Spain, are not primarily interested in saving money in their trips, but prefer receiving personalized services and relevance in their search. Because these companies don’t provide personalized experience and don’t offer customized trip plans to their customers, they represent a low threat as our indirect competitors.

**Market Trends**

**Personalization**
In the modern trends in the travel industry, to distinguish from competitors, the main priority has become delivering to people a unique and more personalized service. Nowadays, thanks to the development of technology, it has become vital for online travel agencies to deliver individualized service to travelers. However, the main challenge for online travel agencies will be not violating personal privacy when collecting data on people.

**Mobile Application**
Mobile applications facilitate bookings and reservations. They allow to provide relevant information depending on an individual’s location and selections. Many online booking operations now take place in a mobile app.

**Chatbots**
To offer a complete customer support, chatbots are trendy. Chatbots huge collect data and deliver quick responses to problems. The majority of large business in the travel industry will adapt this technology in the coming years.

As an online travel agency, our team’s goal is to look at different digital strategy to stay up to date with the constant technology development and adopting innovation into our strategy to stay ahead of competitors while delivering unique experience to our customers.

**Strategic Map:**
The app market is relatively new; however, developed and successful companies already control the majority of the Online Travel Agency market. Thus, to succeed in this industry it’s critical that we implement a well-defined strategy to target a specific niche market. Our main goal is to convince our target market that we provide specific service toward international student located in Spain and offer a higher-level service relative to any other provider of the same service as us. If we plan well and show that our trips and package holidays are different and better, then we should have a steady and constant demand.
The competitive edge of our services is the access we provide to international student with several discounts and limited budget. The majority of providers don’t necessarily target these customers. Moreover, we intend to provide more exclusive trips, specifically for small groups of students travelling together. Accommodations will be primarily in affordable and small hotels.

The sales strategy is to create long-term relationship with customers through better service. Our goal will be to primarily target our specific customer group. The group has been defined as foreign students coming to live in Spain for a temporary amount of time that want to travel to and within Spain. The trips planned are designed with small groups of students wanting to travel for a limited budget. Marketing effort will be addressed toward foreign students who want to spend less money. Target customers will be identified through surveys and research. The methods by which we will contact our customers will be through direct mail, social medias, and through universities and special interest magazines. In addition, printed materials will be available to customers through their universities. Initially, our service will be introduced regionally and possibly nationally.

Our service is whole year round as students are able to travel twelve months of the year. Customers will have the opportunity to leave comments and feedback on our app and thus creative a well-connected group. We will do some creative work, for example, offer highlights of past trips.

Once having reflected on the above completed analyses, we came to the conclusion that Cajena has many competitors with strong reputation in Spain, but none of these competitors are directly catered towards international students to provide the exact same service. There are many alternative platforms that customers may use to book their flights or hotels, but not one that generates packages in the way that Cajena does. We therefore believe that it will be a given challenge to compete with our competitors, but that our business has high potential to excel as it is distinctive from its major competitors.
Chapter Three: Internal Definition Analysis

Rather than an internal analysis, we have selected to dedicate chapter three of this Business Plan to an International Definition Analysis. This is because Cajena has yet to be launched. This chapter will describe the details of our company from the inside out. It includes a brief introduction to our company culture, how we plan to manage and facilitate our quality control, our value chain analysis, competitor advantage, and other internal factors that are crucial parts of the internal parts of our organization.

Culture:

Although our company is going to be made up of just four team members, it is still a priority of ours to maintain a strong, transparent, and open company culture. Our company culture is built on curiosity, wanderlust, maximizing international experiences, and sharing the joys and wonders that Spain has to offer! At Cajena, we believe in a company culture that encourages an open, honest, and community oriented work environment. It is essential to us that we value our inclusive company culture which listens to the voices of employees and promotes a positive and creative atmosphere.

Image:

Student friendly app to both book and plan a trip inside Spain in the most easy, affordable and fast way. We aspire for our customers to view us as their go-to, all-inclusive travel app.
Internal communication:

As this app requires a small employee force, the method of internal communication amongst employees will be very direct. We plan to use an internal communication app such as, Slack or Trello, to communicate amongst each other and manage our goals and tasks. As the founders and operators of Cajena, we will work closely amongst ourselves and with our software developer to insure a strong sense of communication within our Company. As mentioned previously, we will work from home and share tasks evenly.

Value Chain Analysis:

Like any product or service, the travel and tourism industry include many players. To deliver value to customers, many players are interconnected. The role of each player is sometimes complicated. Airlines companies and hotels motivate their customers to book directly on their own website because it’s more profitable. However, to reach customers in the international market, these different players need the network of the Global Distribution System and also travel agents and metasearchers. In the Online Travel Agencies there are different players. Metasearches have for goals to provide
people with some search and comparison websites, and then direct customers to specific websites when they want to purchase something. In contrast, Online Travel Agencies use the Global Distribution System (GDS) (a multi-access reservation system) to connect customers with multiple services. Via an Online Travel Agencies one can book airlines tickets, hotels and accommodations directly from the same website.

<table>
<thead>
<tr>
<th>Travel sellers</th>
<th>Distribution</th>
<th>Travel providers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online travel agencies</td>
<td>Provision of indirect distribution services</td>
<td>Airlines</td>
</tr>
<tr>
<td>Metasearch</td>
<td><strong>Connecting the travel ecosystem</strong></td>
<td>Airport operators</td>
</tr>
<tr>
<td>Media Players</td>
<td>Including direct sales technology</td>
<td>Ground handlers</td>
</tr>
<tr>
<td>Travel agencies</td>
<td>It Solutions</td>
<td>Insurance provider groups</td>
</tr>
<tr>
<td>Travel management companies</td>
<td></td>
<td>Rail operators</td>
</tr>
<tr>
<td>Tour operators</td>
<td></td>
<td>Hotel properties</td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td>Airb&amp;b properties</td>
</tr>
<tr>
<td><strong>Travel buyers</strong></td>
<td><strong>Travel buyers</strong></td>
<td>Car rental companies</td>
</tr>
<tr>
<td>Travelers &amp; Corporations</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Value Chain for Online travel agencies

Figure 3.1

**Chapter Four: SWOT Matrix**

As stated above, as a Start Up we can’t do an internal analysis because the company is not operating yet, this means that the strengths and weaknesses we list are hypotheses and assumptions. These projections we have made will help us to understand the potential strengths, weaknesses, opportunities and strengths of Cajena. We believe that this is a high opportunity business with a high amount of potential to excel.
SWOT Analysis

**Opportunities:**

- We think this app is an opportunity to create something new. There are hundreds of agencies, companies and applications working with tourism and traveling packages but none of them offer and do not include all the facilities and features as Cajena’s does it.
- The Budget and the time are our strengths because our clients would have the opportunity to create their own and customized travel packages based on their budget and in an easier and faster way.
- Our specific target (students) help us find different strategies and opportunities to gain more clients through alliances with universities and schools, as a result the students would have advantages and benefits using the app.
- We can expand and keep moving through other European countries and also to other continents. Our principal target are the students but we can gain people from all over the world.

**Threats:**

- One of the most possible threats Cajena will face is the creation of other companies or apps trying to copy or develop the same idea. Being something new it’s going to create new competitors that were not contemplated at the beginning.
- Another problem that could be found on our way is the creation of new regulations or laws that can affect the business development and its growth. The Spanish
Government can issue tourism laws that can interfere Cajena’s work and make it less attractive

- Taxes: in Many cities the foreigners and visitors have to pay a tourism fee when they stay in a hotel or rent a place to stay if this tax increase, this situation can affect our business because our clients cannot be interested in paying for traveling to this place. This is just an example of how taxes can affect our business in a negative way.

This SWOT analysis illustrates that there are many opportunities in the market to Excel and that it is potentially very attractive to its target market, although software development is costly and there is a high level of competition in the tourism industry. This analysis helped us to draw that conclusions that it is in our best interest to minimize our costs when possible, that it is compulsory to be constantly up to date the economic and political situation in Spain and how it may impact the behavior of our consumers, and that there is a significant amount of opportunities for a business like Cajena to excel today in Spain.

Chapter Five: Objectives and Strategies

As Cajena is going to be a brand-new App hitting the market, it is very important that we highlight its main objectives and strategies so that we have clear goals and structure to follow. It is our foremost goal to establish brand awareness. We want to reach our target market as quickly, effectively, and efficiently as possible. It is in our best interest to create both online and offline strategies to reach our objectives or reaching as many international students living in Spain as possible. Cajena wants to be a big player in this online travel industry, it’s first objective should be to be well known among international travelers for the added value that it brings to its customer.

Cajena has to stay true to its core values and be seen by people, competitors, hotels, partners as the new travelling booking app made for international students by international students. Cajena represents fundamental values, we want to facilitate
travelling for young people so they can experience new cultures, unforgettable moments for an affordable price. We want to be seen as being a close brand to our customers because we deliver individualized services and offer great deals and discounts for our students. To improve our brand and service awareness, we will use both online and offline channels.

Our online strategy to improve our brand awareness will be to be active and post regular updates, photos, and promotional videos on social media. We plan to drastically increase our Facebook and Instagram followers in the first few months by offering discounts and deals to acquire many new visits and members on our social media. We also plan on using paid advertising, google ads so our presence can be known to our customer target. In the first steps of our development, our target market will not know that Cajena exists, thus it’s our responsibility to approach them and reach them with the most relevant content possible. Targeting international students is not easy. In fact, they are not watching local television nor reading journals. Typically, they do not speak the language of the country they are moving in to, but use English. Many international students in Spain do not speak Spanish. Hence, to gain and develop our brand awareness we have to use specific channels that our customers are familiar with, are user friendly, and cater specifically to the international community.

Main Objectives:

The final, and overall objective of Cajena, is to become one of the favourite traveling booking apps that an international student has on his mobile. However, in order to reach this ultimate goal, four different smaller objectives should be implemented. Having well-defined objectives and strategies is the first step to development and growth. To reach our final goal, and to optimize our conversion funnel, we will increase brand and service awareness, followed by increasing our lead generation for future conversions into sales and lastly Cajena will focus on improving our recurrent sales and renewals.
Objective One: Brand awareness:

To introduce our App into the market, we plan to use a variety of platforms to reach our client base as efficiently and effectively as possible. The six different channels we plan to utilize to reach our goal include: Facebook, Instagram, Google Ads, Newsletters, App Store and Google Play, as well as offline channels (Posters, students fair, University events, etc.). We want to reach the total potential market, 105,000 international students living in Spain. It is clear that there is a high probability the total number of international students in Spain will fluctuate, but it is in our best interest to contact the entirety of the market. As we, the founders and operators of the App, are personally apart of our target market, this goal is even more achievable, as we are able to relate to our customers and are able to reach them at ease, as we are part of the same social groups and settings.

We want to create a brand image that is student-friendly, adventurous, accessible, and reliable. Cajena wants to be a big player in this online travel industry, it’s first objective should be to be well known among international travelers for the added value that it brings to its customer. Cajena has to stay true to its core values and be seen by people,
competitors, hotels, partners as the new travelling booking app made for international students by international students. Cajena represents fundamental values, we want to facilitate travelling for young people so they can experience new cultures, unforgettable moments for an affordable price. We want to be seen as being a close brand to our customers because we deliver individualized services and offer great deals and discounts for our students.

To improve our brand and service awareness, we will use both online and offline channels. Our online strategy to improve our brand awareness will be to be active and post regular updates, photos, and promotional videos on social media. We plan to drastically increase our Facebook and Instagram followers in the first few months by offering discounts and deals to acquire many new visits and members on our social media. We also plan on using paid advertising, google ads so our presence can be known to our customer target. In the first steps of our development, our target market will not know that Cajena exists, thus it’s our responsibility to approach them and reach them with the most relevant content possible. Targeting international students is not easy. In fact, they are not watching local television nor reading journals. Regularly, they do not speak the language of the country they are moving in to, but use English. Many international students in Spain do not speak Spanish. Hence, to gain and develop our brand awareness we have to use specific channels that our customers are familiar with, are user friendly, and cater specifically to the international community.

**Objective Two: Contacts or Leads**

We want to improve our lead generation for future conversions into sales. To do this, the first steps would be to understand what actions customers take before becoming a lead. The only way to optimize our conversation funnel is by using some analytics software. To be able to track customers’ journeys, see where people have come from and see the different actions, they take on all stages of the conversion funnel, will help us implement specific actions to boost our leads generations. We will create a reliable, appealing and dynamic design for our website. To increase our leads generations, our customers need to find information really fast, through the help of
our mobile application. Another objective to improve leads is to improve our Search Engine Optimization. SEO is really an essential part if we want to increase our leads because it helps people to find us as efficiently as possible. On every page of our website, we will make sure to use the clear, simple titles and descriptions so customers can find us easily on search engines.

**Objective Three: Sales**

Our main performance goal is to gradually increase the percent of the market that we are able to successfully reach and sell to. At first, it is in our best interest to enter the market and establish a preliminary client network. If we are successful in our initial outreach, we aspire to sell to 1% of the total market base the first year. The table below shows our estimated sales growth for the first five years that Cajena is launched. For each year, we have estimated the percent of the market that we will be able to sell to from a pessimistic, optimistic, and neutral standpoint. By neutral, we mean that this projection is neither the worst nor the best-case scenario for our sales growth, but rather the most probable, realistic outcome. Meaning that we aspire to reach and are working towards the optimistic projection percentage, but realistically expect the neutral projection percentage to be the more accurate. These projections create sales objectives for us to work towards by implementing successful advertising techniques, directing our campaigns as specifically towards our target market as possible, and ensuring that customers are content with the services they receive, to better cater to their demand.

<table>
<thead>
<tr>
<th>YEAR ONE</th>
<th>YEAR TWO</th>
<th>YEAR THREE</th>
<th>YEAR FOUR</th>
<th>YEAR FIVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>PESSIMISTIC</td>
<td>1%</td>
<td>1,5%</td>
<td>2%</td>
<td>2,5%</td>
</tr>
<tr>
<td>NEUTRAL</td>
<td>2%</td>
<td>2,5%</td>
<td>3%</td>
<td>3,5%</td>
</tr>
<tr>
<td>OPTIMISTIC</td>
<td>3%</td>
<td>3,5%</td>
<td>4%</td>
<td>4,5%</td>
</tr>
</tbody>
</table>

*Figure 5.1*
Objective Four: Recurrent sales

Our goal is for each of customers to book with us on an average of twice a year. As our target customers mostly on student budgets and there is also a high chance that while studying abroad, they will want to go to nearby countries outside of Spain, we believe that purchasing two packages a year is a realistic goal. We will also implement loyalty strategies to do so.

Further Types of Objectives: strategic, KPIs in BSC, specific objectives for every area / period (detailed control objectives):

The four types of strategies that we plan to implement derive from four major sectors of our business. The combination of these four areas of strategies will allow us to optimize the quality and efficiency of our financial concerns, customer relations, internal relations, and the future development of our company. The graphic below highlights the major objectives we have within each category. We plan to prioritize these factors as means of investing in the future of Cajena and preserving its value and growth potential.
Further Objectives

Financial: This aspect considers the financial performance of the organization, for example the profit generated by sales, the returns generated by the assets invested in the organization, and its liquidity.

Customer: Looking at the organization from the customer perspective shows how customers view it. For example, the level of customer satisfaction and the reputation the organization has in the marketplace are considered.

Internal business process: This perspective shows the internal processes and procedures that are used to operate the organization. For example, are the processes focused on reducing costs, to the detriment of customer service? Is the technology used well to support the organization in delivering its products and services?

Learning and growth: The learning and growth perspective is concerned with the future development of the organization. Examples of performance areas are the development of new products and services, the level of creative activity in the organization, and the extent to which this is encouraged.
Three Main Strategies

1. Capturing
The first of our three major strategies is to capture our clients through the use of both online and offline channels. As we are a new business, it is critical that we enter with a strong presence to gain the attention of our potential customers. We will capture our customers via Instagram and Facebook, through online advertising, and google ads. Our main source of capturing will be through social media. We have a young audience to attract and the best way to reach them is through social media. We also plan to have posters posted in seven majors in Spain, Barcelona, Valencia, Granada, Seville, Islas Baleares, Malaga, and Madrid. These posters will be posted throughout the city in locations such as universities and metro stations. We also plan to visit universities and directly approach students with flyers and also in international students' events or fairs. The combination of offline advertising capturing techniques with online techniques, including Google Ads, Facebook, and Instagram will ideally be able to help us to reach as many of our target customers as possible.
2. Converting

It is not an easy task to get into contacts with our target market. In fact, the use of several marketing channels will be necessary to provide our international students with some relevant contents. Cajena will use a combination of online, offline and mobile marketing strategy to get into contact with our customers. The majority of our sale will come directly from online marketing, followed by offline and mobile marketing. According to our in deep researches, to target our customers, it’s fundamental Cajena is present on social media. International students excessively use social media daily, thus, our main strategy is to capture and develop a consequent amount of sale through social media. We want to develop social media as the main channel to capture our audience. That’s why we have for objectives of having our majority of sales coming through social media. We intend to have 35% of total annual sales coming through Instagram, 23% of our total annual sale coming from Facebook, and 5% of our total annual sale coming from Google Ads.
3. Loyalty:

Our third main strategy is to build a loyal client base, by incentivizing our customers to book with us more than just a single time. We want to ensure that our customers trust and value the services we provide, so that they are more likely to book with us time after time. Our goal is to be their go-to travel booking and planning application. Optimistically speaking, our ideal goal is for each of our customers to book an average of three trips through Cajena a year. To do this, we plan to use specific techniques to keep our customers coming back. First of all, it is very important that we collect their feedback and apply it to constantly improve the services we offer. Therefore, we will issue surveys for our customers. To better the quality of our service to cater to our customer’s preferences as accurately as possible. Additionally, we will also incentivize our client base to remain loyal to our company, by offering a special deal to those who have booked three trips with us. Once our clients book three trips with us, we will offer their fourth trip free. Our goal is to have 100% of our clients to book with us more than once.

**Offline Marketing**
Since 63% of our total annual sale comes from online channel, the remaining 37% will come from offline channel. We want to create a rich presence across multiple channels to implement trust in our brand. We will also use this channel to build engagements with local communities but also to improve our cost effectiveness. We plan to advertise our business, and our app in different ways so as to target our customers in the city they live in. In the main cities, Madrid, Barcelona, Sevilla, where the majority of international students live in, we will pay for advertising posters in the bus stop and busiest squares and routes of these main cities. Advertising on bus stops in Madrid will cost us 5,000 € a year. Also, for a budget of 5,000€ We, will invest in posters, they will be displayed throughout Madrid city, Barcelona and Sevilla. For the affordable price of 16€, we will also be able to print out 4,000 posters to distribute it among universities and to future business partners, like CityLife Madrid, organization that help internationals during their stay in the country, or Just Landed, a community for expatriates to finds jobs, properties.

With all of these investments in paid advertising we expect to generate our 25% of our total annual sale from the posters and from the Canopy publicity. The remaining 12% of our total annual sale will come from the different advertisements we plan on doing with universities, potential partners, (CityLife Madrid, Just Landed, Spanish teaching courses, university public transports). Having a 12% of our total annual sale coming from advertising in universities and future partners can seem high, however, because we are directing targeting our customers, we know we will be able to gain a high conversion rate. Posters with be displayed with barcode so it’s easy for students to download our mobile application.

**Strategies to deal with the Environment:**

1. as opposed to making due with the media proficiency of achieving the intended interest group as inexpensively as could reasonably be expected.
2. Perfect pricing strategy: the perfect pricing strategy revolves around marketing psychology. It is essential to know the competition. We must identify who is
offering the best value for money. The price we set should be low and must have a competitive advantage. At the beginning our clients are not obliged to pay Membership Fees.

3. Innovation: change is the only thing in this world that is permanent, our business should innovate often and, in a manner, that the competition finds hard to follow. With the time and revenue, we want to invest a lot in I&R because the base of our company is technology so we have to be prepared to live in a constantly changing sector.

4. Customer service: now a days, one of the most common problems in the technological world, is the poor-quality customer service offered by the startups with applications, that's why we have to focus on the improvement of our customer service. People love businesses that provide exceptional customer service. If we delight our customers with great service, we'll make loyal customers who will refer our business to their family and friends. In the future we can hire staff who have a good understanding of our services. We can ensure that they remain patient and provide satisfying answers to every customer query, they should have a problem-solving approach and always ask for customer feedback. It is essential to boost the team spirit of our employees and hire team players. Also, it’s very important to reward the team players, as employees need constant motivation to outperform others. They should have a problem-solving approach and always ask for customer feedback.

5. Marketing plan: large investment in our marketing plan to tell people who we are, what we sell and why they should take our services.

The aim of this strategy is to be able to offer customers cheaper services, and provide many trips selections. We want our company Cajena to focus on a strategy oriented toward customer needs.

Our customers are mainly interested in price; thus, our company focuses on gaining an advantage in terms of cost by securing partnership agreements with different hotels, restaurants, Night Clubs.
Also, Cajena has competitive advantage thanks to our market knowledge and specialization in providing personalized holiday package to our customers because our high developed application has the ability to meet specific customer requirements. In addition, our company has the possibility for cost savings and higher profitability thanks to the precise knowledge of our customers and our specialization in promotion and distribution. Thus, Cajena has the possibility to grow and to achieve better sales. However, there are some limitations due to the small overall market share.

Lastly, competitors may take advantage of the experience gained in similar niches and overcome barriers to entry due to the high attractiveness of the niche.

**Organic Growth Strategies:**

In order to maintain a competitive position, we plan to implement the following organic growth strategies:

1. **Understand our Client Base:** We plan to conduct periodic customer evaluation surveys and track patterns in our customers’ behavior in order to best define what satisfies our customers, how we can meet their demand, our customers’ tendencies, and what we can do to improve our service. Through our research, we aspire to create a relationship with our customer base by catering to their demand, further giving us a greater possibility to leverage our competitors and maintain our position.

2. **Establish our Niche:** We have established international students studying in Spain as our niche and plan to use this in our favor against our competitors. We believe that by specializing our target market we will be able to specialize our service and maximize the quality of our app. The most specialized our target market is, the lower our competition will be as we will only be targeting a small portion of the tourism market. This way, our service will remain unique and the value will be higher than a more general service.
3. **Differentiation:** Several of our competitors offer recommendations for tourists or the option to book a trip through an app, but there currently does not exist an app for students in Spain to be able to generate a customized travel plan and book their entire trip, all in one app for a price catered towards their desired budget. We have specialized our product as much as possible and plan to continue to implement differentiation strategies in order to ensure that we do not overlap with our competitors, further giving us a competitive advantage.

4. **Mixed Marketing Strategy:** In order to compete at the highest level possible, we plan to implement both a digital and traditional marketing strategy. This way, we will be able to reach our target market through as many different platforms as possible, further giving us an advantage over our competitors as many solely focus on one marketing strategy, rather than taking a holistic approach.

   To stimulate intensive growth, we plan to implement a strategy of market penetration. In order to penetrate within the market, we will make it a main objective to work towards offering low prices to our customers that are affordable for the average student and also heavily focus on specialization. This will ideally boost the volume of our service and allow us to establish a strong position within the market.

**Non-organic (external) Growth Strategies:**

Our external growth would be to get in contact with as business partners as possible through partnership agreements. We would essentially form agreement with airlines, hotels, restaurants, universities, cultural institutions, event’s organizer. Obtaining these kinds of partnership is crucial, building business relationships would favor us long term growth. Then Cajena would be able to offer discounts to students, our target customer.

**Diversification**

A diversification is a strategy that involves adding products, services, location, customers or markets to set apart from competition. Thus, concerning Cajena, to set apart from competitors we would look for diversification through partnership
agreement. But also, in the future, by expanding to the international market, and targeting millennials in general to increase our marketing share in the Travel and Tourism Industry.

**Expansion**

An internal growth involves expansion from within a business, for example by expanding the number of business units and location, or expanding service range. In our case, we are more interested in increasing our market share by exporting to other European countries. Opening other business units in France and Germany is our future goal. These countries welcome a substantial number of international students every year. And according to our research both countries have competent infrastructures, high technology, high speed internet, skilled labours. By expanding abroad Cajena will increase sales and make profit.

**Limitations and Challenges for Growth:**

The first limitation to Cajena’s development would be the lack of financial sources. We will need a lot of cash if we want to grow internationally, and it’s a difficult task to find investors. The second limitation would be the lack of knowledge. We will need to hire competent and qualified workers that would be able to adapt to the ever-changing world technology so that our app platform proposes high quality service and stay up to date. The third limitation would be to be able to respect the customer’s privacy. Strict, new regulations are applied to the use of cookies. Collecting data on the customer so as to make his purchase experience more personalized on the app are still allowed however very controlled.
Strategy and Structure: Miles & Snow typologies

As a strategy to create the structure and behavior of our company, we will apply one of the four Miles & Snow typologies, defender, prospector, analyzer, or reactor to describe our company. Of all four, Cajena could be most be considered a prospector. Cajena can be classified as a prospector as we are a new and innovative service. We plan to proactively seek out new opportunities for growth, to expand our client base, and eventually new markets. As we are starting a new business, we are willing to enter the market as risk takers and will heavily invest in growth as development. As this app is both a new service and made for students, it is important to us that our company behavior and structure is flexible and takes more of an innovative, casual approach, rather than a traditional, formal approach.
Chapter Six: Marketing Plan

Cajena’s marketing plan is a mixture of offline and online advertising. It is our goal to contact as many international students in Spain as possible to attract them to Cajena. We will use a variety of different strategies ranging from frequent Instagram posts, consumer stories, face to face advertising, posters in metro stations and around major cities, flyers, and more creative ways in order to engage as many students as possible and to create a client base.

Marketing Mix

4Ps Analysis

- **Product**: Our service is designed to make traveling within Spain for international students as simple, memorable, and affordable as possible. This app customizes travel plans to meet the preferences of the student, from their style of traveling, to their desired budget, this service provides all the ideal tools needed to design and book your custom trip within Spain.
• **Place:** Our app will be downloadable all throughout Spain. As a company, Cajena will be based in Madrid. We will offer trips to the most popular travel destinations in Spain. To begin we will offer travel packages to the following destinations: Barcelona, Valencia, Granada, Seville, Islas Baleares, Malaga, and Madrid. We have chosen these destinations, as they are some of the top most visited places in Spain. We also had seen high demand to visit these cities within our survey we had conducted. This selection of cities allows for a wide variety of travel experiences ranging from rich historical destinations and major sunny beach towns. As our business grows, we will gradually add more options.

• **Price:** Cajena will be a freemium app. This means that the app will be free to download, but customers will have the option to buy a premium subscription for the app for a price of 12 euros per year. When the user downloads the app, they will be able to book two trips for free. If they would like to book further trips, they must pay the 12-euro subscription fee. Each package on average will cost between 200 and 300 euros.

• **Promotion:** To promote our product we plan to take a hands-on approach and advertise our product both digitally and to our customers directly. To do this, we plan to promote our application through universities and major programs for international students in Spain such as Erasmus and CityLife. Digitally, we plan to launch an online advertising campaign. As previously mentioned, we plan to promote Cajena through social media, display ads, and offline advertising. As we have a client base that is both easily relatable and reachable, we aspire to achieve as much direct promotion as possible, to further build our relationships with our customers.

**Brand Essence:**

Cajena is a brand created by international students, for international students to be able to chase after their wanderlust during the time studying in Spain. Cajena proves
that in order to have your picture-perfect travel experience, it does not have to be so expensive after all. This is a brand that allows students to experience Spain to the fullest, by booking and planning their entire experience through just one single app. To illustrate our brand, please see our top six emotional imagery perceptions in the figure below. These features embody the image that we want our customers to associate our brand with.

*Emotional Imagery Perception*

**Figure 6.1**

**Service Life Cycle:**
Using the ITIL Service Lifecycle model, we have been able to plan out the predicted life cycle of our app. Since Cajena is brand new, we will begin in the design phase, slowly start to introduce our service into the market during the service transition phase where we begin to push our service into the market, and finally, once prepared, we will begin the full operation of our app. Throughout these three life cycle stages, we will insure to enforce continual service improvements. As we are a student service, it is important that we analyze the quality of our service directly through our customers. Therefore, we plan to do frequently surveys and encourage our customers to review our service as regularly as possible. It is very important that throughout all these three stages of the service life cycle, we stay consistent with our growth strategies. In the case that our service is not successful, we will begin the cycle again and return to service design. As a new app, our main goal is to establish our service and stimulate growth.

**Size of the Market:**

The Ministry of Education publishes all the information related to the number of students from abroad effectively enrolled in all the Universities within Spain. Based on these official reports, we can effectively know how many students arrive annually to the country to study graduate programs:
### Total Number of Masters Students Matriculated in Spain by Nationality

**Figure 6.3**


© Ministerio de Educación y Formación Profesional / Ministerio de Ciencia, Innovación y Universidades.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>205.049</td>
<td>162.411</td>
<td>7.429</td>
<td>1.544</td>
<td>1.272</td>
<td>25.658</td>
<td>737</td>
<td>558</td>
<td>5.440</td>
</tr>
<tr>
<td><strong>01 - Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Educación</strong></td>
<td>43.387</td>
<td>40.144</td>
<td>6.90</td>
<td>106</td>
<td>92</td>
<td>2.118</td>
<td>34</td>
<td>22</td>
<td>181</td>
</tr>
</tbody>
</table>

**Notas:**
- La Universidad Ramón Llull no ha remitido los datos de doctorado.
- En algunas universidades los periodos de matrículación son más largos para los estudios de doctorado, por lo que las cifras pueden experimentar variaciones importantes respecto a las publicadas en el avance de la estadística de estudiantes.
- Están incluidos los estudios académicos equivalentes a doctorado.

**Fuente:**

### Total Number of Doctorate Students Matriculated in Spain by Nationality

**Figure 6.4**

Número total de estudiantes matriculados, por nacionalidad (regiones), sexo y ámbito de estudio ISCED 2013. Estudios de Máster.
As we can see the total number of students enrolled in a PHD is 79,386 including Spanish people (59,478), this means that 19,908 international students came to Spain during the period 2017-2018 to study a PHD.

On the other hand, the total number of international students doing a Master in Spain during the period 2017-2018 is: 42,638 students.

The total number of international students enrolled in graduate studies is 64,124.

The above information means that there were 126,670 international students living and studying in Spain doing a master a PHD or the graduate studies in the period 2017-2018.

**Segmentation criteria: Validation with Customers:**

We created a survey asking students some questions related with our business, we could reach 100 number of answers and based on their preferences we decided to
create the perfect target profile for our business, trying to meet the students’ expectations.

Years:

![Pie chart showing years distribution]

Gender:

![Pie chart showing gender distribution]

How long would you spend vacationing in another Spanish city?
Which of the following is the most important for you to consider when booking a trip?

How much would you pay for an inclusive travel package complete with transportation, accommodation, entertainment, and a personalized itinerary for a complete weekend trip within Spain?
What is the most attractive reason to travel within Spain as an international student?

![Pie chart showing reasons for travel]

Survey Results

How likely are you to use an app to plan and book a trip?

![Bar chart showing survey results]

Survey Results

Figure 6.7
Segmentation approaches

**Target Customer**

- International students living in Spain
- Between 18 and 35 years old.
- Social and adventurous people willing to travel inside Spain.
- Upper-middle class
- Women and men
- Outdoor enthusiasts

b) Differentiation and Positioning

Product levels:
The core benefit of Cajena is the balance between customers’ preferences and desired budget, the speed and ease using the application makes Cajen as a very attractive company not only for the students who want to travel within Spain, but for the ones who seek to travel in a youthful way to trendy places, with the best options, and the most important thing willing to meet new and young people.

As for the actual product, Cajena pays great attention to the price, making the app cheaper than the rest, focusing in the development of an advanced and excellent quality software.

In the case of the augmented product, using Cajena our clients don’t need to spend time going to an agency looking for their perfect trip, they don’t have to waste money paying high commissions and they can have their perfect package in a few minutes with a few clicks.

Perception Map:

Regarding the perception as a brand that customers have of Cajena, we are going to use two variables; the price from cheaper to more expensive; and the customized
Market Share

Spain is ranked in the top countries that host international students. In the period 2017-2018 they were 62,546 international students living and pursuing a master or a PHD in Spain, and 64,124 international students studying undergraduate degree. Thus, 126,670 international students represent the total market share of Spain. If Cajena in its first year of development was able to just acquire 1% of the total market share in an optimist point of view, it would sell around 2,533 holiday packages of 200€-300€ a year or 212 holiday packages a month. However, if Cajena, in a pessimist point of view was to acquire 0,5% of the total market share in the first year, it will sell 1,266 holiday packages of 200€-300€ a year or 106 holiday packages a month.
To calculate our total market, we took the total number of international students in Madrid, multiplied it with the yearly average number our service will be bought by our customers, multiplied by our average price of one holiday package. 

\[126,670 \times 2 \times 25 = 63,335,000 \text{€}\]

63,335,000€ represents our total market. That’s how much revenue it represents to sell our product to at least twice to every single person of our target market.

**Customer Target behaviour**

Millennials are comfortable using mobile apps for a variety of tasks because they grew up in a technologically driven world. They rely on apps more often than the older generation.

According to mobile app usage statistics 2018, data shows that 18 to 24-year old spend the most time on mobile apps, at over 90 hours per month.

<table>
<thead>
<tr>
<th>Daily App Opens?</th>
<th>Millennials</th>
<th>Generation X</th>
<th>Baby Boomers and Older</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-20 times</td>
<td>49%</td>
<td>63%</td>
<td>84%</td>
</tr>
<tr>
<td>21-50 times</td>
<td>30%</td>
<td>28%</td>
<td>14%</td>
</tr>
<tr>
<td>More than 50 times</td>
<td>21%</td>
<td>10%</td>
<td>2%</td>
</tr>
</tbody>
</table>

*Mobile App Usage Statistics (source themanifest.com 2019)*

Figure 6.11

Also, as one can see on the table above:

More than one in five millennials app users (21%) say they open their apps more than 50 times a day compared to only 10% of generation X and 2% of baby boomers.

Our target customer is between 18-35 years old so he/she is used to spend time on mobile apps. Thus, it will be easy for them to instantly adapt and figure out quickly how our app works. By knowing our customers habits and use of communication we will be able to reach them more easily via direct marketing.

**Source of Traffic:**
There are mainly four sources of traffic for online travelling apps according to the article: *Online Travel Metrics: Traffic, Marketing Channels.* (medium.com 2019) In this article the author, Mauricio Prieto, gives some marketing channel data for the top world’s largest online travel websites for Online Travel Agencies, hotels, airlines and metasearches.

This article tells us that the first source of traffic is mobile and the average share of mobile traffic for the 23 travel players is 54%, while the second, and third source of traffics are direct and organic search, they represent 42% and 34%. They are followed by paid search 8% and referrals 7%.

![Incoming Traffic by Channel Aggregated by Category](image)

Traffic by channel aggregated by category is the average of the websites for

*Incoming Travel Analysis (source medium.com 2019)*

Thus, by taking this into consideration the efficient way to attract more of our target customer is via a combination of three main channels. Cajena will prioritize a direct search channel followed by organic and paid search channel to attract our customer target. Our online and offline strategic cost will be as follow.
Instagram will represent 35% of our total annual sale or 887 sales out of the 2,533 sale a year. The budget to generate that much sales through Instagram is 25,072€ per year. Or 5,64€ per lead.

Facebook will represent 23% of our total annual sale or 583 sales out of the 2,533 sale a year. A budget of 16,253€ per year is necessary to be able to advertise to our customers and gain acquisition. This budget represents a 0,55€ per leads.
Google ads will represent 5% of our total annual sale or 127 sale out of the 2,533 sale a year. The annual budget for our Google ads will be around 4,055€ per year or 0,64€ per lead.

Marketing Expense Budget

Media plan

Figure 6.13
With this media plan, the objective is to use various and specialized communication tools to increase and maximize their adequacy rather than making due with the media proficiency of achieving the intended target group as inexpensively as could reasonably be expected.

The media channels at the top of the pyramid where context is most abandoned in favor of efficient targeting and is fastest in building reach and this works well for sales activation.

The media channels towards the bottom, where the media placement is very or entirely context dependent and is slower at building reach and thus works better for long term brand building. Some channels are simply better at different communication tasks.

Our marketing budget it going to be distributed based on the percentages that are in the pyramid being Facebook and Instagram the most important channels follow by offline channels as posters and bus publicity and the last one is Google Ads.

**Action Plan:**

Our marketing plan includes three major online advertising channels and two major offline channels. These five channels combine will help us to reach our goal of reaching as many people in the market as possible. The online channels include Facebook, Instagram, Google Ads. Our offline channels include, posters, canopy advertisements, and face to face meet ups at places such as universities and international student events. To accomplish this, we will follow an action plan and will prioritize our actions based on the priority of the channel:
This graphic illustrates the plan we will follow to reach as many members of our target market as possible. As seen in our conversion funnels, Instagram and Facebook will foreseeably attract the most users and that is why they have a high priority and why we will constantly be updating our posts. Whereas, Google Ads will be helpful in our efforts, but we will not be as intensively updating and pursing it, as it will not attract as many potential users, for the same price as Facebook and Instagram, as seen above in our conversion funnels. Although, we have also rated offline advertising as a high priority channel. This is because our target market is easily reachable and it is low cost to reach them, with a likely positive response as we ourselves, the founders of Cajena, are a part of the market ourselves. We have the advantage of already having many contacts in the target market and being able to relate to them on a personal basis. The combination of these three action plans will ideally result in building the client base we need to establish Cajena successfully.
Chapter Seven: Operations and Logistics

This chapter of our Business plan will explain the intricate details of the operations of Cajena. This includes human resources and general logistics.

We are going to use the service profit chain to measure the quality and relation of our service and our profitability. Our main objective at the beginning will be to create satisfied customers by providing them great value. Using this approach, we will create a customer feedback loop in our mobile app, but also through our interactions with the customers through emails. Once we acquire the feedbacks, our next step will be to analyze these inputs and feedbacks from our customers into actions. We will be looking at opportunities to improve our customers satisfactions, but implementing the ideas from our customer review will even create a greater satisfaction for them. Since we are a start-up, we will be close to our customers and get their review into actions. For bigger companies however, usually, small and good ideas get lost and never get actioned.

![Service Profit Chain](source: business2community.com)

*Service Profit Chain (Source business2community.com)*

**Figure 7.0**

Human Resources:

Team Organization:
Our team will be made up of four employees. The three cofounders will serve as the CEO, CFO, and COOs. The fourth employee will be a software developer to be hired at an upcoming date. The software developer will be in charge of the app development, graphic design, and maintenance of the application. While Natalia, Jean, and Cassidy will share the following tasks:

I) CEO/ Board of Directors: Administrative affairs and general management of the business.

II) Human Resources: Keeping track of our company climate and culture, general employee support, benefits, and responsible for monitoring the maintenance of a general positive environment and that all employees are satisfied. We do not plan to add any other employees within the first few years.

III) Marketing and Sales: Responsible for advertising the app and drawing in customers. As well as analyzing the efficacy of our marketing and sales efforts. Responsible for creating relationships with customers. This involves contacting influencers, customer satisfaction, organizing university and international student event visits.

IV) Financial Concerns: Responsible for establishing and maintaining a budget, responsible for tracking all expenses and profits, responsible for financial risk management. In charge of keeping track of our financial goals and budget reports.

V) Legal Concerns: Responsible for ensuring the firm is following up to date Spanish law, is following proper procedures (such as labor laws, patents, the right to advertise and sell other companies to our consumers, and for supporting the firm in case of any potential legal conflict.

VI) Development: Responsible for facilitating different strategies of how to improve of business and reach more customers. Through strategies such as surveys and market research.

How will we divide these tasks?
Although the three members have all agreed to be actively involved in all aspects of the business, they will specialize in specific tasks. All of the abovementioned tasks will fall under three major categories. Each of the founding members will be responsible for one of the three. There will be no given hierarchy as all founders will have equal the amount of authority in the business. These three categories include: the general administrative and customer relations role, the financial director, and marketing director.

- **General Administrative and Customer Relations: Cassidy Driskell**
  - Responsibilities:
    - Administration
    - Human Resources
    - Customer Relations and Follow Up
    - Development
    - Legal Aspects

- **Financial Director: Natalia Hernandez**
  - Establishing and maintaining a budget
  - Expense and profit tracking
  - Financial prospective and profit goals
  - Financial Risk Management
  - Tax management

- **Marketing Director: Jean Bonnin**
  - Strategy development
  - Advertising and sales
  - Drawing in customers in all ways possible
  - Market research
  - Online marketing management (Facebook, Instagram, and Google Adwords)
  - Offline marketing management (posters, events, etc)
Company Organization

**Employee Branding:**

Our employees are qualified professionals, performers, goal setters, internationally minded, intercultural competent, travel lovers, curious, multi-taskers, innovative, boundless, analytical, and creative. This is the kind of employees we aspire to be, so that it creates this image for our customers. As we are a very small team, it is critical to us that we are all willing to dedicate ourselves to working multiple different roles and to committing fully to the development of the organization. Our team is all in the age range of our target market and all three founders are able to relate to their customers on a personal, direct level as all three founders are also international students in Spain. It is important to us that even the software developer that we hire fits into the same profile, as we are going to be working very closely with them.
Chapter 8: Financial Plan

In this chapter, we will present our financial plan which was modeled as a five-year plan. This plan includes four key parts that explain how we plan to fund our business. These four parts include: the model input, profit and loss projection, the balance sheet and cash flow. As mentioned in the introduction of the Business Plan, we will fund our project with a bank loan of 185,000 euros, we will pay this loan in 60 months including the interests of the loan €19,065.38. We have also taken into account all of the major costs and expenses we will have in the first five years, including the marketing expenses, salaries, software and computers and also the depreciation of the computers and the annual maintenance. Using the projections, we have made of which percent of the market we aspire to reach on a yearly basis, we take into account the inflation rate for the next 5 years we have developed our potential revenue projections.

The first year we are not going to have profit, the results for the first year are going to be negative, the second year we are going to have a big cash flow, but the third year it's going to be regulated. We predict that our breakeven point it's going to be in the fourth year and at the end of the fifth year we will have an ending cash balance of €130,416.39. These results have added to the feasibility of our business and provided us with extra confidence to proceed, as we believe that this outcome has a high potential. The following pages will display each of the four key parts that make up our financial plan for the next five years.
5-YEAR FINANCIAL PLAN

FORECASTED REVENUE

<table>
<thead>
<tr>
<th>Product 1</th>
<th>Units sold annually</th>
<th>Average price per unit</th>
<th>Annual revenue per product</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2532</td>
<td>32.50</td>
<td>82,290,00</td>
</tr>
</tbody>
</table>

TOTAL OF FORECASTED REVENUE

82,290,00

COST OF GOODS SOLD

<table>
<thead>
<tr>
<th>Product 1</th>
<th>Expected gross margin</th>
<th>Annual cost of goods sold</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0%</td>
<td>-</td>
</tr>
</tbody>
</table>

TOTAL COST OF GOODS SOLD

-

ANNUAL MAINTENANCE, REPAIR AND OVERHAUL

Factor (%) on capital equipment

25%

ASSET DEPRECIATION

Number of Years

5

TAX

Annual Tax Rate

25%

INFLATION

Annual Inflation Rate

2%

MARKET INCREASE

Annual market increase

1%

FUNDING

<table>
<thead>
<tr>
<th>Loan Amount</th>
<th>185,000,00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual interest rate</td>
<td>4.00%</td>
</tr>
<tr>
<td>Term of loan (months)</td>
<td>60</td>
</tr>
<tr>
<td>Monthly rate</td>
<td>0.33%</td>
</tr>
<tr>
<td>Payment</td>
<td>3,401,90</td>
</tr>
<tr>
<td>Total Amount Payable</td>
<td>204,065,37</td>
</tr>
</tbody>
</table>


## PROFIT AND LOSS PROJECTION

**GAINA**

### PROFIT AND LOSS ASSUMPTION

Total Market: 126,670 students

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Annual market increase</strong></td>
<td>1.00%</td>
<td>1.50%</td>
<td>2.00%</td>
<td>2.0%</td>
<td>3.00%</td>
</tr>
<tr>
<td><strong>Annual cumulative inflation (expense) increase</strong></td>
<td>0.09%</td>
<td>1.85%</td>
<td>1.89%</td>
<td>2.02%</td>
<td>2.05%</td>
</tr>
</tbody>
</table>

### INCOME

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Product</strong></td>
<td>82,290.00</td>
<td>125,796.00</td>
<td>177,888.00</td>
<td>217,892.00</td>
<td>266,832.00</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>82,290.00</td>
<td>125,796.00</td>
<td>177,888.00</td>
<td>217,892.00</td>
<td>266,832.00</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Product</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total cost of goods sold</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>82,290.00</td>
<td>125,796.00</td>
<td>177,888.00</td>
<td>217,892.00</td>
<td>266,832.00</td>
</tr>
<tr>
<td><strong>Non-Operating Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IN APP ADVERTISING</td>
<td></td>
<td></td>
<td></td>
<td>980.00</td>
<td>979.88</td>
</tr>
<tr>
<td><strong>Total Non-Operating Income</strong></td>
<td></td>
<td></td>
<td></td>
<td>980.00</td>
<td>979.88</td>
</tr>
<tr>
<td><strong>TOTAL INCOME</strong></td>
<td>82,290.00</td>
<td>125,796.00</td>
<td>177,888.00</td>
<td>218,852.00</td>
<td>267,811.88</td>
</tr>
</tbody>
</table>

### EXPENSES

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>55,394.00</td>
<td>56,424.33</td>
<td>57,940.75</td>
<td>58,652.06</td>
<td>59,854.43</td>
</tr>
<tr>
<td>Depreciation</td>
<td>1,200.00</td>
<td>1,200.00</td>
<td>1,200.00</td>
<td>1,200.00</td>
<td>1,200.00</td>
</tr>
<tr>
<td>Payroll and Payroll Tax</td>
<td>42,000.00</td>
<td>42,781.20</td>
<td>43,589.76</td>
<td>44,470.28</td>
<td>45,381.92</td>
</tr>
<tr>
<td>Software</td>
<td>100,000.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance, repair, and overhaul</td>
<td>1,500.00</td>
<td>1,527.90</td>
<td>1,528.55</td>
<td>1,530.70</td>
<td>1,530.75</td>
</tr>
<tr>
<td>Interest expense on long-term debt</td>
<td>6,657.06</td>
<td>5,290.82</td>
<td>3,869.93</td>
<td>2,392.20</td>
<td>1,855.37</td>
</tr>
<tr>
<td>Other</td>
<td>500.00</td>
<td>509.30</td>
<td>518.93</td>
<td>529.41</td>
<td>540.26</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>207,251.06</td>
<td>107,733.55</td>
<td>108,197.72</td>
<td>108,774.25</td>
<td>109,342.73</td>
</tr>
<tr>
<td><strong>Non-Recurring Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unexpected Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Non-Recurring Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td>9,100.00</td>
<td>9,104.20</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>207,251.06</td>
<td>107,733.55</td>
<td>108,197.72</td>
<td>117,874.25</td>
<td>118,446.93</td>
</tr>
</tbody>
</table>

### TAXES

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income Tax</strong></td>
<td>-</td>
<td>2,709.37</td>
<td>17,422.57</td>
<td>25,289.04</td>
<td>37,316.11</td>
</tr>
<tr>
<td><strong>TOTAL TAXES</strong></td>
<td>-</td>
<td>2,709.37</td>
<td>17,422.57</td>
<td>25,289.04</td>
<td>37,316.11</td>
</tr>
</tbody>
</table>

### NET PROFIT

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET PROFIT</strong></td>
<td>70,739.00</td>
<td>68,062.43</td>
<td>66,665.23</td>
<td>66,562.96</td>
<td>69,490.77</td>
</tr>
</tbody>
</table>
### BALANCE SHEET PROJECTION

#### ASSETS

<table>
<thead>
<tr>
<th></th>
<th>Initial balance</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and short term investments</td>
<td>500.00</td>
<td>21,582.93</td>
<td>26,137.75</td>
<td>19,138.32</td>
<td>57,725.76</td>
<td>130,9 6.39</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other current assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>500.00</td>
<td>21,582.93</td>
<td>26,137.75</td>
<td>19,138.32</td>
<td>57,725.76</td>
<td>130,9 6.39</td>
</tr>
<tr>
<td><strong>Property and Equipment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>6,000.00</td>
<td>4,800.00</td>
<td>3,600.00</td>
<td>2,400.00</td>
<td>1,200.00</td>
<td></td>
</tr>
<tr>
<td>Less: Accumulated depreciation expense</td>
<td>1,200.00</td>
<td>1,200.00</td>
<td>1,200.00</td>
<td>1,200.00</td>
<td>1,200.00</td>
<td></td>
</tr>
<tr>
<td><strong>Total Property and Equipment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goodwill</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred income tax</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term investments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other long-term assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Other Assets</strong></td>
<td>4,800.00</td>
<td>3,600.00</td>
<td>2,400.00</td>
<td>1,200.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>500.00</td>
<td>26,382.93</td>
<td>26,137.75</td>
<td>19,138.32</td>
<td>57,725.76</td>
<td>130,9 6.39</td>
</tr>
</tbody>
</table>

#### LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>Initial balance</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes payable/short-term debt</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital leases</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other current liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>150,843.98</td>
<td>115,983.71</td>
<td>78,134.78</td>
<td>39,957.71</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Debt</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term debt</td>
<td>150,843.98</td>
<td>115,983.71</td>
<td>78,134.78</td>
<td>39,957.71</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Debt</strong></td>
<td>150,843.98</td>
<td>115,983.71</td>
<td>78,134.78</td>
<td>39,957.71</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other liabilities (specify)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Other Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>150,843.98</td>
<td>115,983.71</td>
<td>78,134.78</td>
<td>39,957.71</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### EQUITY

<table>
<thead>
<tr>
<th></th>
<th>Initial balance</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Owner's Equity (common)</strong></td>
<td>500.00</td>
<td>500.00</td>
<td>500.00</td>
<td>500.00</td>
<td>500.00</td>
<td>500.00</td>
</tr>
<tr>
<td>Paid-in capital</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preferred equity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retained earnings</td>
<td></td>
<td>124,982.06</td>
<td>132,950.06</td>
<td>154,328.06</td>
<td>178,360.06</td>
<td>198,368.06</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY</strong></td>
<td>500.00</td>
<td>124,982.06</td>
<td>132,950.06</td>
<td>154,328.06</td>
<td>178,360.06</td>
<td>198,368.06</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES AND EQUITY</strong></td>
<td>500.00</td>
<td>26,382.93</td>
<td>26,137.75</td>
<td>19,138.32</td>
<td>57,725.76</td>
<td>130,9 6.39</td>
</tr>
</tbody>
</table>
According to this plan they will also have a balanced cash flow and have the potential to be a profitable startup, if projections go as planned. In order to turn these projections into a reality, Natalia, the CFO, will be regulating our plans and setting milestones for us to reach as a company, in order to insure this plan will be successful.
Chapter Nine: Legal Aspects

There are three different ways to create a business in Spain:

1. Sole Trader
2. Partnership
3. Limited Company

The sole trader is commonly used by individuals who are simply beginning and where the income is probably going to be low will in general pick this course. Fundamentally, in light of the fact that it is not so much intricate but rather more efficient to both set-up and run.

Partnerships don’t require a minimum investment to be set up but the procedure is more tedious and costly. There are two kinds of organization in Spain: general association and a restricted association. Each have their very own exceptional prerequisites and accompany various rights and duties.

The Limited company: this is the one we will use for Cajena. It is used in Spain to create a small or medium sized business. The Partners are not personally liable for company’s debts; their risk and liability are limited to the amount of money they invest in the company. It likewise has various particular points of interest over different structures like the positive tax assessment. A few organizations ought to be a structure restricted by law.

In Spain we can find six different types of limited company. What makes them different are the minimum number of shareholders required and the minimum amount of money to invest.
Types of Limited Companies in Spain

**Figure 8.0**

The steps to create it are:

1. Certificate of uniqueness: we have to see if the name Cajena is available. We need a certificate to confirm this from the Mercantile Registry.
2. Tax Identification Code (CIF)
3. Opening a bank account
4. Public deed of incorporation
5. Registering the company:
   - Present the original deed to the local tax authority to have it stamped.
   - Present the stamped deed to the Mercantile Registry for filing in the official registry of companies
6. Obtain the final CIF number
7. Register with the social security authorities

Why limited?
The minimum capital requirements are €3,000.00 Work is not a capital contribution.
As we already explained partners are not personally liable for company’s debts, the liability is limited to the amount of money invested at the beginning. Only one shareholder is needed, anyway there is no restriction on the quantity of shareholders. Shares of a Limited Liability Company cannot be listed on a Stock Exchange, these are indivisible and cannot be freely transferred.

We believe that this is the most stable, secure, and promising method of choice to go about our business. This is the most common used organization of businesses in Spain and that is why we chose it.
Chapter Ten: Contingency Plan

A contingency plan is a course of action that our organization will take if an unexpected event or situation occurs. To ensure that our organization is ready for any unforeseen situation that may arise, detailed plans to overcome the events that could positively or negatively influence our business's reputation or financial health will be displayed onto our website and be known by our employees. It is important to us to be prepared to take action in the event that any such situations arise. When writing our contingency plan, we will keep it simple so the plan can be remembered and executed in an emergency scenario. As we are a startup, we will first inspire from the Seven Spears Security International LLC’s contingency plan because it’s seems a relevant plan, but also because we don’t have any experiences yet on how to build a proper contingency plan. However, once we will be at ease in our industry and acquire knowledge, we will implement our own contingency plan, a specific location based contingency plan so our customers can feel safe.

We will organize our contingency plan into Four key tasks:

**Report**
In this category we will define how travelers will get into contact with our office and the kind of information that the traveler should provide. It will also outline what company (travel insurance, medical, customer’s company. Etc) will this collected information from our traveler be passed on to (travel insurance, medical, customer’s company)

**Locate**
This category talks about how to locate the traveler and how the traveler should make his location known to the office.

**Support**
This category covers how to support the traveler but also support to the company and family of the customer that involved in an emergency situation.

**Recovery**
In this category, we will go over on ways to recover the customer to his home or safe place. For example, ask for medical evacuation insurance or ask for host nation support.

**Resumption of business**

This is the recovery phase where the customer is safe and necessary actions such as counselling and medical are taking place. But it also involves the restart of the business and brand.

In our contingency plan, we will organize contingencies into different categories and detail the actions to be taken if unexpected events were to happen within that category.

1. **Medical Incident**
   
   This would be considered as any emergency that involves a customer to be unable to achieve his trip due to medical reasons.

2. **Lost of Communication**
   
   If communication is lost during our customers trip, we will detail the necessary actions to be implemented in order to be efficient and act fast for the well-being of our customers.

3. **Emergency incidents**
   
   In this category we will include incidents such as attack, robbery, kidnapping, arrest, detention. It involves an inability of our customer to immediately extract him/herself of a situation.

4. **Other Incidents**
   
   Any other incident that doesn’t fall into the other categories will be explained here. In this category our customer isn’t in immediate danger but the danger is imminent and it will have impact on our customer’s trip.

A contingency plan is necessary so as to be ready in case unexpected events occur. This information above represent a small overview of our contingency plan. The best solution to maximize new growth after unexpected event would be to have everything planned for all the problems that could eventually happen in the future. Therefore, we also plan detailed actions to be taken in case the head of our business isn’t reachable.
or in case we lose electricity power and lose our customers database. Or simply how to come back to business, and deal with the public once the crisis has happened.
Chapter Eleven: Business Plan Timeline

As we are very determined to launch Cajena as soon as possible, it is critical that we stick to a strict timeline in order to such that all of our goals are met on time so that we can launch as quickly and effectively as possible. We will spend the next four months developing our app, so that we can launch before the year comes to an end. It is our ideal goal to have our app ready to launch in just six months. To do so, we will follow the below written schedule. It is essential to us that these tasks are completed in a timely manner and are evenly distributed amongst the four employees. The blue lines indicate how long each task will take to complete. This shows that we are planning to begin the development and launch of our App as soon as possible. This graph provides us with a useful project management tool to keep us on schedule and to ensure that we will be able to achieve the goals we want to in a timely manner.

*Gantt Chart: Our Business Plan*  
*Figure 11.0*
Chapter Twelve: Conclusions

All in all, we believe that our business is feasible and has high market potential. We spotted a gap in the market and are determined to provide this travel agency to international students in Spain. We believe that with the support of the international student community, future business partners and the bank loan we will withdraw, we will be able to launch and fund our project successfully. It is very important that we begin to advertise before we even launch Cajena to raise the hype of our brand and to introduce our potential customers to the service before it even appears in the App stores and Google Play. This project is going to be successful because we found a niche market.

- The needs of our target market are not met by the biggest players of the travel industry
- Our customers live in foreign country, and many do not speak Spanish. A more individualized service will make their travel less stressful, more comfortable.
- International students want a more personalized and customized service
- Cajena will met this specific niche market’s needs and satisfactions
- Cajena will provide a customized planned trip based off of customers’ desire budgets and preferences

In the future, we plan to expand to nearby European countries such as France and Germany. We also plan to target a more diverse market, in order to maximize the potential of our business. After we have established ourselves as a small to medium sized company confidently, we will begin to diversify. It our goal to be present in as many European countries as possible within the next ten years. Cajena as a brand is determined to provide customers with the best travel experience possible. Launching our service in Spain is a method to build our foundation and establish ourselves as a company to later on expand our presence and continue to grow.
Bibliography

A place to read and write big ideas and important stories. (n.d.). Retrieved from https://medium.com/


Anon, (2019). [online] Available at: https://www.crunchbase.com


