

Trans Steppe Expeditions LLC



Business Plan



OWNERS

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II. Executive Summary

Trans Steppe Expeditions provides customizable-guided expeditions of the vast nation of Mongolia. Our expedition services vary from party to party, and include excursions for those looking for an enhanced outdoor adventure, and a cultural experience of greater depth.

The majority of our clients will most likely be Americans or other westerners ranging from middle-aged to early-retirement. They will typically be people who are looking to experience the exotic. Food, transportation, and lodging (via yurts) are included in the expedition, and the specific excursions including but not limited to tours through the Gobi, or Sailing on Lake Baikal. Such additional excursions will be decided prior the client(s) arrival in Mongolia.

Currently Mongolia's economy is growing rapidly spearheaded by an expansion in tourism. Our market research has shown that we have a large competitive edge over our competition, namely our prices are significantly lower than the current guided tours in Mongolia.

Our marketing strategy currently is to put an emphasis on our lower prices, and our customizability. For instance, a newly wed couple could go see the Naadam festival during the summer learning about the culture, while a group of nature photographers take a scenic photo excursion through the expansive Gobi desert.

Tour guides will be Mongolian natives trained in guiding services, as well as Wilderness First Responder certified. Guides will also act, as cooks while on expedition will be trained in food safety. At start-up, we will have four full time seasonal guides. Our expeditions will be made and scheduled by our Program Coordinator, Kelsey Krogen.

The management team will consist of our C.E.O. Stuart Derman as well as the managers directly under him. These positions include the Marketing and Sales manager, Accounting, Revenue, and Human Resources manager, and also our Legal and Risk Management manager. Every manager has had extensive experience in his and her respective fields.

Based on our projected market size where we hope to capture 72 of the roughly 370,000 tourists who travel to Mongolia annually our sales projection is around \$360,000 per year. Our CEO and managers will not be paid for the first five years.

We plan to aggressively build our client base through several mediums such as our website, a booth at The New York Times Travel Expo, social media, magazine advertisements, and publicity strategies. Trans Steppe Expeditions' affordable and flexible expeditions are sure to attract globe trotters from all over to experience the magnificent country that is, Mongolia.

III. General Company Description

Mission Statement:

-To provide a culturally insightful and luxurious experience in Mongolia tailored to the individual.

Founded on a love of the beauty of the Mongolian Steppe's landscape and the friendly Mongolian culture, Trans Steppe Expeditions will be offering culturally insightful yet luxurious expeditions through Mongolia. Trans Steppe Expeditions will be offering all-inclusive expeditions, with the exception of international airfare and personal gear. Our accommodations will include luxurious two-person yurts for sleeping as well as an additional yurt where we will cook and serve fine Mongolian cuisine to enhance cultural experience.

Mongolia is region still dubbed as one of the last remaining great wilderness areas. The Region of shrouded and mystery and home to rugged extremes of nature Trans Steppe Expeditions will offer more reasonably priced expeditions than the price points of our competitors. Trans Steppe Expeditions has found a niche in the market for affordable luxury adventure travel to Mongolia. This niche is key as it opens the possibility of travel to individuals of socioeconomic groups, which have been simply priced out of the market. This will provide a great potential for growth.

Our Vision:

-To create unparalleled expeditionary travel, while redefining the notion of luxury travel around the world.

Through the success of expeditions through Mongolia, Trans Steppe Expeditions hopes to expand throughout Asia and be able to appeal to a global market. We believe that through positive experiences to uncommonly traveled lands safely we will be able to establish good rapport in the industry and build our credibility. Our hopes for expansion align with the organizations roots. Mongolia is along the historical Silk Road. This was a link of connecting trade routes that linked the network of traded goods from its western extreme in Rome to its terminus in Beijing. It would only seem natural to expand along this route as it would appeal to previous customers and meet the demand for travel to remote destinations, which have not felt the major effects of mass tourism. By paving the way with sustainable methods we can expand our horizons to include area of cultural and historic significance while working to preserve the local culture and promote sustainable development in the region.

IV. Products and Services

Transportation

Trans Steppe Expeditions will be using two 4x4 Toyota Land Cruisers for guest transportation and one Russian Minivan for equipment transportation. These vehicles are commonly used in the region and will be subcontracted. According to Mongolian law any and all vehicle rentals must be contracted in conjunction with a hired driver at all times. This not only will be beneficial, as it requires less training for our guides but also shifts liability off of our employees.(Selena Travel)

Yurts

Trans Steppe Expeditions will provide yurts for sleeping and an additional yurt for cooking and serving meals. We have three 200 sq. ft., 9'3" high, fully furnished yurts. These yurts are quick to set up and will provide luxurious accommodations for our clients. The use of yurts will also serve to create a more authentic and heritage based experience. Lastly the weather on the Steppe is extreme to say the least. The quality of construction in the yurts we have chosen is among the highest in the industry. They are designed to hold up to any foreseeable conditions we may or may not encounter on our destinations.(Pacific Yurts)

Food

Trans Steppe Expeditions will employ a full time chef to travel on all expeditions. Our cook will be trained in preparing the finest Mongolian foods. This cook will also be an expedition guide as well. Mongolian cuisine is typically relies heavily on animal flesh and other byproducts of yack and other fauna found in the region. Despite our goals of creating culturally authentic cuisine we will also strive to meet any requests and dietary restrictions. If requests are not cost effective we will give the client the option to add the cuisine choices of their choice at market price. This will likely be a more viable with our wealthier clientele.

Experienced Guide Service

All expeditions will be led by the most professional and knowledgeable guide possible within the realm of our salary limits. Trans Steppe Expeditions prides themselves in the ability to have one of the highest guests to guide ratio. All guides will be fully trained and consistently working to improve their ability to provide the best experience for all guests through extensive training and certification programs. Managers will conduct trainings with guides to create a never-ending education to ensure the highest level of commitment possible. By taking the time to train our guides as much as planned will in turn mean we will put a major investment in terms of both financial as well as time into each guide. As a result of this commitment we want a low turnover rate among guides. In order to do this we must ensure the best of working conditions possible. This is key, as we will have a large vested interest in each guide. Typically in remote regions such as this guide services overwork local guides and abuse their loyalty. We will aim to create a bond of professional friendship. We will achieve this through setting a new standard for employee treatment in the region in addition to competitive wages.

Customer Service

Through our high guest to guide ratio Trans Steppe Expeditions will ensure the best experience for our guests. Trans Steppe Expeditions recognizes the fact that our growth is dependent on our ability to provide the best customer service, not only in Mongolia but also in the guiding industry. We will achieve this through a multitude of mediums. First and foremost is to listen to clients. Because we aim to market our business to this group we must strive to understand not only why they chose to travel with our organization but their preferences. By providing a survey to our clients we will receive valuable feedback on how we can improve as an organization. We can never underestimate the value of preemptive action. We will train our staff to recognize problems in our operation by understanding body language. It is said that 90% of what we say comes from non-verbal communication. By recognizing a problem before being approached we will be able to provide a friendly environment where the client knows their needs are met. These are but some examples of important tactics to best serve are clientele.

V. Marketing Plan

Market Analysis

Through our market research we have discovered that our competitive main advantage is our price. Specifically, our price is on average two thousand dollars less than other companies offering trips to Mongolia. In addition, Trans Steppe Expeditions is offering luxury travel comparative to other companies running tours in Mongolia while maintaining a lower cost.

Trans Steppe Expedition's primary target market is middle-aged to early-retired American citizens as well as other westerners. Primarily these will be couples traveling without children. The average household income of our customers will most likely be upwards of one hundred thousand dollars per year. These clients will most likely hold advanced degrees in higher education.

Trans Steppe Expeditions main competition has the advantage of being well established in the industry as well as the area with more than twenty years of operating experience. As a result companies such as, Geographic Expeditions, Nomadic Expeditions, and Abercrombie & Kent run trips at a higher price per trip than Trans Steppe Expeditions. These companies operate at a higher per trip cost because of their credibility and are established in the industry, otherwise services offered are comparable to that of Trans Steppe Expeditions.

As previously stated Trans Steppe Expeditions has created a niche in the Mongolian travel market by way of pricing. Trans Steppe Expeditions is able to offer Mongolian expeditions with elements of luxury while significantly reducing the cost of the trip slot. The average cost per trip offered by our competition average from \$7,000 to \$10,000, which is on average \$3,500 more expensive than Trans Steppe Expeditions. Trans Steppe Expeditions will be offering customers a trip at the average rate of \$5,000.

Trans Steppe Expeditions was able to offer this amazing trip slot cost because we will be renting vehicles for transportation. In addition to renting vehicles our founders are passionate about this Mongolia's people and landscape and are willing to donate their time for the prospect of exposing clients to the wonders of this incredible landscape. This passion for the region we are able to provide a comparable experience to that of our competitors for a far more modest price.

Marketing Plan

Trans Steppe Expeditions runs expeditions with one of the highest staff to client ratios in the marketplace and will treat all of its customers with utmost attention to detail. The Mongolian people are intrinsically benevolent and Trans Steppe Expeditions will replicate the hospitality and standards of the people of Mongolia. We will also include surveys all clients at the end of our expeditions in order to maintain our commitment to ensure our hospitality and quality are constantly held to the highest of standards.

Trans Steppe Expeditions has set aside an a budget of \$36,000 to promote our operation before opening as well as maintaining adequate advertising as we continue operating. This amount will change from year to year to match 10% of our annual revenue. Our forms of advertising will include YouTube advertisements; travel magazine advertisements, a booth at the New York Travel Expo and publicity tours to prominent travel figures for review. These forms of advertisement were carefully chosen because they are easy ways to appeal to and will be seen by our target markets.

- **Web Page:**

- The Trans Steppe Expeditions website will be primarily focused on the magnificent details exclusive to Mongolia through high definition videos. We have chosen the Internet because having a website has become an essential way to provide quick information to customers in today's technologically savvy world. A webpage is easily accessible for current and prospective customers. We can comprehensively inform our customers of our services through this webpage on the most up to date information. As a company, we have direct control over our website, we can coordinate actual bookings through our website, and the cost to run a website is very affordable. We have already built a preliminary site, which shows a general concept of how the site will look. The link to this beta version is:
<http://sederman.wix.com/trans-stepex>

- **YouTube:**

- Trans Steppe Expeditions will run promotional advertisement videos on Youtube.com. Through YouTube's advertising abilities we can attach our YouTube advertisements to videos that match the tags of our choice. For example, we will have the capabilities to attach our advertisement to any YouTube video tagged "Mongolian" "Tours" and our clip will run alongside the video or before the start of the video. This is one of the most effective forms of advertising mediums in todays on the go lifestyle. This allows us to directly target those already interested in the

region. By way of this targeting we can use each marketing dollar as effectively as possible.

- **Magazine:**

- Trans Steppe Expeditions will utilize magazine advertisement, primarily a magazine that is targeted to people seeking trips to the continent of Asia. We have chosen this form of advertisement because it will allow us to hone in and specifically control a demographic we advertise to. Also, magazines have a long shelf life, often staying in use for up to a year. Magazines also allow for amazing high quality photos that are attractive and may inspire further inquiry to the destination. Some examples of possible magazines include Travel and Leisure and National Geographic.

- **Vendor Booth at The New York Travel Expo:**

- Trans Steppe Expeditions can effectively promote our services to audiences who are intrinsically motivated to travel. Through a vendor booth at an expo we are able to control the market we advertise to. We will create personal rapport and appeal to prospective customers on a personal level. This Expo is the largest travel expo in the nation and one of the largest around the globe. It will inevitably draw our competitors and our presence is key in order to compete. This will also be a great opportunity to network with other professionals in the industry. Such networking could lead to potential partnerships in the future that would lead to expansion. (The New York Times)

- **Social Media:**

- Social media is a free tool that can be very effective in promoting a business. We will utilize Facebook, Twitter, Pinterest, Google+ as well as an active blog page. Social media is an effective way to direct traffic to our website and is something that can be constantly updated to appeal to current issues and target audiences. By keeping an active social media presence we also connect with younger demographics and lay the groundwork for future customers. Today's youth are tomorrow's customers. In addition to future potential customers and active social media presence will allow current clients to stay updated with the most up to date information regarding Trans Steppe Expeditions. By keeping our clients in the loop they can be made aware of new expeditions and destinations. By keeping these clients in the loop with the most up to date information we are more likely to retain our client base in this otherwise one and done market.

- **Publicity:**

- Trans Steppe Expeditions will invite a few prominent travel guide figures to travel with us to Mongolia free of charge on an expedition. We will show these prominent figures an amazing experience. In turn we can hope for gratuitous mention of our company in exchange for providing a professional yet amazing experience. Our C.E.O. and Marketing Director will be responsible for generating publicity. Experiences can be then promoted by our marketing staff on our website, blog and social media sites. Examples of possible prominent travel figures include but are not limited to journalists and travel show hosts such as Rick Steve.

Form of Advertising	Cost Per Unit	Number of Units	Total Cost of Units
Full Page Magazine Advertisement (color)	\$3,165	3	\$9,495
YouTube Ads	\$0.30	20,000	\$6,000
Vendor Booth	\$3,600	1	\$3,600
Promotional/Publicity Trips	\$3,000	2	\$6,000
Total Cost of Marketing Campaigns			\$25,095

Total Marketing Budget: \$36,000

VI. Operational Plan

Location

Trans Step Expeditions has secured a commercial rental space in the downtown region of Ulaanbaatar. The proposed property is 170 square meters in size. The cost of this space has been proposed at a rate of \$4,250 per month. The space will be used to support the necessary office operations including but not limited to reservations, marketing, accounting and storage. The building includes storage for equipment during our off-season and parking for unused vehicles as well as employee parking. (Mongolia Properties)

Trans Step Expeditions will offer a reservations system online. In addition to this web-based system, over the phone service will be part of the booking process. This space is not designed for walk in customers. Our office will include a meeting space if necessary for group travel meetings but otherwise it will not be open to the general public.

Legal Environment

Trans Steppe Expeditions has chosen to operate as a Limited Liability Corporation following legal counsel. Lawyers will be utilized on an as-needed basis and will not be employed by our company full time. From our research we have determined that there are no licenses or permits needed to run a tour company in Mongolia.

Costs to start a Foreign invested company in Mongolia:

Creating a FIFTA (Foreign Invested) company is a straight forward process however it is still subject to certain requirements, such as having a minimum of \$100,000USD in working capital as well as submitting various business plans and feasibility studies for the business proposal.

(M.A.D.)The following expenses listed below are the required expenses in opening a FIFTA.

- Registering the company name
= cost \$1.50
- Depositing the minimum capital requirement in a temporary corporate account with any Mongolian bank and obtaining a statement
= cost \$ 0.00
- Submitting a letter of intent along with passport copies, contracts and official documents such as feasibility studies to FIFTA, (all documents have to be notarized)
= cost \$20
- Registration at the State Registration Office
= cost \$ 12
- Tax Registration and Creation of tax folder and the issuance of a tax number
= cost \$3
- Registration for a Social Security number and file
= \$2.50
- Issuing the FIFTA investors card, company stamps or seals and company certificates
= \$50

- **Business Insurance:**

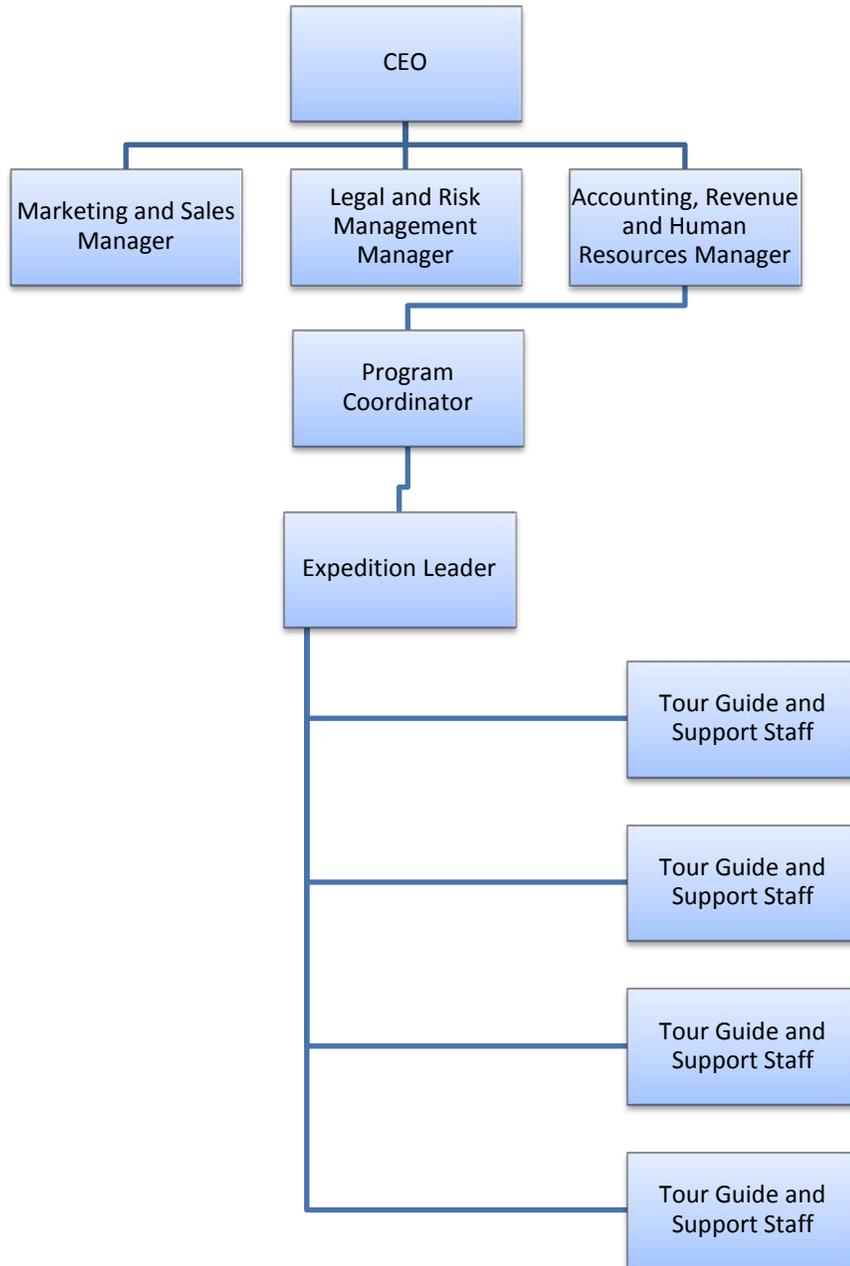
(M.A.D.)

- Employers Liability Insurance = 3 months of wages
 - Total staff wages per year is \$45,840.
 - 3 months of it is = \$11,460 per year
- Driver's Liability Insurance = \$600 per driver per year
 - 2driver = \$1,200 per year
 - Total per year \$26,160

Personnel

Each of Trans Step Expeditions will assume one managerial position as well as acting as a tour guide.

Our personnel structure is as follows:



Outline of Organizational Positions

Chief Executive Officer:

This is the owner of the company holding a 51% majority stake in the organization. He is the final authority figure in Trans Steppe Expeditions. The CEO is in charge of all executive decisions and spearheads the vision and mission of Trans Steppe Expeditions. It is the job of the C.E.O. to keep all staff member on task and motivate staff to have a vested effort beyond the financial incentive. He must inspire those around him to be the best in the industry regardless of the time and effort required to do so. He must be completely devoted to the success of Trans Steppe Expeditions. It is also the responsibility of the C.E.O. to ensure that all investors are properly compensated for investments made. Lastly it is also the C.E.O's responsibility to network as a representative of the company and provide a positive and professional portrayal of the organization and seek out new expansion opportunities to grow the reaches of the organization. The C.E.O. will be Stuart Derman. He will have invested 20% of the initial funds but with sweat equity of an additional 31%. This is valued at \$65,428.

Marketing and Sales Manager:

The Marketing and Sales Manager will be responsible to all aspects of marketing. This includes but is not limited to creation of advertisement, proper use and implementation of marketing funds and securing sales and bookings. As a responsibility of bookings there will be a huge degree of proper scheduling in order to ensure smooth operations among expeditions. This is a key position and will require a great deal of commitment year round.

Legal and Risk Management:

Responsible for creating waivers, recognizing and assessing risks, and creating an effective risk management plan. Educate all staff about the official risk management plan. Handling legal matters such as lawsuits, filing insurance claims, securing official permits, and ensuring Trans Steppe Expeditions is operating in accordance with local laws. This employee will be heavily involved in trainings and will conduct monthly meetings in order to inform the guides of the most up to date risk management data.

Accounting, Revenue, and Human Resources Manager:

Accounts all financial transactions, manages payroll, and is charge of employee relations. The holder of this position expedites the process of generating revenue and maintaining current revenue. This employee will work closely with the marketing and sales manager. Also, coordinates with the legal team to file taxes.

Program Coordinator:

Creates the program itinerary. Manager of all staff involved with the actual tour. The program coordinator is the final authority figure during the actual expeditions.

Expedition Leader:

This individual is in charge of leading the actual tours. The expedition leader is an individual who is extremely knowledgeable of the environment of Mongolia. In the field, this individual is in charge of delegating responsibilities to tour guides and staff. The expedition leader is in charge of ensuring all tour guides are ensuring the safety of everyone.

Tour Guide and Support Staff:

Tour guides and support staff will expedite the setting up of equipment, maintaining equipment, cooking meals, transporting customers, are extremely talented in customer service, and will respond to the needs of the program coordinator and expedition leader.

Expectations of Management:

As a company we would like to see management duties covered in a couple of different ways. First, the presence of the managers needs to have a professional image of authority, while being able to possess self-control of emotions and having the ability to recover from setbacks quickly. Also, they need to be innovative, have domain knowledge in their positions, be able to possess the capacity to understand personal interaction with others, have a tendency to anticipate changeling tasks, and have the skill to assess situations and draw feasible courses of action. Next, the managers need to be able to inspire their subordinates to work toward a common goal and accomplish critical tasks to achieve desired objectives. While having clear communication skills and serving as a role model to their employees. In addition, they need

VII. Personal Financial Statement

Trans Steppe Expeditions' CEO, Stuart Derman, will be investing, 20% of startup costs, a total amount of \$41,790. In addition to this hard financial investment the CEO, Stuart Derman will also be credited with a sweat equity of an additional 31% raising his ownership stake to 51%. This is valued at \$107,639. The remaining founders have invested a collective amount of \$44,402; the remaining \$44,402 will be invested by 16 additional investors at the amount of \$2,776 per person. A total investment of \$88,804, 42.5% of startup costs.

Trans Steppe Expeditions will be taking a loan of \$80,462.4 for the remaining 38.5% of startup costs. The loan of \$80,462.4 at 8% per month will take Trans Steppe Expeditions thirty-six months to pay off. Trans Steppe Expeditions will be paying \$2,522 per month on our loan, and the figure of \$2,522 includes interest. Trans Steppe Expeditions is being granted this loan by the bank of Mongolia. If Trans Steppe Expeditions does not pay our loan, we will lose all assets that equal the amount owed.

IX. Financial Plan

Our total operating costs per month averages out to be \$24,752.36. This total monthly operating cost includes rental vehicles, wages, rent, repairs and maintenance, marketing, utilities and communications, insurance and fees, interest, food, gas, wine, satellite phones, and employee training.

The cost per person per tour is \$5000. Trans Steppe Expeditions will plan on taking six people on one tour and there will be two tours per month. This adds up to \$60,000 for one month of selling trip slots. At the end of our six-month season our total revenue will be \$360,000. Trans Steppe Expeditions' total operating cost for month is \$24,752.36.

Trans Steppe Expeditions' estimated yearly income is \$360,000. Trans Steppe Expeditions' estimated yearly expenses are \$297,028. Trans Steppe Expeditions will be spending .83 per dollar earned.

Items to be included in our capital budget are the yurts, computers, and printers. The costs of yurts are \$26,250, the cost of computers and printers are \$1,850.

Income Statement																							
														12 Month Projections				5 Year Projections					
Revenues	Jan	Feb	March	April	May	June	July	Aug	Sep	Oct	Nov	Dec	Total(\$)	Year 1	Total(\$)	Year 2	Total(\$)	Year 3	Total(\$)	Year 4	Total(\$)	Year 5	
Tour Revenues	0	0	0	54,000	60,000	66,000	66,000	60,000	54,000	0	0	0	360,000		370,800	381,924	393,381	405,183					
Expenses																							
Rental Vehicles	0	0	0	6,440	6,440	6,440	6,440	6,440	6,440	0	0	0	38,640		39722	40834	41977	43153					
Wages, Payroll Exp	3,820	3,820	3,820	3,820	3,820	3,820	3,820	3,820	3,820	3,820	3,820	3,820	45,840		47124	48443	49799	51194					
Rent	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	51,000		52428	53896	55405	56956					
Repairs and Maintenance	477	477	477	477	477	477	477	477	477	477	477	477	5,726		5886	6051	6221	6396					
Marketing	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000		37008	38044	39109	40205					
Utilities and Communications	1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,227	14,718		15130	15554	15989	16437					
Insurance and Fees	2,080	2,080	2,080	2,080	2,080	2,080	2,080	2,080	2,080	2,080	2,080	2,080	24,960		25659	26377	27116	27875					
Interest/loan	2,522	2,522	2,522	2,522	2,522	2,522	2,522	2,522	2,522	2,522	2,522	2,522	30,258		31346	32223	0	0					
Food for Tour	0	0	0	5,082	5,082	5,082	5,082	5,082	5,082	0	0	0	30,492		31346	32223	33126	34053					
Gas	0	0	0	1,486	1,486	1,486	1,486	1,486	1,486	0	0	0	8,914		9164	9420	9684	9955					
Wine	0	0	0	1,080	1,080	1,080	1,080	1,080	1,080	0	0	0	6,480		6661	6848	7040	7237					
Satellite phone	167	167	167	167	167	167	167	167	167	167	167	167	2,000		2056	2114	2173	2234					
Training	167	167	167	167	167	167	167	167	167	167	167	167	2,000		2056	2114	2173	2234					
Total Expenses	17,709	17,709	17,709	31,796	31,796	31,796	31,796	31,796	31,797	17,709	17,709	17,709	297,028		305586	314141	289812	297928					
expenses + 15%															341,583	351,423.9	361,262.15	333,283.8	342,617.2				
Total Revenue													360,000		370,800	381,924	393,381	405,183					
Gross Income													18,417		19,376	20,662	60,097	62,566					
Net Income													16,539		17,360.996	18,492.35575	53847.0912	56058.9568					
money to investors													3,308		3,472.1992	3,698.47115	10769.41824	11211.79136					
Total Profit													13,231		13888.7968	14,794	43077.67296	44847.16544					
Net Income% of Gross Income(decimal form)													0.898		0.896000537	0.895	0.896	0.896					

Break Even Analysis

Expenses Must increase 20.39% in order to break even or bok 15 less trip spaces or 7.5 couples or 1.25 less trips

Cash Flow Statement Worksheet														
	Start-up													
	Costs	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Total (\$)
Cash Sources														
Net Cash Sales	0	0	0	0	54,000	60,000	66,000	66,000	60,000	54,000	0	0	0	360,000
Owners' Contribution	41,790	0	0	0	0	0	0	0	0	0	0	0	0	41,790
Investments	88,804	0	0	0	0	0	0	0	0	0	0	0	0	88,804
Bank Loan	80,462	0	0	0	0	0	0	0	0	0	0	0	0	80,462
Total Cash Inflows	211,057	0	0	0	54,000	60,000	66,000	66,000	60,000	54,000	0	0	0	517,057
Cash Uses														
To Capital Costs														
Rent Buildings	0	4,500	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	51,000
Start up cost	89	0	0	0	0	0	0	0	0	0	0	0	0	89
Vehicles and Other	26,250	0	0	0	0	0	0	0	0	0	0	0	0	26,250
To Operations														
food	0	0	0	5,082	5,082	5,082	5,082	5,082	5,082	0	0	0	0	30,492
shipping	1125													1,125
Training	0	166,667	166,667	166,667	166,667	166,667	166,667	166,667	166,667	166,667	166,667	166,667	166,667	2,000
Wages, Payroll Exp	0	3,820	3,820	3,820	3,820	3,820	3,820	3,820	3,820	3,820	3,820	3,820	3,820	45,840
Operation Materials, Supplies	1990	0	0	0	0	0	0	0	0	0	0	0	0	1,990
Legal	800	0	0	0	0	0	0	0	0	0	0	0	0	800
Repairs and Maintenance	0	477	477	477	477	477	477	477	477	477	477	477	477	5,726
Marketing	0	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Utilities and Communications	0	1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,227	14,718
Insurance and Fees	0	2,080	2,080	2,080	2,080	2,080	2,080	2,080	2,080	2,080	2,080	2,080	2,080	24,960
wine	0	0	0	1,080	1,080	1,080	1,080	1,080	1,080	0	0	0	0	6,480
Property Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Satellite phone	0	166,667	166,667	166,667	166,667	166,667	166,667	166,667	166,667	166,667	166,667	166,667	166,667	2,000
Gas	0	0	0	1,486	1,486	1,486	1,486	1,486	1,486	0	0	0	0	8,914
Other Uses														
Payoff Credit Line	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Payoff Loan	0	2,522	2,522	2,522	2,522	2,522	2,522	2,522	2,522	2,522	2,522	2,522	2,522	30,258
Income Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	1,916
Owner Draw	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Cash Outflows	30,254	17,958	17,708	25,356	25,356	25,356	25,356	25,356	25,356	17,708	17,708	17,708	17,708	290,558
Net Cash Flow														
Beginning Cash Balance	211,057	180,803	162,845	145,136	173,780	208,424	249,067	289,711	324,354	352,998	335,290	317,581	299,873	
Ending Cash Balance	180,803	162,845	145,136	119,780	148,424	183,067	223,711	264,354	298,998	335,290	317,581	299,873	282,165	

X. Appendices

Include details and studies used in your business plan; for example:

Transportation Vehicles:



Mongolian Yurts:



Mongolian Landscape:



XI. Refining the Plan

For Raising Capital

For Bankers

We will need an initial bank loan of \$85,000. These funds will be used to purchase equipment and cover expenses incurred in the first three years. The loan will allow consistent revenue stream and us to get off the ground and beginning creating a strong. We plan to pay back the loan over the course of three years at a monthly payment of \$2,522 per month. This gives us an APR of 8%, which we believe to be a very conservative rate. As far as collateral for the loan our C.E.O Stuart Derman has offered his car, which is estimated at \$60,000. In addition to this Zachary Bott has also offered his series of guitars as collateral and is estimated at \$25,000. Putting together all of our collateral and short term required for repayment of this loan Trans Step Expeditions believes that this is a reasonable loan package.

For Investors

The total investment from investors will be totaled at \$88,804. This amount will be divided amongst 16 investors. Each will invest \$5,550. Like the bank loan this will also be used in order to cover startup costs incurred in the first three years. This is a small and manageable investment that will be very profitable. Each year 20% of our profits will be given back to our investors in the form of dividends. Eventually after the five year mark we will implement a share buyback plan. The eventual goal is to have all of the shares owned by the C.E.O. We will only permit our investors to collectively own 49% of the company's shares. The sweat equity is incurred by the 51% ownership by the Founding group in fact would realistically value at roughly 80% of the company value hints the 20% dividend. Each year a financial report will be provided to the investors to ensure that all investors are up to date on their investment. The plan at the 5-year mark with the buyback plan is to buy the shares back at a rate of 9.8% annually over the course of 5 years. Although we will value the input of investors the controlling stake of the organization will rest with its founders.

For Type of Business

Service Businesses

In this serviced based industry we provide an experience for our clients. Our key competitive advantage is we are able to provide a comparable experience to that of our competitors for a significant decrease in price. At an average per person expedition price of \$5,000 we are able to meet a market niche by providing affordable luxury adventure without a sacrifice in the experiential product provided. Our competitors have an average price between \$7,000 and \$10,000.

We will ensure the maintained quality of our product by implementing trainings, surveys as well as expedition evaluation meetings. We will measure the productivity of our labor based upon the feedback of customers as well as financial statements. A large amount of our work will be subcontracted to stimulate the local economy. However we will profit off of this usage as it lowers our overhead costs and allows us to have a greater profit margin. We will accept payments in the form of credit cards and wire transfers at a nominal fee. By working hard too not only meet but also go above and beyond the needs of our customers.

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