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**Blue Sky Travel**

Supervised by: Dr. Zeinab Zaazou

Submitted by: Hana Hashem 164169

Joumana Mamdouh 164881

Omneya Samir 162419

Sarah Ahmed 163703

Sarah Hosny 163065

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*Blue Sky Travel*

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**(Blue Sky's Business Plan)**

[www.blueskygroup.net](http://www.blueskygroup.net)

44, Shehab Street, Mohandseen, Cairo, Egypt

3305 9797 - 3301 9200



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## **1. Executive Summary**

### **1.1. Key People**

- 1) Mayar Elshaer (Corporate Support Manager)

**Email:** mayar-elshaer@blueskygroup.net

- 2) Hala El Shahat (HR Supervisor)

**Email:** halaelshahat@blueskygroup.net

- 3) Amr Sadek (Corporate Account Manager)

**Email:** [amrsadek@blueskygroup.net](mailto:amrsadek@blueskygroup.net)

- 4) Aya Fouad (General Manager)
- 5) Safaa Mahmoud (Aviation & Corporate Manager)
- 6) Hany El-Shaer (CEO)
- 7) Khaled El Shaer (Owner)
- 8) May El Ahwany (Assistant Corporate Manager)

### **1.2. About Blue Sky**

Blue Sky Group have been working in tourism industry here in Egypt since 1971. They believe in the glory of ancient cultures & the beauty of the nature, so they like to let people explore our country's and region's cultures & beauties, by delivering good quality services at a fair price. Blue Sky is considered one of the market leaders in Egypt. Blue Sky offers the travelers everything they would need for an unforgettable and easy trip; consulting them throughout the whole process; from choosing their destinations cities, to deciding the accommodation, picking the tours and attractions to visit, and finally the transfers. In addition, their guests are always accompanied with a representative to always assure their comfort and joyfulness in their trip.

### **1.3. About the Market:**

After the revolution in 2012, the tourism industry started to stabilize. However, in 2013 the industry started to decline again. Travel agencies, airlines, hotels and car rental companies all faced losses. Currently, the travel and tourism industry are starting to bloom again and is once again benefiting Egypt's economy.

There are efforts from the government and travel agencies in promoting domestic tourism to make up for the loss that of international tourism. The travel agencies now offer a lot of offers to enhance the domestic tourism in Egypt. On the other hand, Egypt is trying its best to improve the travel and tourism sector and show the world that Egypt is a safe place to travel to.

#### **1.4. Keys to Success:**

**Customizable trips** - not all travel agencies offer this service, Blue Sky gives its customers the option to choose their programs and accommodations which increases the chance of having delighted customers.

**Convenient prices** - Blue Sky offers reasonable prices for its trips unlike some of its competitors, this helps in attracting new customers.

**High quality of trips** – Blue Sky only deals with reputable hotels and airlines to ensure that their customers receive the best service possible.

#### **1.5. Brief Description of the Managerial and Technical Experience of Key People:**

##### 1) Mayar El-Shaer (Corporate Support Manager at Blue Sky Travel)

A high-performance Managerial level Human Resources Professional with a good record of delivering results in Training & Development, Business Operations, Leadership Development, and Recruitment.

Fully responsible for the development of the recruitment process and the implementation of the recruitment innovations as well as managing Training programs and courses. Also Monitor the costs of recruitment process and labor legislation and implement required changes. Sets strategies for different job profiles and conducts interviews.

##### 2) Hala El Shahat (HR Supervisor at Blue Sky Travel Group)

Over 10 years of dedicated HR professional experience, seeking my internal customer satisfaction. Enrolled in launching HR departments and Start up Business. Worked in Different industries, Retail Telecommunication, Airline and Tourism.

Enhanced HR educational background with MBA, and TOT.

Specialties: Recruitment and Selection, Performance Management, Employee Relations Management Organization Development and Training Functions.

**1.6. Brief Statement of the Financial Request and How the Money will be used:**  
(NOT ACCESSIBLE AT THE MOMENT)

**2. Vision and Mission Statement**

**2.1. Vision:**

The company's vision is to be steps ahead of any other travel company, to be the front leader and favorite, give outstanding services and to perform all their transaction with the most recent technologies. And finally, to gain all reliabilities among all clients and partners. (Blue Sky Travel, 2018)

**2.2. Mission:**

The company's mission is to offer our clients/partners the perfect services with the competitive rates, and to offer our travelers/guests the best, most unforgettable travel experience of their lives, and help them explore more throughout their trips in the most comfortable ways. (Blue Sky Travel, 2018)

**2.3. What Business are we in?**

Blue Sky is operating in the Tourism industry in Egypt.

**2.4. Values and Principles in Which the Business Stands**

Blue Sky is customer-oriented which means that all the sales force focuses on fulfilling the customer's needs and wants professionally to satisfy them and eventually turn them into loyal clients. As Blue Sky mainly values its customers; therefore, it values technology and efficiency in every process or operation as this keeps customers satisfied and sometimes even exceeds their experience expectations and standards.

**2.5. What Makes the Business Unique? What is the Source of its Competitive Advantage?**

There are a lot of travel agencies in Egypt however not all of them build up to the quality of service of Blue-Sky Travel which makes it unique.

**3. Company History**

**3.1. Company founding**

Blue sky is a complete service travel company, it was established in 1971 by Salama Gouda who is both the president and the managing director of the company. Blue Sky head offices are located in Cairo and Hurghada. They have different branches in more than 6 cities in Egypt.

Blue sky group provide services that cover incoming and outgoing trips, airline tickets sale, accommodation, Nile cruises and transportation.

### **3.2. Financial and operational highlights**

Since blue sky is a medium sized business and is not publicly listed in the Egyptian Stock Market, its financials are not available to the public. In addition, the managers and employees at the company are not allowed to give out such information.

### **3.3. Significant Achievements**

Blue Sky Travel is a member of a number of popular international organizations: International Air Transport Association (IATA), American Society of Travel Agents (ASTA), United Federation of Travel Agents (UFTAA), Association of Canadian Travel Agencies (ACTA), Japan Association of Travel Agents (JATA) and Latin American Confederation of Tourist Organizations (COTAL). In addition, Blue Sky Travel is recommended on TripAdvisor which is a well-known website that recommends the best travel agencies for travelers.

## **4. Business and Industry Profile**

### **4.1. Industry Analysis**

The tourism industry in Egypt was growing and going quite well until the 2011 revolution which led to the resigning of Egypt's former president Hosny Mubarak. The revolution had a great impact on the travel and tourism industry in Egypt, the international trips to Egypt declined at a rate of 33.2%. In addition, Egypt's image was destroyed around the world. During this period of time a lot of countries advised their citizens to not visit Egypt as it was no longer safe.

After the revolution in 2012, the industry started to stabilize once again. However, in 2013 the industry started to decline again. Travel agencies, airlines, hotels and car rental companies all faced losses. This decline caused a change of the president again (Mohamed Morsy). Currently, the travel and tourism industry are starting to bloom again and is once again benefiting Egypt's economy.

Egypt has a number of natural and cultural locations that can be used to improve the industry. Those places are: the pyramids, Nubian areas, Wadi AlHitan, Saint Catherine and many more. Even though international tourism was not going well, domestic tourism improved. There were efforts from the government and travel agencies in promoting domestic tourism to make up for the loss that occurred because of international tourism.



The travel agencies now offer a lot of offers to enhance the domestic tourism in Egypt. In addition, they created a campaign called This is Egypt to enhance both international and domestic visitors. Currently, Egypt is trying its best to improve the travel and tourism sector and show the world that Egypt is a safe place to travel to.

Since Blue Sky Travel is an Egyptian based travel agency so the competitors are all locally based. There are a lot of travel agencies in Egypt however not all of them build up to the quality of service of Blue Sky Travel. The top competitors of Blue Sky Travel are; Travco Travel, Karnak, Emeco Travel, Travista Egypt, Gazef, Triptanza and Holiday Tours.

### **Key Success Factors**

The key success factors that any industry has are the factors that a company would not be able to survive without in a specific industry. The factors that Blue Sky has to have in order to survive are: competitive prices, service quality, market share, a number of different destinations, having loyal customers, brand image and good reputation of the company.

#### **4.2. Outlook for the future**

Blue Sky is looking forward to be the leading company in the traveling industry, to take full advantage of the latest technological advances to modernize and advance all operations, and also to always delight its customers and provide them with an experience that exceeds their expectations. Blue Sky Travel will be able to grow more in the future as the Egyptian market is a growing market. However, it has to take into consideration the number of evolving competitors. Furthermore, the company has to focus on satisfying the needs of their customers. They should even focus on not just only satisfying their customers, they have to focus on delighting them through excellent service quality to keep up with the competitors.

#### **4.3. Stage of Growth**

Blue Sky Company is in the growth stage since they are currently expanding their activities in the market in order to increase their profits and their service, which are currently professional. Moreover, since Blue Sky is in the growth stage their structure will not be changing as they are a medium sized company.

#### **4.4. Goals and Objectives**

##### **Goals**

The company's goal is to be the most trusted Travel Agent and make their customers become clients and for their travelers to become regular repeaters. Another goal is to always deliver the best services of all time.

##### **Objectives**

One objective is to continuously provide delightful and good quality packages on time and on budget. Moreover, gain satisfied customers and build long-term relationship. Other objectives are to establish a market place that assures short-term and long-term profitability, growth and success.

##### **SMART Objectives**

- Increase revenue by 20% in the next year.
- Increase market share by 15% in the next year.
- Increase customer satisfaction by 40% in the next year.
- Increase deals with hotels and museums etc., by 20% in the next year.

#### **5. Business Strategy**

##### **5.1.Desired image and position**

Blue Sky's desired image is to be viewed as a trusted travel agency that always offers trips to the trendiest destinations and includes attractive activities. It aims to position itself as a modern travel agency that responds to customer's changeable tastes and tailors its trips accordingly.

##### **5.2. SWOT Analysis**

##### **Strengths**

- **Helpful management with tourists**, blue sky has tourist guides that are extremely helpful during trips. They guide the customers to whatever they need and make the trip more convenient to customers. In addition, they thoroughly explain the activities that can be done in any destination.

- **Customizable trips for customers**, blue sky offers their customers the ability to customize the trips they want to go on. The customers are able to choose from a wide variety of airlines, hotels, budgets and much more. In addition, the company provides business trips.
- **Customer relationship management**, when it comes to dealing with customers, blue sky tries to respond to the complaints. They do so in efforts of enhancing the relationship between the company and the customers.
- **Blue Sky's service providers**, blue sky has good relationships with the suppliers they deal with. The suppliers are: airlines, hotels, councils, embassies and bus companies.

### Weaknesses

- **Irresponsive customer service hotline**, blue sky rarely replies to the calls customers make. This is a major disadvantage. Some customers would switch to competitors since no one replies since they cannot book their trip as easily as they would with another travel agency.
- **Lack of transparency when dealing with customers**, blue sky leaves out important information about the trip content and pricing. This has made customers furious and not wanting to deal with the company again. To customers, they feel that this is fraud and deceiving.
- **Lack of deals offered to customers**, the company does not offer a wide range of offers like competing companies do. There are a lot of other travel agencies. If customers do not find good offers at blue sky, they will easily switch to another company that has offers.
- **Poor technology**, even though blue sky utilizes their Facebook page, their website is poorly designed. In addition, they do not have a mobile application that would ease the booking of trips like other companies do (Travco has a mobile application).

### Opportunities

- **Demographic Forces** refers to the size of the Egyptian market, it acts as an opportunity for Blue Sky as it means more consumers therefore, more sales. Moreover, the population of Egypt includes a high percentage of young adults who are usually the most interested in travelling.

- **Increase in Domestic Tourism** due to increase in awareness towards local towns and beaches makes it a perfect opportunity for Blue Sky to promote visiting different places in Egypt. The prices of these trips are more affordable than international trips which make them more attractive to consumers.
- **Travelling Trend**, unlike any other time before, nowadays travelling gained more popularity which created a kind of need for the customers. It is a great opportunity for Blue Sky as it saved effort to convince people to travel, they just have to convince them to choose their travel agency over the other agencies.
- **Social Media** acts as an important factor affecting Blue Sky's opportunities. Blue Sky uses Facebook to promote for its next trips. Most of the people heard about the company through Facebook. Social Media is an influential platform that helps Blue Sky a lot.
- **Holiday Seasons** people travel more during holidays such as Christmas and New Year's which increases traffic on Blue Sky's services.

### Threats

- **Fluctuating Economic Conditions** restrict Blue Sky as Egyptians now have lower purchasing power, making it harder for them to spend their money on luxury. The flotation of the Egyptian Pound affected many sectors in Egypt and one of them is the tourism sector. Blue Sky tries to handle this threat by offering on budget trips and promotions.
- **Political Regulations** are now harder than before due to conflicts between countries and political changes, issuing Visas or certain paperwork is now a challenge for most travelers. Blue Sky helps travelers in these papers, making it handle this threat well.
- **Competitive Rivalry**, many travel agencies are competing in the market and trying to offer best prices and travel packages. Blue Sky needs to focus more on offering competitive packages and establishing an Instagram account like their competitors.
- **Direct Bookings** are the travelers' way to travel on a budget without using travel agencies. Many people are now experts in booking the best priced hotels and flights. Blue Sky doesn't give much attention to this segment of people, it should make an

app or find a way to reach this segment and convince them with their travel packages.

### **5.3. Competitive Strategy**

Blue Sky uses differentiation strategy as it offers different types of trips and destinations. In addition, it customizes trips according to customers' needs which acts as a unique feature that gives it an edge over some other companies. In addition, Blue Sky always tries to include new activities or tours in its trips and special concerts or events to provide customers with a unique experience. Blue sky aims to provide a high-quality service through dealing with credible airlines, hotels and tour guides. Achieving such high performance does serve Blue Sky's differentiation strategy. Also, excellent customer service is something the company promises and hopes to deliver to differentiate itself from competitors.

## **6. Company Services**

### **6.1. Description**

#### **6.1.1. Service features**

Blue Sky offers services to help people through providing convenience. Blue-sky focuses on having a strong relationship with their suppliers (suppliers of all different airlines, hotels, transportation) in order to ensure that the service providers are the best fit to their customers, also blue sky is known for its unique service which is customizing your own trip feature. Blue sky is focusing on improving the tourism company service.

#### **6.1.2. There are many benefits for consumers to use blue sky, which are:**

1. Time saving

Blue sky cuts a lot of time by helping customers in booking everything included in their visit with the option of customizing their own trip as well.

2. Diversity

Blue sky has a strong relationship with their suppliers that create more opportunities of airlines, hotels, and transportation for customers with the best choices.

3. Consistency

As Blue sky has lots of competitors in the market, Blue sky is a company that would try and manage to give the best services for its customers.

#### 4. Easy access and use

Since people are up to date with technology, it's easy to access Blue Sky's website. Also, Blue Sky's website structure and interface is easy which makes the payment, customizing and searching etc. for the trip much easier.

#### **6.1.3. Warranties and guarantees:**

There are tangible or E-commerce documents that are usable for warranties or guarantees offered by Blue Sky officially when there is a transaction done.

#### **6.1.4. Unique selling proposition**

Blue sky's unique selling proposition is that they provide customers with a wide range of customizable trips and packages at high quality.

#### **6.2.Trademark Protection**

(UNKNOWN)

#### **6.3.Future Service Offerings**

Blue Sky has not indicated that there will be a change in the types of services it offers. However, maybe because of the new technological advances it might make some of its processes easier and automated through the internet and smartphones. It will still offer the same travel packages and visa services to its customers.

### **8. Marketing strategy**

#### **8.1. Target market:**

The target market consists of the group of people that Blue Sky is aiming to serve. Blue Sky will target the people with adventurous lifestyle, who are interested in traveling a lot.

##### **8.1.1 Demographic Profile**

**Age:** From 16 years and above.

**Income:** From 4000 EGP and above per month.

**Gender:** Both genders (Male and Female).

**Occupation:** Engineers, teachers, students, artists, mathematicians, accountants, and others.

**Education Level:** Well Educated.

**Class:** A and B classes.

## **8.2. Customers' motivation to buy**

Competitive advantage is what drives and attracts customers to buy from Blue Sky. It's the condition or circumstance that puts a company in a favorable or superior business position. Blue Sky Company is competing in the industry by forcing itself in the market, by creating websites, mobile applications, and Facebook pages to involve its customers and have a competitive advantage in reaching customers.

Blue Sky Company hires well experienced and talented people to meet the need of good service quality and to help the company in gaining competitive advantage. Furthermore, the development of technology helped Blue Sky to reach a wide range of audience by the social media and websites and its mobile application. It also included services that include customizing individual's trips depending on their interests and preferences.

Furthermore, Blue Sky has technological equipment used to make communication much easier between its staff and between its customers, which also play a role in the company's competitive advantage. Blue Sky includes different payment methods, so customers can go through the payment process effortless and easily. All the methods that made the process efficient and effective plays a role in the company's competitive position and competitive advantage. Convenience, ease of accessibility, availability, and the presence of friendly and helpful staff are what motivates customers to choose Blue Sky over other companies.

## **8.3. Market Size & Trends**

Market trends are the upward or downward movement of a market, during a period of time. The market for travelling is usually fluctuating and unstable as its connected to the economic state of the country. If the country economic position is stable, citizens will be able to spend money on traveling, if not they won't spend on it and this affects the sales of Blue Sky.

The market size is more difficult to estimate if one is starting with something completely new. In this case, you will have to derive the figures from the number of potential customers, or customer segments. Blue Sky Travel is targeting several territories within Cairo in order to reach as much people as possible.

Also, to provide convenience and availability for people who do not like to book online or buy using the Internet. Soon there will branches outside Cairo to expand and reach more potential customers.

#### 8.4. Generic Strategy

Porter’s competitive strategies are divided into four types. Cost leadership refers to companies who aim to have the most convenient prices in the market which makes them in a stronger position than competitors. Moreover, they achieve cost efficiency through economies of scale, overheads control and minimizing other costs. This strategy usually targets the mass market with undifferentiated offerings. Another type is differentiation which is a strategy of providing different products and services to consumers in order for them to find the brand unique. This strategy makes it harder for competitors to copy the company. Also, there is cost focus which targets a small segment with low prices which makes them avoid competing with other firms, thus lowering their expenses. Moreover, differentiation focus concentrates on a niche segment just like cost focus but with offering a unique different product instead (Wheelen & Hunger, et al., 2017).

Blue Sky uses differentiation strategy as it offers different types of trips and destinations. In addition, it customizes trips according to customers’ needs which acts as a unique feature that gives it an edge over some other companies. In addition, Blue Sky always tries to include new activities or tours in its trips and special concerts or events to provide customers with a unique experience. Blue sky aims to provide a high-quality service through dealing with credible airlines, hotels and tour guides. Achieving such high performance does serve Blue Sky’s differentiation strategy. Also, excellent customer service is something the company promises and hopes to deliver to differentiate itself from competitors.

	<b>Lower Cost</b>	<b>Differentiation</b>
<b>Broad Target</b>	Cost Leadership	<b>Differentiation</b>  <i>Blue Sky</i>
<b>Narrow Target</b>	Cost Focus	Differentiation Focus



## **8.5. Advertising and Promotion**

### **8.5.1. Media Used**

#### **8.5.1.1 Direct Marketing**

Direct marketing is a promotional method that involves presenting information about the company services to the target customers without the use of an advertising middleman. I. Loyal customers who frequently purchase from Blue Sky Travel could receive a text message or an e-mail from the company to notice them about new offers, or if there is a new line introduced to the range of lines and destinations.

#### **8.5.1.2 Facebook Advertising**

Facebook ads are so important as they provide extra reach, exposure, and targeting options which helps Blue Sky Travel advertise and expand their target segment through network.

### **8.5.2. Media Costs**

The budget for the Media will be around 200,000 EGP.

### **8.5.3. Frequency of use of Advertising**

Advertising process facilitates easier sales and helps to increase the number of branches throughout increasing customer awareness in new geographic areas. If Blue Sky Travel wants to introduce a new destination, advertising will make a ground for the new destination. Advertising helps making people aware of the new offers so that they come and try them. The online Ad appears once every 6 hours.

### **8.5.4. Plans for Generating Publicity**

**TV Ads:** A television commercial, which is a span of television programming produced and paid for by an organization, which conveys a message, typically to market the products the company sells and introduces to customers in order to attract them.

**Billboard:** A large outdoor board for displaying advertisements.

## **8.6 Pricing**

According to Kaze (2010), good pricing strategy helps you determine the price point at which you can maximize profits on sales of your products or services. When setting prices, the company needs to consider a wide range of factors including production and distribution costs, competitor offerings, positioning strategies and the business' target customer base.

While customers won't purchase goods that are overpriced, also the company won't succeed if it prices goods too low to cover all of the business' costs. So, having an effective pricing strategy is very important to the company. Samir and Ali follow more than one pricing strategy as they target more than one segment with different needs and wants.

Blue Sky Travel will use the skimming pricing strategy at first to skim profits and then reduce prices by creating offers. Price Skimming: This strategy is designed to help the company to maximize sales on new products it introduces. Price skimming involves setting rates high during the introductory phase, the company then lowers prices gradually as competitor goods appear on the market.

### **8.7 Distribution strategy**

Blue Sky Travel uses both its physical stores and the Internet through its website. Blue Sky will use Selective distribution strategy which is choosing certain places or geographical areas to open the branches in. As Blue Sky is targeting certain segments and classes (A & B), It will use Selective strategy in order to be able to reach them in the places that they are available in.

## **9. Competitor Analysis**

### **9.1. Existing Competitors**

Blue Sky's existing competitors are travel agencies of the same size in Egypt. Such as Travista, Travco, Gazef and Triptanza. The top competitor for Blue Sky is Travco as it provides similar trips with similar prices.

#### **Travco**

##### **Strengths:**

**Competitive prices:** Travco provides affordable trips with great deals and discounts, their prices compete with Blue Sky as sometimes they're cheaper.

**Variety of destinations:** Travco offers many options to choose from when it comes to destinations, it also doesn't only focus on a specific area or region. Travco provides trips in different and new destinations.

**First mover advantage:** Travco is a well-established and well-known travel agency that was created long time ago even before Blue Sky.

Therefore, people trust it and its quality, and it has gained a lot of loyal customers. It is one of the most recognized travel agencies in Egypt which makes it easier for them to capture customers.

### **Weaknesses:**

**Lack of coverage on social media:** Travco is not active enough on social media. It doesn't have an Instagram page which other travel agencies have. Instagram is important as it reaches a certain segment that doesn't use Facebook and contains attractive visuals and tools that should be taken advantage of. Also, it doesn't have a Twitter account which again can appeal to certain customers.

**Lack of customer service representatives:** Travco doesn't hire enough customer service employees to handle customers inquiries which leads to inefficiency and lost opportunities. Also, it led to negative reviews on Facebook which can harm their reputation in the long term.

## **9.2. Potential Competitors**

As the tourism market is becoming more and more stable and attractive, some companies will be motivated to enter it. Blue Sky's potential competitors are small travel agencies that focus on niche markets or certain groups of people and tailor their trips and prices accordingly. These competitors will have the advantage of being focused on their customers and providing them with intensive attention.

Therefore, Blue Sky should focus more on its customers' needs and divide employees so that there are teams responsible for different segments and accounts.

## **10. Description of Management Team**

- **Khaled El Shaer (Owner)**

Graduated from Helwan University

- **Hany El-Shaer (CEO)**

Graduated from The American University In Cairo, Faculty of travel and tourism

- **Mayar Elshaer (Corporate Support Manager)**

A high-performance Managerial level Human Resources Professional with a good record of delivering results in Training & Development, Business Operations, Leadership Development, and Recruitment.

She is fully responsible for the development of the recruitment process and the implementation of the recruitment innovations as well as managing Training programs and courses. Also Monitor the costs of recruitment process and labor legislation and implement required changes. Sets strategies for different job profiles and conducts interviews.

Her Specialties are: Ability to articulate an organization's strategic and tactical goals in business development, training design and recruitment efforts Job Description & KPIs Problem Solving Time Management Mentoring & Coaching Teamwork Internet & Online Marketing Retention Techniques Communication Tools Performance Appraisal.

Her Accomplishments are: Design, develop and deliver corporate training programs covering multi-layered business strategies including planning, cost analysis, communications, competitive analysis, and new business goals, Facilitate Leadership Development Programs for management, recruiting all levels for all sectors, Handling complete payroll and outsourcing processes.

- **Hala El Shahat (HR Supervisor)**

Over 10 years of dedicated HR professional experience, seeking my internal customer satisfaction.

Enrolled in launching HR departments and Start up Business.

Worked in Different industries, Retail Telecommunication, Airline and Tourism.

Enhanced HR educational background with MBA, and TOT.

Specialties: Recruitment and Selection, Performance Management, Employee Relations Management Organization Development and Training Functions.

- **Amr Sadek (Corporate Account Manager)**

Account Manager at Blue Sky Travel Hurghada Branch from 4 years ago, and before that he was one of the Help desk specialists in Amadeus Egypt as an intern for 6 months.

He is experienced in ticketing reservations through Amadeus System, reservations for both domestic & international Holidays, and well oriented for B2B online Systems, and dealing with different agents from all over the World, handling all the customers' requests starting from the visas issues, transfers, tickets, trains, hotels and tours till the Groups handling for Companies like incentive trips or event trips. One of the finalists in Amadeus Tech Travel Challenge MENA Region 2017 and took the opportunity to be part of the great event in Dubai.

- **May El Ahwany (Assistant Corporate Manager)**

Her main objective is to obtain a challenging, rewarding position in the travel industry; to utilize my creativity, management skills, and experience.

She is a talented, dedicated, and creative professional with proven success and expertise in the travel industry. She is highly organized, with excellent interpersonal skills.

- ❖ **Loan Investment Proposal**

- **Amount requested**

The amount requested is 1,000,000; will be requested by loan.

- **Purpose and uses of funds**

The funds will be needed to finance the cost of buying their own busses to transport the customers instead of always renting busses.

Basically because of the raise in the prices of gas, all the renting is costing them a lot, so they decided to invest in buying their own transportation.

Also, money will be spent on campus, registration, decoration and internal preparation of the place, and employees' wages.

- **Repayment or "Cash out" Schedule**

The company is keen to repay the cash needed through semiannual installments on 5 years with 14% interest rate.

## **11. Plan of Operation**

### **11.1. Form of ownership chosen and reasoning**

There are 3 forms of ownership: Sole Proprietorship, Partnership, and Corporation. According to Thomson's (2012); Sole Proprietorship is a business that legally has no separate existence from its owner. Income and losses are taxed on the individual's personal income tax return.

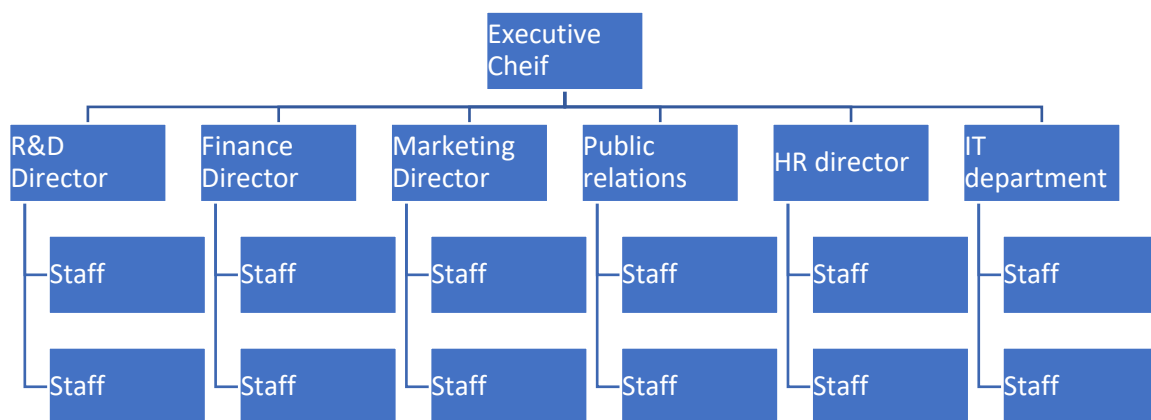
While Partnership means a partnership is an arrangement in which two or more individuals share the profits and liabilities of a business venture (Thomson, 2012). On the other hand, corporation is defined, as a corporation is a legal entity that is separate and distinct from its owners. Corporations enjoy most of the rights and responsibilities that an individual possesses; that is, a corporation has the right to enter into contracts, loan and borrow money, sue and be sued, hire employees, own assets and pay taxes. It is often referred to as a "legal person" (Thomson, 2012).

Blue Sky company is a form of sole proprietorship were the business has only one owner who is Khaled El Shaer whom is responsible for all the decision making.

## 11.2. Company structure

Organization structure is a system used to define the shape of hierarchy used within an organization, moreover, organizational structure refers to the way people and jobs are arranged so the work of the staff and goals and objectives of the company can be meet. Furthermore, it includes the description of each job and how they are correlated to each other. The hierarchy structure of the organization is identified in a chart (Elsaid, Okasha & Abdelghaly, 2013).

Blue Sky Company uses the functional structure type since the company isn't a large organization and because there is small number of departments and for that all the departments usually work together. In addition, for each department there is a head director and under the head director are the employees and managers.



### 11.3. Decision making authority

In a Functional structure, the organization is divided into smaller groups with specific tasks or roles given. Furthermore, each department has a manager or director who's responsible for the others working in the same department and then the manager then reports to the chief executive where he discusses the decision making with all the head departments as it's a small structure. Moreover, interacting all the managers with the chief executive helps to make better decisions than the chief executive can do on his own.

## 12. Financial Forecasts

### 12.1. Financial Statements

#### 12.1.1. Income Statement

	31/12/2019	31/12/2020
<b>Interest from loans &amp; similar income</b>	1 189 270 851	1 159 449 184
<b>Interest on deposits &amp; similar expenses</b>	( 687 963 656)	(695 288 755)
<b>Net interest income</b>	<b>501 307 195</b>	<b>464 160 429</b>
<b>Fees and commissions income</b>	<b>132 768 412</b>	<b>92 201 015</b>
<b>Fees and commissions expenses</b>	<b>( 12 200 162)</b>	<b>(9 644 195)</b>
<b>Net fees and commissions income</b>	<b>120 568 250</b>	<b>82 556 820</b>
<b>Dividends income</b>	<b>60 388 679</b>	<b>43 249 228</b>
<b>Net Trading income</b>	<b>201 202 872</b>	<b>98 715 762</b>
<b>Real estate investments</b>	<b>159 516 963</b>	<b>121 243 847</b>
<b>Profit from financial investments</b>	<b>27 825 768</b>	<b>11 475 207</b>
<b>Impairment of loan losses</b>	<b>( 44 614 435)</b>	<b>(37 813 983)</b>
<b>Administrative expenses</b>	<b>( 571 782 017)</b>	<b>(459 593 672)</b>
<b>Other operating (expenses) Revenues</b>	<b>( 15 909 477)</b>	<b>10 893 652</b>
<b>Net profit for the Year before taxes</b>	<b>438 503 798</b>	<b>334 887 290</b>
<b>Income Tax Expenses</b>	<b>( 132 351 197)</b>	<b>(88 109 759)</b>

## 12.1.2. Balance Sheet

	31/12/2019	31/12/2020
<b>Assets</b>		
<b>Cash and balances</b>	1 359 064 143	835 499 806
<b>Balances at banks</b>	2 065 511 275	1 140 215 021
<b>Bills</b>	5 410 470 130	2 631 212 837
<b>Financial assets for trading purpose</b>	2 405 351 149	897 591 734
<b>Loans and facilities to customers</b>	6 514 695 542	6 023 132 992
<b>Financial investments:</b>		
<b>Available for sale</b>	71 402 170	46 789 475
<b>Held till maturity</b>	939 069 363	701 014 241
<b>Investments in Associated &amp; subsidiaries companies</b>	906 195 912	925 048 590
<b>Consumer projects</b>	995 889 970	946 979 163
<b>Real Estate Investments</b>	60 787 964	57 828 444
<b>Other assets</b>	358 205 346	233 832 791
<b>Deferred tax assets</b>	2 134 094	1 522 705
<b>Fixed assets</b>	161 633 548	151 681 743
<b>Total Assets</b>	21 250 410 606	14 592 349 542
<b>Liabilities and Equity</b>		
<b>Liabilities</b>		
<b>Due to banks</b>	147 887 536	34 331 888
<b>Customers' deposits</b>	15 145 097 391	8 869 181 832
<b>Other loans</b>	1 282 752 169	1 310 172 822
<b>Dividends Payable</b>	563 676	884 777
<b>Other Liabilities</b>	2 217 855 072	2 121 513 949
<b>Provisions</b>	96 431 956	95 026 246
<b>Current income taxes obligations</b>	86 743 092	22 566 385
<b>Retirement benefit obligations</b>	25 932 526	24 977 056
<b>Total Liabilities</b>	19 003 263 418	12 478 654 955
<b>Equity</b>		



<b>Paid-up capital</b>		1 265 000 000	1 150 000 000
<b>Reserves</b>		650 824 903	706 197 148
<b>Retained earnings (Net profit of the year included)</b>		331 322 285	257 497 439
<b>Total Equity</b>		2 247 147 188	2 113 694 587
<b>Total Liabilities and Equity</b>		21 250 410 606	14 592 349 542

### 12.1.3. Cash Flow Statement

	31/12/2019	31/12/2020
<b>Cash flows from operations activities</b>		
<b>Net Profits for the year before taxes</b>	438 503 798	334 887 290
<b>Adjustments to reconcile net profit to net cash provided by operating activities:</b>		
<b>Depreciation and amortization</b>	35 304 354	20 787 294
<b>Provisions</b>	<b>87 423 925</b>	<b>58 427 123</b>
<b>Revaluation differences of trading financial investments</b>	(190962597)	(76 352 933)
<b>Impairment losses of financial investment available for sale</b>	<b>753 591</b>	<b>44 000</b>
<b>Impairment losses of equity in associates &amp; subsidiaries companies</b>	395 990	898 799
<b>Amortization of premium of held to maturity</b>	<b>5 796</b>	<b>365 500</b>
<b>Gain on sale of investment associates and subsidiaries companies</b>	(28 975 349)	(12 418 005)
<b>Other provisions</b>	<b>(2 595 101)</b>	<b>(6 186 549)</b>
<b>Provisions no longer required</b>	(6 639 583)	(12 554 130)
<b>Profit from selling fixed assets</b>	<b>( 557 104)</b>	<b>(2 212 973)</b>
<b>Operating income before changes in assets and liabilities from operating activities</b>	332 657 720	305 685 416
<b>Net decrease (increase) in assets</b>		
<b>Due from banks</b>	375 769 728	(733 454 622)
<b>Treasury bills</b>	<b>240 812 019</b>	<b>(421 651 973)</b>
<b>Trading financial assets</b>	(1 316 796 818)	(500 882 593)
<b>Loans and facilities to customers</b>	<b>(500 584 819)</b>	<b>(258 469 734)</b>
<b>Real estate investments</b>	(56 471 830)	(62 137 813)
<b>Other assets</b>	<b>(40 657 190)</b>	<b>200 998 891</b>
<b>Net increase (decrease) in liabilities:</b>		
<b>Due to banks</b>	<b>113 555 648</b>	<b>2 553 191</b>
<b>Customers' deposits</b>	6 275 915 559	735 641 010

<b>Other liabilities</b>		<b>19 705 495</b>	<b>875 793 479</b>
<b>Paid income Tax</b>		(93 615 344)	(75 622 349)
<b>Net cash flows provided from operating activities</b>		<b>5 350 290 168</b>	<b>68 452 903</b>
<b>Cash flows from investing activities</b>			
<b>Payments for purchase of fixed assets</b>		<b>(42 521 399)</b>	<b>(16 310 441)</b>
<b>Proceeds from sale of fixed assets</b>		799 822	2 221 162
<b>Payments for Purchase financial investments rather than trading investments</b>		<b>(714 405 146)</b>	<b>(19 707 284)</b>
<b>Proceeds of financial investments rather than trading investments</b>		450 977 942	184 487 623
<b>Proceeds from disposals of associates and subsidiaries companies</b>		--	<b>13 950 000</b>
<b>Net cash flows (used in) provided from investing activities</b>		(305 148 781)	164 641 060
<b>Cash flows from financing activities</b>			

### **12.2. Break-even Analysis**

Blue Sky would be able to break even after covering all its fixed and variable costs through the sales of travel packages. Break-even analysis involves the calculation and examination of the margin of safety for the company based on the revenues collected and associated costs so the company would be able to know when it will start to profit.

### **12.3. Ratio Analysis with comparison to industry standards**

Blue Sky should use financial ratios in order to be able to analyze the financial performance of the company. In any industry, there are industry benchmarks that companies have to be above in order to be able to compete. Blue Sky should compare their ratios to the ratios of the travel and tourism industry.

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