Business Plan

OWNER

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Executive Summary

<u>TripHelp:</u> TripHelp is a mobile application that was created by John R. McDonald to make people's lives easier and more enjoyable when traveling.

<u>Background:</u> My name is John R. McDonald and I am currently a freshman at Wofford College in Spartanburg, South Carolina. I initially came up with the idea of TripHelp as I was traveling to college in Spartanburg from my hometown in upstate New York, Rochester NY. The drive from Rochester, NY to Spartanburg, SC is approximately twelve hours and as I was crossing the Pennsylvania border, I thought to myself - what would make this trip more efficient? That is when the idea of TripHelp originated. I did not act on the idea during my first semester, however, as I was preparing to fly home for winter break, I decided to expand this idea and create a mobile application.

<u>Fundamentals:</u> TripHelp is a mobile application for smartphones that will make traveling much easier in all aspects. If you are flying, driving, taking the bus or train, TripHelp will find the easiest and most efficient way for you to get from one location to another. TripHelp will also provide you with important information that will be beneficial to you while you are traveling - information pertaining to gas stations & gas prices, hotels, restaurants & coffee shops, events and things to do, friends in close proximity and much more. TripHelp finds the cheapest way to travel from point A to point B while also having information available to you from boarding passes (if flying) to what is at the next exit (if driving), all in the palm of your hand. TripHelp will benefit the most experienced traveler as well as the inexperienced traveler. TripHelp's target market consists of frequent travelers such as people traveling for business every day to the sporadic traveler who might only travel once or twice a year. Our goal is to not only establish a large presence in the United States but also overseas in places like China, India and Brazil, where demand for this product could be significant. TripHelp is currently owned solely by John R. McDonald. Guidance has been provided by family members, friends, and The Space at Wofford College, which is a career services and entrepreneurship center. TripHelp holds a promising future in an industry that is currently one of the fastest growing industries in the world. Although there are currently similar types of competing applications on the market today, TripHelp will do things differently and also provide services that the competition does not offer. The future of TripHelp is very exciting with significant upside potential in the ever-changing technology market!

General Company Description

Company: TripHelp LLC is a mobile application business that will optimize travel from one destination to another.

Mission Statement: TripHelp was created in 2015 to benefit all people while traveling - whether it be the every-day business traveler to the occasional vacation traveler, TripHelp will assist the traveler by showing the most efficient and cost effective way to get from point A to point B.

Company Goals and Objectives: Our goal at TripHelp is to benefit every traveler worldwide while creating the best quality and most efficient product on the market. One important objective of TripHelp is to double the number of downloads on an annual basis downloads after the first year of launch.

Business Philosophy: TripHelp has many business ideals, but mainly we want to create the greatest product on the market while satisfying every customer in the most efficient way possible.

Marketing: We will be marketing to individuals who travel on business every week and to families that plan a vacation once a year, and everyone in-between. Our goal is to take our company worldwide and be on every continent. Further information in the Marketing Plan section.

Industry: TripHelp will be in the mobile application industry. The application industry is a growth industry and is currently one of the fastest growing industries worldwide. Companies and start-ups are constantly developing something new and this industry is always changing - both in the short and long term. TripHelp will take advantage of these changes by continuously updating our mobile application and making the necessary upgrades and changes as needed.

Core Values: Our core values are efficiency, quality and dedication. TripHelp has joined with one of the best app developers in the world, Appster Inc., where we will work to make the best quality product in the fastest and most efficient way possible.

Legal: TripHelp is a sole proprietorship and is working towards becoming a Limited Liability Company (LLC).

Product and Services

Product: Our product at TripHelp is a mobile application to be sold in various app markets. The product TripHelp, is a simple sign up process where you enter an email and password to register for our services. We provide easier services in all forms of travel whether you are going to visit family two hours away or traveling around the world. Starting is simple - you first plug in your destination along with your starting point, which would most likely be your current location. The app will gather the information from point A to B and compare if it is cheapest to drive, fly, take a train or a bus. You will select your method of transportation, and if one chooses an automobile, for example, you will then plug in the the make and model of the car that you would be driving. Trip Help will calculate the miles per gallon and how many miles you will be able to drive before you will have to fill up. It will also tell you the number of stops necessary along the way and determine how many times you will want to stop based on time of travel. During the drive, TripHelp will find the most affordable prices for gasoline as well as for food & beverages along with the prices of any other commodities along the way. In addition to gas & food prices it will also determine scenic locations, national parks, amusement parks and much more.

If you choose to fly, this app. will compare the prices of the various airlines; and also give you the names of the restaurants and shops that are located in your specific airport, including locations where you might have a layover. TripHelp will also hold mobile boarding passes for your convenience.
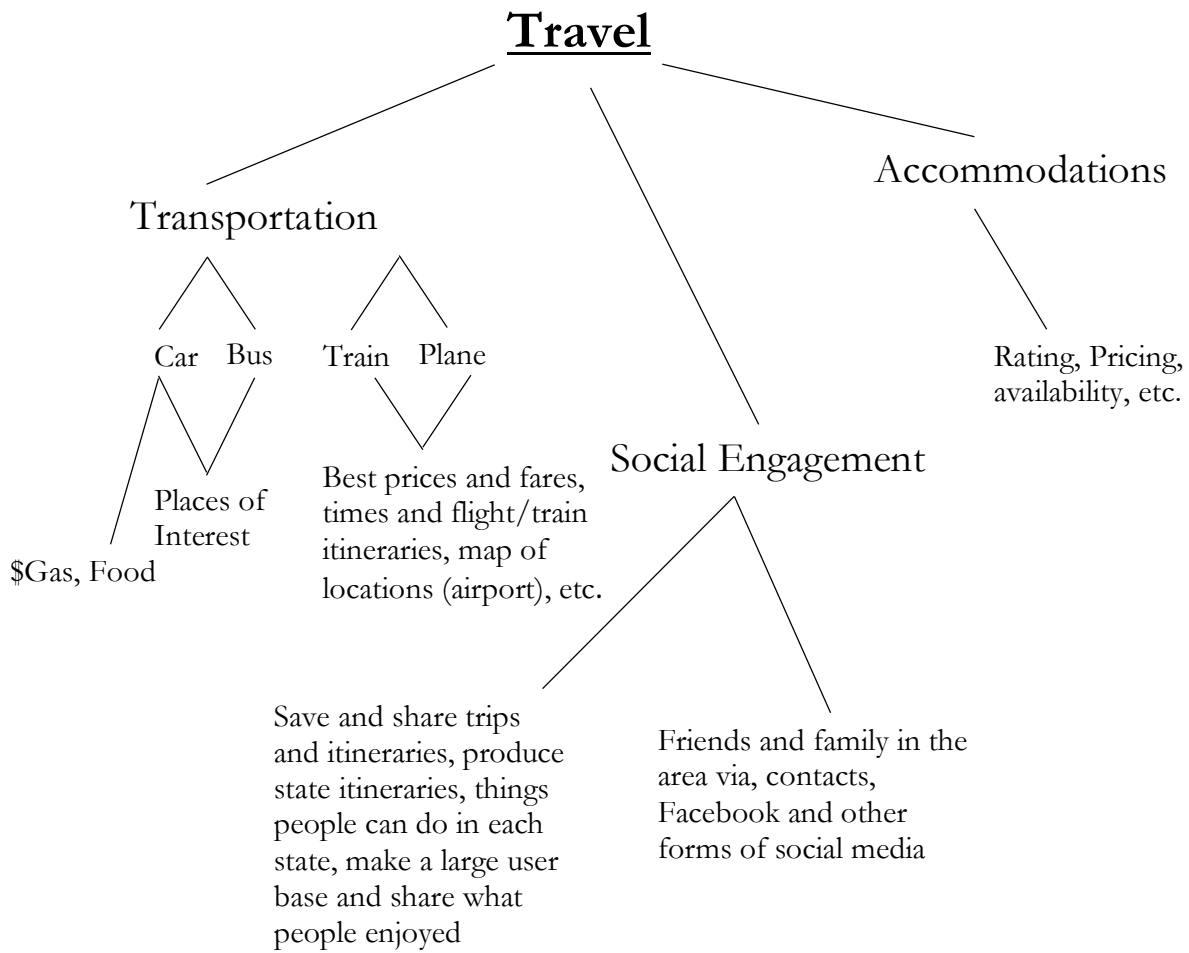
Information for bus and train travelers will be similar to those who fly, except it will also include places of interest, along the way, just as you would have when driving an automobile. Once you arrive at a specific destination, TripHelp will find the most affordable hotels and places to stay as well as options for dining and other goods & services.

When planning a trip, you will input specific things that you are interested in such as sports, concerts, shopping, etc. and this app will find any and all applicable events that are in close proximity. TripHelp will find the best and cheapest things around the area where you are located. It will also incorporate your contacts and Facebook friends and other social media connections to link them to the destination where you are going. It will determine, by your area code on your phone and current city on Facebook or other social media friends, family and business associates who are close by and if they will be in town. The app will save all of your trips and if you enjoyed them or not, for future reference.

Advantages: TripHelp will be developed by app developers at Appster, which is one of the best app. development companies in the world, in order to create the best product. With the service of Appster and our knowledge we will produce the best product with the highest quality on the market. There are currently other products available in the marketplace offering some of these services, however TripHelp is unique due to the fact that all of its features are available in one single useful application. TripHelp is designed to make everyone's life easier.

Pricing: TripHelp is a free application where it will generate revenue by charging a subscriber fee or five dollars. It will also generate revenue through advertisements. These are just preliminary options and revenue and pricing are still to be determined in terms of our product.

Travel

Transportation

Car   Bus   Train   Plane

Places of
Interest

Best prices and fares,
times and flight/train
itineraries, map of
locations (airport), etc.

$Gas, Food

Social Engagement

Save and share trips
and itineraries, produce
state itineraries, things
people can do in each
state, make a large user
base and share what
people enjoyed

Friends and family in the
area via, contacts,
Facebook and other
forms of social media

Accommodations

Rating, Pricing,
availability, etc.

Marketing Plan

<u>**Economics:**</u>

<u>Target Market:</u> TripHelp hopes to benefit everyone in the mobile application world in a positive way. Our primary target market consists of frequent travelers - primarily those who travel for business as well as families and individuals who travel for leisure. Not only does TripHelp want to benefit those within the United States, we also want to reach a global level being able to optimize travel all around the world.

<u>Size:</u> The mobile application industry is one of the largest growing industries in the world. Currently 91 percent of the adult population owns a cell phone and 61 percent of that group own a smartphone with the ability to download an application. By the end of 2016 it is projected that the world population will be 7.3 billion, with 10 billion mobile devices with internet connectivity. Statistically, there will be 1.4 phones per person by the end of 2016. The mobile application market is projected to generate $77 billion worth of revenue by 2017.

<u>Current Demand:</u> Applications are being demanded at a higher rate than ever before. The market is predicted to reach 268 billion downloads by 2017. Individuals are demanding apps more than ever, mainly because the mobile device industry is growing so fast.

<u>Market Trends:</u> People, especially in cities are demanding efficient travel applications more and more. The current demand is high but it is rapidly increasing in growing economies like China, India and Brazil. Consumers are demanding more efficient quality apps, and TripHelp will be exactly what they are looking for. With developers being able to update the system and quality of the application continuously, TripHelp will be able to make changes to any market trends or demands.

<u>Growth Potential:</u> The mobile application industry is one of the fastest growing industries in the world. TripHelp will make the necessary changes to increase its growth in the mobile application market. Travel applications are on high demand in urban areas outside the United States, like India and China. The opportunity for growth of our company is tremendous, in one of the fastest growing markets in the world today.

<u>Potential Challenges:</u> There are many potential barriers that our company may encounter. High capital costs are one of them. TripHelp currently is predicted to have a capital cost of around $300,000. This cost is relatively high but has reasoning behind it. TripHelp will have to compose many extensive algorithms for our product. The capital costs are also a production cost. The $300K is a capital cost and a production cost because it will be used for programming and launching of the application on the market. TripHelp may also accrue high marketing costs. We are still deciding whether or not to work with a Marketing firm, but we will also use many other marketing resources, such as free social media, developing an email list, etc. Another concern of ours is consumer acceptance. We believe that our application will work incredibly well, and working with Appster we will create the best quality app we can put on the market through a process of rapid prototyping. We will launch a product and then add features to it from the demands of the people.

Overcoming Challenges: The capital and production cost barrier will be overcome by raising capital and money through investors and seeking financial support from other successful companies. Another solution to our marketing cost, like briefly described earlier in the barrier section, TripHelp will seek to find marketing in many free agencies such as social media, blogging, and other resources. We are also potentially going to reach out to a marketing firm to gain guidance in marketing our product. There are multiple app marketing firms, and TripHelp is currently contacting firms to gain cost estimates and other information regarding services.

Potential Changes: In any industry there are many potential changes such as technology change, economic changes and changes in the application industry. TripHelp will respond to a technology change by creating a product in response to that change. If there is a new development in the technology world, we will be sure to make a high quality product for that change. If there are any changes in the economy or mobile application industry, our company will take the necessary steps to adapt and change according to the market.

Product: TripHelp has many features that can benefit anyone, from the most experienced travelers to the occasional travelers. The product is used to help make the traveler's life easier in every way possible - not just one aspect of the trip but rather, all aspects of the trip. The product is described in much more detail from the producer and consumer's point of view, in the Product and Services section above.

Customers: TripHelp wants to target as many customers as it can. Our target market is broken down into two groups, business travelers, and vacation/family travelers. Both of these groups are significant, to help grow and market our business. The age of these groups will be between the ages of 20-40 years old. These groups will be most technology savvy and have statistically used mobile applications the most. Geographically we plan to target groups mainly in urban areas but we will also reach out to the suburbs and the rural areas, too. We plan to start by marketing in the United States but we will also market to customers on a global scale. We will go after customers in growing economies such as China, India, Brazil, and Western Europe. We also plan to target people with mid to high levels of income and initially, people who travel frequently. For the first group in our target market, the occupation will be one whereby the individual travels frequently for business. The most important feature in our target market will be those who own a mobile phone with internet connectivity and frequently use it.

Competition: The mobile application industry is one of the largest industries in the world therefore, there are many start-up application companies that are being launched and many large companies that could be considered competition. Competitive companies could potentially be Priceline, Expedia, Kayak, TripAdvisor, and Yelp. These companies would not be straight competitors across the board, but all of these companies have similar ideas that are encompassed into the product TripHelp is putting on the market. There could potentially be indirect competitors for people who do not wish to have their mobile phone carry all their travel information. Also, direct airline and travel agencies could potentially be competitors in this market. Another competitor to our application is Google Maps and Apple Maps. These companies incorporate features that TripHelp uses as well but TripHelp optimizes it better.

Niche: TripHelp helps travelers in a multitude of ways. The reason that TripHelp is the application to select is because we are the first product to combine all of the travel necessities into one single application. Many applications have been created to help travelers make their lives easier when they travel but they are all scattered over several applications, while TripHelp combines all of these aspects and has them all in one place.

Strategy: Below lists the fundamental parts to promoting TripHelp. All these ideas are subject to change especially as we become more knowledgeable as our business grows.

Promotion: TripHelp intends to market our product through advertisements using social media, an email list, reaching out to businesses and potentially teaming up with a marketing firm to help market our application. The social media TripHelp will use will be twitter, Instagram, and Facebook, along with LinkedIn. We have decided to use low cost method such as using free social media services, sending out emails and basic human to human advertising with little to no cost. As our product grows, we would highly consider teaming with a marketing firm. We want to project the best image for travel. We want customers to use us as a convenience and being helpful in as many ways as possible throughout a travel experience. Our company has several associates to be considered for graphic design support and to team up with a logo company to design our app icon and our logo. Being an application for repeat customers we plan to send out a newsletter every month or two regarding promotions in popular areas and reviews on the best trips taken.

Promotional Budget: TripHelp is seeking roughly $25,000-$30,000 for our beginning marketing budget. From there the numbers put into promotion will increase and the plan is to use 15-20% of revenue to be used for marketing and promotion.

Pricing: TripHelp will make a price of 3 months free for trial then to update to the Pro version mainly targeting business travelers. The rate will be $3-5 a month. It will be a subscription based service and will have free version and the app itself is free rather than charging a fee.

Distribution Channels: Our goal at TripHelp is to distribute all over the world. We are a mobile service and will be sold through App stores such as the App store at Apple and Google Play store. We plan to distribute directly to customers through those stores.

Operational Plan

TripHelp is a technology company, that will be run daily by John McDonald. The company currently does not have a location or a business building. We are a single employee company teamed up with an application developer. Appster is our developing company out of California.

Production: Our application is our sole product right now, and will be developed by Appster Inc. TripHelp will oversee all production and all progress being made on the application.

Production Techniques and Cost: The production of TripHelp will be through computer programming. Appster Inc. will handle the coding of TripHelp through which it will make apps available for the Apple App Store and Google Play store. The cost estimate of the production of this application is $300,000.

Customer Service TripHelp will provide the best customer service possible. We have one employee who will be responsible for any issues that arise. Throughout the development phase all issues will be directed to John McDonald but, as the company expands and grows customer service will be one of our focal points, and TripHelp will make any necessary additions.

Product Development: Our product is currently not in production, because TripHelp is seeking proper capital to fund production. TripHelp anticipates to have a beta or prototype form of our product ready by the fall and a final product by the end of 2016.

Location: The location for TripHelp is not highly demanding. With one employee, the main components of the business will just need a place with basic internet connectivity. As the company grows the demand will most likely be greater for a larger space and TripHelp will make the necessary accommodation.

Legal Environment: Currently TripHelp is in the process of becoming a corporation or LLC. TripHelp will seek trademark rights for the name of the company and the logo in which we produce. We will also seek copyright rights when the tangible IP is written. Patents are expensive for certain ideas and are avoidable in the technology industry through pivoting. Therefore, TripHelp has conducted searches and will conduct a search through our attorney regarding other patents and ideas currently protected. We are taking a proactive approach, so in the future we will not have to deal with litigation and patent infringements.

Personnel: Currently TripHelp is a company with one employee. As the company expands and grows, TripHelp will hire additional employees who fit our requirements in terms of knowledge and professionalism. These individuals will most likely have some form of business background. This section will be written in greater detail when it becomes necessary. Currently TripHelp has one employee and another company that works with TripHelp.

Management and Organization

TripHelp will be managed on a day-to-day basis by John R. McDonald, who is currently a freshman at Wofford College in Spartanburg, South Carolina. TripHelp is the first company in which he has managed but has business knowledge and experience from past jobs. If anything were to happen to John R. McDonald, the company would be run by either James P. McDonald or John D. McDonald.

Professional and Advisory Support:

Founder: John R. McDonald
Attorneys: Dennis Danella, Greg Broikos, and Sean Jensen
Accountant: John R. McDonald
Mentors: James P. McDonald, John D. McDonald, Tyler Senecal

Startup Expenses and Capitalization

Expenses: TripHelp has put in much research into determining an accurate estimate on the start-up expenses and cost of running the business. Currently about $7,000 is invested into TripHelp for the star of the company. The company will not need a significant amount of money to run the day to day business. But the start-up and programming fees can potentially be drastic. The chart below has a description of the start-up expenses.

Expense	Cost
Appster Initial Fee	$7,000
Developing Expense	$250,000
Marketing Expense	$30,000
Incorporating Expense	$1,000
Attorneys Expense	$2,000
Travel Expenses	$3,000
Salary Fees	$5,000
Intellectual Property Protection	$10,000
Total	$308,000

All the costs listed above are estimates currently. Direct quotes will be received for development after meetings with Appster. The marketing expense will be exact once TripHelp decides on a specific marketing firm to work with. Also, TripHelp is still deciding whether or not it will file for a patent for the ideas listed above because app ideas are tougher to gain patents for due to pivoting.

Financial Plan

Financials: A copy of cash flows and growth projections as well as financials for years to come such as a balance sheet, and income statement, are all attached directly after the appendices section of the business plan.

Refining the Plan

Raising Capital for Investors:

Right now TripHelp is in the start-up phase and need start up capital in the short term. Currently in the section above titled start-up capital and expenses is the rough estimate at what our company will need to get off the ground. The costs above are estimates and are subject to change. Within the next two to five years the company will grow and continue to need capital to make changes and updates to the application along with marketing costs. Another potential addition to the company would be to create and generate a website for all computing devices. All the costs needed will benefit the company in a significant way in terms of further development to help the application grow and add new features as well as marketing costs to further benefit making a name brand. At TripHelp we intend to give up equity for investments in our company. The return on investment will come from a sales prediction and most likely be matched by our exit strategy which is to ultimately sell TripHelp to a larger company for a valuation price. We intend to give up, up to 40 percent of TripHelp to investors. We will report and give financial reports to investors at any time they are asked of us. Investors will gain a spot on our board of directors in which they will be able to guide and help better the company with their knowledge and experience.

High Technology Company:

The economic outlook for the application industry is tremendous and is one which is growing day in and day out. The number of users as of 2015 has grown to 160 million mobile app users worldwide and approximately 67 percent of those users use a form of maps applications on their phone. Therefore, there could potentially be 107 million map application users. This number is generally going to rise over the next few years because more and more people are switching to smartphones. Our product will be cutting edge having the best features for every aspect of our mobile application. The company will remain competitive by doing what other companies do not do - it will help travelers who use the app have a much easier and less stressful travel experience. TripHelp will change the way the traveler, travels. The company will protect intellectual property by applying for copyrights and patents when it becomes necessary.

Appendices

Source A: Financial Spread Sheet/ Statement of Cash Flows

Source B: Initial Survey Result

Source C: Email List