

Chalk Out

Business Plan – IT Strategy

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Company Overview

Chalk Out is a start-up company with a aim to cater to all the needs of a travellers trip at one single platform. Our prime focus is to make their travel trips as smooth and enjoyable as possible by sketching out a plan for them through our platform. Our platform also aims to provide informative resources for potential travellers to keep them abreast of all things travel. We are aiming to use technology to improve visitors' experiences all over the world. We want to transform the tourist sector by providing superior customer services that will make traveling simple and comfortable.

Chalk Out is founded by three students from Rutgers University located in Newark. The company is based in the state of New York. Our company will consist of a 5 member core team. The founding three members serving different roles namely the CEO Achaleshwari Patil, COO Nikita Bijwe and CTO Tejal Deshmukh followed by a CMO and CFO. We have also employed 30 full time and 10 part time employees. The core team will function from their office in New York while all the full time and part time employees will have their operations carried out from Mumbai, India. Our team has an interesting mix of Product Managers, Business development managers, Marketing Specialists, Customer service representatives and web developers and designers. As our company grows, we may expand our workforce globally. We all are working together to make travel hassle free for all our travellers.

Market Research

Travelling is thrilling in every way. Well, that thrill does come bring along a lot of uncertainty and confusion. Bad weather, lengthy lines, heaps of travel documents are just a few of the factors that can make you want to shout in despair while waiting at the airport. The list is endless but we'll instead focus on building a platform that will check all the boxes on a travellers list as well as provide him/her with ad-hoc assistance by assessing the travel plans. In the last several years, the travel industry has changed manifolds. However, this still doesn't help travellers in calming their nerves just before their trip commences. People travel all across the world for a variety of reasons as world exploration, business trips, education, destination weddings and photography. We found that apart from the stress mounted by fundamental steps such as flight tracking, online check-ins there are lot of other processes such as pre and post departure document check listing, availability of pick up and drop facilities for departure and arrival airports and lot of other such issues. We conducted an online survey by targeting individuals from all walks of life to get an idea of the need of the travellers based on majority of the issues highlighted via survey. So we decided to create a centralized platform that addresses the issues as well provides additional support on all things travel.

Market Opportunity :

We identified a host of problems faces by travellers on a regular basis. However with the advent of novel developments in the market we thought of leveraging the power of technology coupled with careful market research outcomes.

- 1) Providing a central platform to suggest or help an with an itinerary for various travel purposes.
- 2) Book (both domestic and international) as well as track and the booked flights.
- 3) Travel essentials such as trip organizer to keep your travel documents, itineraries, lists of things to carry at one place, time shifter throughout the flight, currency convertor and country/state rulebook.
- 4) Easily view the airport map and find different routes, locate different stores, food joints and find check in gates in an unknown airport.
- 5) Availability of all possible long term/short term car rentals and Airport shuttles from the destination airport.
- 6) End to end prompts based on GPS location/ pre-entered travel itinerary on the platform till you end your trip for worry free trip experience.
- 7) Special support to wedding travellers and photography/creative trotters with the our services.

Our platform will help to provide a one stop travel buddy to our customers which will guide and walk with them every step of the journey from start to

end. This is a pocket friendly support to ward off all the anxiety a traveller goes through during the journey. We are providing services which are individual applications out in the market at one central platform so that travel becomes a friendly experience and not a daunting task for all the travellers.

Target Market :

As we are aware, travel is an important part of people from all walks of life. We have listed our start-up's target markets below :

- 1) Young people which includes college goers, study abroad students, couples but not limited to are likelier to travel for reasons such as a group meet ups, exploration, photography, blogging and vlogging purposes as well as adventurers who are on a lookout for exploration.
- 2) Professional or work related trips for office workers, global and local organizations as well as non-profit organizations willing to travel for the purpose business improvements or expansion.
- 3) People working or self-employed in the creative space who are enthusiast about exploring destinations in an affordable manner for the purpose of creative exploration.
- 4) Affinity groups with mutual likings which can also consist of seniors are a part of our target market plan.

Application Details :

1. The ability to show the user's flight prices from different sites, allowing them to compare the costs from various websites to choose the most affordable price. Furthermore, we will be providing a filter saving capability to allow user to save the search results to be visited again. Also, an export search results option for offline viewing purposes will also be made available.
2. Track the real-time status of different airlines on their dashboard as well as view a constant status update of whether the flight is on-time, delayed or ahead of time will be flashed.
3. Show up suggestions of possible long term/short term car rentals and Airport shuttles from the destination airport after arriving at the trip location.
4. Easily view the airport map and find different routes, locate different stores, food joints and find check in gates in an unknown airport.
5. Reservation for Lounge, restaurants, relaxation booths both at departure and arrivals.
6. Real – time push notification throughout the travel plan on the application helping travellers to proceed to the next step in the journey.
7. GPS technology, the app knows when the user is at the airport and changes the dashboard to show Wi-Fi connection instructions.
8. World Weather Online integration, the app provides the passenger with weather updates for their destination as well as local weather updates.
9. Future traveling destination suggestions based on past traveling history, as well as free travel destination suggestions for inspiration.

10. Trip organizer to keep your travel documents, immunization records as per requirements of the destination country, itineraries, lists of things to carry at one central place.
11. Suggestion for hit Photography locations and available professional photographer services at your destination. Also word-press tie-up that shows photography themes to use while clicking photos (both paid and free)
12. The app also plans to ask some questions/preferences that can help in case someone is looking for a location for a destination wedding or engagement/proposal. (questions such as weather, time of the year, number of people are a part of this survey)
13. Suggestions for home rentals/ hotel upon arrival at destination by tying up with big brands such as Airbnb and Zillow.
14. Based on destination and use of GPS location, suggestions for nearby markets to purchase food, clothing and tourist shopping destinations.
15. Application messaging which allows travellers to build connections and share information.
16. 24/7 Approachability ensures the app is available at your service anytime, anywhere.

Pricing Information:

We plan to make 2 options of our application available to our customers depending on the type of features in each of these options :

Chalk It (*Freemium*) :

- Flight comparison and booking.
- Flight status update, on-time, delayed or ahead of time will be flashed.
- Ability to book hotels, car rentals, cabs.
- 15 Suggestions of places to visit in neighbourhood both at departure and destination.
- Travel guidance for necessary documents to carry for the traveller.
- Ability to download 5 destination to-do ideas list.
- Trip Organizer for only 5 trips planned through our application.
- 25 connection requests to other potential customers on our application.
- A rulebook for every country that provides information about visa information, vaccine information, baggage size/weight, insurance requirements.

Chalk It (*Premium*) :

Yearly Plan : \$60

Monthly Plan : \$7

Includes Everything in Chalk It (Freemium) but all features will be unlimited, plus

- Baggage scanner to keep track of your Bags and avoid the hassle at baggage claim.(Specially will help during International Travel)
- Time shifter which will be displayed on the dashboard as per destination. Also integration with mobile clock to provide changing time as per time zone.
- Currency and metric converter
- Language translator for different language
- Trip whistle that shows emergency contact for every country or domestic country locations
- Airport store Vouchers for maximum app use/click through rate
- Quick rulebook for every country to be prepared with visa information, vaccine information, baggage size/weight, insurance requirements.

Initial Market Plan:

Since we have a target audience for our strategy, we would be proceeding with some of the initiatives listed below for a successful release of our application:

- We plan to spread the word through advertisements on the internet via most frequently visited websites targeted across various types of travellers at least 4 months in advance.
- Arrange for Tabling events in University campuses, Malls and Airports.

- Releasing a short video (teaser) on social media platforms such as Facebook, Instagram, and YouTube to create buzz amongst masses.
- Running surveys in colleges, prospective affinity groups, senior travellers association and hiking groups.
- Association with social media influencers that can help build excitement among customers before the app launch by providing a sneak peak of our platform on their handles.
- Building a helpful store page for an app store optimization procedure that will aid in the success of our start-up app and help it rank in the top 10 of all potential app stores.
- The company will publish announcements in magazines, tourism offices, so that the company and their services would get known.
- Publishing our own blog on medium, word press and other platforms which gives insights and details about the upcoming application that we are about to launch.

Porters 5 Forces

1. Competitive Rivalry

Currently, the competition in the industry is low or negligible as this is one of a kind app. Standalone travel applications like Hopper – Flight booking, Airbnb – Rental Bookings, LoungeBuddy – premium access to lounges, do exist in the travel industry.

There is nowhere a one-stop application that allows a traveller to resolve his traveling needs right from the flight booking, to assist him in his journey, till he is back home. Thus 'Chalk Out' comes into picture which provides its users assistance in flight booking, defining a travel Itinerary, country wise rule sets, booking lounges and car rentals, airport mapper and many other features.

Since we are first in the market there is no barrier that exist. Our marketing strategy as stated in earlier section would give us maximum downloads and higher application usage. We would be established player in the market when the rivals would enter the travel industry.

2. Supplier Power

As the product is software based human capital, infrastructure and software/cloud services would be required to build the application.

1. In terms of Infrastructure, we would be renting office spaces with WeWork, and Regus platform. The spaces would be available at much less expense. Also, employees would be given a 'work from home' option which would be efficient for productive growth.
2. In terms of Human Capital even though our main office would be in New York, much of the product development part would happen in India. This would give us a chance to curtail cost-to-company, but making sure that reasonable wages are offered to employees in terms of skills sets and knowledge.

3. We would be needing software platforms to develop our application. Apart from this, cloud services such as Microsoft Azure, Amazon Web Services, Google Cloud, etc, would be required for data storage and to streamline operations.

Since there are many companies providing the above-stated services the power of suppliers is low. We can choose the services which fulfil our requirements. We have the power to negotiate as per our budget and not worry about the suppliers.

3. Buyer Power

The bargaining power of users is vital with respect to the travel Industry. The users would expect an all-purpose application like 'Chalk Out' to fulfil their demands along with being user-friendly. As we don't have precise competitors in the industry, but some other travel applications have chance to align their future goals with our ideas. Hence, the first task at our hand would be to file for patent for our code and the application. This will protect our Intellectual Property.

1. Our aim is to focus on making travel for user affable so we will be launching three different modules based on user usage. One would be free to use which would offer basic features, the two others would offer a blend of premium features.
2. We will be tying up with airport lounges, car rentals as well as Airline industry to provide user deals as well as promote them on the application so that it acts as a two-way -street.

3. The fun features added in the application would increase the Click Through Rate(CTR) of the application.

4. Threat of Substitution

There are multiple travel applications, car rental applications as well as airline bookings application which would act as a substitute for the application but these application are focussed towards a single domain. ‘Chalk Out’ aims to make travel convenient provides end-to-end service to users. Trip Organizer, Travel documents, Airport Mapper, Car Rentals, Baggage Tracking, Weather Report, and Immunization records are some of the application essentials. At present no such application exists which provides such integrated services.

The above features would be offered at minimal rates along with cyber deals and coupons to make the application more customer-centric. In-built application subscription would also be provided on Monthly, Six monthly, Yearly basis which will reduce the substitution cost and making the product more scalable.

Instead of downloading multiple applications for Travel needs, our application will act as a substitute for other applications.

The application will provide support for mobile platforms - Android, iOS as well as Desktop versions – Windows, Macintosh, and Linux.

5. Threat of New Entry

The potential for new entrants is high as there is a significant increase in the number of people using smartphones and the internet nowadays. Also, travel nowadays is not limited to going places for work reasons but also has become a profession for several vloggers, exchanging cultures and exploring different places as well as education purpose.

Definitely, the other companies or existing domain specific companies can find a potential market in the travel industry and come up with their own enhancements with lucrative offers such as promo codes and discounts. This will woo the customers to download these applications. By acknowledging this, and reduce the customer divergence risk we would take into account following strategies:

1. Copyright and patenting our source code along with application.
2. User feedback, customer chat support 24*7, fun features would make the users happy and content. This will lead to customers stuck to our application.
3. Airport shop deals, economical lounge access, car rentals at discounted rates would make the traveling experience more budget friendly as well.

Financial Model

1. Capital spending

The capital invested in the company is \$100000. The capital consists of the contributions of each of the five founding members. Each of the founding members would contribute a sum of \$20000 as an initial investment. We also plan to take a credit of \$50000, which we will invest in our company, realization of new challenges, and increase the number of our customers.

2. Projected Costs

Given below in the tabular format are the final projections for the first five years. We expect to see a net profit from two years onwards. Listed below are a few assumptions made to create the financial projections:

1. Our target is to have 10000 subscribers by the end of first year, 30000 by second year, 60000 by third year, 120000 by fourth year and 180000 by fifth year.
2. Advertising and marketing expense would be high in the first kick off year. Adding up clients eventually will level off these expenses.
3. Office spaces would be rented out using WeWork, Regus like platforms thus reducing capital cost.
4. Product development cost would be economical as significant development would happen in development centre in India.

| Financial Years | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 |
|---|------------------------|------------------------|--------------------------|--------------------------|--------------------------|
| Financial Groups | | | | | |
| Revenue | | | | | |
| Subscription | \$ 2,20,000.00 | \$ 7,00,000.00 | \$1,00,00,000.00 | \$4,35,00,000.00 | \$7,20,00,000.00 |
| Advertising and Marketing Costs | \$ 30,000.00 | \$ 45,000.00 | \$ 60,000.00 | \$ 90,000.00 | \$ 12,00,000.00 |
| Commission | \$ 70,000.00 | \$ 2,30,000.00 | \$ 14,00,000.00 | \$ 35,00,000.00 | \$ 50,00,000.00 |
| | | | | | |
| Equipment and Supply (Laptops and office essentials) | \$ 30,000.00 | \$ 45,000.00 | \$ 60,000.00 | \$ 8,00,000.00 | \$ 1,00,000.00 |
| Infrastructure | | | | | |
| Leasing office space | \$ 50,000.00 | \$ 70,000.00 | \$ 1,20,000.00 | \$ 2,20,000.00 | \$ 3,00,000.00 |
| Property Tax/Insurance | \$ - | \$ 500.00 | \$ 20,000.00 | \$ 50,000.00 | \$ 90,000.00 |
| | | | | | |
| | | | | | |
| Business Formation Fees | | | | | |
| Permits & Licences | \$ 500.00 | \$ 600.00 | \$ 700.00 | \$ 800.00 | \$ 900.00 |
| Trademark, Patent, Copyrights | \$ 500.00 | \$ 650.00 | \$ 750.00 | \$ 900.00 | \$ 1,000.00 |
| Business Insurance | \$ 300.00 | \$ 1,000.00 | \$ 5,000.00 | \$ 10,000.00 | \$ 25,000.00 |
| Domain Name/Hosting services | \$ 650.00 | \$ 2,000.00 | \$ 5,000.00 | \$ 7,000.00 | \$ 20,000.00 |
| | | | | | |
| Software Expenses | | | | | |
| Application Development/Upgrade | \$ 50,000.00 | \$ 70,000.00 | \$ 1,20,000.00 | \$ 3,20,000.00 | \$ 5,00,000.00 |
| Project Management Tools | \$ 20,000.00 | \$ 35,000.00 | \$ 55,000.00 | \$ 1,00,000.00 | \$ 12,50,000.00 |
| Social Media Management Tools | \$ 6,000.00 | \$ 8,500.00 | \$ 10,000.00 | \$ 15,000.00 | \$ 20,000.00 |
| Cloud Services | \$ 2,000.00 | \$ 3,500.00 | \$ 6,000.00 | \$ 10,000.00 | \$ 25,000.00 |
| Accounting/Invoicing/Payroll | \$ 560.00 | \$ 900.00 | \$ 1,000.00 | \$ 1,200.00 | \$ 2,200.00 |
| IT/Customer Support | \$ 1,000.00 | \$ 2,000.00 | \$ 4,000.00 | \$ 8,000.00 | \$ 15,000.00 |
| | | | | | |
| Human Capital | \$ 8,00,000.00 | \$ 9,00,000.00 | \$ 20,00,000.00 | \$ 45,00,000.00 | \$ 80,00,000.00 |
| | | | | | |
| Additional Expenses | \$ 5,000.00 | \$ 10,000.00 | \$ 25,000.00 | \$ 50,000.00 | \$ 70,000.00 |
| | | | | | |
| Reserve | \$ 2,50,000.00 | \$ 45,000.00 | \$ 50,000.00 | \$ 75,000.00 | \$ 1,00,000.00 |
| | | | | | |
| Total Operating Expenses | \$ 15,36,510.00 | \$ 21,69,650.00 | \$ 1,39,42,450.00 | \$ 5,32,57,900.00 | \$ 8,87,19,100.00 |
| Net Profit | \$ 5,00,000.00 | \$ 15,00,000.00 | \$ 50,00,000.00 | \$ 2,00,00,000.00 | \$ 4,50,00,000.00 |

Future Scope:

As we are moving ahead with time the competition in travel industry is increasing at a fast pace, evolving every passing hour. In order to be able to keep up with changing times, in given future we intend to have introduce novel features by partnering with other travel companies that can help us to reach to masses who have been actively using their services. We also plan to attend healthy travel workshops and information sessions that will help us to make our application more sustainable and effective in the future.