JUNGLE TRAVEL

JORGE AMEGLIO

MIM 665

Graduate Project
# Table of Contents

I. Introduction

II. Jungle Travel - The Project
   A. Overall Direction
   B. Legal Requirements and Documentation
   C. Location
   D. Future Expansion of Travel Agency
   E. Jungle's Offerings
   F. Office Equipment and Furnishings
   G. Marketing
   H. Finance
   I. Mortgage and Loan Analysis
   J. Income Statement
   K. Balance Sheet
   L. Human Resources
   M. Information Regarding Panama
   N. Clients
   O. Conclusion
Introduction:

The following is a study prepared so that I, Jorge Ameglio, can open a full service travel agency in Miami named Jungle Travel (Jungle) focusing on tourism to Panama. I will show here that it can be profitable, not only for investors and myself, but also for my country, Panama. I plan to demonstrate the feasibility and the need for a business such as this one.

Now, I ask, can Jungle become operational with a fair-sized initial investment of $150,000.00? Likewise, the problem that lies herein, is whether there is an economic and business viability in establishing a travel agency that specializes in travel and vacations primarily towards Panama.

The purpose of centering Jungle on Panama is partially because it is located only two and half hours away by air. Another important reason for me, a Panamanian, is that by encouraging tourism towards Panama, will not only bring foreign currency into the area, thus helping the development of underdeveloped regions, but will also improve the level of life for its people through new jobs, diversify the use of the country's resources, and inspire economic development in order to accommodate tourism. Currently, Panama City is the only truly developed city within the country's borders leaving vast areas of prime location and substantial natural resources awaiting to be cultivated by touristic locals and foreign investments, something the Panamanian Tourism Institute (IPAT) is trying to promote.

Though Jungle will be serving as a full service agency to all destinations, its primary emphasis will be that of promoting tourism to Panama. As stated by Jon P. Goodman, director of the University of Southern California Entrepreneur Program, "Successful entrepreneurs don't have failure. They do have learning experiences...The first crucial sign I've learned to look for is passion...Successful entrepreneurs also have imagination...a crucial sign I look for is self-determination" (Goodman, p.29). Well, I,
Jorge Ameglio, will see this first enterprise as a learning experience for future growth. I, too, have a passion to complete this project in order to benefit financially and to benefit my country. I am determined to see it through.

It seems that I am not the only one interested in developing tourism. World organizations such as the Organization of American States and the United Nations Organization work on plans and give direction so that countries in development, such as Panama, organize their tourism sector, in order to solve their economic problems. (Villa, p.3G).

The following translation is of a full page editorial published in *El Panama America*, a Panamanian newspaper, on the 7th of January, 1996. It states: "Panama is following this plan and is developing a strong and coherent effort, accomplished by joining both the private and government sectors in order to achieve touristic goods. Examples of these efforts are the internationally publicized activities such as The Turistic Caravans, (which are tours throughout provinces in Panama). Also, the holding of international meetings for people involved in tourism, such as the Travel Mart, both realities promoted by Panama. The construction of new hotels, such as the Riande Continental, the Hotel Marina, and the new Marriot. Another example is the effort to start tourist projects on the beaches to serve as a starting point to place Panama as a 'beach Tourist Destination' which will help Panama become an important 'Tourist Destination'" (Villa, p.3G).

With the inspiration of the Panamanian government and that brought forth through my desire to help my country, I can partially arrive at my goal. Both these incentives will be stepping stones to complete the hard but accomplishable objective. Nevertheless, nothing, not even a flower will bloom with desire. It takes effort, determination, and resistance, along with funds, personality, and devotion, to accomplish a successful self-owned business. That is what this project is about. Its about *Jungle Travel.*
Jungle Travel - The Project:

Overall Direction:

The initial capital investment is expected to be approximately $150,000.00.

Travel agencies are abundant and not always successful. Nevertheless, if I can beat others by utilizing new methods, exploiting different forms of marketing, and offering the clients what is most important to them: low costs, then, Jungle Travel will be the most prosperous of all.

One of the new methods I am discussing is the current use of the Internet by airlines. This new trend is quite prominent on the cover of Travel Weekly on October 2, 1995, where it discusses not only American Airlines but also Continental's incorporation of electronic ticketing. Though, as an agency, it would be difficult to offer electronic tickets, on the other hand, by placing advertising of our products in the web accompanied with visual images of Panama, would allow Jungle to increase sales at a low cost, not only in the United States, but worldwide.

Initially, Jungle will send for subscriptions to the Official Airline Guides, Cruise and Shipline Guides, Travel Planners, and other similar references on the travel trade. Jungle will send combined letters of announcement and request for brochures and current rate sheets to airlines, bus lines, car rental companies, tour operators, hotel representatives, hotel chains, major individual hotels and resorts, as well as tourist boards. To acquire the mailing list I will use the Travel Industry Personnel Directory that is published by Fairchild.

Most important, will be for me to watch my business like a hawk and go over all numbers every day to ensure that they are correct and that I am headed in a positive direction. Until the business can run on its own, something that never occurs completely,
I will have to be there daily from before opening to guarantee that all is ready, until after closing to figure out what mistakes I can correct or what benefits I have reaped and can repeat each day. This is the only way I can reach the goals I set out to fulfill which is to offer low costs for the best travel packet available.
Legal Requirements and Documentation:

Prior to seeking occupational licenses, I must register with the Sellers of Travel Section, covered by the Florida Statute, Section, Chapter 559.627. I must register with the Department of Agriculture and Consumer Services located in Tallahassee, telephone number [redacted] In order to do so, there is a $300.00 registration fee and I must complete an application form. Likewise, I must have either a certificate of deposit, a surety bond, or a letter of credit for a total of $10,000.00 on the first year of opening a first business. After this, if already in business, price can vary approximately between $10,000.00 and $50,000.00 depending on profitability of business and other matters.

Once the travel agency is registered, I would seek the occupational licenses for the city and the county at the County Clerks office, both of which would equal approximately $100.00 to $150.00. Other than registering with the Department of Agriculture and Consumer Services, no other form of licensing seems to be necessary other than the local business licenses for city and county, in order to open a travel agency in the State of Florida.

Next comes having a CPA prepare the financial statement on the official forms requested by the Airlines Reporting Corporation (ARC), the organization that replaced Air Traffic Conference, at 1709 New York Avenue, N.W., Washington, DC 20006, telephone number [redacted], and the International Airlines Travel Agent Network (IATAN) at 2000 Peel Street, Montreal, Quebec, Canada H3A 2R4, telephone number [redacted].

For ARC and IATAN, I must find an accountant who must apply for a Federal Employer Identification Number and notify other government tax offices. Checking and savings accounts will be opened in Jungle's name, and a permanent window or outdoor sign must be visible showing the name of agency, that being JUNGLE TRAVEL, both of these being obligatory in order to receive both IATAN and ARC's endorsement.
The individual costs and document requirements for both these groups are as follows:

ARC has an application fee of $225.00 and requires a bond in the amount of $10,000.00.

Along with this I will send an agency information sheet; a personally filled-in ARC applicant questionnaire in duplicate; the ARC handbook questionnaire; a statement on my personal history (they require this of owner, partners, etc.); interior and exterior photographs of the agency; a current financial statement; a Memorandum of Passenger Sales Agency Agreement computer cards; completed order forms for agency identification plate; a ticket imprinter (accompanied by a check to cover the cost of the machine I will select); a ticket request form to order the first supply of air tickets in order to get the ball rolling; and two voided checks for the bank account I intend to use for the amounts due to ARC sales.

For IATAN, I will first send a $25.00 nonrefundable fee to receive the new agency application kit. Then, I will send IATAN's a non-refundable application fee equal to $50.00, the initial listing fee is $200.00, and the annual agency fee is $40.00. I will include an accurate and complete reply to the IATAN questionnaire, a financial statement, and once again, photographs of the exterior and interior of the agency.

Once these steps specified above have been taken care of, IATAN will make an inspection of the agency. The inspectors will qualify it financially, check its staff and their experience, make sure its identification is visible and that the office has accessibility, and lastly, that it has security facilities. The last thing they do, is question my knowledge, but by then, I will demonstrate my understanding of IATAN's resolutions, rules, and procedures, all of which are presented in their handbook I receive prior to their inspection.

The last step would be to follow the processes required to become an agency fully connected to the information and ticketing systems in order to fulfill requests at higher speeds and possibly with more accuracy.
**Location:**

A primary issue for Jungle will be its location. As far as statistics gathered in 1995 and given to me by the Greater Miami Convention and Visitor's Division goes, 9.4 million visitors spent at least one night in Miami, 5.1 million came from foreign countries, whereas 4.3 million visited from other states. Regarding visitor's destination, 44.3 percent claimed to have visited the Art Deco District (South Beach); 40.3 percent visited downtown Miami (Bayside Marketplace); and, 21.2 percent visited Coconut Grove (Cocowalk). Taking these figures in to account, the following decision has been made:

**Jungle** will offer its services from a South Beach location because of the high volume of tourists and locals who visit the area, as shown in the percentages above. There currently already is an agency dedicated towards Panama in South beach, but, there will be no competition because it is small and unproductive due to its placement within South Beach, lack of marketing, and uncalling sight to passerbyes. In order to not loose potential tourists and locals, I will place a stand at Bayside Marketplace close to the business area of Miami, and in Cocowalk or its thereabouts where "tourists and locals, alike, find a variety of ways to spend a day" (*Florida Trend*, p.40), thus informing passerbys of our services and our dedication to Panama. Both these regions are indispensable, as noted above, in order to attract their many visitors, most of which appear to be well-off and able to afford travel. For example, "Coconut Grove's 1.3 million square feet of retail space generates $200 million in sales annually" (*Florida Trend*, p.40). Another location for advertising our products at given times, would be at the Convention Center.

These locations will play a great role in the short term success of this firm allowing for expansion of new locations to Fort Lauderdale and Palm Beach in the medium term, both being tourist-oriented locations. As for Fort Lauderdale, a prime location would be on A1A close to Las Olas Boulevard, this area also known as "The Strip," is an area of
great circulation for locals and tourists. As for Palm Beach, many different areas are currently in development, and therefore, a prime location would be delved into at a future date.
Future Expansion of Travel Agency:

The travel agency will be opened with the view of expanding its services to other parts of Florida in the medium term, as mentioned above, and other states in the long term, thus developing a chain business. In the long term, centering agencies on other countries will be another goal.

The Jungle Travel name would be copyrighted in order to use the same name throughout all the travel agencies I, or we (that is if I acquire future partners), will later open.

A name is an important part of any business. The name of an agency would be as important as any other name brand in order to be easily recognized. Once our name is printed all over and spread even further through the use of the internet, I expect it to become catchy. Examples of names that are catchy are Coke, Bud for Budweiser, Sony, among others. Much thought was placed in developing this name.

As is expected of all travel agencies for approval by ARC and IATAN, Travel was incorporated into the name. Jungle, the other half, is a word that inspires curiosity, respect, and awe, a word that I found would, likewise, convey a part of Panama. Not only the curiosity, respect, and awe that Panama spurs in itself, but the part of Panama that is the ending portion of the Amazon Jungle that creeps up from the deepest parts of South America.
Jungle’s Offerings:

Jungle will offer single (meaning for persons flying at solo costs) offers and package (group costs and those including hotel accommodations, meals, tours, etc.) deals for travelers. It will have to compete in the already swarming tourism market worldwide, but luckily, South Beach currently is an area that is non-competitive in the travel-related field. In order to do so, it will not only seek price specials, but will also offer deals that include different reduced rates for hotels, meals, and car rentals, among other attractive features. Special promotional packages will also be available. These packages will be divided into different lengths of stay and will include tours to different regions of Panama. Corporate promotional packages can likewise be included in the agency’s offerings. Literature, maps, and suggestions will be provided by the travel agency to its clientele. To cut costs, the computer used for internet access will also contain desktop publishing capabilities in order to produce the mailouts, literature, suggestions, tour packages, and basic leaflets that are required.

It is important to seek ways to reduce the clients costs by cutting the agency’s cost in other manners, because as predicted by Randy Petersen, editor of Inside Flyer newsletter, "Within the next two years, about 15% of all agencies will impose so-called fees for service, most likely for booking plane seats of any price -- and probably for car rentals and hotel stays as well" (Branch, p.177). If our general costs, such as those in advertising are low, then the additional 15 percent would not be necessary, or we could offer other deals.

Examples of available lodging and the current costs for the lodgings Jungle would use in Panama can be viewed as follows:

Major hotels are: Caesar Park, El Panama, Plaza Paitilla Inn, Continental Riande, Gran Hotel Soloy, Hotel Caribe, Granada Riande, Ejecutivo, Europa, Veracruz, Costa
Inn, Hotel Aramo, California, Roma, Continental Airport, Hotel Montreal, and Hotel Internacional.

Major apartment/hotels are: Costa del Sol, Suites Alfa, Las Vegas, Tower Houses Suites, Suites Ambassador, and Plaza.

Major Beach/Resorts are: Coronado Club Suites Resort (has golf), Ceasar Park Contadora, Taboga, Gorgona Jayes, Posada La Vieja, Hotel Bambito, Tropical Star Lodge, Hotel Playa Rio Mar, Hotel Playa Corona, Hotel Turistico Club Campestre - El Valle, Hotel Fundadores, and Hotel Panamonte.

The actual number of localities for tourists, rooms, and beds available in Panama by Province, as listed in December 1989 by Planning of IPAT, are as follows:

- **Panama**: 86 locals; 5,245 rooms; 8,707 beds
- **Chiriqui**: 39 locals; 1,076 rooms; 2,055 beds
- **Colon**: 16 locals; 592 rooms; 793 beds
- **Veraguas**: 14 locals; 392 rooms; 609 beds
- **Cocle**: 17 locals; 247 rooms; 534 beds
- **Herrera**: 13 locals; 238 rooms; 371 beds
- **Los Santos**: 8 locals; 143 rooms; 239 beds
- **Bocas del Toro**: 6 locals; 109 rooms; 138 beds
- **Darien**: 4 locals; 49 rooms; 74 beds
- **San Blas**: 4 locals; 45 rooms; 70 beds

**Total**: 207 locals; 8,136 rooms; 13,590 beds

The above can be broken down in numbers as follows: 94 hotels, 80 pension homes, 5 apartment/hotels, 21 motel/cabins, and 7 residential locals.

Following are costs for first and medium class accommodations only, because I will not offer any lower conditions to my clients at **Jungle Travel**. Of course, these prices will be negotiated directly with the final hotels of my choice.
Rates of hotels in Panama

First class accommodations  $160.00 a week
                         $ 33.00 daily on weekends.
Medium class accommodations $ 14.00 - $16.00 for a single bed (Single)
                                      $ 16.00 - $18.00 for a two beds (Double)
                                      $ 22.00 - $22.00 for three beds (Triple)

Examples of available car rentals in Panama can be viewed as follows:
The 10 car agencies are: Hertz, Budget, Thrifty, National, Vantage, Avis, Accion, International, and Rent a Car.

Rates of car rentals in Panama

Avis
Weekend  $ 254.00 (these charges include 5 percent and 2 percent
                required for insurances)
Weekly   $ 555.00.

Hertz
Small car $ 40.50 daily (with all the trimmings)
Large car $ 88.95 daily (with all the trimmings)

Thrifty
Small car $ 209.00 weekly (with an additional free day)
Large car $ 451.00.

The International Airport in Panama is a 30 minute drive by car from the city of Panama, and it services over 27 countries.
The international airlines that fly in and out of Panama are:
Aerolíneas Argentinas, Aeroflot, Aeronica, AeroPeru, Air France, Alitalia, Air New Zealand, American Airlines, Austrian Airlines, Avensa, Avianca, Aviateca, British
Airways, Copa, Continenatal Airlines, Cubana, El Al, Iberia, Japan Airlines, KLM, Lacsa, Ladeco, Lan Chile, Lloyd Aereo Boliviano, Lufthansa, Sabena, Sam, SAS, Singapore Airlines, TACA, TWA, and United Airlines.

The airlines that fly out of Miami Airport, to and from Panama, are:
Copa (a brand new Panamanian airline owned by the private sector), Air Costa Rica, Lloyd Arrow, American Airlines, Iberian Air, Taca, and Continental.

For a taste of availability and prices, I have picked American Airlines, telephone number [redacted].

As far as discounts for group travel, only the restricted coach can be bid down.

American Airlines flies out of Miami at the following times:
leaves 11:00 a.m. - arrives 01:54 p.m.
leaves 04:50 p.m. - arrives 07:39 p.m.
leaves 06:50 p.m. - arrives 09:42 p.m.

Restricted rate:
Monday through Wednesday $ 418.00 (on coach if the traveler remains in Panama from seven to thirty days)

Unrestricted rate:
Monday through Sunday $ 858.00
Business class: $1,672.00

As far as numbers given by the Office of Statistics and Census of Panama goes, in 1992, Panama received a total of 311,264 tourists, a number which surely needs increasing. Of these visitors, 277,382 arrived to Panama via air, whereas 33,882 entered the country by land.

These numbers are further broken down by country of origin. 87,928 visitors came from North America, 71,345 from Central America, 27,605 from the Antilles, 94,014 from South America (a number larger than North America), 32,903 from Europe, 11,056 from Asia, 686 from Oceania, and 610 from Africa. Even a bigger breakdown
would be that 48,558 came from Colombia, 37,077 from Costa Rica, and 73,069 from the United States alone.

As far as the breakdown by motive of visits in 1992, they gave the following information: 175,926 came for pleasure, 106,390 came on business, and 28,946 comprised other reasons.

In 1990, the average stay in Panama equaled ten days. Nevertheless, in 1992, North Americans averaged 13.30 days, those from Central America averaged only 6.23, those from the Antilles also only spent 6.31 days, those from South America averaged 7.57 days, those from Europe averaged 11.32 days, those from Asia stayed 11.32 days, those from Oceania remained 10.79 days, and lastly, those from Africa averaged 8.29 days.

* The address and telephone number of an important office in Panama, for further informations is:

The Panamanian Tourism Institute (IPAT)
Apartado Postal 4421,
Panama Zona 5, Panama,
Republica de Panama.
Tel. (507) 26-7000, Fax. (507) 26-3483.
Office Equipment and Furnishings:

As far as visual furnishings for Jungle, for opening purposes the office itself will have three operational desks, two with terminals and one with a computer connected to the internet; a sitting area with four plush chairs and a low center table; a bookshelf with literature on Panama to be viewed within the premises; and display racks stocked with take-out literature, brochures, maps, and package deal offers.

For decor, the walls will be colorfully decorated with Panamanian handicrafts and posters, and a background Latin music will continually be played. A large screen will be close enough to the window showing Panamanian festivals, attractions, and sights, via VCR tapes, Panama's local sounds will too be heard from CDs, so that both sound and visual will attract passerbys and entice them to step in.

The costs for furnishings will be as follows:

2 desks (OfficeMax-0101-0756).......................... $ 599.98
1 desk (OfficeMax-0101-0747).......................... $ 299.99
8 desk chairs (OfficeMax-0101-0541).................. $ 1,039.92
5 file cabinets (OfficeMax-0113-5970)................ $ 1,679.92
2 brochure display tables (OfficeMax-0111-1077).... $ 79.98
1 typewriter w/ 14 inch carriage....................... $ 117.97
2 calculators with tape and that shows credit balance.. $ 99.98
1 copy machine (OfficeMax-0203-6772)................ $ 899.99
2 terminals.................................................. $ 3,000.00
1 computer w/desktop publishing capabilities
   (BrandsMart-Acer Multimedia Pentium 133 MHz).... $ 2,798.88
1 laser printer (OfficeMax-1401-9493)................ $ 1,399.99
3 telephones (2 lines w/push buttons, hold feature, lights)
   (OfficeMax-0205-1193)................................ $ 479.97
1 telephone/fax (BrandsMart-Murata) ........................................ $138.88
2 bookshelves (OfficeMax-0112-0003) ......................................... $139.98
2 chairs (City Furniture-black leather recliner and ottoman) ........ $298.00
1 Futon (City Furniture-black print) ........................................... $199.00
3 tables/2 lamps (City Furniture-black & glass) ......................... $1,299.99
1 big screen television (BrandsMart 48") .................................. $1,498.88
VCR (BrandsMart 4-head) ....................................................... $188.88
CD Player (BrandsMart-Sony 5 disc CD changer) ......................... $268.88
Permanent sign ................................................................. $350.00
Stationery, envelopes, business cards, invoices (4-part), speedy
memos, announcement cards, highlighters, pens and pencils, etc. $2,000.00 (est.)

Total ................................................................. $16,879.06

As far as the decoration goes, I have already collected a VCR tape on Panama
called *Panama land of Adventures*, made by Antigua Films and filmed in 1995. This is a
fun-packed film that not only shows the tourist attractions throughout the country, but
also entertains the viewer with views of sharks, whales, dolphins and turtles swimming in
the Great National Marine Park of Coiba, as well as the filming of Indians and exotic
animals in the rain forest, among other areas.

Posters are easy to come by in my native land and by request from the consulate
and travel agencies with which I will work, located in Panama. Other finer handicrafts
are, likewise, easy to come across in Panama for a low cost, and therefore, unnecessary to
account for herein.

To lower costs, I plan to ask friends to help redecorate the interior of the locale.
Painting and refurbishing can be a fun job. A keg of beer or other similar enticers can
make a party of hard work, as well as cut immensely on the expensive cost given by
handymen to do the job, and possibly, we can even finish in a lesser time frame.
Marketing:

Next, marketing efforts are extremely important to get a business off the ground. Back in 1994, "a bill approved by the Legislature this spring and already in effect requires registration, bonding, use of a trust account and the inclusion of the government registration number on all advertising" (Hamilton, p.40). Sadly, though, is that even if this bill was put into effect in order to deter travel scam artists, it seems that the only ones who carry the burden are the travel agencies. But the law is the law, and so be it.

In order to understand my market, I must know who composes the market I will be catering to in Florida and abroad, and their possible interest in visiting Panama. My prime targets will be tourists, local corporations, university students, and the general public. As per the Greater Miami Convention and Visitor's Division, the amount of tourists visiting Dade County from Latin America in 1995 equaled 3,257,400 people, of which 844,800 came from the Caribbean, 464,200 from Central America, and 1,948,400 from South America. This last group being one of the larger ones.

Next, from Europe, there were 1,139,100 people, a smaller group, of which 244,400 came from the United Kingdom, and 330,000 from Germany. From Canada, they received 501,300 tourists. From other international areas, they had 163,800 visitors, this equaling a total of 5,061,600 international people.

As far as domestic guests to Dade County goes, they received 4,317,600 composing a great segment of visitors to who Jungle would want to focus its marketing strategies.

Next, I must view the reasons people travel. The majority of these fall under the following categories:

- Cultural, educational or professional: the desire to learn about other societies.
- Economic: to obtain benefits offered by convenient prices allowing elongated stays.
. Business: commercial activities between different countries that demand frequent travel from one country to another.

. Ethnic: the return to one's country of origin in order to reestablish family ties or for purely sentimental reasons.

. Sports: to assist or participate in sport related events.

. Physical: in order to seek medical help at a specialized center, or in order to rest and relax.

. Religious: pilgrimage to devoted places.

(The above reasons will be included in different manners throughout our brochures.)

I have studied the benefits of marketing my products through newspaper and magazine ads, public television networks, radio announcements, flyers, and cold calls to potential clients, such as companies dealing with Panama on a commercial level, and so on.

First, Jungle will prepare a customer mailing list and send announcement cards to prospective clients, prepared in the office with our desk top publishing computer, and jazzed up for appeal. With the card will be a return-addressed, postage-paid reply card questioning prospects if they wish to be on our mailing list and whether they need more travel information at that time. I will purchase the mailing lists from businesses that specialize in preparing selected mailing lists.

To lower gigantic costs, I will send news items about our opening to all local news media and travel trade publications, including the who, what, where, when, and our interest on Panama to attract them. Likewise, I will include black and white photographs of both the agency and the open house parties at Jungle.

The first open house party will be to invite travel industry personnel, such as district sales managers and representative of all airlines using Miami's airport, including all international carriers. Car rental companies and hotel owners both in Miami and Panama
will also be included among those invited. In order to achieve the greatest turn out possible, invitations will be sent out way in advance, at least three weeks, followed by a reminder call on the same week. The second open house party will be dedicated to the general public.

Other ways to cut on expenses that I plan to use are:

. The use of the stands at both Bayside Marketplace and Cocowalk, using university students at minimal wage to spread information about our travels.

. I will offer to be a panelist covering travel in Panama on local television stations, and will ask local cable companies to do a feature on a trip I would sponsor.

. On my travels to Panama, I will prepare my own travel tapes using a Super VHS camera.

. I will advertise in local shopping guides, student newspapers, offer to write travel columns for the Miami Herald and other local newspapers.

. Likewise, I will offer travel advice in the form of public service announcements in order to be aired on local radio and television for free.

. I will send material to the editors of local company newsletters with travel advice and Jungle's name all over it.

Other than the above methods, I will use one of the least expensive of the most expensive forms of advertising, that is, radio station announcements. (Bergin, p.59).

The common products that will be offered are single purchases, group packages, tour packages, promotional packages, and special corporate offers. Jungle will not only offer the above, but will also offer hotel stays and breakfasts, transportation to and from the hotel, organized tours, and special event tickets. All these flight specials will be detailed in our-office-made brochures.
Finance:

Another problem facing travel agencies is that major airlines have imposed a cap on commissions earned by travel agencies. "Instead of paying agents a flat 10%, the major carriers have instituted a $50 cap on all round-trip domestic tickets and a $25 max on one-way fares" (Mallory, p.20). Nevertheless, "the American Society of Travel Agents ... launched its first salvo in response to a cap airlines placed on ticked commissions" (Zbar, p.37).

In the mean time, agencies are marketing their product adding fees of up to $20 for booking flights. In order to not loose clients though, "some agencies will waive the airline-ticket charge in exchange for these add-on commissions ... throwing in travel discount vouchers ... a $25 certificate that you can apply toward future trips" (Mallory, p.120) to off-set the additional cost.

Regarding loans, I have already visited with both banks and private institutions. I have found the following results to hold true. Likewise, I am studying the likelihood of investing family and/or personal savings into Jungle Travel. The results of my investigation were as follows:

Public Lenders

NationsBank gave me a Good Faith Estimate of Borrower's Settlement Costs in which the total value of the loan would be $91,000.00, by placing up my property worth $130,000.00. The total estimated settlement charge equaled $2,917.79, and included $1,000.00 loan origination fee, a $275.00 appraisal fee, a $10.00 flood determination fee, a $60.00 document preparation fee, $666.00 for title insurance, $25.50 for recording fees, $211.34 for city/county tax/stamps, $250.00 for a survey, and $50.00 for a pest inspection. Mortgage payments equal $1,846.95 per/mo., over 60 months.
NationsBank also offered me a Good Faith Estimate of Borrower's Settlement Costs for another property I have worth $60,000, where they would loan me $42,000.00. The total estimated settlement charge equaled $1,256.00.

Therefore, the total of the loans offered by a public lender such as NationsBank equaled $91,000.00 plus $42,000.00, giving me a total loan of $133,000.00.

Private Lenders

The Mortgage Brokerage Business would give me a loan amount of $91,000.00 for my property worth $130,000.00. I would have to pay them a mortgage brokerage fee in the amount of $2,621.00. The total estimated costs would equal $5,341.00 paid in 180 months at an interest rate of 8 3/4 percent, with principal and interest monthly payments of $509.00, or with 60 month payments of $1911.00. After estimated costs, my net loan would equal $85,659.00.

The Mortgage Brokerage Business would give me a loan in the amount of $48,750.00 for my property worth $65,000.00. The total estimated cost would be $3,386.00 paid in 180 months at an interest rate of 9.5 percent, paying $509.00 monthly for principal and interest, or by paying $1024.00 monthly for 60 months.

Therefore, the total of the loans offered by a private lender such as the Mortgage Brokerage Business is $91,000.00 plus $48,750.00 equaling a total of $139,750.00, an amount above that of a public institution such as NationsBank, prior to closing costs and interest rates. Nevertheless, in the long run, I find working with a bank will be more profitable due to lower interest rates offered. More shopping among banks is needed to find the best deal available. Following is a mortgage and loan analysis for a five year loan at the best available cost:
MORTGAGE AND LOAN ANALYSIS

To calculate final Total interest and Total loan cost, extend the table below to row: 77

<table>
<thead>
<tr>
<th>PAYMENT NUMBER</th>
<th>PAYMENT DATE</th>
<th>BEGINNING BALANCE</th>
<th>INTEREST</th>
<th>PRINCIPAL</th>
<th>BALANCE</th>
<th>ACCUMULATIVE INTEREST</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>5/96</td>
<td>139,750.00</td>
<td>960.78</td>
<td>1,889.59</td>
<td>137,860.41</td>
<td>960.78</td>
</tr>
<tr>
<td>2</td>
<td>6/96</td>
<td>139,860.41</td>
<td>947.79</td>
<td>1,902.59</td>
<td>135,957.82</td>
<td>1,908.57</td>
</tr>
<tr>
<td>3</td>
<td>7/96</td>
<td>139,957.82</td>
<td>934.71</td>
<td>1,915.67</td>
<td>134,042.15</td>
<td>3,824.28</td>
</tr>
<tr>
<td>4</td>
<td>8/96</td>
<td>134,042.15</td>
<td>921.54</td>
<td>1,928.84</td>
<td>132,113.32</td>
<td>3,764.82</td>
</tr>
<tr>
<td>5</td>
<td>9/96</td>
<td>132,113.32</td>
<td>908.28</td>
<td>1,942.10</td>
<td>130,171.22</td>
<td>6,707.10</td>
</tr>
<tr>
<td>6</td>
<td>10/96</td>
<td>130,171.22</td>
<td>894.93</td>
<td>1,955.45</td>
<td>128,215.77</td>
<td>8,662.55</td>
</tr>
<tr>
<td>7</td>
<td>11/96</td>
<td>128,215.77</td>
<td>881.48</td>
<td>1,968.89</td>
<td>126,246.88</td>
<td>10,621.41</td>
</tr>
<tr>
<td>8</td>
<td>12/96</td>
<td>126,246.88</td>
<td>867.95</td>
<td>1,982.43</td>
<td>124,264.45</td>
<td>12,571.96</td>
</tr>
<tr>
<td>9</td>
<td>1/97</td>
<td>124,264.45</td>
<td>854.32</td>
<td>1,996.06</td>
<td>122,268.39</td>
<td>14,517.97</td>
</tr>
<tr>
<td>10</td>
<td>2/97</td>
<td>122,268.39</td>
<td>840.60</td>
<td>2,009.78</td>
<td>120,258.61</td>
<td>16,464.77</td>
</tr>
<tr>
<td>11</td>
<td>3/97</td>
<td>120,258.61</td>
<td>826.78</td>
<td>2,023.60</td>
<td>118,235.01</td>
<td>18,412.37</td>
</tr>
<tr>
<td>12</td>
<td>4/97</td>
<td>118,235.01</td>
<td>812.87</td>
<td>2,037.51</td>
<td>116,197.50</td>
<td>20,360.89</td>
</tr>
<tr>
<td>13</td>
<td>5/97</td>
<td>116,197.50</td>
<td>798.86</td>
<td>2,051.52</td>
<td>114,145.98</td>
<td>22,309.41</td>
</tr>
<tr>
<td>14</td>
<td>6/97</td>
<td>114,145.98</td>
<td>784.75</td>
<td>2,065.62</td>
<td>112,080.36</td>
<td>24,258.03</td>
</tr>
<tr>
<td>15</td>
<td>7/97</td>
<td>112,080.36</td>
<td>770.55</td>
<td>2,079.82</td>
<td>110,000.54</td>
<td>26,206.86</td>
</tr>
<tr>
<td>16</td>
<td>8/97</td>
<td>110,000.54</td>
<td>756.25</td>
<td>2,094.12</td>
<td>107,906.41</td>
<td>28,155.62</td>
</tr>
<tr>
<td>17</td>
<td>9/97</td>
<td>107,906.41</td>
<td>741.86</td>
<td>2,108.52</td>
<td>105,797.89</td>
<td>30,104.29</td>
</tr>
<tr>
<td>18</td>
<td>10/97</td>
<td>105,797.89</td>
<td>727.36</td>
<td>2,123.02</td>
<td>103,674.88</td>
<td>32,053.36</td>
</tr>
<tr>
<td>19</td>
<td>11/97</td>
<td>103,674.88</td>
<td>712.76</td>
<td>2,137.61</td>
<td>101,537.27</td>
<td>34,002.44</td>
</tr>
<tr>
<td>20</td>
<td>12/97</td>
<td>101,537.27</td>
<td>698.07</td>
<td>2,152.31</td>
<td>99,384.96</td>
<td>36,951.78</td>
</tr>
<tr>
<td>21</td>
<td>1/98</td>
<td>99,384.96</td>
<td>683.27</td>
<td>2,167.10</td>
<td>97,217.86</td>
<td>39,901.94</td>
</tr>
<tr>
<td>22</td>
<td>2/98</td>
<td>97,217.86</td>
<td>668.37</td>
<td>2,182.00</td>
<td>95,035.86</td>
<td>42,852.30</td>
</tr>
<tr>
<td>23</td>
<td>3/98</td>
<td>95,035.86</td>
<td>653.37</td>
<td>2,197.00</td>
<td>92,838.86</td>
<td>45,802.70</td>
</tr>
<tr>
<td>24</td>
<td>4/98</td>
<td>92,838.86</td>
<td>638.27</td>
<td>2,212.11</td>
<td>90,626.74</td>
<td>48,753.16</td>
</tr>
<tr>
<td>25</td>
<td>5/98</td>
<td>90,626.74</td>
<td>623.06</td>
<td>2,227.32</td>
<td>88,399.42</td>
<td>51,703.72</td>
</tr>
<tr>
<td>26</td>
<td>6/98</td>
<td>88,399.42</td>
<td>607.75</td>
<td>2,242.63</td>
<td>86,156.79</td>
<td>54,654.38</td>
</tr>
<tr>
<td>27</td>
<td>7/98</td>
<td>86,156.79</td>
<td>592.33</td>
<td>2,258.05</td>
<td>83,898.74</td>
<td>57,605.23</td>
</tr>
<tr>
<td>28</td>
<td>8/98</td>
<td>83,898.74</td>
<td>576.80</td>
<td>2,273.57</td>
<td>81,625.17</td>
<td>60,556.16</td>
</tr>
<tr>
<td>29</td>
<td>9/98</td>
<td>81,625.17</td>
<td>561.17</td>
<td>2,289.20</td>
<td>79,335.97</td>
<td>63,507.02</td>
</tr>
<tr>
<td>30</td>
<td>10/98</td>
<td>79,335.97</td>
<td>545.43</td>
<td>2,304.94</td>
<td>77,031.03</td>
<td>66,457.98</td>
</tr>
<tr>
<td>31</td>
<td>11/98</td>
<td>77,031.03</td>
<td>529.59</td>
<td>2,320.79</td>
<td>74,710.24</td>
<td>69,408.96</td>
</tr>
<tr>
<td>32</td>
<td>12/98</td>
<td>74,710.24</td>
<td>513.63</td>
<td>2,336.74</td>
<td>72,373.49</td>
<td>72,360.02</td>
</tr>
<tr>
<td>33</td>
<td>1/99</td>
<td>72,373.49</td>
<td>497.57</td>
<td>2,352.81</td>
<td>70,020.68</td>
<td>75,311.13</td>
</tr>
<tr>
<td>34</td>
<td>2/99</td>
<td>70,020.69</td>
<td>481.39</td>
<td>2,368.98</td>
<td>67,651.70</td>
<td>78,262.24</td>
</tr>
<tr>
<td>35</td>
<td>3/99</td>
<td>67,651.70</td>
<td>465.11</td>
<td>2,385.27</td>
<td>65,266.43</td>
<td>81,213.48</td>
</tr>
<tr>
<td>36</td>
<td>4/99</td>
<td>65,266.43</td>
<td>448.71</td>
<td>2,401.67</td>
<td>62,864.76</td>
<td>84,164.75</td>
</tr>
<tr>
<td>37</td>
<td>5/99</td>
<td>62,864.76</td>
<td>432.20</td>
<td>2,418.18</td>
<td>60,446.58</td>
<td>87,116.03</td>
</tr>
<tr>
<td>38</td>
<td>6/99</td>
<td>60,446.58</td>
<td>415.57</td>
<td>2,434.81</td>
<td>58,011.78</td>
<td>90,067.34</td>
</tr>
<tr>
<td>39</td>
<td>7/99</td>
<td>58,011.78</td>
<td>498.83</td>
<td>2,451.55</td>
<td>55,560.23</td>
<td>93,018.89</td>
</tr>
<tr>
<td>40</td>
<td>8/99</td>
<td>55,560.23</td>
<td>381.98</td>
<td>2,468.40</td>
<td>53,091.83</td>
<td>96,970.34</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>41</td>
<td>9/99</td>
<td>53,091.83</td>
<td>365.01</td>
<td>2,485.37</td>
<td>50,606.46</td>
<td>27,721.88</td>
</tr>
<tr>
<td>42</td>
<td>10/99</td>
<td>50,606.46</td>
<td>347.92</td>
<td>2,502.46</td>
<td>48,104.00</td>
<td>28,069.80</td>
</tr>
<tr>
<td>43</td>
<td>11/99</td>
<td>48,104.00</td>
<td>330.72</td>
<td>2,519.66</td>
<td>45,584.34</td>
<td>28,400.52</td>
</tr>
<tr>
<td>44</td>
<td>12/99</td>
<td>45,584.34</td>
<td>313.39</td>
<td>2,536.98</td>
<td>43,047.36</td>
<td>28,713.91</td>
</tr>
<tr>
<td>45</td>
<td>1/00</td>
<td>43,047.36</td>
<td>295.95</td>
<td>2,554.43</td>
<td>40,492.93</td>
<td>29,009.86</td>
</tr>
<tr>
<td>46</td>
<td>2/00</td>
<td>40,492.93</td>
<td>278.39</td>
<td>2,571.99</td>
<td>37,920.95</td>
<td>29,288.25</td>
</tr>
<tr>
<td>47</td>
<td>3/00</td>
<td>37,920.95</td>
<td>260.71</td>
<td>2,589.67</td>
<td>35,331.28</td>
<td>29,548.96</td>
</tr>
<tr>
<td>48</td>
<td>4/00</td>
<td>35,331.28</td>
<td>242.90</td>
<td>2,607.47</td>
<td>32,723.80</td>
<td>29,791.86</td>
</tr>
<tr>
<td>49</td>
<td>5/00</td>
<td>32,723.80</td>
<td>224.98</td>
<td>2,625.40</td>
<td>30,098.40</td>
<td>30,016.83</td>
</tr>
<tr>
<td>50</td>
<td>6/00</td>
<td>30,098.40</td>
<td>206.93</td>
<td>2,643.45</td>
<td>27,454.95</td>
<td>30,223.76</td>
</tr>
<tr>
<td>51</td>
<td>7/00</td>
<td>27,454.95</td>
<td>188.75</td>
<td>2,661.62</td>
<td>24,793.33</td>
<td>30,412.51</td>
</tr>
<tr>
<td>52</td>
<td>8/00</td>
<td>24,793.33</td>
<td>170.45</td>
<td>2,679.92</td>
<td>22,113.41</td>
<td>30,582.97</td>
</tr>
<tr>
<td>53</td>
<td>9/00</td>
<td>22,113.41</td>
<td>152.03</td>
<td>2,698.35</td>
<td>19,415.06</td>
<td>30,735.00</td>
</tr>
<tr>
<td>54</td>
<td>10/00</td>
<td>19,415.06</td>
<td>133.48</td>
<td>2,716.90</td>
<td>16,698.16</td>
<td>30,868.48</td>
</tr>
<tr>
<td>55</td>
<td>11/00</td>
<td>16,698.16</td>
<td>114.80</td>
<td>2,735.58</td>
<td>13,962.59</td>
<td>30,983.28</td>
</tr>
<tr>
<td>56</td>
<td>12/00</td>
<td>13,962.59</td>
<td>95.99</td>
<td>2,754.38</td>
<td>11,208.20</td>
<td>31,079.27</td>
</tr>
<tr>
<td>57</td>
<td>1/01</td>
<td>11,208.20</td>
<td>77.06</td>
<td>2,773.32</td>
<td>8,434.88</td>
<td>31,156.33</td>
</tr>
<tr>
<td>58</td>
<td>2/01</td>
<td>8,434.88</td>
<td>57.99</td>
<td>2,792.39</td>
<td>5,642.50</td>
<td>31,214.32</td>
</tr>
<tr>
<td>59</td>
<td>3/01</td>
<td>5,642.50</td>
<td>38.79</td>
<td>2,811.58</td>
<td>2,830.91</td>
<td>31,253.11</td>
</tr>
<tr>
<td>60</td>
<td>4/01</td>
<td>2,830.91</td>
<td>19.46</td>
<td>2,830.91</td>
<td>(0.00)</td>
<td>31,272.57</td>
</tr>
</tbody>
</table>
As far as the cost of leasing office space in South Beach, I spoke with a realtor-associate of Streamline Properties, Inc, located at 1125 Washington Avenue, Miami Beach, Florida 33139, telephone number [redacted], who advised me that most business leases in the area are prepared to last for five years, that the usual request is first month and two months worth of security upon closing a leasing agreement. She also quoted me the following numbers:

For office space on Washington Avenue between 5th and 10th and its side streets towards the beach, the cost per month per square foot ranges between $25.00 to $35.00.

\[
\begin{align*}
400 \text{ sq. ft.} \times \$25.00 &= $10,000.00 \\
600 \text{ sq. ft.} \times \$25.00 &= $15,000.00
\end{align*}
\]

(occasionally a property will go for as low as $15 per square foot thus, equaling $6000.00 to $9,000.00)

For office space on AIA between 5th and 10th, the average going price is closer to $50.00 per square foot each month.

\[
\begin{align*}
400 \text{ sq. ft.} \times \$50.00 &= $20,000.00 \\
600 \text{ sq. ft.} \times \$50.00 &= $30,000.00
\end{align*}
\]

Given the above costs and the fact that this is a starting business, I would have to search either for an owner or builder who is willing to rent for $15.00 per square foot, or find a local around Washington that is no bigger than 400 square feet.

Unfortunately, many business that are going out of business will offer a lease plus request key money for amounts that range from $10,000.00 to $100,000.00. Likewise, some owners will try to request key money. The search for the right place under the right terms will be of utmost importance.

In order to join the reservations systems, the following are some of those available:

American Airlines (SABRE), Subscriber Automation, P.S. Box 619616, mail drop 1350, DFW Airport, TX 75261-9616.

Air Canada (MAC), Place Air Canada, Montreal, Quebec. H2Z 1X5.
Canadian Pacific Air Lines (PEGUSUS 2000), 200-8171 Alexandra Road, Richmond, B.C. V6X 1C3.

Delta Air Lines (DATAS II and Datas Plus Marketing Automation), Hartsfield Atlanta International Airport, Atlanta, GA 30320.

System One Direct Access, Inc., 9250 Northwest 36th Street, Miami, FL 33178. Mailing Address: P.O. Box 0252327, Miami, FL 33102-5237.

Trans World Airlines (PARS), 605 Third Avenue, New York, NY 10158.

United Airlines (APOLLO, P.O. Box 66100, Chicago, IL 60666.

For other possible investors interested in a partnership, I present the following financial study on its profitability. I have prepared a hypothetical income statement for a five year stretch and a balance sheet for the current year equilibrating assets and liabilities in order to end up with a positive net return for this project. They are as follows:
### INCOME STATEMENT

**Revenues**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales : Tours \ Hotel Attractions</td>
<td>$250,000.00</td>
<td>$270,000.00</td>
<td>$310,500.00</td>
<td>$357,075.00</td>
<td>$410,636.25</td>
</tr>
<tr>
<td>Sales : Tours Operators \ Agents</td>
<td>$50,000.00</td>
<td>$57,500.00</td>
<td>$66,125.00</td>
<td>$76,043.75</td>
<td>$87,450.31</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>$300,000.00</strong></td>
<td><strong>$327,500.00</strong></td>
<td><strong>$376,625.00</strong></td>
<td><strong>$433,118.75</strong></td>
<td><strong>$498,086.56</strong></td>
</tr>
</tbody>
</table>

**Cost and Expenses**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of Product Sold</td>
<td>$225,000.00</td>
<td>$243,000.00</td>
<td>$279,450.00</td>
<td>$321,367.50</td>
<td>$369,572.63</td>
</tr>
<tr>
<td>Rent</td>
<td>$36,000.00</td>
<td>$36,000.00</td>
<td>$36,000.00</td>
<td>$36,000.00</td>
<td>$36,000.00</td>
</tr>
<tr>
<td>Selling, General, and Administrative</td>
<td>$22,560.00</td>
<td>$24,816.00</td>
<td>$27,297.60</td>
<td>$30,027.36</td>
<td>$33,030.10</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>$1,487.90</td>
<td>$1,487.90</td>
<td>$1,487.90</td>
<td>$1,487.90</td>
<td>$1,487.90</td>
</tr>
<tr>
<td><strong>Total Costs and Expenses</strong></td>
<td><strong>$285,047.90</strong></td>
<td><strong>$305,303.90</strong></td>
<td><strong>$344,235.50</strong></td>
<td><strong>$388,882.76</strong></td>
<td><strong>$440,090.62</strong></td>
</tr>
</tbody>
</table>

**Income from Operations**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from Operations</td>
<td>$14,952.10</td>
<td>$22,196.10</td>
<td>$32,389.50</td>
<td>$44,235.99</td>
<td>$57,995.94</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>$7,317.46</td>
<td>$9,325.02</td>
<td>$7,193.05</td>
<td>$4,878.38</td>
<td>$2,365.36</td>
</tr>
<tr>
<td>Other Income, net..(reservations)</td>
<td>$0.00</td>
<td>$2,000.00</td>
<td>$2,500.00</td>
<td>$3,000.00</td>
<td>$3,500.00</td>
</tr>
<tr>
<td><strong>Income Before Tax</strong></td>
<td><strong>$7,634.64</strong></td>
<td><strong>$14,871.08</strong></td>
<td><strong>$27,696.45</strong></td>
<td><strong>$42,357.61</strong></td>
<td><strong>$59,130.58</strong></td>
</tr>
<tr>
<td>TAX=15.3% &amp; 28% AFTER $30K</td>
<td>$1,168.10</td>
<td>$2,275.28</td>
<td>$4,237.56</td>
<td>$11,860.13</td>
<td>$16,556.56</td>
</tr>
<tr>
<td><strong>NET INCOME</strong></td>
<td><strong>$6,466.54</strong></td>
<td><strong>$12,595.80</strong></td>
<td><strong>$23,458.89</strong></td>
<td><strong>$30,497.48</strong></td>
<td><strong>$42,574.02</strong></td>
</tr>
</tbody>
</table>
### Balance Sheet as December 31, 1996

<table>
<thead>
<tr>
<th></th>
<th>Starting Assets (Estimated)</th>
<th>1996</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash in Bank</td>
<td>133120.94</td>
<td>142575.38</td>
</tr>
<tr>
<td><strong>Fixed Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office Supplies</td>
<td>2000</td>
<td>500</td>
</tr>
<tr>
<td>Furniture</td>
<td>3795.88</td>
<td>3795.88</td>
</tr>
<tr>
<td>Machinery &amp; Equipment</td>
<td>11083.18</td>
<td>11083.18</td>
</tr>
<tr>
<td>Less: Depreciation</td>
<td>0</td>
<td>-1487.9</td>
</tr>
<tr>
<td>Total Assets</td>
<td>150000</td>
<td>156466.54</td>
</tr>
<tr>
<td><strong>Liabilities and Stockholders Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank Overdraft</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Accounts Payable-Trade</td>
<td>0</td>
<td>3500</td>
</tr>
<tr>
<td>Tour Deposits</td>
<td>0</td>
<td>6919.53</td>
</tr>
<tr>
<td>Employee FICA Taxes</td>
<td>0</td>
<td>1551.08</td>
</tr>
<tr>
<td>Employee Withholding</td>
<td>0</td>
<td>3514.94</td>
</tr>
<tr>
<td>Loans Payable</td>
<td>139750</td>
<td>124264.45</td>
</tr>
<tr>
<td>Total Current Liabilities</td>
<td>139750</td>
<td>139750</td>
</tr>
<tr>
<td><strong>Stockholder Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common Stock</td>
<td>10250</td>
<td>10250</td>
</tr>
<tr>
<td>Retained Earnings</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Net Profit or (Loss)</td>
<td>0</td>
<td>6466.54</td>
</tr>
<tr>
<td>Less Dividends Paid</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Total Stockholder's Equity</td>
<td>10250</td>
<td>16716.54</td>
</tr>
<tr>
<td>Total Liabilities &amp; Equity</td>
<td>150000</td>
<td>156466.54</td>
</tr>
</tbody>
</table>
**Human Resources:**

Lastly, the standards by which employees will be hired will be based on their level of education; previous experience; languages spoken; and, good communication skills, all of which are highly important in all-walks-of-the-world people-oriented businesses. One statement I read stands out, and that is: "First, get good people. If you don't have good people, that's your fault. 'Remember, .200 hitters don't win championships. Overpay and get .300 hitters. Just don't hire more of them than you need" (Nulty, p.182).

For starters, a minimum of two employees will work for a minimum salary plus commissions, though this plan is still being studied due to the fact that it will be hard to get .300 hitters for such a low wage. They will be in charge of the telephones, terminals, general paperwork, sales, and will assist walk-ins. There is the possibility of using college students for advertising purposes as mentioned previously.

The cutting point for full time employees will be that they at least have a high school degree, have some form of experience in travel related services, are at least bilingual (preferably English-Spanish), that they be polite, have an outgoing personality, and are able to communicate correctly with others, with ease. Grooming will also be looked at, because the more pleasing to the eye they are to me, so will they be to others.

Likewise, I will use all methods in order to find the right candidates, whether through employment agencies, newspaper ads, or word-of-mouth. Once chosen, a formal training will be needed to familiarize my employees on Panama, the deals we are offering, what is expected from each one, etc. In order to keep the better employees happy, weekly group meetings will be a possibility for ventilating frustrations and sharing opinions.

Salaries will be based on past experience. There incomes will be a small salary comparative to their past experience, education, and performance, along with a reasonable percentage commission based on individual sales. Benefits such as health insurance will be partially available, this meaning that Jungle Travel will acquire a corporate group
insurance of which Jungle will offer to pay half of the employees cost. Possible incentives such as giving employees a trip a year will depend on their individual sales ability.
Information Regarding Panama:

The travel agency will have to acquire knowledge they can present to their customers in order to succeed. Part of the information will be Panama's political status; the personal security of tourists; forms of transportation; its economy, financial situation and costs; languages spoken; religious affiliations; foods, festivals, tourist attractions and sites; etc. Following are some important facts on Panama:

Geography -
Location: Middle America, between Colombia and Costa Rica
Area: 78,200 square kilometers = 48,562.2 square miles
Coastline: 2,490 square kilometers = 1,546.29 square miles
Climate: tropical; rainy season (May to January)
Terrain: interior (steep rugged mountains and upland plains); coastal (plains and rolling hills); isthmus connects North and South America
Natural Resources: copper, mahogany forests, shrimp

People -
Population: 2.63 million (July 1994 estimate)
Nationality: Panamanian
Ethnic division: mestizo (Indian and European) 70 percent; West Indian 14 percent; white 10 percent, Indian 6 percent
Religions: Roman Catholic 85 percent, Protestant 15 percent
Languages: Spanish (official), English 14 percent (many bilingual)
Literacy: Total population 88 percent (estimated in 1990)
Labor force: 921,000 (estimated in 1992)

Climate - at sea-level it is usually between 80 and 85 degrees Fahrenheit throughout the year, though cooler in the evenings. There is a dry season in Panama
between December and May, whereas it rains more the rest of the year never lasting a full day. The higher you travel the cooler the temperature.

Entry Requirements: a valid passport and a visa or tourist card that may be obtained through the airlines. You also need proof of a ticket to leave Panama and/or documents to enter another country. Tourist cards are good for a total of 30 days and can be renewed in Panama for an additional two months. The Departure Tax is $20.00.

Customs: travelers are allowed to bring up to three bottles of liquor and a carton of tobacco when entering Panama.

Government -

Name (conventional): Republic of Panama
Type: constitutional republic
Capital: Panama
Legal system: based on civil law system; judicial review of legislative acts in the Supreme Court of Justice; accepts compulsory ICJ jurisdiction with reservations
Suffrage: 18 years of age; universal and compulsory

Economy -

National product: GDP $11.6 billion (1993 estimate)
National product real growth rate: 5.9 percent (1993 estimate)
National product per capita: $4,500.00 (1993 estimate)
Inflation rate (consumer): 1 percent (1993 estimate)
Unemployment rate: 12.5 percent (1993 estimate)
Budget: revenues: $1.8 billion expenditures: $1.9 billion
Exports: $545 million (freight on board 1993 estimate)
commodities: bananas 43 percent, shrimp 11 percent, sugar 4 percent, clothing 5 percent, coffee 2 percent
partners: U.S. 35 percent, EC, Central American and Caribbean, Japan
Imports: $2.5 billion (freight on board 1993 estimate)
commodities: capital goods 21 percent, crude oil 11 percent, foodstuffs 9 percent, consumer goods, chemicals
partners: U.S. 35 percent, EC Central American and Caribbean, Japan
External debt: $6.1 billion (year-end 1993 estimate)
Industries: manufacturing and construction activities, petroleum refining, 
brewing, cement and construction materials, sugar milling
Agriculture: 10 percent of GDP in 1992, 27 percent of labor force in 1992; 
crops - bananas, rice, corn, coffee, sugarcane; livestock; fishing; 
importer of food grain, vegetables
Currency: 1 Balboa (B) = 100 centesimos
Exchange rate: 1 Balboa (B) per US$1.00 - 1.000 (fixed rate)
Communications -
Airports: total 118, usable 109, permanent-surface runaways 38, with runways 2,440-3,659 meters 2, with runways 1,220-2,439 meters 15
Ports: Cristobal, Balboa, Colon
Telecommunications: domestic and international facilities well developed
Railroads: 238 kilometers = 147.80 miles
Highways: 8,530 kilometers = 5,297.13 miles
Inland waterways: navigable 800 kilometers = 496.8 miles
Panama Canal 82 kilometers = 50.92 miles
Islands -

Taboga: also known as "The Island of Flowers." Great for swimming, water skiing, fishing and diving. Neighboring islands are Uraba, Otoque, Bon, Isla Taboguilla, and Morro de Taboga.

Isla Grande: tropical paradise. Great coral reefs and a model for fishing and underwater exploration.

Iguana Island: wild life refuge. Has two live coral heads over 500 years old. House to important population equaling around 5,000 frigate birds. Ideal for camping on main beach (Cirial).

Tourist attractions and sites -

Places of interest: Panama City, the Panama Canal, Colon, Pacific Beach, Isla Grande, San Blas Islands, The Valley of Anton, Dariend Province, Bocas del Toro, Chiriqui Province, Contadora Island, Taboga Island, and Portobello.

Colonial Churches: Iglesia Santo Domingo de Guzman in Parita, Herrera Iglesia de San Francisco de la Montana in Veraguas Iglesia de San Atanasio in Los Santos Basilica Denata, the oldest on American soil, in Cocle and in Panama City there are: Iglesia de San Jose, Iglesia de la Merced, Capilla de Santo Domingo

Areas of great Spanish influence are: Panama La Vieja, San Felipe de Portobelo, Panama Colonial, and San Lorenzo El Real de Chagres.

Museums: Museo de Arte Religioso, Museo Antropologico, Museo de Arte Contemporaneo, Panarte, Galerias de Arte, Museo de Historia, Museo Afroantillano, and Museo Banco Nacional, Museo de Ciencias Naturales, Galeria Andina, Casa del Soldado de la Independencia, Parque Arqueologico de El Cano, Museo de la Historia y la Tradicion
Penonomena, Herrera, Museo Belisario Porras, Casa-Museo Manuel F. Obaldia.

Shopping Areas: Peatonal Avenida Central, Via Espana, El Dorado, Marbella, Plaza Carolina, Los Pueblos, and Avenida Central Calidonia.


Casinos: Under government control.

Night Life - nightclubs, bistros, discos, trendy jazz, traditional dances, and strip tease.

Theaters - The National Theater for symphonies and plays.

The Panamanian Folkloric ballet present dances and rituals of the Kuna and Guaymi Indians.

The ATLAPA Convention Center has two. The Anayansi Theater seats 3,000 and the La Huaca seats 600.

Foods - Panama City offers a variety of restaurants serving an international cuisine including French, Chinese, Peruvian, Mexican, Italian, Japanese, Indian, American, and others. Among native dishes are the ceviche and sancocho, well accompanied by Panama's lusty beer.

Convention Center: ATLAPA is the biggest in Panama and holds 10,000 people. Its theater/auditorium sits 3,000, and there is 34,445 square feet of exhibit halls within the 18 acre complex.
Clients:

Though the United Nations defines tourism as: A tourist is any person that travels out of his/her country of regular residence to another country, for a length of 24 hours or more. Nevertheless, to understand who are clients are a bit better, I have performed a survey of who they are, where they come from, their knowledge on Panama, etc. The survey was performed in February, on a Tuesday, starting at midday, on A1A in South Beach, around the 8th Street crossing and the quantity of people was two hundred people. Selection was done fully on random basis. The reason for this is to study the possibility of offering other planned tours such as specializing "in booking family reunions" (Long, p.58), or just to learn about our future customers a little better.

The questions were as follows with their equivalent totals:

1. How old are you? (optional)
   0-20 ___  21-30 ___  31-40 ___  41-55 ___  56 & over ___

2. Where are you from?
   Florida ___  Other State ___  S. America ___  C. America ___  Europe ___
   Asia ___  Africa ___  Other ___

3. Where do you live?
   Florida ___  Other State ___  S. America ___  C. America ___  Europe ___
   Asia ___  Africa ___  Other ___

4. Do you like to travel?  Yes ___  No ___  Maybe ___
   Major reasons given were to change the scenery, leave problems and stress behind, experience and learn about new lands, visit family and friends, and relaxation.
5. Have you ever been to a Spanish speaking country? Yes 150  No 50

6. Have you ever heard about Panama? Yes 190  No 10

7. Do you know where Panama is located? Yes 190  No 10

8. Would you like to visit Panama? Yes 70  No 40  Maybe 90
   Major reasons given to visit Panama were to visit the Panama Canal, visit a
   Spanish-speaking country, travel to a place with different traditions, to go to the Jungle.
   Major reasons to not visit Panama were that they rather go elsewhere, afraid of
   crime and instability of country, and can't speak the language.

9. Would you like to visit Panama if the price is right?
   Yes 70  No 30  Maybe 100
   Major reasons for the change of opinion by those that previously answered no was
   the financial feasibility.

10. How long would you like to visit Panama if you went?
    1 - 3 days 4 - 10 days 120  11 days - 3 weeks 30  More than 3 weeks 10
    [thirty people did not answer question ten and ten of those surveyed placed a question
    mark demonstrating uncertainty].

What I have learned from the above survey is that the greatest number of people at
an off hour in South Beach fall between the ages of 21 and 30, though around same
percentage also fall between the ages of 31 and 55. Therefore, I have a wide spread
between 21 and 55 to who I will be catering. Fifty percent of those in South Beach are
originally from another state within the United States, whereas all others are either natural borns, from South America, Europe, and other countries. Most of those who frequent the Art Deco District at an off hour do live in Florida.

As far as traveling goes, all those questioned enjoyed travel. Two-thirds had actually visited a Spanish speaking country, and almost 100 percent knew something about Panama. As far as who would want to visit Panama, 35 percent desired to, 20 percent had no desire, and 45 percent were considering the possibility. This already gives me an 80 percent possible success rate. This number rised when asked if they would want to visit Panama if the price was right, giving me an 85 percent success rate.

Preference regarding the length of stay in Panama was strongest between four to 10 days with a 60 percentage rate, 15 percent preferred 11 days to three weeks, five percent wished for more than three weeks, one person had no clue how long, and two gave no answer.

Furthermore, a comparative analysis will be done in order to convince customers of the advantage of using my services over that of the competition. Most importantly though, is having the knowledge to offer attractive tours that, though inexpensive in comparison to that of other agencies, they will also offer quality location and services. In order to acquire more competitive prices within Panama, I will rely on good public relations, family connections, and possible trade-offs, such as accommodations in the United States for those granting special prices. Another possibility, is arranging a deal with the Panamanian department of tourism for possible incentives.
Conclusion:

Overall, I firmly believe in my project of opening a travel agency in the Art Deco District in Miami, Florida with the name *Jungle Travel*. I must also affirm that an initial investment of $150,000.00 is a little low to actually realize what I have in mind, but by using my brains and my imagination, I feel that any problem can be surpassed. A more true investment would be a minimum of $350,000.00. Likewise, I know I will receive help from family and friends in Panama, from other travel agencies established in Panama, and lastly, from the Panamanian government and other tourist organizations in that country.

Having viewed and studied the location of travel agencies in Miami, I find none that will compete with my idea for *Jungle*. Many that are located in the larger hotels and at the airport will, of course, be highly competitive. But, there is none that will match my presentation, nor my location, both these facts being primordial to the outcome of the agency.

My extensive knowledge of Panama will stand out within the local, though this will not be where my coverage ends. Nevertheless, the attractiveness presented within, along with the music and VCR images on Panama will greatly enhance the curiosity of potential clients. As a full service agency, my major emphasis will be in delivering first class services to all with a smile included, in order to have them coming back for more.

I would estimate the opening of the Jungle to be between six to nine months from the time I set off to receive the loans from the bank, and gather other cash from savings, family, and others. I have not yet decided on what bank to go with, and further study needs to be done to find the best alternative. It is difficult to decide until the moment when the actual loan is to be made due to the changing interest rates and their fluctuations by individual banks.
Other reasons for the delay will be the time it takes to fulfill all the legal requirements and documentation necessary to be fully operational. Likewise, the search for the exact spot in which I will mount the agency will take awhile. I do not want to jump on the first place offered considering I feel that location is a prime factor in the quick success of *Jungle*. Next comes the rebuilding of the local, and finally, the purchase of all equipment and furnishings necessary for the grand opening.

Prior to establishing a business, much search, knowledge, and experience must be acquired. Within, I have delved into many aspects required to open my own company. The practice of gathering a multi-load of information is only a first step. If I propose a goal, it is only true to follow it through. Nevertheless, as this project is studied, I have become more aware of its complexity, and more importantly, the amount of money required in order to excel.

Through the efforts it took to accomplish this project, a so-called proposal to open a travel agency, I not only have learned of the difficulty of acquiring information, but also have come to foresee all the steps, time, and labor it would take to truly effectuate the realization of such a task. The fact that it is possible, also stands out, and awakens my initiative. This project has allowed me to execute the beginings of a possible future, that of actualizing my own business. Once this much has been done, the rest follows. Though not easy, I can only say this is the beginning of a possibility I previously had only dreamed about, but that now is at my fingertips if I wish to go through with a business of my own. And why not, *Jungle Travel*?

Truly speaking, though the manner in which I sought financing would not be enough to fulfill the business I had in my mind, of course that business being above its competition, the possibility of actually seeing my project to its end is in no way impossible. My availability of funds and help from other, exceeds those funds herein mentioned. The fact that I would be helping out my native land, only inspires me to take
this project as a true possible reality in my future. Within I have only layed the ground rules, and what is to follow, will only be noted in the future.
BIBLIOGRAPHY

America Online. Search the Web.

American Airlines


"City Furniture." *Sun Sentinel*, February 24, 1996, p.22A.

Department of Agriculture and Consumer Services, Tallahassee, Florida


Greater Miami Convention and Visitor's Division (faxed and verbal statistics), Miami, Florida.

*Guia Ciudad de Panama (Guide, Panama City)*. Guias Ucci. Spain.


Instituto Panameno de Turismo, Apartado 4421, Panama 5, Republica de Panama.

Interview with Guy Korsia, President of O.K. Tours located in Boca Raton, Florida.

Interview with Luz E. Fonger, Managing Partner of Starlite Travel located in Panama.

Interview with Melania Velazquez, ex-Manager of Uniglobe Travel Agencies located in Boca Raton, Florida.


*May Name is Panama*. Panamanian Institute of Tourism (IPAT).

Mortgage Brokerage Business, Florida

NationsBank, Camino Real, Boca Raton, Florida.


Panamanian Institute of Tourism (IPAT). Various informative handouts.


Offices of Statistics and Census, General Comptrollership of the Republic of Panama.


Small Business Development Center, Bldg. T9, Florida Atlantic University, Boca Raton, Florida.

Streamline Properties, 1125 Washington Avenue, Miami Beach, Florida.

