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UTEA franchise

Business plan

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UTEA franchise

Business plan

1. EXECUTIVE SUMMARY

Purpose of UTEA franchise

Authentic travel is a relatively new and rapidly growing type of business in which the product is not a thing but an authentic experience, of nature, culture, people and activities. At present, typical authentic travel businesses are small, family owned operations in remote areas. UTEA franchise gives the authentic travel businesses the advantages of modern business, specifically:

- Transfer of know-how, implementation of business practices that have already proven to be successful in practice.
- A brand which is the industry's quality symbol.
- Centralized marketing and sales.
- State-of-the-art communication design and Internet support
- Access to venture capital and donors.

UTEA also offers a strong value proposition to the customers:

- Easy access to authentic travel, both using the UTEA Internet portal and expert human agents.
- Quality control and choice guidelines.
- Taste bits of destinations and authentic experiences on the Internet.

Background: The customers want authentic travel

Tourism is a leading world business. With revenue of almost \$3 trillion, its economic impact is second only to that of the weapons industry. Authentic travel is at present still a small, but rapidly growing segment within this industry, and a clearly recognizable general trend. Market research shows that the authentic travel is what the travelers nowadays are looking for.

Problem: Authentic travel business is poorly organized

Typical authentic travel businesses are small, geographically scattered operations, often run by enthusiastic amateurs who are unaware of what their customers really want and of various unrealized possibilities in their business. They lack the state-of-the-art marketing and Internet presence that would make them accessible. Since authentic travel lacks clear quality standards and control, potential customers often prefer to use less authentic but more established enterprises. Because of the economies of scale, authentic travel businesses are less profitable than their less authentic international chain competitors. Therefore the authentic travel business remains unable to take advantage of its large market potential.

UTEA solution: A modern business in authentic travel

UTEA implements a new business model called value-based franchise, which is specifically designed for authentic travel. The idea is to give the authentic travel businesses the advantages that are now reserved for their large chain competitors, while at the same time supporting their own specific advantages. Being a franchise, UTEA can grow rapidly with relatively modest capital investment. It can also create and enforce its own quality standard. The foundations of the UTEA business combine a successful existing small authentic travel agency and its network as a source of know-how, with an inter-university research project within which the main elements of the new business model and its infrastructure (communication design, internet and others) are designed. Certain new Internet technologies give us the technical tools for creating the unique UTEA franchise e-business infrastructure.

Company and management: People and business model already tested

The UTEA franchise concentrates on development, marketing and sales of authentic travel destinations and events, while the Internet software development and communication design is outsourced. The main elements of the UTEA approach to authentic travel have been tested in practice and within a research project. The company's management consists of experienced, motivated people with excellent networks. In addition, the company has a network of expert advisors.

Business system: Income from franchisees and customers

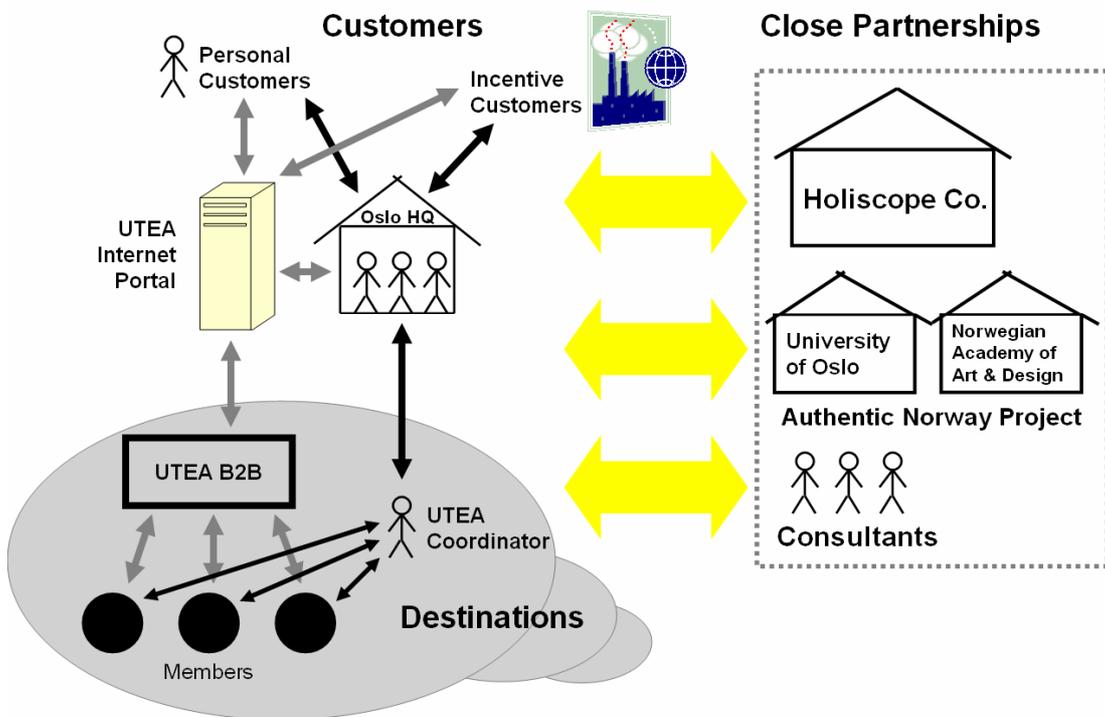
Our goal is to make UTEA the standard of excellence in authentic travel.

UTEA has two principal revenue sources: the franchisees and the customers. The franchisees are charged a one-time installation fee and a yearly membership fee. The customers pay a transaction fee when they make their orders directly through the Internet, or a higher commission fee for custom-made incentive and other events.

Financing: ???% Internal Rate of Return (IRR) for investors

The growth forecast suggests that in its fifth year UTEA will achieve a revenue of some USD 6.9 million, with a net profit after tax of 50% of sales. By then UTEA will have 20 franchisees (destinations) and 10 employees. The founders will provide a start-up capital amounting to USD 50 000. UTEA is looking for investors who know the sector well, and who can actively participate in building the business. UTEA offers its investors a 49% stake in the business for USD 1.5 million. Based on our valuation of the business in year five, the IRR for the investors would be ???%.

UTEA Business Model



2. SERVICE IDEA

Current situation – trends and market forces

A dinner is a typical product of a tourism business. Imagine that instead of eating a dinner in the hotel restaurant you are taken by a horse-drawn sledge along a dark forest road illuminated by torches. A delicious dinner is served in an artistically sculptured log-and-stone cabin deep in the forest, which Ole Peder, the owner, recreated in the style of his distant ancestors. Everything, including the

food and the music, is as it was two hundred years ago in Røros. The difference between a common restaurant dinner and the one just described illustrates the difference between conventional tourism and authentic travel. The product of authentic travel is not a thing but an authentic experience.

Tourism is a leading world business. Authentic travel is at present a small but rapidly growing segment of this industry and a recognized trend. Market research shows that authentic travel is what the tourists want. There are, however, several factors which prevent authentic travel from expanding to its market potential.

Obstacles to authentic travel

When large international tour operators take up the authenticity theme, as they more and more often do, authenticity is usually no longer there. On the other hand, the typical small, family owned authentic travel businesses do not enjoy any of the advantages of their less authentic international-chain competitors: the economies of scale, centralized marketing, state-of-the-art communication design, venture capital, information technology and others. They are often unaware of what their customers really want, and of the still unrealized possibilities in their business.

From the customer point of view, the authentic travel business lacks clear quality standards and control. Spatial distribution and poor marketing of authentic tourism business makes them difficult to reach. For an international incentive group or a family on holidays, a dinner in Ola Peder's forest cabin might be an unforgettable experience. But how will they ever find it? Even if they would find the Internet site that Ola Peder has created, it is doubtful that they would find it as attractive as Ola Peder's dinner. And finally, the experience of Ola Peder's dinner alone, as wonderful as it might be, is certainly not worth traveling all the way to Røros. There is a whole vacation to be filled with experiences and events. But what else is there in Røros?

UTEA franchise – the product

UTEA franchise is a new type of business in authentic travel. Its purpose is to offer the existing authentic travel businesses all the advantages that are now reserved for their international-chain competitors, and at the same time to support and enhance their own intrinsic advantages.

The franchisees of UTEA are "destinations", each of which consists of a group of authentic travel businesses (called "members") that are geographically close enough together to function as a unit. Roughly, a destination is an authentic travel equivalent of a hotel. In a destination a guest can have easy access to all that is needed (food, accommodation, entertainment, recreation activities etc.) by combining the unique experiences offered by the members.

The basic product of UTEA is an "event", which can be anything from dinner party or a vacation to an incentive trip or a conference.

To its franchisees UTEA provides:

- **Product development.** Authentic travel is a relatively new type of activity which has few good models to rely on. UTEA provides a transfer of know-how by adapting business practices that have already proven to be successful through a network of expert consultants. UTEA implements a truly new approach to authentic travel, based on the creation of several-day authentic experiences.
- **Branding.** Our goal is to make UTEA brand stand for “fine art of authentic travel”, an equivalent to the “Michelin stars” of conventional tourism.
- **State-of-the-art communication design and marketing.** The UTEA communication design is done by artists and top professionals. This is central to make the product appealing to its prospective high-budget customers and in that way making the business profitable.
- **Centralized sales.** Sales are, of course, most easily done through an agency and the UTEA Internet portal. UTEA franchisees will especially benefit from combined incentive and personal travels, which have activity peaks in different seasons.
- **Access to venture capital.** Already the fact that an area has been chosen to be a UTEA destination will make it attractive to investors and donors.

To its customers UTEA offers:

- **Centralized sales**, both using the UTEA Internet portal and its expert human agents.
- **Quality control** and choice guidelines.
- **Event scheduling.** By using some latest technologies, the UTEA Internet infrastructure allows for automatic scheduling of events, which is a logistic problem which would otherwise make the UTEA type of activity difficult or even impossible.
- **Attractive Internet portal.** The UTEA portal offers taste bits of destinations and authentic experiences already on the Internet.

Development status of the product

UTEA franchise is based upon a business concept that can be “copied” to different locations around the world. This business concept has been developed in practice during the past decade by Karin Fürst, one of the founding members, and proven highly successful in practice.

The Internet infrastructure and the business model is another key component of UTEA. Both are being developed by Dino Karabeg (the other founding member) and his collaborators and students, in an inter-university project called Authentic Norway. The prototypes produced within this project will be turned into state-of-

the-art professional product by a company called Holiscope with which UTEA is in a close partnership.

The third key component is marketing. Prototypes for state-of-the-art, artistic communication design, which appeals to the main target customer groups, are also being created within the Authentic Norway project, in cooperation with the Norwegian School of Art and Design.

3. MANAGEMENT TEAM

Karin Fürst, Destination Development Manager

Karin Fürst is presently the owner/manager of an incentive agency in Oslo called Authenticore, which she has developed single-handedly and brought to success on one of the most demanding markets in authentic tourism, German incentives. She is one of the pioneers of authentic tourism in Norway. As a graduate of the prestigious Lausanne School of Hotel Management, Karin Fürst is well versed in the high standards in hospitality and travel. She will contribute to the UTEA franchise a successful precursor, a network of supportive, enthusiastic suppliers in Norway and an international network of authentic travel business connections.

Dino Karabeg, Infrastructure Development Manager

Dino Karabeg is an associate professor of computer science at the University of Oslo. He has a doctorate in computer science from the University of California at San Diego. At the University of Oslo Informatics Department he has developed a new research direction in information design. Dino Karabeg will contribute to the UTEA franchise a new e-business model tailored for the UTEA franchise.

Two more members will join

We have made an initial contact with a Norwegian investor who is specialized in authentic travel. One of the reasons for writing this business plan to invite him into our company project. He will be responsible for investments and planning.

The fourth team member will be the General Manager and Head of Finance.

4. MARKET AND COMPETITION

Market size

Tourism is a leading world business. With annual revenues of almost \$3 trillion, its economic impact is second only to that of the weapons industry. The industry employs more people than any other industry sector (more than 112 million

people, or one out of every fifteen workers worldwide). (Source: World Tourism Organization).

Since authenticity is not an objectively quantifiable criterion, statistics that would show what percentage of tourism is authentic are not available. Common experience shows that authentic travel is a tiny fragment of the whole tourism industry.

Market research shows that *authentic travel is what the tourists want*. As Norwegian researcher Arvid Viken writes in a recent survey:

If one asks the tourists, they prefer the meeting with land workers, blacksmiths, fishermen and reindeer herdsman as the most genuine experiences (cf. Newman 1997, Lyngnes and Viken 1998). This confirms MacCannell's claim that the tourists want to come to the back- or in-side of that which is made specifically for them. It seems also that the situations where social and tourist roles and systems are eliminated gives the most authentic experiences. As Wang sees it (1999:359), it is the feeling of *being*, perhaps also of being interesting to others that is essential for the experience. Such existential experiences are created when people communicate, have respect for each other and feel responsible for each other's well-being. It also probably involves that both parties feel a moral responsibility for one another. Unfortunately, most tourist contexts do not allow for that (Viken and Cole about tourism and morals in this book).

Authentic travel is a rapidly growing trend in the tourism industry that has been recognized also by large conventional tourist organizations and tour operators. For example, in its recent campaign the Norwegian Tourist Board sigled out authenticity ("ekthet") as the first of the four values which distinguish Norway as a tourist country. Their new "Hand Picked" program caters directly to the authentic tourism market.

The rapid growth of authentic travel is supported by another more general cultural trend. Here is how John Quelch, Harvard Business School professor, describes this trend in the World in 2002 special issue of the Economist:

Watch out for a new brand of consumer in 2002: the middle-aged person of wealth who, finding himself surrounded by too much stuff acquired over the years, decides to simplify life. Out will go luxury purchases, conspicuous consumption and a trophy culture. Tomorrow's trend-setting consumer will buy more ephemeral, less cluttering stuff: fleeting, but expensive, experiences, not heavy goods for the home.

There are, however, valid reasons why authentic travel is still far below its market potential. In our opinion, the main reason is its type of organization, which prevents the authentic travel business from fulfilling some essential customer needs, and which also makes it less profitable from its less authentic but far better organized competitors. UTEA franchise finds its niche by providing solutions to this problems.

Competition

■ **Large tourism organizations and tour operators** are increasingly moving into authentic tourism. Their disadvantage is that they have developed their

practice, personnel and infrastructure based on non-authentic, mass tourism. We profile ourselves with respect to this type of competitors by creating and marketing our product as “fine art”, rather than something mass-produced. We profile our brand accordingly.

- **Independent small authentic travel businesses**, as UTEA’s competitors, are at a disadvantage because they lack a quality mark and the ease of access and visibility.
- **Independent small travel agencies** which specialize in authentic travel similarly have the economies-of-scale disadvantage w.r.t UTEA. They also lack the ability to create their product, while one of the main value drivers of UTEA is its own product (UTEA events) backed by destination development.
- **Eco travel, farmhouse tourism and similar organizations** appeal only to a limited fraction of the potential authentic travel audience. In the UTEA product, ecological travel is one of the components, but not at all the only one. UTEA provides truly unforgettable, unordinary and sometimes breath-taking events.
- **National Geographic and some other large non-tourism organizations** are developing authentic travel activities. UTEA is profiled with respect to such competitors by designing events and destinations, while they only take people to places. The UTEA destinations combine all the possibilities of living museum and theatrs with audience participation.

5. MARKETING AND SALES

General strategy

UTEA will use a marketing concept where the company and its values stand in the forefront.

UTEA will draw marketing benefits from the novelty and attractiveness of its concept. We will use regular news articles and media reports to spread the word about the approach. Attractive event accounts and photographic material are something that makes not only tourism and travel magazines marketable, but also all other forms of media reports.

The UTEA portal will be the natural target for browsing after work and dreaming about the next vacation.

We distinguish two kinds of marketing: towards the franchisees and towards the consumers.

Marketing towards prospective franchisees

This is done mainly through direct contact, using our already existing network of agencies and friends. Authentic businesses and locations of special interest are generally known among the international incentive and authentic travel professionals. We approach those businesses directly. Each year we focus on about ten of them which have expressed a clear interest. Our plan is to add five destinations per year (we limit this number in order to preserve quality).

Marketing towards prospective consumers

We will segment our customers and address each group separately by catering to its specific needs and values. An example of a customer group is the already mentioned high-income “shedders”. They are often people who work hard and want to use their vacation time to reconnect with their families and give them a special gift, a vacation which is truly a unique and unforgettable experience. Another example customer group, reachable through professional organizations (such as the American Teachers Association) and special interest magazines, are people whose values make them want to truly meet the local people and culture on that culture’s own premises.

In our financial plan USD 500 000 is allocated for marketing each year.

6. BUSINESS SYSTEM AND ORGANIZATION

UTEA franchise

The franchise organization allows UTEA to spread fast with relatively modest capital investment. The franchise organization also allows us to combine authentic businesses together without owning them. Authentic locations typically cannot be bought, and even if they would, they would then lose their authenticity. The UTEA franchisees keep a large degree of independence and identity. It must be emphasized that the UTEA is entirely different from common franchises which are typically physical copies of one another. UTEA is a custom-made kind of franchise called “value-based franchise” where what is shared is not the outlook of the locale and the uniforms of the personnel, but the *values*, most notably authenticity.

The UTEA franchise adapts a business concept that has already proven successful to various geographical regions. Another essential side of the franchise is the brand and common marketing and communication design, which allow us to use the economies of scale positively and achieve profitability. New Internet technologies give UTEA the necessary technical infrastructure. UTEA operates largely as an e-business structured as a network or a distributed corporation. This organization model is made possible by the new Internet technologies. It is also the natural organization for authentic travel, whose units are geographically distributed and small businesses. The elements of this infrastructure are developed at no cost within a University of Oslo research

project. In what follows we explain the various key subsystems of UTEA separately.

The franchisees and the franchise agreement

The UTEA franchisees are destinations united together by a common Internet infrastructure. Each destination consists of a number of authentic tourism businesses called members which are geographically close enough so that they can be combined so that some of them provide accommodation, others food, still others activities etc. Each destination has a coordinator, typically a member of a local business, who is an excellent communicator and organizer and who knows the local opportunities, circumstances and people very well.

The franchise agreement specifies the rights and the obligations of the franchisees. The franchisees get the right to use the UTEA brand, Internet software and business network. The franchisees assume an obligation to submit to UTEA quality standards. Each destination pays a one-time installation fee and a yearly membership fee. In the financial plan both the installation fee and the membership fee are assumed to be USD 100 000 per destination.

Upon signing the franchise agreement the destinations undergo the *destination development* process, assumed in the financial plan to last one year. During this time buildings and other infrastructure are built and remodeled and the software is customized, installed and tested. The UTEA consultants visit the area and help the local businesses develop their practice.

The product

The main products of UTEA are events. An event may be anything from a dinner party or a family vacation to an incentive or a conference. The events are artistically done (an event may be imagined as a tourism counter-part of a theatre shows audience participation). Events can be tailor made by UTEA agents for a higher commission fee, or self-designed with the help of the UTEA portal software. New technologies (“topic maps”) are used for organizing the events. They allow the customers and the agents to easily locate and combine the places and activities according to the customer’s interests.

The events are tailor-made for specific target groups. An example high-budget incentive event may include a moment where the clients are taken by helicopters to the edge of a glacier at sunset, where they can enjoy a cocktail while enjoying a fascinating sight of Geiranger fjord. A completely different incentive may involve an experience of traditional Berber culture in Morocco, with riding on camels through the desert and sleeping in Berber tents. Still an entirely different event may be created for families with teenage children.

Internet infrastructure

Internet plays the key role in putting the destinations together into a single business. UTEA is organized as a network. Internet replaces the common roof of

a hotel – it combines the geographically scattered members of a destination into a synchronized and organized unit.

The UTEA Internet portal is attractive and state-of-the-art. It is one of the main value drivers for UTEA. The portal combines state-of-the-art technology, high-quality artistic design and exquisitely interesting content about places, activities, stunning nature, cultural experiences etc. It provides authentic experiences already on the Internet. We expect that this portal will naturally attract visitors, both “Internet travelers” and people who after the day’s work want to relax and plan their next holiday.

The portal is also a community building device, where people can “meet” other people with similar interests or contact the people who have already been to the place of interest and read their opinions. This is a natural quality control mechanism, and also a very good marketing tool. Indeed, no advertising can be as convincing as enthusiastic reports of people who have already been to a place.

Employees, consultants and partners

UTEA is organized as a network with a small number of employees (projected ten employees in year 5). The management consists of a general manager, marketing manager, destination development manager and infrastructure manager. In addition to running the franchise locally, they are responsible for maintaining the external networks. The main responsibility of the UTEA technical personnel is custom event design.

Specific tasks such as destination development are outsourced to expert consultants from the UTEA network. Their job is to secure the transfer of knowledge and creativity and to secure that the UTEA’s unique business concept is properly implemented.

Internet infrastructure and communication design is outsourced to a company named Holiscope with which UTEA is in a close partnership.

UTEA is also in a close partnership with an inter-university research project called Authentic Norway. Currently the project is done in cooperation of the University of Oslo Information Design group, under the supervision of Dino Karabeg, and the Communication Design group from the Norwegian School of Art and Design under the supervision of Professor Reidar Holtskog, who is one of premier Norwegian designers. The project develops internet infrastructure, marketing, visual design, business concept and other ideas and prototypes. All final software and communication designs, however, are done professionally within the Holiscope company.

Pricing

Economies of scale allow UTEA to offer its services for a competitive price. Its marketing approach which portrays the UTEA-style travel as *the* truly valuable

gift, far more valuable than diamonds and furs) allows UTEA to charge sufficiently high prices for its events to make such fine art of travel a profitable business.

In the financial plan, conservatively, prices have been set to USD 100 000 per destination for both one-time installation fee. The Internet transaction fees are set to 5% and the custom-made event fees are negotiable. In our financial model we have assumed a commission of USD 20 000 per event, half of which are expenses.

Location

The UTEA headquarters will be located in Oslo, Norway. As a Norwegian company, UTEA will benefit from the Norwegian image abroad – where Norway has the stature of a peace maker, high quality of living and high social consciousness. New ideas like the UTEA type of travel may naturally be expected to spring from there. Since UTEA is not labor intensive, it is a very suitable type of business for Norway. Furthermore, UTEA will benefit from the closeness to venture capital which exist in Norway, since destination building will need financing. UTEA will also benefit from the existing authentic travel infrastructure and university contacts in Norway.

Management style and company culture

Its large cash flow and small work force will allow UTEA to attract and select quality employees. In addition to authenticity, the mission of UTEA will be to help local economies and cultures around the world and promote inter-cultural understanding. When we also take into consideration the creativity and interesting travels involved, it is not difficult to see why we expect to create a work environment which will bring UTEA a creative spark and a sharp competitive edge.

7. IMPLEMENTATION SCHEDULE

Growth strategy

Since it implements a new business model, UTEA is facing the challenge of developing the details of its business and infrastructure. We answer much of this challenge prior to startup in the **preparation phase**, mainly within the Authentic Norway research project. During the preparation phase we will develop two pilot destinations, one in Norway and the other one abroad, and create the prototypes for the Internet software and communication design. In that way the initial destination development team and practices will also be developed. Following the startup, we will achieve the growth of the franchise by reaching prospective destination through business contacts. An initial network of contacts has already been developed within the Authenticore company. The already described marketing strategy will help us increase both the number of destinations and the number of customers.

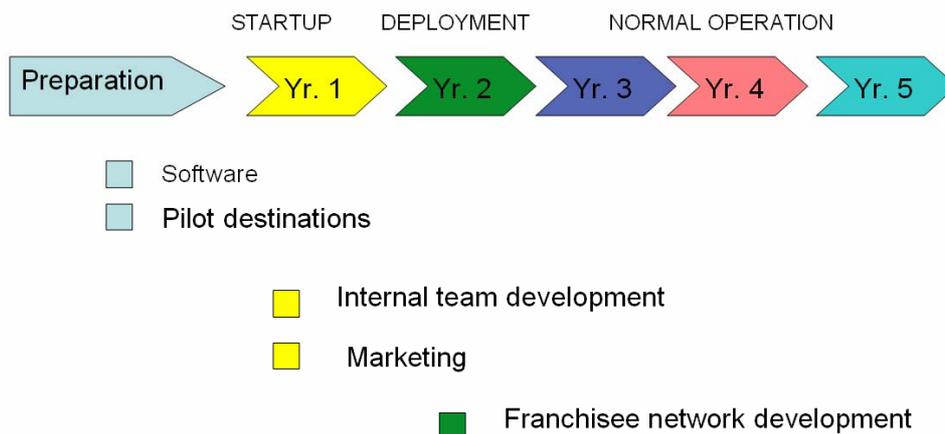
Development plan

In the first year of business, we shall focus on building up the management team and the business practices. In the second year we focus on the destination network building and the destination relations.

Milestones

During the preparation phase the strategic decisions regarding the functionality of the software are made. It is essential to have a functioning business model before the startup. During the last six months of the preparation phase the UTEA software will be completed by the Holiscope company.

Deployment strategy



8. RISKS AND OPPORTUNITIES

Franchisees: Will authentic travel business want to join UTEA ?

Authentic travel businesses are individualistic, with strong identity and local-cultural roots, who may not want to belong to something which is called a “franchise”.

Success depends on UTEA's ability to create a brand which reflects authenticity, which everyone will be proud to be a part of. UTEA is a "value-based franchise" which means in a certain sense an anti-franchise. It is uniting the authentic businesses together and making them stronger. In effect, UTEA is applying a sort of a "judo trick" on the franchise competitors of the authentic businesses, by using their own sources of power to overcome them.

In the globalized business it is no longer possible to remain authentic by doing business in the old style. The authentic travel businesses experience that daily. Our contacts with authentic travel businesses through the Authenticore and the Authentic Norway project have showed us that our prospective franchisees are enthusiastic to receive the type of support that UTEA is offering.

Consumers: Will consumers use UTEA for planning trips?

The answer depends on whether UTEA will be able to develop a strong brand and make its presence visible. Our marketing strategy explains how we intend to do that.

Competitors: Will a competitor adopt the UTEA business idea and take the lead in the market?

UTEA has the first-mover advantage. This means that we have, like the XEROX and McDonald's, an opportunity to link a certain type of product with our name, and that is what we intend to do. Furthermore, copying the UTEA business is far more difficult than copying the hamburger recipe, because it involves the knowledge of authentic tourism, network of right people, a suitable Internet infrastructure and other elements which take a long time to develop and perfect.

UTEA: Will it remain authentic?

When UTEA becomes a large international chain, will it become inauthentic? The answer depends on UTEA's ability to preserve a strong company culture and values.

Opportunity 1: Taking a large share of the tourism market

We have deliberately made a conservative small company project and financial plan, in which steady and slow growth is maintained by a small number of employees. We do not, however, exclude the possibility of expanding into the travel market and taking a large share of it. As we explained in our market analysis section, the tourism market is extraordinarily large and it wants authentic travel. Authentic travel may well be the future of tourism, if it can be made profitable and marketable. We are well positioned to develop this opportunity.

Opportunity 2: Creating opportunities for investments into authentic tourism infrastructure

Every new UTEA destination in development will need capital investments. Assuming that UTEA is successful, investments into UTEA destinations will be profitable investments. There is an opportunity, therefore, that a part, perhaps even a large part of the UTEA business will be investments into destination building world wide.

9. FINANCIAL PLANNING AND FINANCING

Financial plan

We expect that UTEA will have 20 destinations within five years. We estimate a net profit before tax USD 4.8 million.

Franchise agreement sales forecast

Our sales forecast is based on the assumption that the destination development will take 1 year on average. In the first year UTEA will operate with the two pilot destination developed in the preparation phase. Three more destinations will be developed during the first year. Subsequently, five destinations per year will be added. Such limited growth rate is chosen to preserve quality. We expect that such growth can continue the following years until it reaches the saturation point of about 100 destinations.

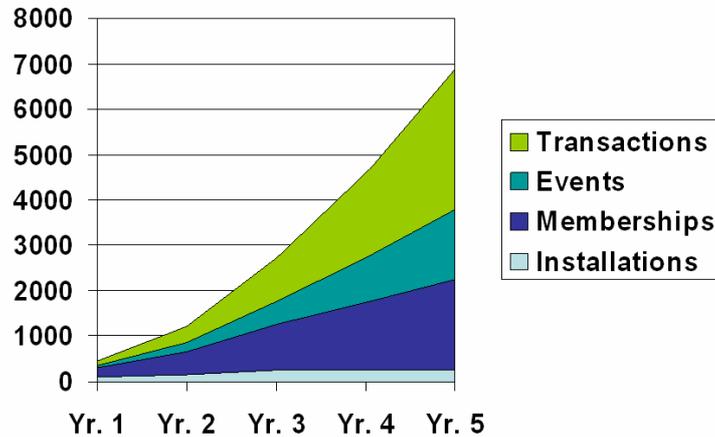
Event sales forecast

The event sale forecast is based on the assumptions that the both the custom-made event sales and the Internet-based sales for each destination will increase 50% per year from a small initial value and gradually decrease the rate of growth when they approach a certain saturation point. In our normal variant of the financial plan, the initial values are chose conservatively: 3 incentives and 500 Internet transactions per destination per year.

Summary of financials

The expected financial results are shown in the table attached to this plan as Appendix.

UTEA Revenue profile



Sensitivity analysis

Total revenue before tax in Yr. 5 (mill. USD):

Best: 6.2

Normal: 4.8

Worst: 1.8

Financing

UTEA will be financed through direct investment. We are looking for an investor who is familiar with our business. Debt financing is an alternative depending on the outcome of the initial phases of operation. Our estimated need is a one-time

USD 1,5 million investment at the end of the preparation phase of our deployment.

Securing the UTEA investment

Two thirds of the UTEA investment is in software. This investment is secured in the following two ways:

- The UTEA software is the state-of-the-art software for marketing and e-business infrastructure which can be resold in case of failure.
- The UTEA software is created in terms of reusable components by the Holiscope company. These components are owned jointly by Holiscope and UTEA and deployed in other software projects. Hence nearly 50% of the software expenses can be considered as invested into an IT startup.