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**SkiAustralia**

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DECA: International Business Plan

SkiDubai Inspired SkiAustralia

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Ardrey Kell DECA

Ardrey Kell High School

10220 Ardrey Kell Road Charlotte, NC 28277

Frank Cincotta

Catrina Spagnualo

Reuben Verdouw

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**Company Information**

SkiAustralia is an exclusive indoor ski and snow resort. The original plan is inspired by the successful SkiDubai in the UAE. The grand opening intends to be in the spring of 2016 under the ownership of Frank Cincotta, Catrina Spagnualo, and Reuben Verdouw.

**Location**

SKiAustralia will be hosted in Brisbane, Australia- the capital of the country. Australia is a tourist hot spot, but Brisbane itself is a well populated place, home to many with disposable incomes. Our product offers this climate an opportunity to experience something they otherwise would not.

**Product**

This resort consists of mock snow-slopes for skiing, snowboarding, and sledding. Ski lifts will be available. In our main concourse, we will run a café, a rental shop, a ski specialty store, and a day care amongst other features like a lounge.

**Promotion**

Our main target market is families, and then young adults and kids. We will promote our business through the media, and word of mouth mainly with the use of pictures or videos from SkiDubai to prevent the cost of advertising. Since this is pricier than a typical weekend activity, we target to those families who can afford our service and are looking for this kind of experience.

1. **Introduction**

SkiAustralia provides snowy experiences and a winter vacation to the residents of all ages in tropical Brisbane, Queensland, Australia. SkiAustralia plans to duplicate SkiDubai’s success by taking advantage of the entertainment industry’s high demand for something new to do. The climate of Brisbane, Queensland does not usually allow for typical winter activities such as skiing, snowboarding, tubing, and playing in the snow. Therefore, we plan to bring these desired experiences to the families and adventuresome people of the region, without the cost of them traveling to an actual mountain.

SkiAustralia’s main attractions will be the six slopes, all of which serve multiple purposes. The slopes conform to all ability levels according to the levels of difficulty: two green slopes for beginners, two blue slopes for intermediates, and two black slopes for advanced. Skiing, snowboarding, sledding, and tubing are all permitted on these slopes. Three ski lifts will be in place, one for each level. Aside from the ski slopes, the SkiCenter will be available to simply play in the snow. It may be used for building snowmen, constructing igloos, or even throwing snowballs. The SkiStore will offer skis, snowboards, tubes, winter apparel, and any other gear and that may be necessary to enjoy the experience at SkiAustralia. A food court will be available featuring cold weather snacks.

SkiAustralia will target young adults and middle to upper class tourists and families. The market has a desire for snow activities because the climate they live in does not give them that opportunity. SkiAustralia will be better suited for adventurous and athletic people but will also cater to those who just want to play in the snow. Some challenges that we will face during the startup phase of this business include financing and finding a suitable location. Provided that our location will be slightly less extensive then the Dubai location, it has been estimated that the total cost to build and establish our SkiAustralia location is approximately $300 million. Our operating costs will vary based on the use of our natural resources, and the efficiency of the building and location. It will also be difficult to find a location that is suitable for the size of the facility around Brisbane, Queensland. We plan to build near a fresh water source, and plan to pay the state based on total water consumption.

We believe that SkiAustralia will be successful in Queensland, Australia due to 68% of their GDP going towards its service sector. Also, their high GDP per Capita, $67,468, will enable them to afford the price that comes along with this experience. Australia has a high unemployment rate, which should assist in our ability to find a suitable workforce.

SkiAustralia will be owned by the Majid Al Futtaim Group (MAF Group). Being the owners of SkiDubai, they will be investing in this venture and helping oversee it. The MAF Group will bring experience in the operation and funding of this business. They will be providing the majority of the capital that will be needed to start this business, as well as knowledge of how to successfully run SkiAustralia. We also have contacts that are natives to Australia and have grown up there who are familiar with the customs, culture, and style of the people and businesses there. They are playing a large role in helping us plan the operation of this business.

1. **Analysis of the International Business Situation  
   A. Economic, Political, and Legal Analysis of the Trading Country**

The capitalist economy of Australia is one of the largest in the world. Australia has a gross domestic product of $1.561 trillion and a gross domestic product per capita of $67,468. Therefore, with a population of 23.13 million people, Australia is a fairly wealthy country. Roughly half of Australia’s population makes up the work force, with 75% of that being in the service industry. In a successful economy like this one, there is potential to start up a successful business.

In order for SkiAustralia to be developed, steel, water, natural gas, and lumber will be required. Australia’s highly developed state allows for accessibility to communication systems such as the Internet and cell towers. Technology is imperative to keeping in contact with our human resources in other regions of the world. Australia has great working conditions with a minimum wage of $16.00, more than double the minimum wage of the United States. Australia’s major industries are mining, oil & gas extraction, and food, beverage, & tobacco production.

Currently, Australia is in a trade deficit of $787 million AUD, meaning that it is importing $787 million goods more than it is exporting. This means that Australia has a negative balance of trade. Australia’s major exports are coal, iron ore, gold, meat, and wool. Australia’s major imports are machinery & transport equipment, computers, office machines, telecommunication equipment crude oil, and petroleum products. As of October 2, 2014, one Australian dollar is equal to 0.88 United States dollars, or 0.69 Euros.

Australia’s government is a part of the British Commonwealth. The Australian Government passes laws, which affect the whole country, and has three arms, the legislature/parliament, the executive, and the judiciary. The parliament is responsible for voting on new laws to be introduced, the executive arm enacts and upholds the laws that are passed by the parliament, and the judiciary arm is the legal arm and enforces the laws and keeps the other two arms in check. However, the Queen of England has authority over the Australian government and can use this power to override the Australian government if she sees fit. This government structure is similar to that of the United States, so it won’t be hard for us to adjust to this form of government. The main political parties in Australia are the Australian Labor Party, a center-left party, and the Coalition, an alliance between the Liberal Party and the National party, which is a conservative, or center-right, party.

Australia has placed embargoes on 20 countries, including Afghanistan, the Balkans, the Ivory Coast, Fiji, Iran, Iraq, Lebanon, Liberia, Libya, North Korea, Sudan, & Syria. In Australia, there is a goods and services tax of about 10% for imported goods. Australia allows goods to be exported GST-free if exported from Australia within 60 days of receiving payment or issuing an invoice for the goods. There is no duty paid on goods that are worth $1,000 or less, excluding tobacco or alcohol products. Under the *Customs Tariff Act 1995*, importers must self-assess the correct tariff classification of goods they import.

Australia has many laws to protect their workers, although, they vary from state to state just as their minimum wage does. One policy they exercise is *superannuation,* a compulsory tax for companies in Australia in which employers deposit a minimum of 9% and employees 3% to be put into a savings fund for the company. This benefits anyone in any business, as they will have a savings in their future. In the production of our indoor ski resort, it is important that our employees are protected and can protect others. Australia is also a part of the Commonwealth government, which helps to regulate labor-related matters. It is important that our business promotes a safe and fair environment, especially in the industry that it is in. Also, America has resources that will be needed to develop SkiAustralia, and luckily, Australia and the United States have a free trade agreement.

**B. Trade Area and Cultural Analysis**

Australia is located between the Indian and Pacific oceans, south of the Asian archipelago. Even though it is the sixth largest country by total area, our choices of where to put our business were limited due to the large dry desert in the middle of the country, and our businesses dependency on water. Because of the extreme conditions of this country’s center, most of the population is distributed on the outskirts. Therefore, much of the trade that occurs in Australia takes place on the eastern border, which is why we strategically placed our business on the outskirts of the country, giving us easy and efficient access to trade. Brisbane city is a large city on the Eastern Coast of Australia. It is the third largest city and trade center in all of Australia. Brisbane is also a major tourist city in Australia. Coming here, tourists will be offered an attraction they would not be otherwise offered anywhere else in Australia, and sparsely offered elsewhere. This location in Australia was chosen due to its almost guaranteed potential compared to the potential of most other countries

Generally, education in Australia follows the three-tier model that includes primary education, secondary education (high school) and tertiary education (college). This impacts our company because we will have the option of what education level to choose employment from, and what types of people we would like representing our business. Australia has a 99% literacy rate, with a great education system. The number of people aged 15-64 years (working age population) increased by 1.8% (or 237,700 persons) in Queensland, in 2010. Due to this increase in working aged citizens, our company expects our hunt for employees to be more competitive. On the other hand, high literacy and education rates also benefit our company from the business aspect. With a better education comes a better job that provides the citizens with the income needed to visit our business.

As of 2013, Australia had a population of 23.13 million people, with a growth rate of 1.8%. Compared to this, in 2013 Brisbane’s population was at 2.031 million with a growth rate of 2.1%. Brisbane has a population density of 379.4 people per square kilometer.

Australia’s capital city is Canberra, located in the Australian Capital Territory (ACT). Queensland’s capital city is Brisbane. Brisbane is located about 745 miles from Canberra.

Brisbane contains a major international airport that services the entire southeast Queensland region. Brisbane’s domestic and international airports are the third busiest airports in Australia.

The vast majority of Australians (around 98%) are members of households living in private self-contained dwellings such as houses, flats or units. The average household size in Australia is about 2.6, down from 3.6 in 1961. The average price to purchase an apartment in the city center of Brisbane is $458.47 USD per square foot, and the average price to purchase an apartment outside the city center of Brisbane is $336.83 USD per square foot.In contrast to this, the Median Household Income of Australia in 2012 was $30,077 USD.

The country's original inhabitants, the Aboriginal and Torres Strait Islander peoples, have some of the world's oldest continuing cultural traditions. They have been living in Australia for at least 40 000 years. In contrast to this, Australia contains a large migrant population of over 21 million, making up an estimated 22% of the population. Foreign-born residents have made and will continue to make a significant contribution to the Australian way of life.

Australians prefer people who are modest, humble, self- deprecating and with a sense of humor. These are the types of traits we would be looking for in our potential employees, along with a basic education, or experience, in customer service. We want to exude an appeal to our customers that makes them feel like we are one of them.

While an Australian may say, “G'day” or “G'day, mate”, this may sound patronizing from a foreigner. Therefore when we schedule meetings and build relationships with our suppliers and customers, we should try not to sound like we are mocking or patronizing them. The primary language in Australia is English, which will make it easy for us to communicate with our business partners, suppliers, and customers.

There are no competitors in the Brisbane area for our business. There are a few spots for outdoor skiing in other regions of Australia, though these are far from Brisbane and are completely different from our company’s business model. There are five major theme parks within a 30-45 minute drive from the city of Brisbane. These theme parks will be our main competition, however they are a different kind of attraction than SkiAustralia, and thus they will not be direct competitors for our business. A positive of these theme parks is that their businesses will also attract customers to our business as when our customers come and visit these theme parks, they will see our attraction also and decide that it is something that they want to visit and experience. We may face difficulties in attracting Australians to our business as it is something new and they may not accept it. Despite this, we believe that SkiAustralia is something that will seem very attractive to the majority of Australians and that they will accept it and come to love it. Also, because our business will be situated in an area of Australia where there is nothing else like it, as there are no other ski slopes in the Brisbane region, this area is the perfect position for our business. Brisbane is a thriving city that is lacking an attraction like this, which we will provide.

We are also put at a disadvantage by hosting a business in Australia from a different country. With their large population, it will be hard to target and advertise to not only the Australians, but also the tourists of Australia. We will be spending a lot of time, maybe weeks or months at a time in Australia during the development and opening of Ski Australia to ensure that everything goes as we wish, and to spread the word.

The target market for SkiAustralia will primarily consist of young adults and teenagers, families with children of all ages through teens, although SkiAustralia will provide services for people of all ages. SkiAustralia will mainly target people from the middle to upper class with medium to high wages due to our higher prices. SkiAustralia will cater towards families, by offering discounts for families with 4+ children. In addition we will also offer opportunities for our senior citizens, such as a viewing lounge to watch their families, and a concierge lounge especially for them. This lounge will offer comfortable seating, televisions, fireplaces, food and refreshments.

We predict that our customers will primarily fall into the entire geographic area of Australia, as Brisbane is a major tourism city for Australians due to the five theme parks already located there. Our facility will add to this number and help attract more customers, as well as benefit from the customers that the other theme parks attract. Our customers will not really consist of people from the Americas, Europe, and Asia, as there are great natural ski slopes in these continents, but because it never snows in the majority of Australia, Australians will be the primary customers of SkiAustralia.

We believe that our customers will primarily consist of more athletic, adventurous people. However, we predict that SkiAustralia will attract people of all interests and builds due to the fact that our building will contain both ski slopes and areas to play in the snow, which anyone can do and enjoy.

We can create brand loyalty with our customers by offering season pass discounts and discounts for regulars. We can have a membership group where they pay for membership and they get in for free with their membership card or they get rewards for coming regularly. The membership card can also give them discounts on purchasing or renting gear and purchasing food in the cafeteria. Because our business will benefit during holidays when people are able to travel, we will increase our prices during holiday seasons when numbers will be up. During all seasons, we will have discounted prices for seniors, children and students. There will also be a family discount package.

Before anything, we have to apply and receive our Australian Company Number (ACN) and then our Australian Business Number (ABN). These basically make our company and our name legal, official, and registered by ASIC (Australian Securities and Investments Commission). Building permits will be the main documentation that we will require in order to build this facility. We will need to purchase the land and get permits that will enable us to build a facility of this size and nature on the land. We will also need to communicate with the city council about water and electricity usage and the rates for bills that this facility will need to pay. We will also have to register for GST (Goods and Services Tax) before running the business. Besides those few important requirements, there are minor permits, contracts, etc., that we are responsible for which are available with the Australian Business License & Information Service (ABLIS) at www.business.gov.au/licences.

1. **Planned Operation of the Proposed Business/Product/Service**
2. **Proposed Organization**

SkiAustralia will be a Limited Liability Corporation owned by the Majid Al Futtaim Group (MAF Group) holding company. This holding company will provide the funds for SkiAustralia and will own the majority of its shares.

SkiAustralia will be organized into a Functional Structure. This means that each section of the business will be grouped into departments according to their purpose. We chose this structure, as it is what works best for our business plan due to the completely different aspects of our business. There will be several different departments including Facilities Management, Sales & Marketing Management, and Human Resources. Communication will be one key to success, as we will hold meetings and conventions, mandatory for all staff to attend. Many emails will be exchanged each and every day, and this will be one way for employees to put a face to names within our organization. One example of necessary communication within our organization is the tie between Sales & Marketing, and our Facilities Management. New promotions, monthly sales, and customer relations will all be topics of discussion between these two departments of SkiAustralia.

Decision-making will be centralized, with the MAF Group making the decisions for the business. The MAF Group will provide the knowledge of this business plan because of its success with its SkiDubai Company. The MAF Group will decide how the business will be run and what to do with the business. SkiAustralia’s business model will be based upon foreign direct investment with the MAF Group being the largest shareholder of SkiAustralia's shares and thus owning and operating the company.

This ownership model works well because it keeps the power and decision-making central so that the leaders of the business are in charge. This prevents our employees from making autonomous decisions that may go bad and negatively impact the brand image of the company. By keeping the decision-making central, we keep everything in check and keep our brand image, as we want it to be. Our employees are not able to make a mistake through a bad decision and thus negatively affect our brand image.

When forming our plan to begin SkiAustralia, we first looked at countries where our business plan would work. We decided upon Brisbane, Australia as its tropical climate doesn’t allow for snow-related winter activities and Australians are relatively wealthy, have free money to spend, and Brisbane is a hot tourist spot for Australians due to the 5 theme parks already located just outside of Brisbane, which will help attract customers to our business. The first thing we will have to do is register for an Australian Business Number (ABN), which can be done at [www.abr.gov.au](http://www.abr.gov.au). In order to do this properly, we will need a business name, and license. After researching our name, we found that the name for our business, SkiAustralia, is still available. Our business name will not interfere with any used trademarks, as SkiDubai has given us legal consent to franchise the already successful business model they created in the Middle East.

After the facility is manufactured and the slopes are up and running, the only regular distribution necessary will involve our Food and Beverage products. We will partner with local freshwater companies to ensure quality water for our snow, at a reasonable cost. We expect to use around 8,000 gallons of water per day, and around 200+ million watts per year due to the fact that we have to keep the entire building below 0 degrees Celsius as well as keep creating fresh snow when we need it in order to keep our facilities nice and pleasurable to use.

As an organization, our Public Relations department will partner with environmentally friendly companies who will help us recycle the water, and help us reduce the amount of energy needed to operate. Due to the amount of energy needed, the government will have to do annual inspections as well, to make sure we use our water and supplies as efficient as possible.

We plan on construction of the facility taking about two years, and we have planned on opening eight months directly after construction is completed. Promotions and advertisements will be presented all over continental Australia, primarily in Queensland, as we expect record attendance the first few weeks.

SkiAustralia will require a Human Resources department due to the number of employees that the facility will require. We estimate that the facility will require around 170 employees due to the multiple areas of the facility. We will need to hire people who are skilled at skiing and snowboarding and are certified to teach lessons. We will hire workers who can man our gear rental store, ski lifts and admissions offices (selling entry tickets, etc.). These workers will primarily be younger aged citizens because our target market is younger in nature and the positions we are hiring for are entry level and require less skill. This will allow us to spend less money on salaries because our workers are primarily part-time and are expecting limited hours and lower hourly rates. We will also have managers who are more experienced in this type of field and can manage our employees. Our business will ~~also~~ require engineers and other skilled employees to manage and maintain our ski lifts, A/C unit, and other technical aspects of the facility.

The hierarchy chart on the following page reveals how our business will be structured. This structure works for our business because it enables our power to be centralized with employees reporting to the person/group above them. All power is funneled out of the Board of Directors, and reports come through the ranks and back up to the Board of Directors.

The **Chief Executive Officer** will be heading up our business and reporting to the **Board of Directors**. The Chief Executive Officer’s functions will include managing the Chief Financial Officer, Chief Operations Officer, and Chief Marketing Officer and receiving reports from them.

The **Chief Financial Officer** will manage the accountants and bookkeepers of the business, while the **Human Resources** department will manage staff training, hiring, firing, and other employee relations-related tasks.

The **Chief Operations Officer** will oversee the maintenance of the facility, the administration, and the client services sectors of the company.

The **facilities maintenance manager** will manage the operators, construction crew, and maintenance crews.

The **operators** will include the employees who man the ski lifts and manage the snow-makers, while the **construction** crew will be brought in when we want go undergo new construction or renovations.

The **maintenance** crew will be made up of janitors and custodians, engineers who will maintain the A/C and snow-makers as well as the ski lifts.

The **administration** **manager** will oversee support staff and others who work behind the scenes of the business answering phone calls, questions, etc.

The **client services manager** will manage the cafeteria workers, the door and entry sales and the first aid crew.

The **cafeteria workers** will include chefs, servers, who cook and serve the food sold at the facility.

The **door and entry sales manager** will look over the employees who sell the tickets for admissions as well as the rental store employees.

The **Chief Marketing Officer** will manage the employees who look over the website, promotions, events and public relations.

The **website** managers will maintain and regularly update and upgrade the website, while the **promotions** managers will cover the advertisement and promoting aspect of the business, organizing television, radio, newspaper, etc. advertisements.

The **events** managers will organize the facility for renting out to corporations and other businesses to hold corporate events in.

The **public relations** managers will take care of the publicity of the business and the brand image of SkiAustralia. Their job is to maintain our brand image and make sure that we stay on the good side of the public.

Operators, maintenance crews, and client services employees will work shifts ranging from 6-8 hours and will work either morning or afternoon/night shifts, with morning shifts being from 6:30am to 12pm, afternoon shifts from 12pm-5pm, and night shifts from 5pm to 9:30pm. Employees such as construction crews and some other maintenance crews will be hired on demand and only work when their services are required.

**B. Proposed Product/Service**

At SkiAustralia, we strive to bring profitable and accessible skiing to all people.

SkiAustralia is a business that provides the service of ski slopes for people to ski and snowboard on, as well as the use of snow in the play area, and the sale of food and beverages. We chose to open and market this business in this particular area as it is something not already available, but currently desired. Due to research, we know there is a high demand for high risk and adventurous activities like what SkiAustralia has to offer. Also, snow is not something regularly present in most regions of Australia, and therefore, an indoor resort as it is their only option without traveling a far distance.

Since we are adopting our business from Ski Dubai, we will have to slightly alter a few aspects of our company. First of all, English will be spoken and Australian foods will be offered, such as meat pies, sausage rolls, fish and chips, burgers and chips (fries), and water and soda fountain drinks. Salads will also be sold to cater to our health-conscious clients. Energy bars and energy drinks will be sold alongside small snacks for our customers so that they can quickly replenish their energy and get back out onto the slopes and enjoy the snow. In general, Ski Australia will be more family-centered and traditional compared to Ski Dubai and its focus on the business aspect. This is because we are targeting to the residents of Australia, specifically families.

The development of our business will depend on our suppliers. Walz Construction, a local company, will be planting and building our facility, including all of the larger attractions like the ski slopes and ski lift. Our water supply will come from Gold Coast City Council and our electricity will be sourced from ENERGEX. Our food items will be provided for by Bidvest Australia, a wholesale food distributer. Our rental shop will stocked with products solely from Aussie Skier. That includes skis, snowboards, and apparel. We will also be selling our own company souvenir apparel provided by Gildan.

The main inventorial product we will have to keep up with is our food supply. We will order in weekly, but only order what is needed to ensure we always have fresh products. Our rental shop will also have to be restocked, and that will happen bi-weekly based on what is low in stock. We will also restock apparel in our gear store as people may decide to purchase their own gear instead of renting out gear from our rental shop. We believe that coats, pants, gloves, hats, scarfs, balaclavas, ski masks, etc., will be the most purchased goods as Australia’s climate means that most Australians will not possess these goods and will have to purchase them.

SkiAustralia is a walk in service, no appointments or reservations are necessary, unless scheduling a party or function. The customers will be charged one price that is valid for the day, or otherwise purchase a weekend, week, or season pass. Passes can be bought for the morning session (7am - 2pm), the afternoon/twilight session (2pm - 9pm), or all day (7am - 9pm).

1. **Proposed Strategies**
   1. **Proposed pricing policies, what currency will be used, costs, markups, markdowns, relation to competition, factors that could affect the price of the product**

SkiAustralia’s pricing objectives will be to undercut the competition that SkiAustralia faces. Australia has fourteen downhill ski locations, however none of these are in Queensland. These locations offer natural snow and slopes, and thus will be of higher quality than our slopes. This means that SkiAustralia will have work to offset that competitive disadvantage by implementing lower prices to attract our audience. The pricing strategy we have chosen is based off of High Sales and is similar to price leadership models used throughout the world. Our goal is to penetrate the market and gain market share via high sales and low prices.

The currency that will be used in our transactions will be in Australian Dollars (AUD). No exchange will be required, as money earned at SkiAustralia will be paid to employees in Australian Dollars. Customers will be given the opportunity to pay in either cash or credit.

We expect the holiday season, November through January, to produce the majority of our sales. During this season, we will increase advertising by 40% and this will include commercials, radio ads, and billboards. Around October we will increase the price of our services for a couple weeks, and then drastically drop them for the holidays so we can advertise discounts and specials for the family.

We expect to be in debt for the first 3-5 years of our existence due to the large cost of constructing the facility and the fact that it may take some time for our customer-base to build. However, we project that in a five year time period, SkiAustralia will be an established name with higher sales and quality brand image. Our pricing model will most likely be revisited to see if we can implement a more profit oriented campaign; however, there are many factors we will need to look at it prior to changing our current commitment. We recognize that a change in pricing philosophy doesn’t always lead to a smooth transition and will work closely with our marketing and sales department to ensure our prices match our customers’ ability and willingness to pay.

* 1. **Proposed promotional program, promotional activity(ies), media availability, costs, one-year promotional plan outline**

We will mainly use Direct Marketing and the Internet to spread word about SkiAustralia. We will set up television, radio, and sports magazine advertisements in order to spread the word about our facility. However, we believe that the media and word-of-mouth-communication advertisements will be the primary way that our customer base will hear of our facility due to the fact that it is the first facility of its type in Australia, and so it is bound to get attention from both the media and the people of Australia who will talk about our facility amongst each other.

1. **Planned Financing**
2. **Projected Income Statements for the First Years Operation**

Shown below is the work that we used to calculate the revenue that SkiAustralia would earn from ticket sales:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Estimated Ticket Sales per day** | **Yearly Sales**  **(Tickets per day \* 365)** | **Holiday Seasonal Sales** | **Annual Attendance** | **Total Revenue**  **(Annual Attendance \* $60.00)** |
| 500/day | 182,500 | 5,000 | 187,5000 | $11,250,000 |
|  |  |  |  |  |
|  |  |  |  |  |

500 per day x 365 days + 5000 for Holiday Seasons = 187,500 people annually

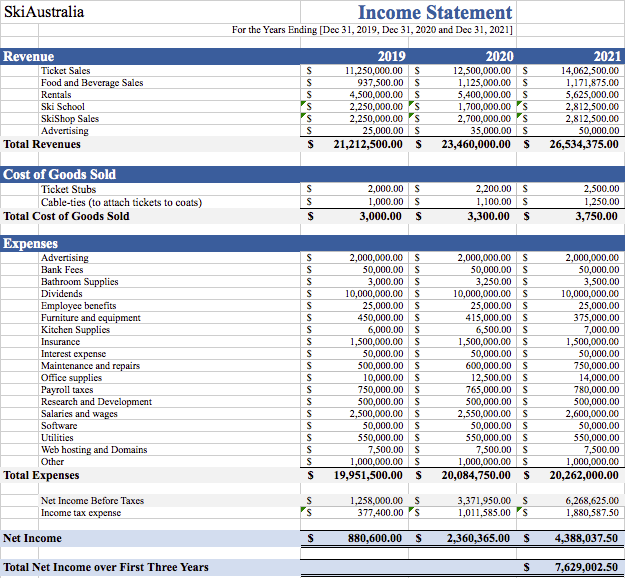
187,500 \* $60 for passes = $11,250,000 in ticket sales for the first year.

600 per day x 365 days + 6000 for Holiday Seasons = 225,000 people annually

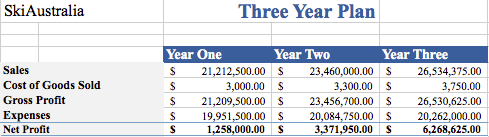
225,000 \* $60 for passes = $13,500,000 in ticket sales for the second year.

625 per day x 365 days + 6250 for Holiday Seasons = 234,375 people annually

234,375 \* $60 for passes = $14,062,500 in ticket sales for the third year.

 On the following page is an Income Statement chart showing the estimated Net Income for the first three years of SkiAustralia’s operation:

1. Projected balance sheet for the end of the first year



1. **A brief narrative description of the planned growth of the proposed business**

We believe that we will bring in a net profit of $1,258,000.00 in our first year in

operation. During the second year, we believe that our number of customers will increase, and so our net profit will increase to $3,371,950.00. By the start of our third year in business, we believe that SkiAustralia’s reputation will have grown and we will expect to see an average of 625 people per day, putting sales at $26,534,375.00 leaving us with a net profit of $6,268,625.00.