

Airbnb Rental Business Plan Template



- **Industry Overview**

Airbnb or Bed and breakfast (B&B) establishments generally provide two main categories of service: overnight accommodation and breakfast the next morning. Short-term accommodation. Operators in the Bed and Breakfast (B&B) Accommodation industry have faced difficult trading conditions over the past five years.

Rising competition from other types of accommodation, such as motels and backpacker hostels, has limited industry revenue growth over the period. In particular, accommodation-sharing networks such as

Airbnb have put significant pressure on B&B operators to reduce prices to remain competitive.

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In addition, an increased range of accommodation options have become available to book online through aggregator websites, which have improved the transparency of prices for consumers and put further pressure on operators to lower prices. Consequently, industry-wide profitability has declined over the past five years.

Simply put, a typical bed and breakfast is a small lodging accommodation that offers overnight accommodation and breakfast to guests. Aside from breakfast, they usually do not offer other meals. Normally, people that run bed and breakfasts make use of their private homes or their family homes. The average bed and breakfast has 6 rooms, but generally, bed and breakfasts operate 4 to 11 rooms within a facility.

Statistics has it that there are roughly seventeen thousand (17,000) registered bed and breakfast businesses in the United States and they can be found in all states, in major cities and remote rural areas in the U.S. There is no defined structure for Bed and Breakfasts, they are known to occupy everything ranging from modest cottages to luxurious mansions, and in restored structures from schools to wagons to churches.

A recent report published by IBISWorld shows that the Bed and Breakfast and Hostel Accommodations industry has expanded significantly over the five years to 2019, reflecting growing consumer preferences toward affordable accommodation.

Demand for industry services has grown substantially over the past five years, bolstered by the expansion of both domestic and international travelers. Industry demand is largely driven by retirees and millennials, who are price-conscious and fuel the growth of hostel establishments in the United States.

As a result, industry revenue has expanded at an annualized rate of 4.4 percent to \$3.1 billion over the five years to 2019, including an es-

estimated 2.1 percent increase in 2019 alone. Over the past five years, the industry has benefited from improving economic condition.

Usually, bed and breakfasts were seen as the ideal place for the weekend-getaway; nevertheless, this only accounted in occupancy for three nights of the week. Business travelers accounts for 52 percent of the lodging industry.

Recently, bed and breakfasts are now shifting their attention to week-day travelers and they have gone ahead to start making provision for amenities such as in-room data ports, high-speed Internet connections, DVD, and many other trappings sought by business travelers.

So also, the number of bed and breakfasts adding meeting room space to their facilities is on the increase. The use of these facilities is often complimentary as bed and breakfasts are becoming preferred locations for retreats. A recent survey conducted by PAll found 42 percent of 800 respondents had meeting room space in 2002, compared to 28 percent in 2000.

The bed and breakfasts industry is still growing despite the fact that there are many players in the industry. For instance, in 2014, the federal government of the United States spent a total of \$161,007 on Bed-and-Breakfast Inns. It awarded 34 contracts to 5 companies, with an average value of \$32,201 per company. The idea is that once a start – up bed and breakfast is well positioned and offers additional services, then they just need to do little to stay in business.

If you are contemplating starting your own Airbnb business in the United States, you should ensure that you carry out a thorough market survey and feasibility studies. If you get some key factors wrong before starting your own Airbnb business, then you are likely going to struggle to stay afloat.

AirBnB Rental Business Plan – Executive Summary

Leo Bortz® Airbnb Inc. (leobortz.com) – Bed and Breakfasts is an online marketplace for arranging or offering lodging, primarily homes-tays, or tourism experiences for a wide range of clients. The company

does not own any of the real estate listings, nor does it host events; it acts as a broker, receiving commissions from each booking.

We will operate from our head office which will be located in the heart of Mount Pleasant – South Carolina in a neatly renovated and secured office facility that is specifically designed and equipped with the needed facilities / gadgets to give us leverage in the industry.

Leo Bortz® Airbnb Inc. (leobortz.com) – Bed and Breakfast is a family owned and managed business that believes in the passionate pursuit of excellence with uncompromising services and integrity which is why we have decided to venture into the hospitality industry by establishing our own online platform for bed and breakfast booking.

We are certain that our values will help us drive the business to enviable heights and also help us attract the number of clients that will make our accommodations listed on our website fully booked all through the year. We are going to be a customer-centric Airbnb (bed and breakfast) business with a service culture that will be deeply rooted in the fabric of our organizational structure and indeed at all levels of the organization.

We will ensure that accommodations listed on our website are decorated in an exquisite and elegant facade, and it will be a conspicuous edifice in the city where it is located. Leo Bortz® Airbnb Inc. (leobortz.com) – Bed and Breakfasts will list conducive lodgings for our customers to take a break from their busy days to a place where they can find comfort and luxury.

Leo Bortz® Airbnb Inc. (leobortz.com) – Bed and Breakfasts is founded by Leo Mahogany and his friend and business partner Bortz McKenzie. They both graduated from Illinois Institute of Technology with BSc in Computer Science and Programming and they have a combine experience that revolves around software developing, web programming, web designing, real estate brokering, corporate branding and advertising and business management et al.

- **Our Services and Amenities**

Leo Bortz® Airbnb Inc. (leobortz.com) – Bed and Breakfasts is set to operate a standard platform for Airbnb Bed and Breakfast booking service in Mount Pleasant, South Carolina.

The fact that we want to become a force to reckon with in the hospitality industry means that we will list on our website comfortable accommodations for our guests with fitness room, social room, self-service laundry room and mini business center; for the purpose of business or leisure and more.

In all that we do, we will ensure that our guests leave with an unforgettable experience that will make them want to come back as well as recommend our bed and breakfast to their friends, family members and business partners. These are the services and amenities that will be made available to our guests;

- Listing Airbnb bed and breakfast (B&B) accommodation on our website
- Providing information on tourist attractions on our website
- Helping guests book activities with local guides, including cooking classes, guided tours, and meetups

Our Vision Statement

Our vision is to establish a booking platform for Airbnb bed and breakfast lodging that will become the number one choice for both travelers and students in the United States.

- **Our Mission Statement**

Our mission is to deliver reliable and excellent service superior to what our competition can offer and to ensure that Airbnb (bed and breakfast) lodge listed under our platform enjoys over 90 percent occupancy in most parts of the calendar year.

- **Our Business Structure**

The success of any business is to a larger extent dependent on the business structure of the organization and the people who occupy the available role. Although Leo Bortz® Airbnb Inc. (leobortz.com) – Bed and Breakfasts will still work with a business structure that will give room to our employees (mostly part – time employees) to explore their creativity, feel belong and fully integrate into the business philosophy.

We will work hard to ensure that we only recruit the right set of people with the right skills and mindset to help us achieve our business goals and objectives in record time. We intend building Leo Bortz® Airbnb Inc. (leobortz.com) – Bed and Breakfasts on this structure;

- Chief Executive Officer
- Operations Specialist
- Programmers and Software Developers
- Admin and HR Manager
- Digital Marketers (Marketing and Sales Executive)
- Accountant
- Customer Care Executive / Help Desk Officer

Roles and Responsibilities

Chief Executive Office:

- Increases management's effectiveness by recruiting, selecting, orienting, training, coaching, counseling, and disciplining managers; communicating values, strategies, and objectives; assigning accountabilities; planning, monitoring, and appraising job results
- Creating, communicating, and implementing the organization's vision, mission, and overall direction – i.e. leading the development and implementation of the overall organization's strategy.
- Responsible for fixing prices and signing business deals
- Responsible for providing direction for the business
- Creating, communicating, and implementing the organization's vision, mission, and overall direction – i.e. leading the development and implementation of the overall organization's strategy.
- Responsible for signing checks and documents on behalf of the company
- Evaluates the success of the organization

Operations Specialist

- Perform daily operational processes and review settlement activity
- Participate in internal committees and other meetings with Strategic Partners
- Assist in maintaining policies, procedures and risk assessments

- Make recommendations to the Manager and senior management when and where appropriate.
- Compliance with all regulatory requirements

Software Developer/Programmer

- Responsible for designing, installing, testing and maintenance of software systems for the organization
- Reviewing current systems
- Presenting ideas for system improvements, including cost proposals
- Working closely with analysts, designers and staff
- Producing detailed specifications and writing the programme codes
- Testing the product in controlled, real situations before going live
- Maintaining the systems once they are up and running

Admin and HR Manager

- Responsible for overseeing the smooth running of HR and administrative tasks for the organization
- Regularly hold meetings with key stakeholders to review the effectiveness of HR Policies, Procedures and Processes
- Maintains office supplies by checking stocks; placing and expediting orders; evaluating new products.
- Ensures operation of equipment by completing preventive maintenance requirements; calling for repairs.
- Defining job positions for recruitment and managing interviewing process
- Carrying out induction for new team members
- Responsible for training, evaluation and assessment of employees
- Responsible for arranging travel, meetings and appointments
- Oversee the smooth running of the daily office activities.

Digital Marketers (Marketing and Sales Executive)

- Identify, prioritize, and reach out to new partners, and business opportunities et al
- Identifies development opportunities; follows up on development leads and contacts

- Writing winning proposal documents, negotiate fees and rates in line with company policy
- Responsible for handling business research, market surveys and feasibility studies for clients
- Responsible for supervising implementation, advocate for the customer's needs, and communicate with clients
- Document all customer contact and information
- Represent the company in strategic meetings
- Help increase sales and growth for the company

Accountant

- Responsible for preparing financial reports, budgets, and financial statements for the organization
- create reports from the information concerning the financial transactions as recorded
- Prepare the income statement and balance sheet using the trial balance and ledgers
- Provides managements with financial analyses, development budgets, and accounting reports
- Responsible for financial forecasting and risks analysis.
- Performs cash management, general ledger accounting, and financial reporting for one or more properties.
- Responsible for developing and managing financial systems and policies
- Responsible for administering payrolls
- Ensuring compliance with taxation legislation
- Handles all financial transactions for the company
- Serves as internal auditor for the company

Help Desk Officer

- Utilizes software programs and applications as well as manual review to analyze transactional and customer record for bookings.
- Maintains control of inbound call while following proper procedures in order to resolve open fraud cases.
- Ensures that all contacts with clients (e-mail, walk-In center, SMS or phone) provides the client with a personalized customer service experience of the highest level

- Through interaction with clients on the phone, uses every opportunity to build client's interest in the company's products and services
- Consistently stays abreast of any new information on the company's products, promotional campaigns etc. to ensure accurate and helpful information is supplied to clients
- Performs and understands systems such as Enhanced Chargebacks and debit network rules.
- Explains decisions and outcomes to internal and external customers, clients and cardholders.
- Exhibits specialized knowledge in regulatory rule requirements based upon review of non-standard, cardholder-provided documentation when booking for accommodation.

AirBnB Rental Business Plan – SWOT Analysis

Leo Bortz® Airbnb Inc. (leobortz.com) – Bed and Breakfasts is fully aware that they are coming into an industry that can be highly competitive which is why they have decided to pay attention to the SWOT analysis for the organization.

We know that once we are able to identify our strength, our weakness, our threats and the opportunity that is available to us, we will be able to come up with good business strategies that will help us achieve all our business goals and objectives. Here is a preview of the result we got from the SWOT analysis that was conducted on behalf of Leo Bortz® Airbnb Inc. (leobortz.com) – Bed and Breakfasts Mount Pleasant, South Carolina;

- **Strength:**

Our area of strength cannot be farfetched; the partners we are working with and our management team have robust experience in the hospitality industry and online based business, our customer's services is second to none amongst our competitors and facilities listed under our platform are top notch

- **Weakness:**

Our perceived weakness could be that we are a new business, and we may not have the financial muscle to sustain the kind of publicity we want to give our business or to generate the needed funds from

angel investors who may want to stay by the sideline to see how far we can grow before releasing funds.

- **Opportunities:**

The more consumers travel domestically, the more likely they are to spend a night at either a bed and breakfast or a hostel. The number of domestic trips by US residents is expected to increase in 2019, presenting a potential opportunity for the industry. We are well – positioned to take advantage of the opportunities in the industry.

- **Threat:**

Rising competition from other types of accommodation has limited revenue growth. Airbnb has been criticized for allegedly resulting in increased housing prices. Since the company's globalization, many governments have passed various regulations limiting operations of short-term housing rental companies, such as Airbnb. The expansion of Airbnb and similar services has constrained revenue growth.

AirBnB Rental Business Plan – MARKET ANALYSIS

- **Market Trends**

The Consumer Confidence Index (CCI) measures how consumers feel about their current financial state, as well as their financial prospects. Trends in consumer sentiment affect consumers' discretionary expenditure, current travel habits and their propensity to plan or take a trip in the future.

When consumers are feeling optimistic about their current and future financial prospects, they are more likely to take a trip that involves hostel or bed and breakfast accommodations. In 2019, the CCI is expected to decrease, posing a potential threat to the industry.

Airbnb features a review system in which guests and hosts can rate each other after a stay. Hosts and guests are unable to see reviews until both have submitted a review or until the window to review has closed, a system which aims to improve accuracy and objectivity by removing fears that users will receive a negative review in retaliation if they write one.

- **Our Target Market**

It will be safe to say that the target market for Airbnb (bed and breakfast) lodge cuts across adults of all class, race, religion, and culture that can travel from one location to another and can afford to lodge overnight. Leo Bortz® Airbnb Inc. (leobortz.com) will provide a platform for hosts to accommodate guests with short-term lodging and tourism-related activities. Guests can search for lodging using filters such as lodging type, dates, location, and price.

Guests have the ability to search for specific types of homes, such as bed and breakfasts, unique homes, and vacation homes. We will ensure that before booking, users must provide personal and payment information. Here are some of the groups of people that we consider target market for our services;

- B2B for operators of Airbnb (bed and breakfast) lodges
- Working class
- Migrants
- International and Local Tourists
- Top Executives
- Families
- Celebrities
- Young Couples (Especially for Honeymoon)
- Travelers
- Students
- Travelling Agencies
- Event Managers
- Religious Organizations

Our Competitive Advantage

The competitive edge of Leo Bortz® Airbnb Inc. (leobortz.com) – Bed and Breakfasts is the excellent and customized service from our user-friendly website. We can boast of having a good reputation, proximity to key markets and our pricing policy is appropriate.

Another significant competitive advantage that we are bringing to the industry is the robust experience of our management team. We have a team that has a combination of 25 years' experience in the hospitality industry in United States and Canada. They are considered core professionals in their own right.

AirBnB Rental Business Plan – SALES AND MARKETING STRATEGY

- **Marketing Strategy and Sales Strategy**

It is important to state that in this dispensation, customers use the Internet to find bed and breakfasts, to read reviews, to view facility available and the location of the bed and breakfasts; loads of processes have gone digital.

Which is why most bed and breakfasts are increasingly adopting technology and the internet for marketing and advertising their business and hence they are attracted to service providers like us. These are some of the marketing ideas and strategies that we are going to adopt for our bed and breakfasts business;

- Advertise our Airbnb (bed and breakfast) booking platform in travel and tours magazines, national dailies, Satellite TV and Radio stations
- Promote our Airbnb (bed and breakfast) booking platform online via our official website and all available social media platforms
- Hire the services of experts to make our brands the first choice for guests
- Deliver consistent customer experiences to all our guest; making our first impression count positively
- Continuously Improving the efficiency of our Airbnb (bed and breakfast) booking platform and operating processes
- Ensure that we put our market scale and knowledge to good use
- Building strong partnerships within our industry and with our stakeholders across the United States
- Make use of attractive hand bills to create awareness for Airbnb (bed and breakfast) booking platform
- Position our signage / flexi banners at strategic places
- Create a loyalty plan that will enable us reward our regular customers

Sources of Income

Leo Bortz® Airbnb Inc. (leobortz.com) – Bed and Breakfasts is established with the aim of maximizing profits in the hospitality industry and we are going to ensure that we do all it takes to attract guests on a

regular basis. Leo Bortz® Airbnb Inc. (leobortz.com) – Bed and Breakfasts will generate income by offering the following services for individuals and for corporate organizations;

- Listing Airbnb bed and breakfast (B&B) accommodation on our website
- Providing information on tourist attractions on our website/ Guests may book activities with local guides, including cooking classes, guided tours, and meetups.

Sales Forecast

We are well positioned to take on the available market in the U.S. and we are quite optimistic that we will meet our set target of generating enough income / profits from the first six months of operation and grow the business and our clientele base.

We have been able to examine the Airbnb (bed and breakfast) market and we have analyzed our chances in the industry and we have been able to come up with the following sales forecast. The sales projections are based on information gathered on the field and some assumptions that are peculiar to startups in Mount Pleasant – South Carolina.

Below is the sales projection for Leo Bortz® Airbnb Inc. (leobortz.com) – Bed and Breakfasts, it is based on the location of our business and the services that we will be offering;

- **First Fiscal Year (FY1):** \$200,000
- **Second Fiscal Year (FY2):** \$500,000
- **Third Fiscal Year (FY3):** \$750,000

N.B: This projection was done based on what is obtainable in the industry and with the assumption that there won't be any major economic meltdown and any major competitor offering same additional services as we do within same location. Please note that the above projection might be lower and at the same time it might be higher.

- **Our Pricing Strategy**

Our pricing system is going to be based on what is obtainable in the industry and the commission our partners are willing to pay per booking from our Airbnb (bed and breakfast) booking platform, we don't in-

tend to charge more (except for premium and customized services) and we don't intend to charge less than our competitors are offering in the United States of America.

Be that as it may, we have put plans in place to discount our services once in a while and also to reward our loyal customers.

- **Payment Options**

The payment policy adopted by Leo Bortz® Airbnb Inc. (leobortz.com) – Bed and Breakfasts is all inclusive because we are quite aware that different customers prefer different payment options as it suits them but at the same time, we will ensure that we abide by the financial rules and regulation of the United States of America.

Here are the payment options that Leo Bortz® Airbnb Inc. (leobortz.com) – Bed and Breakfasts will make available to her clients;

- Payment via bank transfer
- Payment with cash
- Payment via online bank transfer
- Payment via mobile money
- Payment via Point of Sales Machines (POS Machines)
- Payment via check
- Payment via bank draft

In view of the above, we have chosen banking platforms that will enable our clients make payment without any stress on their part. Our bank account numbers will be made available on our website and promotional materials to clients.

AirBnB Rental Business Plan – Publicity and Advertising Strategy

Leo Bortz® Airbnb Inc. (leobortz.com) – Bed and Breakfasts is in the hospitality cum online business to make profit and we can only make profit if we steadily increase our customer base. No doubt, in order to remain relevant in the hospitality industry as a Airbnb (bed and breakfast) booking platform in Mount Pleasant – South Carolina, we will continue to create hype around our business brand.

We will ensure that we leverage on all publicity and advertising techniques to promote our Airbnb (bed and breakfast) booking platform brand. Here are the platforms we intend leveraging on to promote and advertise Leo Bortz® Airbnb Inc. (leobortz.com) – Bed and Breakfasts;

- Encourage our loyal customers to help us use Word of Mouth (referrals)
- Advertise our Airbnb (bed and breakfast) booking platform in travel and tour magazines, national dailies, Satellite TV and Radio stations
- Promote our business online via our official website
- Sponsor relevant community programs
- Leverage on the internet and social media platforms like; Instagram, Facebook, twitter, et al to promote our brand
- Install our Billboards in strategic locations
- Engage in roadshow from time to time
- Distribute our fliers and handbills in target areas
- Ensure that all our workers wear our branded shirts and all our vehicles are well branded with our company's logo et al.

Startup Expenditure (Budget)

When it comes to starting an Airbnb (bed and breakfast) booking platform business, loads of factors influences the amount that will be required to successfully launch the business. Factors like the location you intend starting the business and the size of Airbnb (bed and breakfast) booking platform business you want to start.

Here are the key areas where we intend spending our startup capital;

- The total fee for incorporating the Business in the United States of America – \$750.
- Legal expenses for obtaining licenses and permits as well as the accounting services (software, P.O.S machines and other software) – \$3,300.
- The total cost for payment of insurance policy covers (general liability, workers' compensation and property casualty) coverage at a total premium – \$9,400.

- The amount needed to acquire a suitable Office facility in a business district for 6 months (Re – Construction of the facility inclusive) – \$40,000.
- Marketing promotion expenses for the grand opening of Leo Bortz® Airbnb Inc. (leobortz.com) – Bed and Breakfasts in the amount of \$3,500 and as well as flyer printing (2,000 flyers at \$0.04 per copy) for the total amount of \$3,580.
- The total cost for hiring Business Consultant – \$2,500
- The cost for equipping the office (computers, software apps and hardware and other form of digital payment system related software apps and wallet, internet server, printers, fax machines, furniture, telephones, filing cabinets, safety gadgets and electronics et al) – \$45,000
- The cost of launching our official Website – \$2,000
- Budget for paying at least two employees for 3 months and utility bills – \$45,000
- Additional expenditure (Business cards, Signage, Adverts and Promotions et al) – \$2,500
- Miscellaneous – \$1,000

Going by the report from the research and feasibility studies, we will need about One Hundred and Fifty Thousand US Dollars (\$150,000) to set up a small scale but standard Airbnb (bed and breakfast) booking platform in the United States of America.

Generating Funding/Startup Capital for Leo Bortz® Airbnb Inc. (leobortz.com) – Bed and Breakfast

Leo Bortz® Airbnb Inc. (leobortz.com) – Bed and Breakfasts is a partnership business that will be owned by Leo Mahogany and his friend Bortz McKenzie. They are the only financiers of the business which is why they decided to restrict the sourcing of the startup capital for the business to just three major sources.

- Generate part of the startup capital from personal savings and sale of his stocks
- Generate part of the startup capital from friends and other extended family members
- Generate a larger chunk of the startup capital from the bank (loan facility).

N.B: We have been able to generate about \$50,000 (Personal savings \$35,000 and soft loan from family members \$15,000) and we are at the final stages of obtaining a loan facility of \$100,000 from our bank. All the papers and document have been duly signed and submitted, the loan has been approved and any moment from now our account will be credited.

AirBnB Rental Business Plan – Sustainability and Expansion Strategy

It is easier for businesses to survive when they have steady flow of business deals / customers patronizing their products and services. We are aware of this fact which is why we have decided to do all we can to attract guests to book their bed and breakfast lodge from our platform on a regular basis.

Part of the grand plan of sustaining Leo Bortz® Airbnb Inc. (leobortz.-com) – Bed and Breakfasts is to ensure that we provide the best of training for our employees, put successional plan in place, and we will not relent in marketing and promoting our brand. We also ensure that we meet and surpass the expectations of our partners cum operators of bed and breakfast lodges listed on our platform.

In the bid to building a successfully business, we will ensure that all our employees are comfortable and we will provide them with the best of facilities and welfare package that will help them achieve peak performance in all their duties and in turn help the organization achieve its goals and business objectives.

Check List/Milestone

- Business Name Availability Check: Completed
- Business Incorporation: Completed
- Opening of Corporate Bank Accounts: Completed
- Opening Online Payment Platforms: Completed
- Application and Obtaining Tax Payer's ID: In Progress
- Application for business license and permit: Completed
- Purchase of Insurance for the Business: Completed
- Conducting Feasibility Studies: Completed

- Leasing a standard and well positioned office facility in the heart of the city: Completed
- Generating part of the startup capital from the founder: Completed
- Applications for Loan from our Bankers: In Progress
- Writing of Business Plan: Completed
- Drafting of Employee's Handbook: Completed
- Drafting of Contract Documents: In Progress
- Design of The Company's Logo: Completed
- Printing of Promotional Materials: Completed
- Recruitment of employees: In Progress
- Purchase of the needed software applications, internet server, furniture, office equipment, electronic appliances and facility facelift: In progress
- Creating Official Website for the Company: In Progress
- Creating Awareness for the business (Business PR): In Progress
- Health and Safety and Fire Safety Arrangement: In Progress
- Establishing business relationship with partners (operators of bed and breakfast lodges) and key players in the industry: In Progress