



Business Plan

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Executive Summary

The Camp at Kalu Yala was founded in the fall of 2014 and aims to be the premier camping option for all travelers visiting Panama by using Kalu Yala's highland river valley to offer a unique opportunity to explore the country's natural beauty while experiencing alternative living in its simplest form. Our campsite is located in the Tres Brazos region of San Martin, Panama.

The Camp provides a one-of-a-kind camping experience that offers travelers the opportunity to experience the Panamanian rain forests in a camp setting with a hostel-like atmosphere. Travelers are able to immerse themselves in an off-the-grid lifestyle where they can test their limits by participating in both group and independent experiential outdoor activities and sustainable practices in an authentic setting.

Presently, our camp site is in the introductory stage. Future plans include creating working relationships with other companies and furthering our knowledge of the surrounding hiking corridors that can facilitate the continued travel of our guests, such as trips to San Blas. Furthermore, we hope to establish a full experience with shuttle services to the airport, Panama City, San Blas, and other surrounding areas. These expansions can hopefully be established by the end of 2018.

The backpacker community is the company's primary target market; being based only 1 hour outside of Panama City allows us to capture those travelers both at the beginning and ends of their time in Panama who are spending a few days in the city before moving on. We have no direct competition due to the fact that no other lodging option caters to tent and hammock camping. Alternatives to our product include hostels or providing personal camping gear to camp in the Chagres National Park or at a limited selection of beach hostels that allow camping on their grounds. Our product is unique because our budget-friendly nightly cost includes camping gear and meal 3 meals. We have a competitive advantage because of our association with the Kalu Yala name, our close proximity to Panama City, and our ability to offer Panamanian rain forest exploration.

The greatest risks associated with our business today are transportation to and from the Kalu Yala valley, rainy weather conditions during a large portion of the year, and being off a main travel corridor. We feel we can overcome these risks because of travelers' desire to learn more about Kalu Yala and our partnership with Tropical Treetops.

The management team is led by Chief Executive Officer Jimmy Stice who initially developed the idea early in 2014 after Kalu Yala's successful TEDx Adventure event at the end of 2013 during which we hosted 120 people on our site for the first time ever. The Interim Accountant is Megan Pelham, who is also currently Kalu Yala Internship's CFO and Business Program Director. The Interim Camp Manager is Jackson Fox, who is also Kalu Yala Internship's Outdoor Recreation Director

We are seeking \$500,000 which will enable us to formalize the camping areas and operations by building infrastructure such as a check-in/storage desk, hammock house, and kitchen, purchasing camping gear, establishing a large marketing campaign, and hiring 3 full-time staff members.

Objectives

Short Term

To effectively design and establish a working campsite in the Kalu Yala valley and be ready to soft launch May 2015.

Medium Term

To consistently host 50 visitors at any one time during the Summer 2015 semester; To establish a strong presence in Panama City in partnership with Jungle Adventures by creating working relationships with hostels, local bloggers, and other tourism-related entities; To fill all of the positions required to run the campsite efficiently, namely a camp manager and cook; to update our marketing plan and operations manual after evaluating the findings of the soft launch. We hope to have reached these goals in time to officially open The Camp in January 2016.

Long Term

To continuously expand and improve The Camp at Kalu Yala in order to be able to effectively and efficiently be the host of not only year round campers, but also Kalu Yala events; To create working relationships with other companies and further our knowledge of the surrounding hiking corridors that can facilitate the continued travel of our guests, such as trips to San Blas. We hope to create consistent visitors and regular tour schedules so that the Business and Outdoor Recreation programs of Kalu Yala Institute can continue to actively participate in the operation of The Camp. Furthermore, we hope to establish a full experience with shuttle services to the airport, Panama City, San Blas, and other surrounding areas.

Mission & Vision Statement

Vision

We aim to be the premier camping option for all travelers visiting Panama by using Kalu Yala's highland river valley to offer a unique opportunity to explore the country's natural beauty while experiencing alternative living in its simplest form.

Mission

The Camp at Kalu Yala provides travelers with an immersive and customizable experience that is close to Panama City and provides visitors with the opportunity to interact with full-time residents of the Kalu Yala valley.

Internal Environment

Service

The Camp at Kalu Yala maintains a high quality of service for the entire duration of a guest's stay. Employees will be recruited first from Kalu Yala's pool of alumni with a background in the hospitality, tourism, and outdoor recreation industries; bringing a firsthand knowledge of Kalu Yala Internship operations and professionalism to our team.

We provide travelers with an enjoyable camping experience that is customizable from how guests choose to reach us, the activities they decide to partake in, and to how you decide to share you Kalu Yala compass with others during the rest of their travels. All along the way, Kalu Yala Internship's knowledgeable staff and excited students are there to share the experiences with guests. We offer a variety of guided and independent outdoor activities that capitalize on the directors' expertise and our most beautiful spaces.

In order to align with with the overall goals of Kalu Yala, our staff will continuously coordinate with Kalu Yala Internships and update operational standards in order to maximize our environmental consciousness in all business and marketing practices. Minimizing our environmental footprint is of utmost importance.

Management Summary

The Camp will managed by Kalu Yala Internships in partnership with the Business and Outdoor Recreation programs. The Kalu Yala team members mentioned below are currently responsible for the continued establishment of the camp site.

Jimmy Stice: A University of Georgia graduate and founder/CEO of Kalu Yala.

Megan Pelham: A University of Florida graduate and CFO of Kalu Yala Internships as well as the Business program director.

Jackson Fox: A current student at Western Carolina University and Kalu Yala Internships Outdoor Recreation program director.

Budget Overview

Since The Camp at Kalu Yala was started under the Kalu Yala umbrella, we have been able to develop of business with a very minimalist approach by utilizing the Fall 2014 Business team. The resources provided to us by Kalu Yala Institute have enabled us to keep business, marketing, and operational research/planning costs extremely low. In order to formally launch and subsequently grow this business venture, investments from outside Kalu Yala Institute will be required. The Camp wants to be able to capture a larger share of the backpacker market and expand our facility's services with this additional capital.

For a more detailed look in The Camp's budget and forecasting projections, please see The Camp Pro Forma which can be provided by any member of Kalu Yala's business team.

External Environment

Market Analysis Summary

The goal of this analysis will be to investigate the market potential for a sustainability-focused campground located within the Tres Brazos region of the Panamanian rainforest.

Market / Client Research

The Camp at Kalu Yala's current target market consists primarily of backpackers. The following is a comprehensive overlook on the potential for this service's success in Panama and serves as our reasoning for choosing this market niche.

With pricing considerations, the need for social interactions, and tour flexibility kept in mind, the niche market of backpackers is the ideal target market for The Camp at Kalu Yala. According to the Backpacker Operators Association of New South Wales, backpackers spend more, travel further, and stay longer than any other travelers. The typical backpacker is young (18-35), educated, adventurous, and price conscious. According to the book *Backpacker Tourism Concepts and Profiles*, backpackers can be characterized by five distinct indicators. These include:

1. A preference for budget accommodations
2. An emphasis on meeting other travelers
3. An independently organized and flexible travel schedule
4. Longer rather than very brief holidays
5. An emphasis on informal and participatory holiday activities (Pearce, 1990)

A Preference for Budget Accommodation: Backpackers use a variety of lodging options throughout their travels. Backpacker accommodations can be classified as properties that offer a low cost range of sleeping arrangements. These could include dormitories, private rooms, a communal room or set of rooms (family rooms), and a self-catering facility. They enjoy having a space that facilitates guest interactions such as communal living rooms and kitchens. The majority of backpackers prefer to spend as little as possible for their accommodations, while also feeling a sense of value for their money. Therefore, sometimes backpackers choose accommodations that are not always the cheapest option. Backpackers spend most of their traveling funds on activities instead of food and lodging.

Budget travelers will generally seek accommodations in the center of a city or town that are in close proximity to a destination's sites and attractions. Although these travelers may prefer the busy city centers, they are also attracted to accommodations that are in remote and picturesque locations that offer an alternative tourist experience. The hardest part about getting backpackers to these remote locations is having adequate transportation. Unless private transportation is provided to these locations, public transport needs to be available.

Price Sensitive Market: In 2007, data from Tourism Australia showed that the average expenditure of the backpacking market was more than double that of non-backpackers. Average expenditure per backpacker was \$5400 AUS compared to \$2300 AUS per non-backpackers. Although backpacker's budgets are typically less per day (between \$30 - \$50), they typically stay in the country for a greater amount of time than other international visitors. Backpacker visits average 71 nights compared to 25 nights for non-backpackers

(Tourism Research Australia, 2008). Tourism Australia identified this market by defining a backpacker as anyone staying in a backpacker accommodation (hostel) for one or more nights.

Crave Interactions with Fellow Travelers and Locals: Socialization is a primary motive for backpackers. They are always ready and eager to socialize with both travelers and locals. Meeting other travelers is typically a great way to exchange information regarding traveling tips. Most backpackers trust one another's opinions about the activities and places that are worth visiting. They crave authentic travel experiences and seek out experiences that facilitate the interaction with locals.

Flexible Itinerary: Most backpackers arrive at their destination with flexible itineraries and few reservations. Although backpackers may have an idea about where they want to go while visiting a country, they tend to change their schedules to include other destinations that sound fun, interesting, or are recommended by other backpackers.

Adventure Hunters: Backpackers pay special attention to adventure tours and attractions that require active participation. This market seeks authentic adventures that include the local culture, population, and environment, therefore, they seek activities that are not included in the traditional mass tourism circuit.

Backpackers Benefit to the Panamanian Economy

Backpacker expenditures generate substantial employment for Panama. Although backpackers may have limited funds, they typically will spend every dollar saved while traveling abroad, which is why some choose to work while traveling abroad. They benefit the economy because their visit creates and supports jobs throughout the hospitality and tourism industry as well as other businesses along the supply chain such as food and beverage and transportation. As well as influencing a multitude of businesses, backpackers also spread jobs and revenues throughout different regions of Panama. This is possible because backpackers are in the country for an extended period of time traveling to different regions of the country thus spreading their funds more widely than other international tourists.

According to the book *Backpacker Tourism Concepts and Profiles*, backpacker tourism has been characterized as "good" tourism, in comparison to mass-market packaged tourism, often characterized as "bad" tourism (Kevin Hannam, Irena Ateljevic, 2008). This is among the reasons as to why we as a sustainable tour company have chosen this market segment.

Table 3: How Backpackers Can Facilitate Local Development

Economic Development Criteria	Non-Economic Development Criteria
<ul style="list-style-type: none"> • Spend more money than other tourists because of longer duration of visit 	<ul style="list-style-type: none"> • Enterprises catering for backpackers are generally small and thus ownership and control can be retained locally
<ul style="list-style-type: none"> • Adventuresome nature and longer duration of visit means money spent is spread over a wider geographical area, including remote, economically depressed, or isolated regions 	<ul style="list-style-type: none"> • Local people gain self-fulfillment through running their own tourism enterprises rather than filling smaller positions in enterprises run by outside operators
<ul style="list-style-type: none"> • Do not demand luxury and therefore will spend more on locally produced goods (such as food) 	<ul style="list-style-type: none"> • Because they operate their own businesses, local people can form organizations which promote local tourism, giving the community

and services (transport, homestay accommodation)	power in upholding their interests and negotiating with outside bodies
<ul style="list-style-type: none"> Economic benefits can be spread widely within communities as even individuals with little capital or training can provide desired services or products. Formal qualifications are not needed to run small enterprises; skills can be learned on the job 	<ul style="list-style-type: none"> The interest of backpackers in meeting and learning from local people can lead to a revitalization of traditional culture, respect for the knowledge of elders, and pride in traditional aspects of one's culture
<ul style="list-style-type: none"> Only basic infrastructure is required therefore ensuring low overhead costs and minimizing the need for imported goods (such as can use bamboo and thatch to create a beach stall) 	<ul style="list-style-type: none"> Backpackers use fewer resources (like cold showers and fans rather than hot baths and air conditioning), therefore are kinder to the environment
<ul style="list-style-type: none"> Significant multiplier effects from drawing on local skills and resources 	<ul style="list-style-type: none"> Local servicing of the tourism market challenges foreign domination of tourism enterprises

* (Regina Scheyvens, 2002) *Annals of Tourism Research* Volume 29, Issue 1, January 2002, Pages 144-164 : *Backpacker Tourism and Third World Development*

The information above has been provided to show that The Camp at Kalu Yala has considered our business impacts on the country of Panama in our guiding decision to target the backpacker market. Without the support and considerations of the country, we would not and could not consider ourselves a sustainable company.

Potential Client Surveys

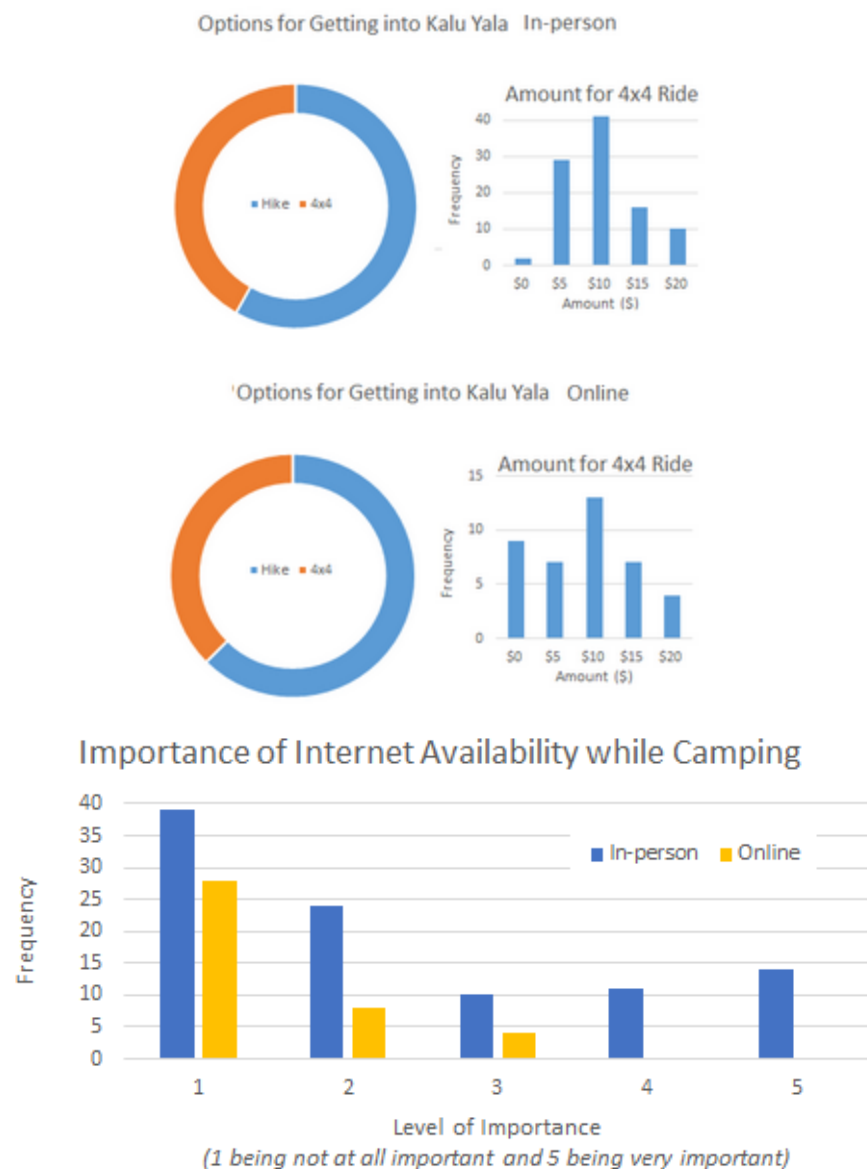
In an attempt to further understand the needs, wants, and expectations of a potential customer, the Fall 2014 Business interns conducted a survey to better understand our target market.

Research was conducted in two methods:

- 1) In-person surveys in and around Casco Viejo and Marbella areas of Panama City, as well as within Albrook mall.
 - 99 completed surveys: 54 male, 45 female
 - average age: 28.23 years
- 2) Surveys were also available online, most commonly over the platform of Facebook.
 - 39 completed surveys: 13 male, 26 female
 - average age: 25.51 years

Both groups, online and in-person, indicated that they would be most interested in camping for 3 to 4 days. This was our most variable response, however. Since it was a free-response question the number of nights people would be interested in staying ranged from 0 to 30 days. This information is important to planning how many resources The Camp will need to have on-site in order to gauge gear turnover rates. Now that we understand there is a significant interest level in the concept of camping in the jungle, it is paramount that we further understand what marketing channels are most commonly utilized by backpackers so we can strategically plan our future marketing and advertising efforts.

The following data gives us a better idea of how badly campers may want access to our two currently least available conveniences- transportation and internet.



The survey results indicate that most people are more interested in hiking into the Kalu Yala valley than receiving a ride in a 4x4 vehicle. For in-person survey responders, the number of people who wanted to hike versus those who wanted a ride were 57 and 41, respectively. This could be worth noting in preparing for people to want the ride. Also, both survey groups indicated most often that they were willing to pay \$10 for the 4x4 ride which is important to gauge how much we may be able to charge for this service. Future research should distinguish whether customers deem this a fair amount for a one-way trip or two-way trip.

We thought it important to include a question about internet availability because free wi-fi is a selling feature for a lot of hostels. Dependable, continuous internet access is currently not readily available to us in Kalu Yala, and we feel that it could negatively affect the communal and interactive culture at The Camp;

therefore, we were very excited to see that less than 20% of our entire sample felt that internet availability is important or very important. In fact, over 71% of those surveyed indicated that internet was not at all important or only slightly important.

The survey also left space for backpackers to leave their email addresses in order to potentially be contacted about a follow-up interview later on. We collected 51 email addresses which can be utilized in the coming months to conduct focus groups, follow-ups surveys, or potential customer interviews.

A copy of the survey can be made available upon request.

Competitors

A search through the most recent Lonely Planet guide in addition to several days spent browsing Google provided a somewhat surprisingly short list of competing lodging options. In Panama, there are virtually no formal campsites and none of those available offer our proposed service of providing visitors with camping gear. We expanded our competitor search outside of Panama into surrounding Latin American countries in order to be able to educate ourselves on our entire competitive market. This section will detail the hostels and campsites that we felt were most related to the lodging options we are offering and/or receive a large portion of backpacker traffic that comes through Panama. By no means is this an exhaustive list and we do not feel that any of the competitors listed below are direct competition. However, the list does provide a sample of the existing lodging and tour options in and around Panama that we may find ourselves competing against.

Xplore

A tour company located in Panama that builds completely customizable wilderness and cultural experiences for guest. Their trips are a minimum of 7 days and a maximum of 14 days long and are only available to small groups. They employ tour guides with 10+ years of experience, and have received very high ratings on TripAdvisor. This company does not offer independent lodging options.

Eco Venao

Their website homepage boasts, "Eco Venao is set within a 140 hectare (346 acre) reforestation project. With a choice of low impact accommodations to suit every guest's needs, Eco Venao promises the luxury traveler, eco tourist or surfer a wonderful experience." They offer camping for as little as \$6/night, dorm beds for \$11/night, or house rental options for up to \$300/night. Camping is only offered between December and May with a 2-night minimum stay. A portion of the money that travelers spend here goes to reforestation projects in their area. Activities include surf, yoga, festivals, horseback riding, kayaking, game room, volleyball court, snorkeling, and meditation.

XS Memories

A lodging destination in Santa Clara that offers motel rooms and a RV and camping site. They do not provide gear to campers, but camping guests do have access to their communal rancho space, pool, bathroom, washing area, and shower. Overall, they have received decent reviews, but are continuously criticized for being outdated and "dirty".

Pal Mar Tent Lodge

Located in Bocas del Toro, this is a popular destination for travelers in the area. They are also consistently fully booked due to their limited capacity. Their dorm beds are located in large tent-style buildings, but are criticized for being damp and moldy. They do have spaces for guests to pitch their own tents. Nightly rates

range from \$15-\$60 per night. Many of their reviews mentioned that visitors enjoyed being able to disconnect at the Pal Mar Tent Lodge due to their lack of internet availability. Available activities include access to a beachfront, daily yoga, hiking, surfing, spear fishing, kayaking, paddleboarding, ziplining, and snorkeling.

Lost and Found

We feel that The Lost and Found hostel could be our most direct competition. The Fall 2014 business and outdoor recreation teams stayed as guests to gather data on their business, accommodations, and tours. They are one of the only mountain lodging option that prides itself on being somewhat off the beaten path. There is no available camping, but their dorm room rates start at \$12/night with the 3rd night free. They were highly recommended by The Lonely Planet, TripAdvisor, and other backpackers. Dinner is available for purchase for \$6. They offer basic food, drink, and hygiene supplies for purchase as well as a bar that is open nightly. The site is somewhat spread out making the showers and toilets a little bit away from the main lodging space, and the toilets and showers are more than reasonably separated from each other- a big complaint made by guests. They offer several tours ranging from \$5-\$55 dollars, but only one tour is actually on-site and the rest are only accessible by bus or car. Private transportation is included in the price of some tours.

A full analysis of The Lost and Found hostel detailing the hostel's environment, tours, and traveling to and from the site can be provided upon request.

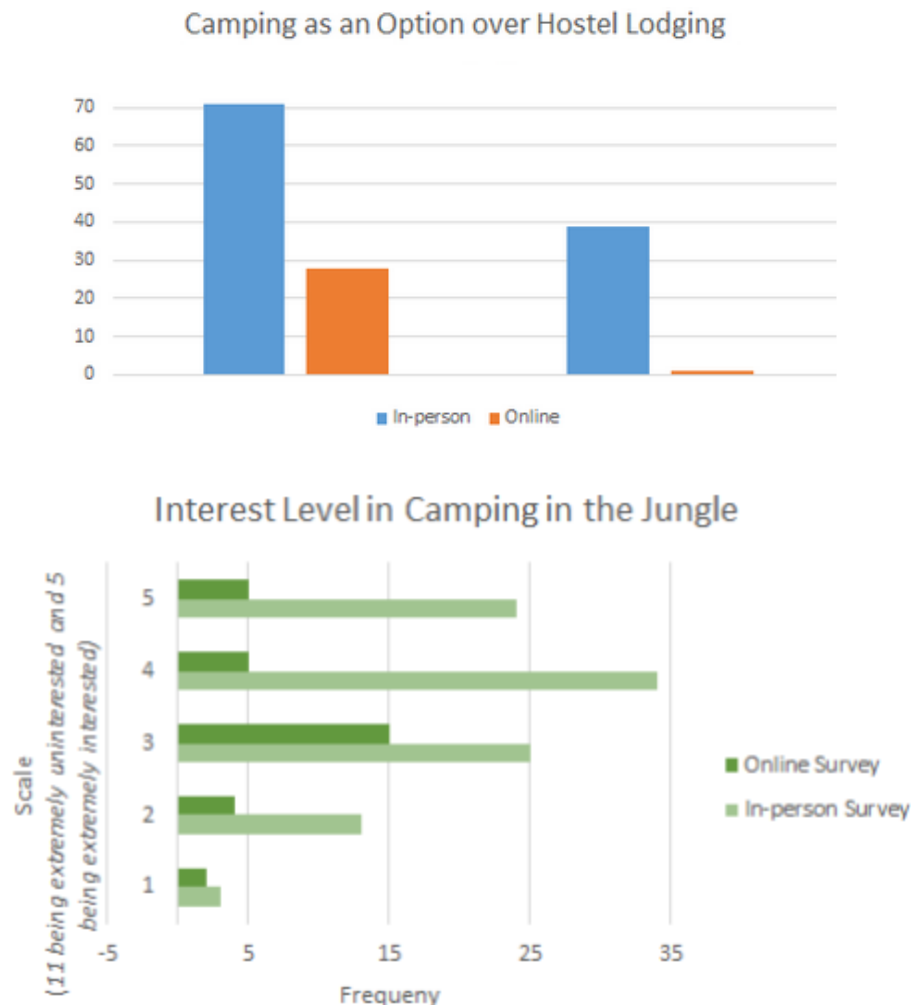
Competitive Analysis Summary

The Camp at Kalu Yala faces a variety of in-direct competitors ranging from hostels, tour providers, and other campsite options. Many of these competitors offer ecotourism destinations and tours, but at a wide range of prices and without much variety in locations. The Camp is in a unique position to offer a jungle experience complete with on-site activities at affordable pricing with tour guides that have garnered specialized knowledge of the area by being residents. It is also a one-of-a-kind campsite complete with all necessary gear at a price that is competitive with normal hostel lodging.

All of these competitive destinations do offer lodging in an atmosphere with great communal spaces full of young travelers which allows for visitors to have an enjoyable trip even if the backpacker does not choose to participate in the day tours or activities. This type of atmosphere should be nursed in collaboration with Kalu Yala Internships to offer a competitive experience.

Evidence of Customer Demand

Our online and in-person surveys showed that 72% of respondents believe camping to be a viable alternative to staying at a hostel and 59% identified as interested in a jungle camping experience.



Our initial assumption that camping would be considered a legitimate alternative to traditional hostel lodging was confirmed by both sets of survey groups. It is important to note that several indicated their decision would depend on the facilities, gear, and adventure options available.

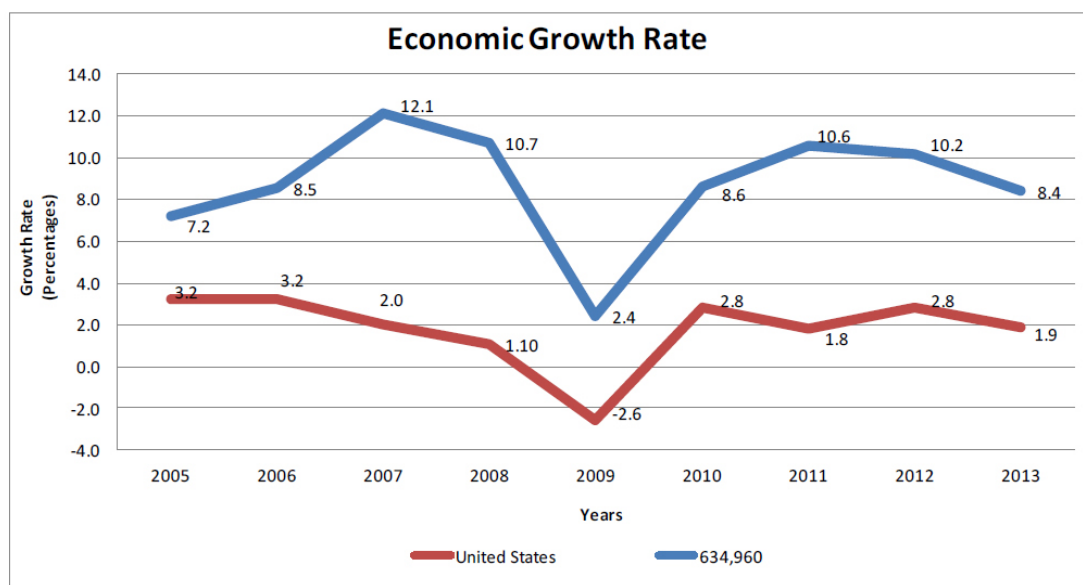
Expecting that potential customers would attach an “if” to their decision to choose camping over a hostel, we asked what they would rate their interest level in camping in the jungle, on a scale from 1 to 5. In-person responses garnered an average interest of about 3.6, while online responses generated a collective interest of about 2.5. From this data, we decided that with such a vague question, without any information about what is included in the camping experience, backpackers were practically neutral in their interest in a jungle camping opportunity. If any future surveying is done, we’d like to better inquire about interest levels, but will have to be careful not to lead the potential customers into answering in our favor.

Our hostel research and survey results conclude that we have a niche market and a good product idea that backpackers are excited to see. While traveling on vacation in Panama and Costa Rica, we found that even other hostel owners and employees are interested in the development of The Camp.

The Camp at Kalu Yala is located in close proximity to Panama City, Tocumen airport, and even within reasonable distance to San Blas. Confirmed by the previous competitive analysis, there are no other direct competitors offering the same combination of camping, on-site tours, and location.

Economic Environment

Panama, with an estimated population of 3.6 million as of July 2014, in an area that is roughly the size of South Carolina, is positioned to experience great economic growth. According to the CIA World Factbook, Panama's Gross Domestic Product (Purchasing Power Parity) was estimated to be \$61.54 billion in 2013 (CIA World Factbook). Similarly, Business Panama states that Panama is one of the fastest growing nations in Latin America worldwide, based on its high GDP rate of 10.6%, 10.2%, and 8.4% for the years 2011-2013 (Business Panama). Below is a graph showing the Panama economic growth rate compared to that of the United States from 2005 to 2013.



Source: http://www.businesspanama.com/about_panama/fundamentals/growth_sectors.php

Main sectors that are driving this economic growth in Panama include construction, restaurants and hotels, transportation, and real estate activities. According to Panama Business, Panama has become a popular tourist destination in Latin America, receiving 2.3 million visitors in 2013. By 2014, about 2.5 million travelers are expected, therefore showing projected growth in the tourism industry (Business Panama, 2014). Panama was ranked as the top place to visit in 2012 by The New York Times and also received other accolades in well-read travel publications. The statistical report comparing the number of visitors from 2009 to 2013 indicates that in the period of five years the tourism sector saw a growth of 40.9% (Business Panama, 2014). This growth in the tourism industry in Panama is very beneficial to The Camp at Kalu Yala, as we will be depending on tourists as a key portion of the users of our campsite.

Social/Cultural Environment

The growth and expansion of the service industry in Panama has a direct influence on the social and cultural environment of Panama. This in turn has an effect on what Panama can offer its residents and visitors. As international arrival numbers continue to increase, construction of new hotels and supplemental tourists enterprises will expand into the less developed areas of the country, thus visitor spending will have more of an economic and cultural impact on communities that historically did not cater to tourists.

Currently Panama is largely focused on attracting international tourists to visit the country. With this being the case, we believe that it is important for any foreign companies operating in the country to bear in mind cultural differences that are present or may occur due to these differences. The Camp will be sure to follow in Kalu Yala's footsteps in its approach of bridging the cultural gaps. For example, Kalu Yala has a property located in the small town of San Miguel. The interns and directors are respectful of the unique culture of the San Miguel residents and act without making negative impressions on the locals. Wonderful relationships have been fostered and maintained with many of the San Miguel residents, thus creating a positive image for the Kalu Yala brand. Also by employing local residents Kalu Yala is helping to increase the commonwealth of the local community. The Camp looks forward to being a part of this shared sense of community with San Miguel. With The Camp bringing groups of tourists through the town of San Miguel, business at the local fondas and mini supers will increase. Therefore, it is important to educate the company's tourists on our policies to mitigate any negative effects they may have on the community. Our goal is to create a positive economic impact on the town of San Miguel and others surrounding while not disrupting the community's culture.

Natural Environment

The economic impact from tourism is vital to the Panamanian economy. Ecotourism has the potential to be highly beneficial due to the country's rich marine habitats and forest biodiversity. Jungle Adventures by Kalu Yala will promote and eventually educate our guests on the importance of living and working sustainably within nature. There are rainforests, mountain retreats, stunning beaches as well as seven indigenous Indian cultures that reside in Panama. These sectors represent a variety of opportunities for the tourism sector (Ah Panama, 2012).

Panama is the southernmost country in Central America with access to both the Caribbean Sea and Pacific Ocean, making it an ideal tourist destination. The country is 75,420 square kilometers with water coverage only accounting for 1,080 square kilometers of that total area. Panama's interior terrain consists of steep rugged mountains and dissected upland plains, while the coastal areas are largely plains and rolling hills (CIA World Factbook, 2014). Due to the diverse landscape and vast amounts of foliage and wildlife, Panama can easily be used as the basis for eco-tourism promotion as we will be doing for The Camp by Kalu Yala. Panama also has over five declared UNESCO World Heritage sites, preserving its rich culture and ecosystems. Panama's overall eco-diversity and cultural heritage make it an attractive destination for tourists who are interested in a sustainably-minded learning experience.

Financial Planning and Forecasts

Initial Fixed Costs

The initial investment in the camp will require a total of \$92,556.47.

Understandably the most substantial cost is the cost of creating housing and communal spaces for guests- an initial investment of \$87,344.91 will give us the opportunity to create beautiful and functional spaces that will allow The Camp to open with more than a minimum viable product.

Whilst the bathroom facilities are already in place they require some serious maintenance and stockpiling of supplies before they can be fully functional, the estimated cost of this is \$6,099.00. As our customer and competitor research indicated, the atmosphere of the camp is crucial to brand loyalty and peer recommendations. For this reason \$21,754.99 will be spent on the guests' communal areas- a two story wooden rancho with shared cooking facilities downstairs and a recreation area upstairs as well as a large hammock house for sleeping. Furthermore, lighting will play an enormous part in providing a comfortable environment after dark. The total projected expenditure on this is \$11,099.60. Finally \$2,851.56 will be spent initially on promotional materials such as stickers and tokens, and \$491.32 will be invested into the construction of the check-in area.

Monthly Fixed Costs

The largest monthly fixed costs are understandably going to be the wages of the two full-time employees- The Camp Manager and the Assistant/Cook. These are currently \$2000.00. Once the camp is more established and a steady stream of visitors are coming through, a part-time tour guide will be added to the team pushing the total monthly salary costs to \$3000.00. It is anticipated that Directors will be expected to offer up to 5 tours a month for an additional salary benefit of \$100-\$200 per month per director.

The capital items purchased as detailed in 'Initial Fixed Costs' will inevitably depreciate at various levels throughout their life cycle. It is estimated that the check-in area, the bathrooms, the tent pads and the communal areas will have a lifespan of 10 years. Conversely the tents and gear will need to be replaced after 4, and the lighting after 3. This brings total monthly depreciation to a figure of \$1,321.53.

The marketing budget has been separated into different sub categories and the only expenditure which will have a monthly fixed cost is that of a marketing manager with a monthly fixed cost of \$1500.00.

Variable Costs

The other major Marketing cost is Advertising which has been allocated a budget of 30% of sales revenue by Jimmy. It is anticipated that once the camp is more established and can rely more on positive word of mouth marketing, expenditure on new customer acquisition and therefore advertising will drop significantly. As mentioned in the previous section, Directors will be paid an additional salary for leading up to 5 tours a month. For any additional tours they will receive 20% of the price of the tour, which will clearly fluctuate greatly with demand. The camp manager will receive 10% of revenue from all tours. Expenditure on meal plan is also a variable cost, since it is dependent on the number of guests at the campsite at the time. An estimated \$6.00 will be spent per person per day. The total cost with 50% capacity utilisation in a month with 31 days would be \$9,350.00 with a 50% occupancy rate.

Forecasting

Number of Guests

The estimated demand has been recalculated far higher than initial expectations to reflect the significant Marketing investment prior to the launch of the camp. Whilst we will allow each tent to be occupied by up-to 3 guests for the sake of simplicity we have assumed that each tent will be single occupancy. Consequently it is theoretically possible for capacity to exceed 100%, although this is unlikely and should this situation ever arise the need to hire additional members of staff and create additional distinct 'camp space' would need to be considered. During the soft launch phase, a capacity utilisation of 35% (35% of 100 tents occupied by 1 person= 35 people) is forecasted for the first month, with 30% for the second and third months, meaning that camp will be about one third full for the majority of this period. During the official hard launch in the new year of 2016, demand is expected to increase to around 50% for the first 3 months and then level off to around one third again once the high season is over.

Pricing

The total price to the customer will be \$20 per person per night. This includes all camping gear, 3 cooked meals per day, free tea and coffee, and unlimited use of the property for recreational purposes such as swimming, hiking, and team sports. This price does not include transportation to San Miguel (currently \$2.50 or \$4.50 including the purchase of a Metro card), laundry service, other drinks and snacks, or tours. All of these services can be purchased at an additional cost to the camper.

Net Income and Rolling Company Balance

The Camp expects to begin making profit in May 2017. The high season spring months of January, February, and March are expected to be the most lucrative with an average cash flow of about \$12,000. In contrast the low season fall months of September, October, and November will be the least lucrative with an average cash flow of about \$1,500. In December, the campsite will not be marketed due to the holidays and Kalu Yala's events which current projections predict will create a negative cash flow at the end of the year. This needs to be taken into consideration by retaining capital from high season to bridge this gap. The summer months of May, June and July will see average cash flow of about \$7,000 when there are 2 members of staff on payroll- this figure will be \$1000 less when wages are being paid out for a third.

Notes on Forecasting

These forecasts only include initial and yearly legal fees and do not consider variable legal costs. Accounting fees are also not addressed because the Kalu Yala Institute bookkeeper has agreed to do that work during the initial stages of The Camp's startup. Also, taxes were not included because we will require consultation with a lawyer to determine these. We did however budget to pay full price for many of the capital expenses that we budgeted for, but in reality, we will be receiving a good portion of those products through sponsorship or will purchase them with a pro deal. This will free up a good amount of our budgeted initial expenses to be allocated to tax payments.

For these reasons it may take some additional time to recoup the initial starting costs and generate profit, but these numbers offer a fair representation of what we expect to happen and clearly show the opportunity to make money through this business venture. We are extremely confident that we will have a positive account balance by the end of our second year of operation.

SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Tres Brazos valley location • Proximity to Panama City • Human Capital- Specialist skills • Ability to provide camping gear • Volleyball and soccer courts 	<ul style="list-style-type: none"> • Currently unable to offer year round lodging • Rainy season- undesirable, decreases accessibility • Bugs • Not on main tourist corridor • Transportation difficulties • Minimal wi-fi
Opportunities	Threats
<ul style="list-style-type: none"> • 1-of-a-kind campsite • Tourism market in Panama City • Working with Locals • Development of sustainable practices- learn about Rainforest ecosystems, permaculture, etc. • Increased awareness of other Kalu Yala businesses 	<ul style="list-style-type: none"> • Intern/campsite divide • Campers hiking alone • Competitors increased offerings e.g hot springs, volcanoes, coffee farms • Events cause closure • Lost business due to accessibility • C-2-C market is depleting market share of budget accommodations market (e.g Air BnB)

Strengths

Our most obvious strength is of course the location. Being strategically based amongst mountains and primary and secondary growth rainforests with fantastic biodiversity provides a major draw for tourists in Central America. The idea of being 'out in the wilderness', relatively isolated, and at a high elevation is appealing to the more adventurous traveller who will happily invest the resources necessary to get here. In addition to our location, a huge advantage over the competition is the specialist skills and knowledge of the Kalu Yala staff, some of whom have worked and lived on-site with the company for over 4 years.

Advanced knowledge of insects, amphibians, reptiles, and mammals will be offered on optional extended hikes whereas the equivalent offering of our biggest competitor, The Lost and Found hostel, is no longer available (as of September 2014). Cooking classes, farm tours with an introduction to permaculture, and soccer and volleyball facilities create an enticing array of options that, thanks to the growth of the internship company, are available daily.

The proximity to Panama City could be a significant source of competitive advantage as well. Usually visitors head to the far side of Panama and Costa Rica for rainforest experiences, if not south into Columbia and the Amazon. During consumer research, not having sufficient room in baggage or with flight allowances was highlighted repeatedly as a major reason for not considering camping as a viable alternative when travelling. By providing camping gear and all basic amenities to guests will open up this previously unreachable segment.

Threats

A huge potential threat that was highlighted while investigating negative customer feedback of competitors was 'a divide between staff and guests'. This division made the customer feel uncomfortable and somewhat unwelcome. The Camp will need to have a strategy in place to prevent our guests from developing such feelings especially since initially it is likely that interns and directors will significantly outnumber campsite guests.

Customer safety is clearly something that needs serious focus and a dedicated policy for. Although obvious starting points will be to create rules such as no night or solo hiking, we cannot guarantee guests will adhere to them, and ultimately we are still responsible for their safety and wellbeing.

Although we currently have staff that is knowledgeable and willing to offer tours and classes in their specialties, somewhat significant labor turnover is currently unavoidable within Kalu Yala Internships. The Camp tour options and availability could suffer due to staff resignations.

The atmosphere of the camp is also not currently consistent year round. Holidays such as Envision Festival, 4th of July, Christmas, etc. will sometimes force closure of the campsite during popular tourist seasons. Insufficient staff and student numbers to maintain a high energy atmosphere during Kalu Yala events and time in-between semesters may initially create a large loss in revenue during the course of a year.

Opportunities

The unusual location for the camp is our biggest opportunity. We will be the first accommodation option to open on the edge of the Chagres National Park and one of the closest to Tocumen International airport. The proximity to the airport creates a real opportunity to capture the 'fresh off the boat' market looking to dive head-first into their adventure. We could encourage visitors to make Kalu Yala the first or last place they visit on their tour of Panama or Latin America by promoting a 'taste of the real, natural Panama' as opposed to the chaos and predictability of the city.

Guests will also get to experience the wider goals and operations of Kalu Yala and Kalu Yala Internships which will hopefully generate interest in alternative living, new urbanism design, and experiential education. Increased awareness of other Kalu Yala opportunities could also provide crossover opportunities such as increase sales of KY Farms products and increased applications for the internships.

A unique offering will be taking part in ecologically sound practices that normally require long-term residency and high costs elsewhere, such as harvesting of tropical plants, bamboo building, and farm-to-table cooking. This represents a real opportunity to distinguish ourselves from competitors and provides additional incentives for guests to stay longer. Due to our length of time in the Tres Brazos region, we have created relationships with locals which could benefit both the campsite and the community by employing these people to widen the scope of available tours and experiences (e.g basket weaving) and increase the degree of cultural immersion for our guests.

Weaknesses

One of the major findings of our initial research was that although people were interested in the idea of staying out in the jungle, camping as opposed to a real bed was unappealing to the majority. By offering only tents and hammocks to begin with, we may lose out on customers who are willing to travel further distances in order to experience a jungle setting with hostel-style accommodation. The potential of building an additional rancho to house guests should be explored in the future.

Offering a limited calendar may be confusing to some guests and may exclude others. The rainy season also creates further difficulties such as dangerous hiking conditions, river flooding which prevents crossing (especially dangerous when customers need to catch flights), and less desirable tour/hiking conditions. Heavy rainfall could easily decrease the perceived value of the stay.

During Summer 2014, the Outdoor Recreation team's research of the ecotourism market in Panama discovered that many people were concerned about bugs and more dangerous creatures. Reassuring customers is essential to negating this fear. The study also found that many tourists were unwilling to go more than 24 hours without phone and internet. Neither of these amenities are available on-site currently. Although the remote location of the site can be deemed very desirable, it also creates its own problems. Travelers on the main route through the Americas, the Pan American Highway, will completely bypass Kalu Yala. For those wishing to take public transport and then hike to the camp there is a danger that the buses may be difficult to navigate, particularly for non-Spanish speakers.