

BUSINESS PLAN



Hostel



2014

Adaptation of this business plan is possible for similar project worldwide.

Business Plan Description

Object description

The total area of hostel is 880 sq. m, the amount of above-ground floors is 5 and the amount of underground floors is 1. The building of administrative type has a cabinet layout, mixed overlays (height from one overlay to another is 3.0 m), fire alarm, surface parking and telecommunications.

Location of the hostel

The future hostel is situated in Presnenskiy district of Moscow which is *** from the nearest metro station *** and *** accordingly, many minibuses run down the street. The disadvantage of the district is the heavy workload of transport routes, which leads to numerous traffic congestions, and it is better to use the metro as a relievable means of getting to the destination. The hostel has a low level of transport accessibility.

Analysis of hostel market

More than *** hostels for over *** sleepers are functioning in Moscow. The share of hostel is about ***% of the total hotel market of the capital. The total number of people accommodated in the city hotels was *** mln. according to the results of 2013. By the forecasts of Committee for Tourism and the Hotel Industry of Moscow, thanks to adopted stimulus measures the number of tourists visiting the capital would increase to 14.8 mln. a year till 2025.

The major competitors of future hostel are the following objects, which are situated in the Central Administrative District: «***», «***», «***», «***», mini-hotel «***», «***», «***», «***», «***», «***».

Marketing plan

The main source of attraction of clients to future hostel will be a web-site and it is planned to use the following internet marketing tools: search engine optimization (SEO), contextual advertising and social media marketing.

Financial plan

Two scenarios of project development and three variants of risk situation are considered in financial plan.

Criterion Designation	Units	Scenario №1	Scenario №2
Amount of the loan	thsd. RUB	***	***
Interest rate	%	14	14
Crediting period	years	10	15
Payment of interest on loan	thsd. RUB	***	***
Total amount of payments	thsd. RUB	***	***
Internal rate of return (IRR)	%	***	***
Net present value (NPV) at discount rate 5%	thsd. RUB.	***	***
Net present value (NPV) at discount rate 10%	thsd. RUB	***	***
Net present value (NPV) at discount rate 12%	thsd. RUB	***	***
Net present value (NPV) at discount rate 15%	thsd. RUB	***	***
Profit Index (PI)		***	***
at discount rate 5%		***	***
at discount rate 10%		***	***
at discount rate 12%		***	***
at discount rate 15%		***	***
Discount payback period	years	5,1	5,1

Project advantages

After the analysis of technical and economical characteristics of object and its location it is possible to make conclusion that the convenient territorial location creates an visible advantage, because the building is situated relatively close to that showplaces, which all visitors prefer to view. The proximity to Kiev railway station, Moscow metro stations «Mayakovskaya», «Barrikadnaja», «Krasnopresnenskaya» allows getting to any point in Moscow.

Excerpts from Research

In Moscow almost all base of tourist accommodation consists of communities and hotels. According to approximate data, there are *** objects in Moscow, which have *** places, and the hotels occupies the share of *** % of this base. The largest share is occupied by objects, which fall under the category of three stars, it amounts ***% of the total object number and ***% of the total places amount. Moscow inexpensive hotels with increased comfort has a share of ***% of the total object amount and ***% of the total capacity. The shares of unspecified level of accommodation are ***% and ***% accordingly.

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«VTSConsulting» company was founded in May 2010 by a team of professionals led by Vladyslav Tsygoda. Vladyslav Tsygoda is a business consultant, a recognized leader in the field of business planning in the CIS countries (according to the portal free-lance.ru), today he is the head of the rating of the consulting company.

Development of business plans, feasibility studies, investment memorandums, financial models and business presentations are the main directions of the team, which includes highly skilled analysts.

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You invest.

*Respectfully,
Vladyslav Tsygoda,
the head of «VTSConsulting»*