



Catch and Release

Monkey River Tour Guide Association

Table of Contents

	<u>Page #</u>
A. Product Specification	1
B. Management and Organizational Plan	1
C. Operational Plan	2
D. Marketing	2
E. Financial Analysis	3
i. Financing Requirement	3
ii. Sales Projections	4
iii. Cash-flow Analysis	7
iv. Income Statement	9
v. Balance Sheet	10
F. Conclusion	11

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A. Product Specification

Monkey River Village is an isolated and unique community situated at the mouth of Monkey River, where the river meets the sea. About 200 hardy people live here, and they subsist mainly from the resources around them. They are excellent fishermen both on river and on sea. The Village's isolation leaves it embedded in a natural wonderland which can provide a wealth of great experience for the nature traveler. For example, many prize game fish inhabit the lower reaches of the rivers. The fishermen of Monkey River know them well.

But times have changed, and now the fish that used to feed the family directly are more valuable alive. The species favored by sport fishermen are snook, tarpon, permit, and bonefish. Indeed, Government of Belize has recently passed a law that restricts fishing these species except by catch and release. So the fishermen that want to turn to tourism can guide sport fishermen to the fish.

But fly fishing has specialized skills that even excellent fishermen could use training in. The MRTGA wants to train 10 of its members for one week in fly fishing and outfit them. Advertise in nearby Placencia tourist hub of the south – and set up a website with testimonials, video, and other information on the village and guides. Tours would be allocated on a rotating basis. Guides receive a generous rate and a piece remains for MRTGA.

B. Management and Operational Plan

Tour operators (resorts, etc.) will take reservations and assign the guide by rotation (based on recommendations made by MRTGA). The tour

operator will receive a finder's fee \$50 for each tour and will also receive a commission of \$50 for each trip booked. Guides are of course free to work elsewhere.

C. Operational Plan

A temporary business mentor will be assigned to MRTGA to advise and assist them in establishing the business. The ten participants will be offered by the Association. They will receive some basic catch-and-release gear. The training will last for one week and will include all the basics of fly-fishing. Once the training is complete, the advertising campaign will take place. A high-quality website will be designed to advertise Catch-and-Release Guides from Monkey River. The website maintenance costs will be covered by a subsidy from TIDE for 13 months to ensure that the advertising continues. TIDE will also subsidize phone costs and administration for the first 13 months. The tour operator will receive a commission of \$50 per trip booked, and MRTGA will also receive \$50 for each trip booked.

D. Marketing

At first, marketing will focus on Placencia Village where a considerable tourism industry has been built up. Flyers and the website will announce MRTGA availability. MRTGA will also send flyers and make personal contact with the main resorts of the Placencia area. All ten participants will receive \$50 worth of business cards. In the longer term, the NCL development on Harvest Caye will offer an important marketing opportunity because Monkey River Village is only about eight miles away from the proposed site.

A high-quality website will be developed to display the natural beauty of the Monkey River area and the remarkable fishing opportunities there. It will feature testimonials from some of the older, more experienced guides. Video will also be featured.

The association’s senior members will also offer referrals from their specific contacts in the fly-fishing community. Indeed, they will mentor the younger fishermen just breaking into the catch-and-release sector.

E. Financial Analysis:

i. Start-up Financing

Start-up Budget	
MRTGA Catch and Release	
Item	Amount
Equipment and furnishings	
10 rods @ 300	3,000.00
10 reels @ 150	1,500.00
10 platform @ 1,200	12,000.00
Sub-total	16,500.00
Training	
One-week training @ \$600/day x 5 days	3,000.00
Sub-total	3,000.00
Advertising	
Website development	2,500.00
Flyers (laminated), 50 @\$3	150.00
Business cards (\$50 x 10 guides)	500.00
Sub-total	3,150.00
Total	22,650.00

TIDE also believes that in order to ensure the success of this venture, the project should fund the first 13 months of the operational cost to give MRTGA and its guides enough time to get their business established. TIDE is budgeting for 7 months in 2014 with plans to budget another 6 months in 2015. This support includes the assignment of a business mentor to MRTGA for this same period.

Operational Costs	
Business Mentor 7 months @ \$333	2,331.00
Website maintenance@\$200/mo x 7 mont	1,400.00
Phone and admin @ \$150/mo x 7 months	1,050.00
Total	4,781.00

ii. Sales Projections:

Sales Assumptions

- Business starts in June, training in May
- During the season -- Jan to September -- 3 trips/week will be booked
- Off-season -- September to December -- 1 trip/week will be booked
- Each trip costs \$500, (guide receives 400Bz)

Cost of Sales Assumptions

- Each trip the referrer receives \$50
- Each trip booked MRTGA receives \$50

Recurrent Assumptions

- TIDE will subsidize recurrent costs (683/mo) for the first 13 months
- A business mentor will be paid \$333 per month for 13 months
- Website maintenance fees 200/mo
- Phone and admin 150/mo

Sales Projections – Year 1

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
					Sales							
Year1												
Monthly Sales						6,000	6,000	6,000	2,000	2,000	2,000	2,000
						6,000	6,000	6,000	2,000	2,000	2,000	2,000
					Cost of Sales							
Year 1												
Referral @ 50/trip						600	600	600	200	200	200	200
MRTGA @ 50/trip						600	600	600	200	200	200	200
	0	0	0	0	0	1,200	1,200	1,200	400	400	400	400
					Recurrent Expenses							
Year 1												
Website Maintenance						200	200	200	200	200	200	200
Phone & Admin						150	150	150	150	150	150	150
	0	0	0	0	0	350	350	350	350	350	350	350
Overall Total	0	0	0	0	0	4,450	4,450	4,450	1,250	1,250	1,250	1,250

Sales Projections – Year 2

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
					Sales							
Year2												
MonthlySales	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	2,000	2,000	2,000	2,000
	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	2,000	2,000	2,000	2,000
					Cost of Sales							
Year 2												
Referral @ 50/trip	600	600	600	600	600	600	600	600	200	200	200	200
MRTGA @ 50/trip	600	600	600	600	600	600	600	600	200	200	200	200
	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	400	400	400	400
					Recurrent Expenses							
Year 2												
Website maintenance	200	200	200	200	200	200	200	200	200	200	200	200
MRTGA Phone & Admin	150	150	150	150	150	150	150	150	150	150	150	150
Sub-totals	350	350	350	350	350	350	350	350	350	350	350	350
	4,450	4,450	4,450	4,450	4,450	4,450	4,450	4,450	1,250	1,250	1,250	1,250

iii. Cash-Flow Analysis Year 1

Details	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Sales						6,000	6,000	6,000	2,000	2,000	2,000	2,000	26,000
Cost of Sales						1,200	1,200	1,200	400	400	400	400	5,200
Bank Balance at Beginning of Month	0	0	0	0	0	0	4,800	9,600	14,400	16,000	17,600	19,200	20,800
Cash Receipts													
Cash Sales	0	0	0	0	0	6,000	6,000	6,000	2,000	2,000	2,000	2,000	26,000
Debtors													0
Business Finance					22,650	683	683	683	683	683	683	683	27,431
Equity													
Total	0	0	0	0	22,650	6,683	6,683	6,683	2,683	2,683	2,683	2,683	53,431
Cash Expenses													
Equipment & Furnishings					16,500								16,500
Training					3,000								3,000
Advertising					3,150								
Referrals						600	600	600	200	200	200	200	2,600
MRTGA Commission						600	600	600	200	200	200	200	2,600
Business Mentor						333	333	333	333	333	333	333	2,331
Website Maintenance						200	200	200	200	200	200	200	1,400
Phone & Admin						150	150	150	150	150	150	150	1,050
Total		0	0	0	22,650	1,883	1,883	1,883	1,083	1,083	1,083	1,083	32,631
Surplus/Shortfall	0	0	0	0	0	4,800	4,800	4,800	1,600	1,600	1,600	1,600	
Bank Balance at End of Month	0	0	0	0	0	4,800	9,600	14,400	16,000	17,600	19,200	20,800	

Cash-Flow Analysis – Year 2

Details	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Sales	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	2,000	2,000	2,000	2,000	56,000
Cost of Sales	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	400	400	400	400	11,200
Bank Balance at Beginning of Month	20,800	25,600	30,400	35,200	40,000	44,800	49,600	54,050	58,500	59,750	61,000	62,250	63,500
Cash Receipts													
Cash Sales	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	2,000	2,000	2,000	2,000	56,000
Business Finance	683	683	683	683	683	683							4,098
Total	6,683	6,683	6,683	6,683	6,683	6,683	6,000	6,000	2,000	2,000	2,000	2,000	60,098
Cash Expenses													
Referrals	600	600	600	600	600	600	600	600	200	200	200	200	5,600
MRTGA Commission	600	600	600	600	600	600	600	600	200	200	200	200	5,600
Business Mentor	333	333	333	333	333	333							1,998
Website Maintenance	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Phone & Admin	150	150	150	150	150	150	150	150	150	150	150	150	1,800
Total	1,883	1,883	1,883	1,883	1,883	1,883	1,550	1,550	750	750	750	750	17,398
Surplus/Shortfall	4,800	4,800	4,800	4,800	4,800	4,800	4,450	4,450	1,250	1,250	1,250	1,250	
Bank Balance at End of Month	25,600	30,400	35,200	40,000	44,800	49,600	54,050	58,500	59,750	61,000	62,250	63,500	

The cash-flow analysis shows a rapid and prolonged rise in the bank balance. However, this is a little misleading because the cash will not be saved; it represents the total passed on to the guides as the carry out their trips. The actual amount available to MRTGA will derive from the \$50 fee. After TIDE's subsidy ends, the fee will be used to cover recurrent expenses.

iv. Income Statement After 18 Months

Start	Sales (Turnover)		82,000.00
	Cost of Sales	16,400.00	
	Gross Profit		65,600.00
Less	Expenses (Fixed Costs)		
	Website Maintenance	3,800.00	
	Phone & Admin	2,850.00	
	Sub-total (fixed Costs	6,650.00	
Equals	Profit		58,950.00
less	Tax		
Equals	Net Profit		58,950.00
	Breakeven Point of Sales:		8,312.50
	Total Expenses	6,650.00	
	Gross Profit %		80%

The ten MRTGA guides will collectively achieve a net profit of \$58,950. They have a rather low break-even point, but it is not relevant in the context of this business.

v. Balance Sheet After 18 Months

Land		-	Owner's Capital (grant & Equity)		21,050.00
Buildings			(plus) accumulated profits after tax		58,950.00
Vehicles	-		Total Owner's Worth or Equity		80,000.00
Less: Depreciation (10%)	-	-			
Machinery & Equipment					
Less: Depreciation (10%)					
Fixtures and Fittings	16,500.00		Long Term loan (Business Partners)		-
Less: Depreciation (10%)		16,500.00			
Total Fixed Assets		16,500.00	Total Long Term Liabilities		
CURRENT ASSETS			CURRENT LIABILITIES		
Stock			Creditors	-	
Debtors	-		Taxation	-	
Cash at Bank	63,500.00				
Total Current Assets		63,500.00	Total Current Liabilities		-
TOTAL ASSETS		80,000.00	TOTAL LIABILITIES		80,000.00

The Balance Sheet shows that the business has a total worth of about \$80,000.

F. Conclusion

The Monkey River Tour Guide Association will have assisted ten of its members become catch-and-release –guides. The profits will accrue to the village not MRTGA, but the latter will profit as well.