

DOCUMENT RESUME

ED 211 762

CE 031 046

AUTHOR Rassen, Rachel L.
TITLE Getting Down to Business: Travel Agency, Module 9. [Student Guide]. Entrepreneurship Training Components.

INSTITUTION American Institutes for Research in the Behavioral Sciences, Palo Alto, Calif.

SPONS AGENCY Office of Vocational and Adult Education (ED), Washington, D.C.

PUB DATE Apr 81

CONTRACT 300-79-0535

NOTE 93p.; For related documents see CE 031 026-101 and CE 031 324.

AVAILABLE FROM Wisconsin Vocational Studies Center, 964 Educational Sciences Bldg., Madison, WI 53706 (Order No. ETC100Z1, \$6.00. 25% discount on 100 or more of same title. Complete set--ETC100--\$200.00).

EDRS PRICE MF01/PC04 Plus Postage.

DESCRIPTORS Administrator Role; Advertising; *Business Administration; *Business Education; *Business Skills; Financial Support; Learning Activities; Learning Modules; Money Management; Recordkeeping; Salesmanship; Secondary Education

IDENTIFIERS *Entrepreneurship; Small Businesses; *Travel Industry

ABSTRACT

This module on owning and operating a travel agency is one of 36 modules in a series on entrepreneurship. The introduction tells the student what topics will be covered and suggests other modules to read in related occupations. Each unit includes student goals, a case study, and a discussion of the unit subject matter. Learning activities are divided into individual activities, discussion questions, and a group activity. Units (and subject matter) in this module are planning your business (type of customers; competition; franchising; personal qualities; legal requirements); choosing a location (questions to ask when choosing a site; renting or leasing a storefront); getting money to start (business plan; how much money is needed; fixtures and equipment; computers; statement of financial need); being in charge (building the business; hiring; communication); organizing the work (suppliers; selling travel; ticketing and itineraries; work schedule); setting prices (who sets prices; profits; business accounts; selling vacations; package tours; group tours); advertising and selling (why advertise; how to advertise; gimmicks; qualities of a good ad); keeping financial records (why keep records; giving credit; monthly cash sheet); and keeping your business successful (keeping track of profits; net profit; profit/expense ratios; how to raise profits; expanding). A summary and quiz complete the document. (A teacher's guide is available for this module.) (CT)

etc

Entrepreneurship Training Components

ED211762

GETTING DOWN TO BUSINESS:

Travel Agency

Module 9

U.S. DEPARTMENT OF EDUCATION
NATIONAL CENTER FOR EDUCATION

FORM
MATCH

REPRODUCE THIS
MATERIAL GRANTED BY

ERIC

AT YOUR REVEREND
... ..

American Institutes for Research



CE5031046

The information reported herein was obtained pursuant to Contract No. 300-79-0535, Office of Vocational and Adult Education, U. S. Education Department. Contractors undertaking such projects under government sponsorship are encouraged to document information according to their observation and professional judgment. Consequently, information, points of view, or opinions stated do not necessarily represent official Education Department position or policy.

GETTING DOWN TO BUSINESS:

Travel Agency

Rachel L. Rassen

April 1981

Developed at the American Institutes for Research
under support from the
Office of Vocational and Adult Education
U.S. Education Department

The Entrepreneurship Training Components are based on information from many sources. Special acknowledgement is due the Small Business Management and Ownership materials designed and tested by CRC Education and Human Development, Inc. for the U.S. Office of Education's Bureau of Occupational and Adult Education. Special thanks are owed the entrepreneurs who shared their experiences during the preparation of this module.

TABLE OF CONTENTS

Introduction	1
Unit 1	
Planning a Travel Agency	3
Learning Activities	11
Unit 2	
Choosing a Location	13
Learning Activities	20
Unit 3	
Getting Money to Start	23
Learning Activities	31
Unit 4	
Being in Charge	33
Learning Activities	39
Unit 5	
Organizing the Work	41
Learning Activities	48
Unit 6	
Setting Prices	51
Learning Activities	59
Unit 7	
Advertising and Selling	61
Learning Activities	69
Unit 8	
Keeping Financial Records	71
Learning Activities	78
Unit 9	
Keeping Your Business Successful	81
Learning Activities	88
Summary	91
Quiz	93

INTRODUCTION

How are you going to use your job skills after you finish school?

Have you ever thought about starting your own travel agency?

This module describes people who have started and managed travel agencies. It gives you an idea of what they do and some of the special skills they need.

You will read about

- planning a travel agency
- choosing a location
- getting money to start
- being in charge
- organizing the work
- setting prices
- advertising and selling
- keeping financial records
- keeping your business successful

You will also have a chance to practice some of the things that travel agency owners do.

Then you will have a better idea of whether a career as a travel agency owner is for you.

Before you study this module, you might want to read Module 1, Getting Down to Business: What's It All About?

When you finish this module, you might want to read

- Module 7, Getting Down to Business: Apparel Store;
- Module 10, Getting Down to Business: Bicycle Store;
- Module 12, Getting Down to Business: Business and Personal Service;
- Module 13, Getting Down to Business: Innkeeping.

These modules are related to other retail businesses.

UNIT 1

Planning a Travel Agency

Goal: To help you plan your travel agency.

Objective 1: Describe the products, services, customers, and competition of a travel agency.

Objective 2: List the personal qualities of a successful travel agency owner.

Objective 3: List three ways to help your business compete successfully with other travel agencies.

Objective 4: List one or more legal requirements for operating a travel agency.



DANIELLE OPENS A TRAVEL AGENCY

Danielle describes how she feels about owning a travel agency. "If you get into the travel agency business for the money, then you're going to be disappointed very quickly. Some people get into this business because they think it will be glamorous and full of adventure and cheap travel. Sure, you'll have plenty of chances to travel, but if you're traveling, you're not minding the business. There's hardly any time for that fringe benefit."

Danielle Ponti started working for Gardner's Travel Agency in 1972. "When I first started, I did everything--typed, swept floors, made the coffee, and wrote tickets. I was working for good people. I just really got excited about the business." Four years later Danielle was made the office manager. When she was offered a chance to buy into the business by opening a franchised office of the agency, she jumped at the chance. Danielle wanted her own business.

Danielle paid a franchise fee to open her agency. This meant she bought the license to sell Gardner's Travel Agency's services in her area. The franchisor recommended that she locate her office located in a suburban shopping area.

"It's a crazy business. Prices and policies change faster than the news can travel. You've got to be on top of things all the time. And when you quote a price that was okay yesterday but is \$25 more today, you're the one who'll pay extra because it was your mistake--not your client's."

Planning a Travel Agency

You probably already have some idea of what a travel agency does. If you want to travel on vacation or business and need tickets, hotel reservations, and some kind of transportation around town, you can go to a travel agent who will make all these arrangements for you.

An important thing to keep in mind about the travel business is that your income does not come directly from your sales. You may average over a million dollars a year in sales, but your income comes from commissions, which are fixed by the airlines, railroads, and hotels.

In this unit we will talk about the types of things you should consider in planning to open a travel agency.

Glamour, the Big Attraction

Many people get into the travel business because they love travel, and they think that opening a travel agency will let them combine a glamorous career, adventure, and excitement with a business that makes a lot of money. Most of us can only dream about taking trips around the world--at no cost or at bargain prices. But travel agents do get these opportunities.

If you travel a lot, you'll never get any work done. The travel business is very competitive, and it takes a dedicated and hard-working businessperson to open and operate a successful travel agency. In fact, many travel agents find that they can't afford the time to travel. Instead, they find themselves tied to the office where their business knowledge, management ability, and selling skills are needed in order to operate a successful business.

Who Will Come to You?

Anyone who has to make arrangements for a trip may come to you. Many people travel on their vacations, but the bread-and-butter business of travel agencies comes from the frequent business traveler.

Many travel agencies that are doing very well have longstanding arrangements with big and small companies. These "commercial accounts" are usually businesses that use the services of a travel agent regularly.

Is There Room for You?

The travel business is highly competitive. Bigness is important in attracting regular clients. With almost daily changes in air fares and schedules, agencies have become increasingly dependent on expensive computers to provide the most recent information. There is a trend today in the travel business toward franchising and group arrangements.

However, an independent owner of a travel agency can still make it. Personal service is the name of the game. Larger agencies are successful with the help of computers, but small agencies can give personal service to clients. Danielle points out: "If you are going to be lazy and ordinary, there is no way you're going to make it. You've got to go out and get the business. You've got to be able to sell, and you've got to have a lot of imagination to give your customers what they want and a little more. If you lose clients, it's because you've failed to meet their needs."

According to Danielle, the real competition is not other travel agencies, but other businesses that sell things like sports equipment (skis, camping gear, tennis rackets, etc.). "People don't have much money these days. They are being very careful in how they choose to spend those few leisure dollars that are left over after all the bills are paid. Obviously, it's cheaper to buy a tennis racket and outfit than a tour package

to Europe--and you will have it a lot longer. To be successful, you've got to be able to sell travel to your clients."

Should You Go It Alone, or Should You Franchise?

Many travel agents have chosen to franchise their businesses. What does opening a franchise mean?

You can find franchise operations in many businesses. Colonel Sanders, McDonald's, Midas Muffler, and H & R Block are examples of some well-known national franchises. If you buy into a franchise business, your freedom is limited. But at the same time, a franchise gives you "instant recognition"--and an immediate reputation for goods and services.

When you buy a franchise, you own the business, but you operate it as though it were part of a large chain. Under a franchise, products and services are standardized, and you will have little flexibility in planning your appearance and your advertising. You will have to pay the franchisor a fee--a percentage of your profit.

But the "name" you get when you buy into a franchise can get you customers quickly. This can help you stay afloat in the first year or so, when many other new agencies are failing.

Is Running a Travel Agency for You?

Experience. You can get much of the experience you need by working in a travel agency for someone else. You should have this experience before you go into business for yourself. And you need good typing and clerical skills.

There are also schools and special courses available to train qualified travel agents. For example, the Institute for Certified Travel Agents (ICTA) offers classes and correspondence courses to train and

certify travel agents. Many community colleges and universities are also offering courses. There is a lot to learn in this business, and sometimes on-the-job experience isn't enough.

Personal qualities. Even if you have the skills and experience to work in a travel agency, you may not like it. Or you may not like running your own business. Danielle says:

"You have to be organized if you want to succeed in this business. You have to be able to listen to your clients, not just what they say, but also what they don't say. Patience is not only a virtue in this business, it's a must. It helps if you are outgoing and not afraid of people. You have to like working with the public; and, of course, a sense of humor is absolutely essential! And on top of all this, you have to be flexible, because everything in the business is constantly changing--fares, schedules, equipment, and clients who change their minds."

Legal requirements. As the owner of a business, there are forms to fill out and licenses to get. These are legal requirements any business will have to meet.

- Some cities require licenses just to open.
- A "use of occupancy certificate" may be required to open an office.
- Zoning restrictions may influence decisions as to where you can open your office.
- You may have to file a "fictitious name statement" with the county. Since the name of the business may not have your name in it, this is a statement telling who the owner is.
- You will have to apply for an Employer's Identification (EI) number from the Internal Revenue Service.

You will also need to buy insurance to protect your agency. A basic plan may include fire insurance, liability insurance, crime coverage, automobile insurance (for company-owned cars), workers' compensation insurance, and business interruption insurance.

But there are additional requirements in the travel business. The major requirement is Air Traffic Conference (ATC) and International Air Transport Association (IATA) certification. Unless your travel agency can meet ATC requirements (which affect personnel qualifications, location, finances, and other evidence of serious business purpose), an agency cannot earn airline commissions. And these commissions may account for almost 75% of your income! In addition, you will have to arrange for surety bonds and Error and Omissions Insurance.

Summary

There is a lot of competition in the travel business. To a great extent, the reputation of your agency will depend on the quality of personal service and attention you give your clients. Your agency may handle a lot of sales, but your income will depend on the commissions you make from your sales. There are many legal regulations and restrictions in the travel business. Although there is a trend in the business toward franchising and centralizing, there is still room for a small independent travel agency to succeed.

Learning Activities

Individual Activities

1. Look up "travel agency" in the Yellow Pages of your phone book. Which agencies would probably be your competition? List the different types of services they offer.
2. Do you have the right personality and interests to open and run a travel agency? List three personal traits or experiences that you think would help make you successful.
3. What subjects are you studying now that would help you run a travel agency?
4. One day you sold a variety of tickets and reservations. Given the following breakdown of types of sales and commission rates (not including tax), compute how much commission your agency made on that day. For example, if you sold a ticket for \$100 and your commission rate was 7%, you would make a \$7.00 commission.

<u>Type of Ticket/Reservation</u>	<u>Amount</u>	<u>Commission Rate</u>	<u>Your Commission</u>
a. airline tickets	\$5,273	7%	\$ _____
b. steamship cruise	4,189	11%	\$ _____
c. three-week European tour	3,554	17%	\$ _____
d. railroad tickets	925	8½%	\$ _____
e. hotel reservations	1,619	7½%	\$ _____
f. car rentals	420	9%	\$ _____

5. What is a franchise? Why is there a trend in the travel business toward franchising?

Discussion Questions

1. Discuss the reasons why travel agencies are risky businesses. What are some of the ways you can make your travel agency successful?
2. Who would be the customers for your travel agency? What are some reasons why they would be interested in your services?
3. Why does Danielle feel that her real competitors are the sports stores rather than other travel agencies?
4. Call your state licensing agency. Ask about the legal requirements for opening and running a travel agency. Make a list of these requirements and the forms you will have to complete.
5. In the travel business your income comes from the commissions you make on sales, not from the sales themselves. How do you think this affects business practices?

Group Activity

Go out in your community and interview the owner of a travel agency. Prepare a report that briefly describes how the agency is operated.

Include important details such as the following:

- a. type of ownership and how the business was started;
- b. services offered, including delivery, credit, etc.;
- c. total number of employees; and
- d. training experience of the owner and the employees.

UNIT 2

Choosing a Location

Goal: To help you choose the right location for your travel business.

Objective 1: List three things to think about in deciding where to locate your travel agency.

Objective 2: Choose the best location for opening a travel agency.



DANIELLE'S LOCATION

Danielle describes the advantage of her business location. "As you can see, we're located in the middle of one of the busiest shopping centers in the area. The traffic that goes through here is incredible. Some people will tell you that a location like this is not good for a travel agency because we get a lot of 'lookers'--people who are curious and just want to look around and have some questions answered. They're not here to buy, but we're not about to throw them out the door. They just may come back sometime. But while they're in here they take up a lot of our time.

"Most of my business comes from the industrial park down the street. Those people like to travel a lot, and they'll come to me to make their travel arrangements and plan their schedules. That business area is the main reason why this is such a good location for my travel agency.

"Also, this location meets all the ATC requirements. You may not have realized this, but ATC has to approve your location when you apply for membership. They tell you that an approved agency must be located in a convenient place with easy public access and appropriate signs. They will not approve a travel agency on the upper floor of a high-rise or in a hotel. The public has to have access to it. And I know this location meets that requirement."

Choosing a Location

You Come First

You can open up a travel agency in almost every kind of city. But the city you choose must fit your personal requirements. You have to think about weather, family, friends, housing, and recreational facilities. If you're not happy living in or close to that city, you won't be happy having a business there.

Taking a Good Look Around

Before you choose a location for your agency, you will need to do some homework. If you open your agency in a spot simply because it's close to home or in the first vacant spot, you may be in for trouble.

You should consider a number of facts about the area in which you are thinking of locating your agency. These include:

- the neighborhood's potential for growth;
- the ages, incomes, and interests of the people living or working there;
- the competition in the area; and
- the type of neighborhood--urban, suburban, or commercial.

There are many places where you can get information on good areas to open a travel agency. Community banks, newspapers, census information, Chamber of Commerce and utility company reports will all provide information on the area you consider for your agency. See what you can find out about the businesses in the area as well as the other travel agencies.

Questions to Ask When You Choose Your Site

Consider these questions when you pick the specific site for your travel agency.

- What types of people are your clients?
- What business was in this location before you and why did it close or move?
- How much competition will you have from other travel agencies in the area?
- Is this a site where a lot of people walk by? Is public parking available?
- In what condition are the street and storefront? Are repairs needed?
- How much space will you need? Is there room to expand later on?
- What other kinds of stores are there in the neighborhood? Do many clients go there?
- How good are the heating, lighting, and ventilation of the building?
- What are the local zoning rules and regulations?

There are successful travel agencies in communities and small towns with as few as 20,000 people. However, these agencies are usually "the only game in town."

For highest volume of sales and profit, you should consider locating your agency in or near a major industrial and business area. There will probably be other established travel agencies in the same area. You will all be competing for customers. But while the competition may be more intense, there will also be a larger pool of potential customers who will be needing your services.

Many successful travel agencies start by developing working relationships with large commercial accounts that require travel services regularly. It would be to your advantage to choose a convenient location that is as close to as many large companies as possible.

This can mean either an urban or suburban location. It all depends on your clients--your market. In some areas, many businesses have been moving to the suburbs; that means you should too. Some businesses are located in shopping centers and industrial parks. A little bit of advance homework will help you figure out where your market is. Once you have found your market, your location decision should be easy.

An ideal location for a travel agency is a street-front office in a high-rise office building filled with businesses and potential business travelers. This location will let you tap two types of clients at one time--the business traveler and the vacationer with leisure dollars to spend.

Renting or Leasing a Storefront

After you find a good location, you must arrange a lease with the building owner. These agreements are usually quite complex and may run over 40 pages. Lease or rental agreements should be reviewed by a lawyer and an insurance agent before they are signed.

Rent is a major expense. You must decide how much rent you can afford to pay based on the amount of sales you think you can attract. Pick the best location you can afford--as near your customers as possible. You may be paying less for rent in an out-of-the-way location, but you may also bring in fewer sales.

Under a flat rental system you will pay the building owner a fixed amount each month. Rent may also be paid under a percentage of sales agreement. Here you agree to pay a base amount and a percentage of the monthly sales. This type of system is often used in shopping centers.

Summary

A little logic and a lot of homework will go a long way when you are looking for the best location for your travel agency. A highly visible location in a building with many businesses will often be your best choice, even when the rent is high. Neighboring businesses and the physical condition of the building are also important factors to consider.

Learning Activities

Individual Activities

1. List four sources of information that you can use in deciding where to locate your travel agency.
2. What are the differences between a flat rental rate and a percentage of sales agreement?
3. What are the advantages of locating your travel agency near a business area or industrial park? The disadvantages?
4. You have taken a traffic count to see how good a particular site is for your travel agency. An average of 100 cars pass by the site every hour. An average of 75 people walk by every hour. What further information would you like to get about this site before you make your final decision?
5. Which sentence is most true?
 - a. Being near a bus or subway line is essential
 - b. Being near a business area or industrial park is essential
 - c. Being near the post office is essential

Discussion Questions

1. List all the information you would want to know about a store location before you sign a lease.

2. Choose three towns or business areas that are close to your school. Answer these questions about those cities.
 - a. How many people live in the city?
 - b. Where do most people go to do their shopping? Where are the businesses located?
 - c. How many travel agencies are located in each of the cities?
 - d. Is the area growing? How can you tell?
 - e. Is there an airport nearby?
3. Based on what you found out in question 2, which area would be the best location for a travel agency? If none of them is very good, can you suggest another area?
4. Make a checklist you could use in evaluating locations.

Group Activity

Here is a list of factors to think about when choosing a town in which to start a travel agency. Rate them in order of importance (from 1-10). There is no "correct answer." Discuss with the class the reasons for your ratings. Try to come up with a class rating.

- a. Type of town--city, farm, industrial, suburban
- b. Number of travel agencies in the area
- c. Easy to reach--transportation available
- d. Population of town and surrounding area
- e. Growth of town
- f. Income of population
- g. Weather, climate
- h. Advertising media available
- i. Industries and businesses in the area
- j. Personal factors--personal preference, location of family and friends

UNIT 3

Getting Money to Start

Goal: To help you plan how to borrow money to start your travel agency.

Objective 1: Write a business description of your travel agency.

Objective 2: Fill out a form showing how much money you need to borrow to start your travel agency.

DANIELLE GETS A LOAN

This is how Danielle got the money for her travel agency. "Compared to some other businesses, this is an easy business to get into. If you want to start from scratch and work your way up, you can open a travel agency with only \$10,000. But that's really playing it close to the line because you won't have ATC certification, and you're starting out undercapitalized. Until you get that certificate, you can't make any commissions from your air ticket sales. It takes 90 days, after you apply for membership to get ATC certification, and you have to show that you have at least \$30,000 for operating capital and security bonds.

"I bought a franchise operation. The business operation was already set up and working, and I knew what I was getting into. The franchise cost me about \$6,000. ATC requires at least that at least one travel agent have two years' ticketing experience. I have that experience, so I didn't have to hire a special person. That was also lucky. If you're just starting out in this business and you have to hire an experienced ticket manager, it'll cost you a lot for their salary. And those experienced people are real hard to find. They're usually out setting up their own businesses.

"After I paid the franchise fee, I had about \$20,000 of my own to put into the business. Furniture and equipment cost a lot, and I knew I would be lost unless I bought a computer terminal. And this office space costs a lot to rent. I figured I needed another \$15,000.

"I went to the bank and talked a blue streak about what a great travel agent I was and how I planned to open my own office. And I am a good agent. The first bank turned me down--the loan officer said there were enough agencies in town. So I went to a second bank. The loan officer there had me fill out a bunch of forms and applications, and I had to put together a résumé of my work experience and a business plan. I had it all in my head, but it was hard getting it down on paper. When I look back on it now, it doesn't seem so bad. I got the loan I asked for and opened my agency just as I had planned."

Getting Money to Start

Starting a travel agency takes "capital." You may need to borrow from a bank or government agency to start your business.

The Business Plan

Banks want to know a lot about you and your business plans before they lend you money. Anyone who lends you money must think you have "done your homework." The lending agency has to believe you are a good business risk and a good investment. It will want to find out this information.

- Is there a need for a travel agency in your community?
- Can you attract people to use your services?
- Do you have the skills to get the job done with the money you have asked for?

This is where the business plan comes in. The lender will be looking at how carefully you have planned your business. Your business plan should be clearly and simply written and should include the following information:

1. the kind (and name) of travel agency you want to open;
2. the services you will provide (will you be specializing in any particular kind of travel service?);
3. the location of your business, and why you chose it;
4. the customers--individuals and businesses--you want to attract;
5. your competition in the area;
6. your own background and work experience (a résumé); and
7. the number of employees you plan to hire as well as their experience in the travel business.

The descriptions of your agency, its location, and your target market will be particularly important in the lender's decision to give you the loan you need.

When you apply for ATC and IATA membership, you will also have to give them this information. They will be particularly concerned that you, or one of your employees, have at least two years' experience with travel and one year's experience with airline ticketing with an ATC or IATA-member airline or travel agency. This is a condition for ATC and IATA membership. If you or one of your employees do not have this experience, you will not be certified! So this is a very important detail to include in your business plan.

How Much Money Will You Need?

The money you will need to open your travel agency will depend on how much you can afford and the type of agency you want to start. Here are things you should include when you start thinking about start-up expenses:

Start-Up Expenses

<u>Item</u>	<u>Range</u>
Rent (first and last month)	\$1,000 to 1,300
Utility and phone deposits	100 to 400
Business licenses	0 to 165
Conference fees and applications	500 to 600
Building preparation	2,000 to 5,000
Signs	1,000 to 2,300
Equipment and fixtures	2,500 to 5,000
Legal and accounting fees	1,000 to 2,000
Printing and stationery	500 to 700
Supplies and forms	400 to 550
Subscriptions (tariffs)	500 to 700
Manager's salary (first month)	1,200 to 1,500
Opening advertising and promotion	2,000 to 3,000
Insurance and bonding	200 to 500
TOTAL	\$12,900 to 23,715

Of course, these figures are only rough estimates. For example, your remodeling costs may be higher or lower; some agencies are little more

than a service counter, brochure racks, and a desk or two. Other agencies take up more space and have agents working at individual desks, with a computer terminal at each.

Fixtures and Equipment

Office furniture can be leased or bought inexpensively. You may try to buy this equipment at a used furniture store or at an auction where the prices will be below retail. This will save you money.

Rebuilt typewriters and other office equipment will also save you in start-up costs. You should look for calculators and adding machines with tape for recordkeeping, and a small copying machine (or access to one). Here is a list of the equipment you will need to open your agency:

Initial Equipment Inventory

- Desks (3-4) and tables (1 or 2)
- Chairs (6-8)
- Dictating equipment (optional)
- Filing cabinets and bookcases (2)
- Literature racks (1 or 2)
- Safe (absolutely essential to protect tickets and money!)
- Shelving (optional)
- Ticket validator with plate (required for ATC and IATA certification)
- Typewriter.
- Wastebaskets (3)
- Miscellaneous accessories
- Copy machine (leased; optional)
- Calculators (3)

One of the most important pieces of equipment you will need is a ticket validator with your agency nameplate. This is like an ordinary credit card machine and costs \$70 to \$80. You get this from the ATC.

Space Age Computers!

Speedy response is essential in handling accounts well, and many agencies are leasing computer equipment in order to give clients efficient service. When you use a terminal, you can find out all of the fares for flights between given points, select seats in advance, and store information about your customer, such as home phone numbers. These computers are available for lease through American Airlines, TWA, and United Airlines at a cost of \$1,400 to \$1,600 per month.

The computer terminals are hooked up to the airlines' offices. Instead of phoning individual airlines, car rental agencies, etc., the computer TV-screen terminal will show all fare and schedule information. Some terminals can also print tickets in 30 seconds.

Now What About That Statement of Financial Need?

Once you have listed and figured out all your start-up expenses, you are ready to complete a statement of financial need. The banks will require this in order to lend you money.

You may have to fill out this financial need statement when you apply for a loan. The items listed in the form may not include all your needs and expenses. For example, you may wish to list phone and utility costs separately. You may choose to hire an interior decorator to help you remodel the agency. You may want to list this cost separately on your statement.

STATEMENT OF FINANCIAL NEED

<u>Starting Expenses</u>	<u>Money on Hand</u>
Salaries _____	
Building and Property _____	
Repairs and Renovations _____	Cash on Hand _____
Equipment and Furniture _____	Gifts or Personal Loans _____
Inventory or Supplies _____	Investment by Others _____
Advertising _____	TOTAL _____
Other _____	
	TOTAL STARTING EXPENSES _____
	TOTAL MONEY ON HAND _____
	TOTAL LOAN MONEY NEEDED _____

Summary

When you apply for a loan to start your travel agency, you will need to provide a business plan and statement of financial need. The exact amount of money you will need will depend on the cash you have available, your equipment and inventory needs, and other costs related to opening a business.

Learning Activities

Individual Activities

1. Assume you want to buy a franchise travel agency. The franchise itself will cost you \$7,000. You have \$11,000 of your own, and your friends will lend you \$6,000. Complete the statement of financial need form shown in this unit. The costs of all the items listed in the form were estimated for you. Use the lowest figures in estimating your start-up expenses.

2. Write a brief description of the travel agency you would like to open. Your business plan can be short, but really think about what information you need. Use your town or city. List a real place where the agency might be located. Include these items.
 - (a) Name of owner
 - (b) Name of travel agency
 - (c) Service(s) provided
 - (d) Location (include why it would be a good one)
 - (e) Competition (include names of other travel agencies and a brief summary of how your agency will be unique)
 - (f) Potential customers (list as many possibilities as you can for who will use your service)
 - (g) Strategy for success (will you have a specialty, and what is your advertising plan to attract customers?)

Discussion Questions

1. Why is a business plan critical to a bank's decision to lend you money? How can a business plan help you?

2. What are some reasons why a bank would deny you a loan? List as many reasons as you can.
3. If you apply for a loan at a bank and you are denied, what are some of the things you can do?
4. Van Johnson wants to open his own travel agency. He needs about \$8,000. His friend Bob will give him \$3,000 and wants 20% of the profits for two years. Bob believes he will get back more for his money this way. Van's uncle will give him \$2,000 at 10% interest. He wants to be paid back within six months. The bank will give Van as much as he needs at 16% interest. He will have three years to pay it back. Where should Van get his money? Discuss your reasons with the class.

Group Activity

In groups of three to five students, write a business description for Danielle's business. Make it about 500 words long. Remember that your description should convince the bank that your business is a good investment.

UNIT 4

Being in Charge

Goal: To help you select and manage the people who work with you.

Objective 1: Decide how to divide the work of your travel agency among your employees.

Objective 2: Describe the type of supervision or training you might give your employees.

Objective 3: From a list of job applicants, pick the best sales person for your travel agency.

DANIELLE'S STAFF

Danielle discusses her employees. "I have three women working for me right now. They've all been with me at least two years. One woman is from the agency I managed; the second came here with no sales experience, but she had majored in tourism at the local community college; and the third didn't like the agency where she was working and asked me for a job. We have all the experience and qualifications the ATC requires for certification. I couldn't have asked for a better staff.

"I pay my staff more than the other travel agencies. They get good salaries and a commission. On top of that, they get travel benefits plus a percentage of the profits at the end of the year. Why? First, because they're top quality. They're worth it, and they deserve something for their hard work and their loyalty. The profit sharing is the frosting on the cake--it's an incentive for all the hard work they've done and the hard work they'll be doing next year. Don't let anyone tell you this is an easy business. You can't afford to rest on your reputation.

"One of the things you really need in this business is good typing. You have to be a good secretary to be a good travel agent because you have to fill out so many tickets. There's no one here to do anything for you. You've got to be able to do it yourself.

"My staff are top-notch salespeople. They like to work with people, but most of all, they know how to listen. If you've got that down, you're dynamite! We get together every other week for dinner. Sometimes it turns into a gripe session, sometimes it's an update on tours and cruises, and sometimes we share tips on how to handle difficult customers. We like working with each other, but best of all we like each other. And that's important for me."

Being in Charge

Owning and running a travel agency involves many responsibilities. One important responsibility you will face is hiring and managing employees--being in charge. In this unit you will learn a little about how to do this.

Building the Business

Building the business depends on building an effective staff. Good management of your salespeople and aggressive personal selling are essential in building a travel agency. Here are some of the things good staff people will do:

- develop a loyal following of business and vacation travelers who will return to your agency and send their friends;
- identify the needs of the client and suggest additional travel ideas (this will build sales and improve customer satisfaction);
- minimize the number of travel changes by customers. If your customers ask you to cancel reservations and make new ones, you will make the same amount of commission, but your labor costs will be doubled; and
- keep financial and other records (inventory, bookkeeping, accounts, bills, etc.) so that losses through carelessness are kept low.

You will have much to do when you are in charge of your own agency. Your success will depend largely on how well your staff works with you and whether they can take over extra responsibilities "in a pinch."

Hiring

You will want to hire well-qualified and reliable agents. The image and reputation of your agency depends on doing your hiring well: Your best bets are to hire "experience"--people who have been travel agents before.

The ATC requires that either the owner or the agency manager have at least two years of full-time experience in airline ticketing and selling and promoting travel. This is a condition for ATC membership! A person who satisfies these requirements may be hard to find.

When you are just starting, the best hiring approach to take is to use an employment agency that specializes in the travel field. The fees are a small price to pay if you get experienced applicants who have been screened by someone who knows exactly what to look for.

Start by hiring the most qualified manager you can possibly afford. An experienced manager will be able to help you open your agency, advertise, sell, set up filing and accounting systems, and more. Try to find one with good relationships with the airlines and up-to-date knowledge of tours and rates.

Employee salary is one of the largest expenses you will have. If you want top-notch staff, the salary you offer should be the same or even better than other agencies. Full-time employees should also be offered some kind of health insurance and retirement plan. In addition, some kind of incentive plan (such as a percentage of the profits) will help keep staff enthusiasm and motivation high.

You may consider part-time staff to keep your costs down. If you are aware of customer traffic patterns, you can easily schedule staff. However, there may be more turnover among part-time staff. Fast turnover may harm good personal relations with customers. Part-time salespeople may also need more supervision and training.

Communication Is the Key

Inexperienced salespeople will need training and supervision. Giving your staff enough training and instruction for them to carry out their jobs is part of good management.

Communication is the key. Communication is nothing more than talking and listening. It shouldn't be much of a problem with just a few employees. But when you have a lot of things going on, a few mistakes by anyone can cause angry and hurt feelings. Sometimes you'll need to talk things out.

Many employers find it helpful to get together regularly to discuss work plans and problems. Some ideas are:

- weekly meetings;
- a bulletin board; and
- a "well-done" list (a little appreciation can go a long way).

In addition, you should have a written policy to tell your staff about work assignments, fringe benefits, working hours, overtime compensation, etc. Then, when everyone knows the "rules and regulations," follow them in a businesslike way.

Summary

Building and managing an effective sales staff will help your agency grow and profit. Hiring experienced staff, providing training when necessary, making your policies and procedures clear; and establishing good communication channels are basic to the success of your agency. You and your staff will need a lot of energy and enthusiasm to make your agency a success. When the people who work for you feel good about their work, you'll probably find that money is only one of the rewards of having your own business.

Learning Activities

Individual Activities

1. List three ways good staff can add to the success of your travel agency.
2. What are the ATC requirements that affect your hiring practices?
3. The following statements are true or false. In the blanks before each statement, put T if it is true and F if it is false.
 - ___ a. The agency owner delegates responsibilities to the employees and gets what is left over.
 - ___ b. Job candidates need not fill out applications for small businesses.
4. List three negative qualities that could show up in a personal interview for a job but not on an application form.
5. What are the advantages to providing employees with a written statement of policies and procedures?

Discussion Questions

1. What must a good salesperson do before making any suggestions to customers?
2. You own a travel agency in the downtown area. You have just interviewed a job applicant. Your impression is that he is experienced and well qualified for the job. However, one of his references tells

you that he is not very reliable--he often comes in late and calls in sick. What should you do?

3. In your personal opinion, what makes good selling in a travel agency?
4. Tony Cameron works for you and is a good travel agent. He has asked for a raise because he thinks the other salespeople are goofing around and not working as hard. He has made more sales lately than the others. What do you do?

Group Activity

Sharon Thompson has applied for a sales position at the Gardner Travel Agency. Her application shows that she has had four years of experience working in another travel agency, and her references are good. However, she has been unemployed for the past year because of "various health problems." Role play Danielle interviewing Sharon.

UNIT 5

Organizing the Work

Goal: To help you organize the work of your travel agency.

Objective 1: Fill out a travel itinerary for a customer.

Objective 2: Give a description of the type of work and organization needed to operate a travel agency.



PLANNING TRIPS

Danielle describes how to keep track of the details involved in trip planning. "When customers come in and tell you where they want to go on vacation and on business, you can't expect them to know and remember all the details. They will not know all the travel arrangements that are available, the prices, and all the schedules. And neither do I!

"My homework is to find out what the customer really wants. I ask a lot of questions. Sometimes I get nosy. Then I can tell the customer what is available, the schedules, and how much it will cost. They have to make up their minds on what travel arrangements they want to buy.

"When I finish with this question-and-answer period, I can then book the reservations. When I book the reservations, I automatically and immediately make out an itinerary—a travel plan. I keep a copy and the customer gets a copy so that we both have a list of all travel arrangements and the prices. Keeping these records saves a lot of trouble and worry in the long run. This way you always know where any mistakes have been made."

Organizing the Work

Doing the work of any business, large or small, involves organizing the work, doing it, and double-checking to make sure you haven't made any mistakes.

The Source of All Things: Your Suppliers

Your suppliers are the air carriers, railroads, steamship lines, bus companies, tour companies, and hotel chains that you represent. They supply you with services (transportation and lodging) that you sell to your customers. Your major suppliers will be the airlines. Airline tickets may account for up to 75% of your sales (this includes tour packages with air travel included).

Your suppliers should be trustworthy and reliable. Customers will hold you responsible if they are not satisfied with the arrangements you have made for them. Some fly-by-night airplane charters offer lower rates; some small hotels are inexpensive. If it were simply a matter of costs, your customers might appreciate your efforts to save them money. But it does not pay to represent unreliable suppliers. Therefore, the first thing to do when you organize your work is to make sure you and your staff know who the suppliers are and the types of services they offer.

Selling Travel

Business clients will usually know where they want to go and when; your job will be pretty simple. It's not always so easy with vacation travelers. Many times vacationers don't know exactly what they want, so

you and your staff have to become tour guides just to make the sale; you should have a pretty good idea of what is available or where you can go to get the information.

Step one is to get the client to talk about what he or she wants. You need to know the purpose the person has in mind in taking the trip. Does the client want to meet people? Sightsee? Get away from it all? For how long--ten days or three weeks? How much can the client afford to pay? A group tour isn't for everyone. You have to find out physical limitations, past travel experiences, and--in particular--the amount of independence the client wants.

When the client's needs are known, you can set up an itinerary or package tour. Follow these general rules when you plan an itinerary.

- Don't plan too many stops.
- Avoid one-night stops whenever possible.
- Schedule at least three nights for stopovers in major cities.
- Mix types of transportation on a tour.

And when you have finished, be sure to double-check all your work!

Ticketing and Itineraries

Once the itinerary is planned and your client agrees, you can arrange airline ticketing, hotel reservations, and sightseeing tours. A ticket will include:

- where and how the passenger is traveling;
- class of service, schedule numbers, and travel dates;
- type of payment for the ticket; and
- information needed for billing.

To make a reservation, the agent calls the reservation office (by telephone or computer), reserves the space for the customer, and informs the carrier that the ticket has been sold. Then, all information will be written out in detail on the itinerary. Part of a sample itinerary travel form is on the next page.

TRAVEL PLANS

FROM	DEPART	ARRIVE	AIRLINE	FLT. CLASS	DATE	HOTEL	CAR	REMARKS
TO								
TO								

Remember these important things about itineraries.

- Recheck all your information to make sure it is accurate.
- Make a number of copies--one each for your customer, your own files, the carriers, hotels, etc.

If your travel agency has its own ticket imprinter, it's even easier. This is a small computer with a roll of tickets. It is connected to the carrier's reservation offices. When you sell a ticket, the reservation offices are informed immediately and automatically, and the machine prints out the ticket and an itinerary. A ticket imprinter will speed up the whole process of selling tickets and writing out itineraries.

However, an itinerary lists only the arrangements that have been completed and that are important for the customer to know. It does not include all the "inside information" that you had to consider when you planned the itinerary such as confirmation, deposits, billing and payment arrangements, and insurance. You should also keep a record of all the details that you, as the travel agent, have to know. And when you have finished, be sure to check all the information one more time!

Who's Going to Do It and When?

If you run your travel agency with the help of a very small staff, you may not even want to bother with a work schedule--as long as you can keep track of what is to be done, where, and when. When you finish one job, you can just go on to the next job.

But sometimes a work schedule comes in handy, particularly if you have a lot of details to take care of and if you have other people working for you. A work schedule is usually a chart of work days and the

people you have working for you. Each time there is something that needs to be done, you fill in the right squares.

Here is what a work schedule chart can look like:

<u>Work to Be Done</u>	<u>Special Requirements</u>	<u>Date</u>	<u>Time Completed</u>	<u>Remarks</u>
Susan L.				
Bruce C.				
Laurie S..				

As the day goes by, you can look at the schedule and get a rough idea of who is doing what, when it should be done, and when it is done. It will also help you figure out how long the job will take. Time is valuable, and your time estimates will start getting closer to reality once you start writing them down. Also, you will decide who will be responsible for which jobs.

Summary

In this section you were introduced to the basic steps of organizing your work and keeping track of your customers' orders. Being organized is important so that you can give your customers reliable service. Filling out tickets and itineraries, guest reservation forms, and work schedules are all ways of keeping on top of your work to help your travel agency be successful.

Learning Activities

Individual Activities

1. Sean O'Malley has reservations on TWA flight 147 from San Francisco to Denver. He will be leaving San Francisco on October 6 at 10:52 a.m. and arriving in Denver at 2:30 p.m. He has reservations at the Denver Sheraton Inn. On October 9 he will fly from Denver to Kansas City; he is booked on Frontier Flight 23 in economy class, which leaves Denver at 4:15 p.m. and arrives in Kansas City at 5:57 p.m. He has reservations at the Kansas City Holiday Inn and has ordered a car from National Car Rental. Mr. O'Malley specifically requested a subcompact-sized car. Because his plans are uncertain, he does not want a return flight at this time. Fill out an itinerary for Mr. O'Malley. Use a form like the one in this unit or design your own.
2. Why is it important to fill out an itinerary for your clients?
3. List the information that is included on a ticket.
4. What are the general rules to follow when you put together an itinerary for a client?

Discussion Questions

1. What are the advantages of having employees fill out a work schedule? What could throw this schedule off?
2. What are the things that you should know when you sit down with a customer who wants to go to Europe for two weeks and leaves all the planning up to you?

3. Who are your suppliers, and what should you look for in a supplier before you sell its services to a client?

Group Activity

Part of your job as the owner of a travel agency will be to do many things that keep the business going. Here is a list of some of them. See if you can estimate the amount of time you would spend on each of them.

- a. Writing out the weekly payroll checks for four employees
- b. Calling the Yellow Pages and consulting about redesigning your ad
- c. Dealing with an angry customer who is not satisfied with your service
- d. Meeting with a tax consultant about getting a better tax break
- e. Reading the morning mail--three bills, two letters, and six pieces of junk mail

If all of this happened in one day (which is possible but not likely), how much time would you have left over for doing business? If you were swamped with work, which of these tasks could be put off for another day?

UNIT 6

Setting Prices

Goal: To help you decide how to set the prices for your travel services.

Objective 1: List factors that affect the prices of tickets and fares for your clients.

Objective 2: Calculate the gross and net profits from ticket sales and commissions.

SALES AND COMMISSIONS

Danielle explains how to set prices in the travel agency business. "You know, a lot of people think that owning a travel agency is a sure-fire way to get rich quick. Boy, are they wrong!"

An important fact about the travel industry is that travel agents do not determine the prices of tickets and bookings. These figures are fixed by the airlines and hotels, and the travel agencies make their money from the commissions on these sales.

"We are in the business of selling tickets, but to stay alive we've got to sell a lot. We don't decide how much to charge. If things go well this year, we will probably make about \$700,000 in ticket sales. Does that sound like a lot to you? Our average commission rate on these sales is about 10%, or \$70,000. Still sounds like a lot, doesn't it? But when you subtract operating expenses, salaries, and bills, the profit we make is only about 2%, or \$14,000. And that's not much money for all the work and time you have to put into the business.

"The highest commissions are paid on vacation and tour packages. We love to sell these. It used to be that this kind of traveling was seasonal--people would go on vacation at Christmastime or during the summer. But with all the special air fares people can buy these days, people buy tickets at any time. The business is much less seasonal than it was before. It all depends on the airline fares and gimmicks. But we don't complain as long as we are able to sell tickets and make our commissions."

Setting Prices

Who Sets Prices?

In most retail and service businesses, prices are set based on whole-sale costs of your service or product, operating expenses, and the amount of profit desired. This is not the case in the travel business. Ticket prices are fixed by the carriers--the airlines, steamship lines, and railroads; the travel agent's profit comes from commissions made on selling these tickets. Commission rates vary depending on the type of travel. Commissions generally range from 7% to 11% of the ticket price, room rate, or rental fee. You, the travel agent, have little to say in the matter.

The carriers, especially the airlines, determine the fares you charge and the commissions you can receive through self-policing conferences of the ATC and IATA, to which you must belong. As a conference member, you contract with the carriers to act in their behalf and to represent them to the public. In order to be able to sell tickets and receive commissions, you must be approved by the conferences. Because 75% or more of your business comes from airline tickets, you must follow the ATC and IATA rules and maintain your membership, or you'll be out of the business.

What about Profits?

If you think that travel agencies are high-profit businesses that give you a quick return on your money, you are wrong! Nationwide, travel agencies average only 8% to 8.5% commissions on their total, or gross, amount of sales. That means that a new agency with \$500,000 in gross sales and an average 8% commission on sales earns a gross profit of only \$40,000!

But \$40,000 is a lot of money, isn't it? That amount is what you have before you subtract the money you will have to pay out for operating expenses and salaries. When you subtract these costs, you may end up with pre-tax net profit (gross profit minus operating expenses) of only 1% to 2% of the gross sales, or \$5,000 to \$10,000. How many people do you know who can live on \$5,000 a year?

The lesson to be learned here is that travel agencies are risky businesses to start; at first, you must have extra money to fall back on if you need to. It usually takes a new travel agency one to two years to reach the "break-even point," when the income from sales exactly meets all costs; this still does not leave a single extra penny for profit.

Hunting Down Business Accounts

Since you can't set prices to raise your profit, you must sell in volume or promote packages that give high commissions. Commercial accounts with businesses usually pay low commissions. But lower commissions are usually offset by higher volume and repeat business; you can still make a profit if you are selling a lot of tickets.

When you're trying to look for business accounts, you might be tempted to offer some special payment terms or give more credit than usual. This is one important trap to avoid: do not give special terms to other businesses that can get you into trouble later.

Many companies will give you all their business if you'll let them pay on a 30-day basis. This may be more convenient for them and their bookkeeping. But 30 days can become 60 days or 90 days, and your carriers, especially the airlines, will want their money within 10 days. You will have to pay the bill, and this can seriously affect the amount of cash on hand (your cash flow). If you are still tempted to give special terms, however, the experts suggest that you allow only a 15-day payment period.

Selling Dream Vacations

Many ticket sales will be simple roundtrip vacations. The only thing you will have to do is make the reservations. But other people won't know exactly what they want, so you will have to become tour guides just to make the sale.

Putting together an itinerary for vacationers involves arranging ground transportation, airline ticketing, lodging, and extras like sight-seeing tours. In most travel agencies, this is done on a guaranteed reservation basis over the phone, by telegram, by letter, or by computers. You collect the airfare in advance, usually by check or charge card. Ground services like hotels will require a 25% deposit in advance, so collect at least this much up front.

Selling Package Tours

Putting all the pieces together for a vacation for a customer takes a lot of time. Few travel agencies actually do all the work themselves. If you figure in the labor costs, you'll find that you will make more money if you sell package tours to customers. These package tours are put together by other tour companies who have the size and power to get special deals.

Package tours are usually sold at a fixed price, together with airline flights. The travel agents get commissions from the tour company. The package will include hotels, meals, sightseeing, and other entertainment arranged by the tour companies.

The average commission on the land portion of the tour package (individual or group) is usually about 10%; the airline ticket will bring in about 7% commission. But sometimes the commission rate on a tour package can be as high as 17%, depending on how many bookings you can make!

Group Tours

Package tours come in all different shapes and sizes. Tours are available for music lovers, archaeology enthusiasts, mountain climbers, hikers, safari seekers, and party lovers. A travel agency can make a lot of profit by promoting these tours and selling large numbers of people on taking them.

The profit can be very high for group tours in which you piece together several smaller tours or book a group directly with hotels and sightseeing outfits. On group tours the profit can be as high as 50% or 60% in some cases.

It is easier to work with the tour companies than to do all the arrangements and reservations yourself. But you can improve your profits if you do make all the arrangements yourself. In this case, you would make your own hotel and transportation bookings and arrange for space or charters with the airlines. And because you will deal with a large number of people, it may be easier to arrange special rates and lower prices.

But Now the Rules Have Changed

As the travel agency business enters the 1980s, the rules of the game are changing. In 1978 the Civil Aeronautics Board voted to "deregulate" the airline industry. This means that fares can (and sometimes do) change daily because no one is controlling the price of tickets. Although the end result has been a general increase in travel business, travel agents have been going crazy trying to keep up with schedules and fares--which is the main reason computers have become so important.

But the picture is not good--and may get worse. The big disruption is called "net fares;" this means that agencies can get their airline tickets at discount prices and resell them at whatever price they choose. Needless to say, the competition is going to get worse, especially from

the larger agencies that can afford to live on lower commission rates since they sell in high volume.

Summary

The major carriers determine the prices of tickets as well as the amount of commission you make from the sales. In general, commission rates are both low and fixed. But if the volume of sales is high, a travel agency can still make a profit. Commission rates on tour packages are usually much higher. Although the travel agent does not have much to say about ticket prices, a good mix of sales on both commercial and vacation accounts will provide you with repeat business, steady customers, and decent profits.

Learning Activities

Individual Activities

1. Define "break-even point."
2. How is setting prices in the travel business different from setting prices in other small businesses? What determines profits?
3. Calculate the gross profit and net profit on \$800,000 worth of ticket sales. Assume that over the year the travel agency has sold a good mix of tour packages and business accounts, and has made an average 10% commission rate. Calculate net profit using a 2% figure to account for operating expenses.

Gross Sales = \$800,000

Gross Profit =

Net Profit =

4. Why would it be more profitable to concentrate on selling tour packages rather than customized vacations?

Discussion Questions

1. How has the recent deregulation of the airline industry affected the travel business?
2. How do ATC and IATA rules and regulations affect the travel business?

UNIT 7

Advertising and Selling

Goal: To help you learn ways to advertise and sell the services of your travel agency.

Objective 1: List ways you can advertise your travel agency.

Objective 2: Design a printed ad for your travel agency.

DANIELLE ADVERTISES

This is how Danielle advertises her agency's services. "Of course, I have an ad in the Yellow Pages, and I also have ads in the local community newspapers.

"For the most part, I don't get involved in special promotional events. When we first opened, we staged a 'Grand Opening' celebration. About two weeks before we opened, we put coupons in the local papers. People brought these coupons in, and at the Grand Opening we had a drawing for a trip to Mexico City. The prize was a week at a good hotel in Mexico City, but the winner had to pay the airfare to get there.

"I do a lot of promotional gimmicks. We give out baggage tags with Gardner's Travel printed on them. We also give our clients our own beach and flight bags. If a customer has booked a cruise and this is their first time, we will send along a bottle of champagne. People really like personal touches like that. And, of course, we do the usual things like print our own matchbook covers and ticket jackets.

"The best advertising is word-of-mouth. I have a lot of customers who will always come back because they're happy with the way they're treated here. I also do a lot of community service work. I teach a short introductory course on tourism at the local community college. Why? Because in the long run, I know that talking about travel will help promote the travel business and my agency as well!"

Advertising and Selling

Every business needs to develop a large number of steady clients. Until you have them, you will need to spend a lot of your time, energy, and money getting the word out. Even after your business is rolling, you need to spend a certain amount of time and money on advertising every month.

Why Advertise?

The travel business is very competitive. Not only are you competing with other travel agencies, but you are also competing with the airlines and hotels themselves. What's to stop a traveler from picking up the telephone and calling the airline or hotel directly to make reservations? The purpose of advertising is to attract customers. Advertising is a way of telling people why they should use your services and what you can do for them.

What Kind? Where?

Take a good look at yourself, your agency, and your clients. Think about what your clients read and listen to before you decide on the best way to advertise your business. Then ask yourself these questions.

- What kind of image do I want my agency to have?
- How is my agency different from my competition?
- Who are my customers?
- Why should they choose to use my travel agency?

A really good advertising campaign can be very expensive. But you can often substitute imagination and good public relations for money. Here are a few ways you can advertise your agency:

The Yellow Pages. Your local Yellow Pages is one of the first places people will turn to when they are looking for a travel agent. Be sure to include your phone number and address.

Direct mail advertising and brochures are other ways to advertise. Well-designed direct mail advertising can do a large part of your selling job for you. Buy address lists arranged by ZIP code from direct mail houses. They are in the Yellow Pages under "Advertising--Direct Mail" or "Mailing Services." These firms keep accurate, computerized lists of individuals and businesses. You'll probably want to focus on businesses that are large enough to need travel services regularly. Don't overlook clubs, organizations, and other groups that may be interested in tours.

Use brochures to tell people about your agency and the services you offer. You may want to include artwork and a logo. Remember that any printed advertising you use reflects your agency. Be careful to use good quality paper, printing, and design. Costs for design, printing, and postage can be high. However, if your printed advertising looks cheap and sloppy, your clients may reach the same conclusion about your agency.

Classified ads in newspapers, tourist guides, and shopping guides are very commonly used by travel agencies. Prices will vary depending on the newspaper's circulation and the size of your ad. Newspaper and guide ads can be easily and quickly changed. You can also decide to place them in particular sections of the paper if you want to reach a more select audience. Although these ads have relatively short lifespans, they reach a lot of people.

Goodwill means getting people to feel good about your travel agency. It is the thing that makes people think of you when a friend asks them to recommend a good travel agent. You can help develop good will by arranging promotional events.

Everyone who thinks about goodwill as part of their advertising does it differently--those special touches that are not "just business." Your special touches will help people remember you when they are in need of

your services again and may also bring your agency to the attention of the news media. Here are some things you can do to promote your travel agency to develop goodwill.

When you open a travel agency, you may consider a "Grand Opening" celebration. Consider running a sweepstakes with a simple trip (not including air fare) as the prize.

Include coupons in advertising and direct mail pieces, and hold a drawing. Have people bring in and deposit the coupons themselves. This will help build store traffic. Have a local celebrity--an entertainer or a sports figure--pull the winner's name out of a barrel. Invite local newspapers to the drawing.

Become involved in community activities and services. For example, you can volunteer to speak at a high school or local club on the advantages of using a travel agent to save money. You can appear on local radio shows. People would be very interested in hearing you talk on subjects like black market travel agencies that sell stolen tickets. You can then talk about the things people can do to prevent rip-offs.

Sometimes it doesn't seem as if these activities bring direct results, but they do. The more contacts you make with the public, the more likely it is that people will remember you when they need a travel agent.

In Addition...

Many travel agencies use "gimmicks" to get people's attention and to bring customers in. Here are examples of what some travel agencies do.

- Some travel agencies build their reputations around "a product." For example, one successful agency offers a cruise emphasizing weight loss, similar to the Weight Watchers approach.
- A difficult but very profitable line of business is putting together convention packages for clients.

- A "thank you" note as a follow-up to a successful sale is often appreciated by travelers. Thank clients for letting you handle all their travel plans. Attach a card asking for information on how you can improve your services.

All of these are examples of "special touches" you can use to advertise and promote your agency.

If you really want to advertise well, spend time with your clients. Give them personal attention and services they will appreciate. To be sure, paid advertising will help bring in business. However, satisfied clients really have the most to do with making your travel agency successful.

Qualities of a Good Ad

We've talked about some ways you can advertise your travel agency. Here are some tips you can use when you begin to design your advertisements. They can help you keep the quality of your ads high and put selling punch into your advertising.

- Make your ad simple, informative, and truthful as well as attractive and imaginative.
- Make your ads easy to recognize. Give your ads a consistent personality and style. For example, use a special logo.
- Use illustrations and pictures to tell people about your agency and services.
- Show the reader the benefits of using your agency. People want to know, "What's in it for me?"

Summary

Advertising is a means to an end--a way of telling people about your travel agency and selling your services. However you advertise your travel agency, your advertising campaign should be well planned. There

are many ways to sell and advertise your business. Listing your business in the Yellow Pages is the most common. Money spent on advertising is not wasted money, but word-of-mouth is even better for your business.

Learning Activities

Individual Activities

1. List at least four qualities of a good ad.
2. Think about the travel agency you would like to open. Design an ad for the Yellow Pages. Include all information that you would want to put into your ad. Even if the art work is not perfect, draw a sketch to show your ideas.
3. Match the advertising medium on the right with the phrase best describing it.

a) ___ Expensive but personal	A. Newspaper
b) ___ One of the most commonly used forms of advertising	B. Yellow Pages
c) ___ Good for reaching people who already want to buy	C. Direct Mailings
d) ___ Effectiveness is often indirect and not obvious	D. Goodwill
4. Call the Yellow Pages advertising department of your local telephone company. Find out the various sizes and types of business ads you can get and the price of each.

Discussion Questions

1. Brainstorm ideas to advertise your travel agency that would be considered "goodwill." Remember--"goodwill" is anything that makes people feel good about your travel agency.

2. Discuss the advantages of advertising special services and events in addition to conducting a regular advertising campaign.

Group Activity

- A. Look at several ads in the Yellow Pages. Some travel agencies use romantic themes in their ads to get clients. How do you feel about this? What kind of theme would you use to advertise your travel agency? Why?
- B. Based on the ideas you got from the other ads, design your own Yellow Pages ad. Make it catchy, informative, and up-to-date. Remember, however, that the ad will appear for a whole year, so don't make it too "trendy."

UNIT 8

Keeping Financial Records

Goal: To help you learn how to keep financial records for your travel agency.

Objective 1: Fill out a monthly cash sheet that records money coming in and going out of your business.



70

KEEPING TRACK

Danielle discusses her way of keeping records. "You would not believe the paper work in this business. It's enough to drive a sane person up the wall. You must keep track of arrangements and itineraries and do the paper work for all the money brought in from sales.

"Organization is the key to good recordkeeping. We keep copies of every invoice, itinerary, bill, and receipt. We're constantly completing reports and trying to keep accurate and up-to-date records.

"In this business you can't afford to let the book-keeping slip by even for a day. We have to know what's going on because we have to pay the airlines every seven days. So we have to really be on top of our cash flow.

"The daily records don't give you a very good idea of the business' profit or expenses. I keep a monthly log that gives me a more complete picture of the agency's financial standing."

Keeping Financial Records

Keeping financial records is a must for any business. As a business owner, you must have a clear way to keep track of your income and expenses. Good recordkeeping will help you plan and manage your travel agency and spot problems.

In this unit you will learn the basics of keeping track of your finances. The ATC has many rules and regulations on the type of records you must keep, the forms you have to fill out, and when all the forms are due. We will not go into detail on these ATC procedures.

Why Keep Records?

Most new businesspeople think that they must keep financial records, only because the IRS tells them to. Well, it's true that the IRS requires every business to keep a set of books. But there is more to bookkeeping than taxes and legal requirements.

The real reason you want to keep a set of books is because you need the information to run your business. Your books are your only source of complete information about your business. It is impossible to keep all your business information in your head. You may think you know your business, but you would be very surprised to see how much you don't know unless you can see the total financial picture on paper in front of you.

Without a complete set of records, you find yourself trying to judge your business by looking at certain areas, such as cash in the bank, that can be quite misleading. Looking at today's bank balance doesn't tell you whether your business is growing or how much your operating expenses are.

Giving Credit

Many of your clients will want to use a credit card to buy their tickets. The credit card companies "guarantee" payment of bills. This means the company will pay the bill in full whether or not the customer has paid the charges. The obvious advantages of this system are that: (1) it reduces your risk of giving credit; (2) it is a convenient (and expected) service for the customer; and (3) your money is not tied up in unpaid bills.

Your agency does not pay a percentage to the credit card company--the airline does. There is no money to handle, and there are no bad checks to worry about.

When you handle a credit card sale, you must first check to see if the airline on which you are booking your client will accept that type of credit card. Then call the credit card company for approval. Credit card companies require travel agencies to check with them on credit sales. If you have a computer at your travel agency, you may be able to use it to check the credit card blacklists to make sure the card is okay.

Reporting: The Monthly Cash Sheet

When you are an ATC member, you will have to send a report each week to an ATC bank, listing all the tickets and tour packages that you have sold. ATC uses its own Travel Agent Reporting System (TARS) that you must follow when you make your sales report. Your sales report will include lists and totals of all sales, your commission percentages, taxes, refunds and so on.

You will be keeping records for yourself of the money going into your business. You will be receiving money every day that you are open. People will usually pay cash or with a credit card.

You will also have to pay your own bills regularly. While you may not do this every day, you will be doing it throughout the month. Your telephone bill may be due on one day, your gas and electric bill on another, and office and equipment rents on another.

A monthly cash sheet like this can be used to keep track of the money coming in and going out of your business every month. This form has been filled out for you so you can see how Danielle keeps track of her cash flow at Gardner's Travel.

MONTHLY CASH SHEET			
Cash Receipts		Cash Payments	
Cash Sales	<u>\$32,060</u>	Salaries	<u>\$2,600</u>
		(Manager & 1 other)	
Credit Sales	<u>51,275</u>	Rent	<u>550</u>
TOTAL GROSS SALES	<u>\$83,335</u>	Supplies	<u>150</u>
COMMISSION INCOME	<u>\$ 7,500</u>	Advertising	<u>450</u>
Mixed percentage	<u>9%</u>	Utilities	<u>150</u>
(average of all commission rates on sales that month)		Telephone	<u>250</u>
		Maintenance	<u>20</u>
		Accounting & Legal	<u>75</u>
		Copy Machine	<u>105</u>
		Insurance	<u>75</u>
		Miscellaneous	<u>---</u>
		TOTAL EXPENSES	<u>\$4,425</u>

This is a very simple monthly cash sheet. It is a summary of all the business (sales and expenses) over a month's time. The details of all these records would fill many pages.

Danielle now has a pretty good idea of her finances for that month. Monthly cash sheets can be added up at the end of the year and used to

fill out a profit/loss statement. You will learn about profit/loss statements in the next unit.

You probably know that there is much more to keeping records than this. We have not talked about insurance forms and records, cancellations and service change records, sales report records, tax forms, or employee records.

Summary

The AIC outlines many of the basic steps for you in writing out tickets, collecting money, reporting your sales, and keeping financial records. Keeping good records is an essential part of owning and operating a travel agency. Keeping monthly records of your income and operating expenses tells you where you are spending money and how much you are taking in and will help you plan.

Learning Activities

Individual Activities

1. Why should you check with the credit card company on all credit sales?
2. A travel agency reports a monthly gross sale figure of \$50,000, and an average commission rate of 8.5%. How much commission has the agency earned?

Commission income = \$ _____

3. Why should you itemize all travel arrangements on an itinerary?
4. What does a monthly cash sheet show?
 - a. How much money you have taken in on a particular day
 - b. Your cash in-take and out-flow over the month
 - c. How many air tickets, steamship tickets, bus passes, and tour packages you have sold

Discussion Questions

1. More and more people expect businesses to accept credit cards or give them credit accounts. Discuss the advantages and disadvantages of having credit accounts.
2. Why is it important to keep records of travel arrangements as well as records of revenues and expenses?

3. What are the benefits of completing a cash sheet on a monthly basis?
Why do you think some businesses don't do this?

Group Activity

Make a list of types of business decisions the owner of a travel agency might have to make about the future of the business (for example, whether to hire more employees). Tell how good financial records could help the owner make these decisions?

UNIT 9

Keeping Your Travel Agency Successful

Goal: To help you learn how to keep your travel agency successful.

Objective 1: Figure out the net profit, profit ratio, and expense ratio for a travel agency.

Objective 2: Describe at least one way to increase profits.

Objective 3: Suggest a way to change your business to increase sales and attract more clients.

DANIELLE KEEPS HER TRAVEL AGENCY SUCCESSFUL

Danielle describes the basics of staying successful. "If you want to be successful and stay in this business, you have to have a computer. You can't compete without one. And when you have a computer, you can give your customers faster and more efficient service. Customers like that, and then they'll come back to you for repeat business.

"For myself, I really don't want my business to grow much more than it is today. The business is at a comfortable size. We have just enough people and space to handle the customers. Sometimes business is very slow and this place is deserted and I start thinking that I should be doing something to increase sales. On the other hand, sometimes this office is so packed with clients that I start wishing business wasn't so good.

"We're small enough so I can do a good job supervising and managing my staff. But at the same time we're big enough so we can afford a computer and give our customers quality service. It's nice the way things are.

"If I really wanted to expand, I would have to take over more office space. I would go after a different market of customers and do a lot more advertising to reach that market. I could also spend more time trying to sell bigger and better group tours. There's a lot more in commissions to be made there. Even though I'm not doing anything special, the business is growing. And it's basically because of the goodwill and word-of-mouth advertising that our customers give us, that makes us feel good."

Keeping Your Business Successful

Every business owner wants to be successful--and stay that way. This is obvious. But how to do it is not always obvious.

Keeping Track of Profits

Profit is the reward for your hard work. When you add up all your income and expenses over the whole year, you will come up with a profit/loss (P/L) statement. A P/L statement will tell you what you've earned and spent and how much profit you've made over the year. A P/L statement includes this basic information:

- how much people paid you in cash and credit sales;
- how much commission you made on these sales; and
- how much you paid out for different bills. In this category you would list what you paid out for salaries, insurance, repairs and maintenance, supplies, telephones, utilities, advertising, etc.

What Is Net Profit?

It would be great if you could call all the money you made on your year's commissions profit. But this is not so. Once you have paid all your bills, you might find that you made no money or that you paid more in bills than you took in during the year. Net profit is the money left over after you've paid all your expenses and bills. In the case of a travel agency, revenue is the commission income you made from your total sales. Net profit equals revenues minus expenses.

Figuring Out Your Profit and Expense Ratios

You need to know what percent of your business ended up as profit and what percent went to expenses. These are the formulas to use:

$$\text{Profit Ratio} = \frac{\text{Net Profit}}{\text{Revenue}} \quad \text{Expense Ratio} = \frac{\text{Expenses}}{\text{Revenue}}$$

To get the information, you need to compute these ratios. You should first complete a P/L statement such as the one for Danielle's agency below:

PROFIT/LOSS STATEMENT	
<u>Sales</u>	
Cash Sales	\$ 384,720
Credit Sales	\$ 615,300
TOTAL GROSS SALES	\$1,000,020
<u>Commission Income (Revenues)</u>	
TOTAL	90,000
<u>Expenses</u>	
Salaries	\$ 31,200
Rent	6,600
Utilities	1,800
Maintenance	240
Supplies	1,800
Telephone	3,000
Advertising	5,400
Accounting & Legal	900
Copy Machine	1,260
Insurance	900
Miscellaneous	3,000
TOTAL	\$ 56,100
<u>Net Profit</u>	\$ 33,900
Percent of Sales	3.4%
Percent of Commission Income	37.7%

Here are the expense and profit ratios for Gardner's Travel in that year:

$$\text{Profit Ratio} = \frac{\text{Net Profit}}{\text{Revenues}} = \frac{33,900}{90,000} = 37.7\%$$

$$\text{Expense Ratio} = \frac{\text{Expenses}}{\text{Revenues}} = \frac{56,100}{90,000} = 62.3\%$$

How to Raise Your Profits

These are ways you can raise your profits: (1) increase the number of sales; (2) focus on higher commission sales (tour packages); and (3) reduce your expenses. Your profits may be low for any one of a number of reasons. You must find out why your income is down before you can decide what to do.

Increasing the number of tickets you sell may mean doing more advertising. Look at how your customers learned about your agency so you can put more energy and money into the areas where you were most successful.

Remember that you can't raise prices. However, you can focus on selling tour packages and vacation plans that pay a higher commission. Develop advertising themes like "Hawaiian Paradise" for the more profitable tours to get the attention of vacation customers.

Reducing expenses can help increase your profits. To do this, you will have to look at each expense and figure out where you can "cut corners" without lowering the quality of your service.

Expanding Your Service

You may consider expanding your travel agency to increase sales. If the zoning laws allow it, you may add more office space. If you increase the amount of sales, you will also increase the work load, and you will

need more equipment and furniture. You will have to consider hiring more employees. The larger your agency grows, the less you will be able to supervise all details.

You should make the decisions to expand your travel agency very carefully, with a close look at how much you like the travel business, what type of image and personality you want for your agency, and what your future plans are.

Summary

You can calculate your business profits by recording your income and expenses on a profit/loss statement. To increase profits, you can try to increase sales, focus on high commission sales, or reduce your operating expenses. You might also want to expand your business so that you can bring in more profits in the long run.

Learning Activities

Individual Activities

1. a) Define net profit, profit ratio, and expense ratio. What do they mean to the success of a travel agency?
b) What is considered revenue in the travel business?
2. What are the advantages and disadvantages of focusing on high commission sales to increase your revenues?
3. What are the advantages and disadvantages of increasing the number of sales to increase your revenues?
4. Name two ways to increase your profits.

Discussion Questions

1. Many travel agency owners do not want to "go big." They don't want to expand or increase their sales, and they don't want to hire more people. Can you give some reasons for this?
2. List as many reasons as you can why sales and profit in the travel business might decline.

Group Activity

List as many things as you can that you would have to do if you ran a travel agency. Here are some examples to get you started.

- Review all the ATC membership requirements and apply for membership .

- Call the telephone company to start phone service
- Check out several places for the best location
- Interview people to hire
- Order paper and supplies

After you have your list, see how you feel about doing them. Give yourself 3 points if you would enjoy doing it, 2 points if you wouldn't mind doing it, 1 point if you would do it but wouldn't like it, and 0 if you wouldn't do it, no matter what! There are no "correct answers," and the person with the most points doesn't "win." The point is for you to see if running a travel agency might be for you.

SUMMARY

This module has been about owning a travel agency. To start a small business, you need to do lots of planning. First you have to be sure that owning a small business is right for you. Then you have to decide what services to offer, how to compete, and what legal requirements to meet.

To pick a good location, you have to find out if customers would use your business. Then you have to get money to start. That means showing a banker that your idea is a good one.

Being in charge means dividing the work and hiring good workers. Then you must keep track of jobs to be done and who will do them.

Advertising and selling are the ways you get customers. The good things you do in the community--for goodwill--will also bring in business.

Unlike other businesses, as a travel agency owner, you do not set your own prices. The airlines and other carriers set the prices and commission rates.

Good financial records are important so you will know how the business is doing. Then you can decide if you can expand your business or if you need to cut it back.

In order to own and operate a successful travel agency, you need training, work experience, and the special business management skills we have covered in this module. You

can learn business management skills through business classes, experience, or by using the advice and example of an expert.

You may not make a lot of money by owning a travel agency. However, you would have the personal satisfaction of being responsible for your business and making your own decisions. Think about how important these things are to you in considering whether you should start your own travel agency.

QUIZ

1. Your chances of pleasing your customers are greatly increased if you:
 - a. have a very plush office.
 - b. zero in on a target market.
 - c. constantly change the image of your travel agency.
 - d. expand to include many different types of customers.

2. A travel agency sells:
 - a. vacations and tour packages and arrangements.
 - b. personalized service and attention.
 - c. tickets and reservation services.
 - d. all of the above.

3. Which one of the following statements is false?
 - a. Zoning restrictions exist to protect the community and your neighbors.
 - b. In order to be successful and make commissions, you must meet all ATC and IATA rules and regulations.
 - c. When you open your office, you may be required to get a use of occupancy certificate.
 - d. Since you do a large amount of your business over the phone, you don't have to follow work safety codes.

4. Which of the following would probably be the best place to locate a travel agency?
 - a. A small farm town
 - b. A small town on the coast
 - c. Near the downtown area of a large city
 - d. Near another travel agency

5. When you choose a location for your travel agency, you should consider:
- where your customers live and work.
 - parking facilities.
 - future business plans for the area.
 - all of the above.
6. Information that does not need to be included in your business plan is
- the number of employees you plan to hire.
 - the location of your agency and the reasons why you chose this location.
 - a complete inventory list.
 - your management plan and advertising plan.
7. Which of the following would you need to include in your statement of financial need?
- How much money you made on your last job
 - How much money you have available to invest in your agency
 - How much your parents make
 - Copies of your federal tax forms from the past year
8. The written job description should be considered as:
- an informal agreement between the employer and the employee about division of labor.
 - a formal contract signed by employer and employee at the time of hiring.
9. The following people applied for the job in your travel agency. Which person was the least qualified?
- Thelma Hutton--three years' experience in airline ticketing; attractive appearance and good listener, but history of illness
 - David Mower--one year sales experience in a travel agency; good first impression, but a little nervous

- c. Clarence Minor--previous experience with an advertising firm; chain smoker and messy appearance
 - d. Susan Barkov--no experience, but outgoing and lively; recent high school graduate; good secretarial skills; needs training but is willing to learn
10. What information is not included on a ticket?
- a. The class of service, flight number, and travel dates
 - b. The type of payment for the ticket)
 - c. The commission rate included in the ticket's price
11. A work schedule is:
- a. a way of organizing and supervising the work and assigning job responsibilities.
 - b. the same as a job description.
 - c. unnecessary if your employees are well trained and know their jobs.
 - d. of limited use if your travel agency has its own ticketing computer.
12. The prices of tickets and services in the travel business are most directly affected by:
- a. your operating costs and expenses.
 - b. the decisions of the airlines and other carriers.
 - c. inflation and recession.
 - d. the amount of commission you decide to charge for your services.
13. Over the past year you have sold \$500,000 in ticket sales. Your average commission rate is 8%. Your operating costs came to \$21,000. Calculate your gross and net profits from your ticket sales.

14. Which one of these suggestions would be least effective in designing your agency ad?
- List three of the outstanding qualities of your agency.
 - Put action into your words.
 - Include a distinctive logo or design.
 - Include as much information about your agency and services as you can fit into your ad.
15. The very first thing every new travel agency owner should do to advertise is to:
- visit all the large businesses in the area.
 - get the advice of an advertising firm.
 - send out ads to all customers on your mailing lists.
 - place an ad in the Yellow Pages.
16. Which of the following information does a monthly cash sheet include?
- Cash sales and payments
 - Cash sales, payments, and profits
 - Cash sales, payments, and debts
 - Cash sales, payments, profits, and debts
17. When billing a customer, it is a good idea to:
- write down a complete list of all the different charges.
 - give the customer his or her bill by telephone.
 - accept only cash payments.
18. Which statement is most true?
- A lower profit ratio than last year's means you have few customers.
 - A lower profit ratio than last year's means your business is a failure.
 - A lower profit ratio than last year's means your ~~expenses grew more~~ rapidly than your sales.

19. Which statement is most true for a travel agency?
- a. Reducing your expenses is one way to increase your profits.
 - b. Raising your prices is one way to increase your profits.
 - c. Dropping your credit customers is one way to increase your profits.
20. Which statement is most true?
- a. The only way a travel agency can succeed is if it is located in an industrial area.
 - b. All travel agencies will need to buy computerized equipment in the near future.
 - c. A travel agency must be large to succeed.

PROJECT PRODUCTS

Entrepreneurship Training Components

<u>Vocational Discipline</u>	<u>Module Number and Title</u>
General	Module 1 - Getting Down to Business: What's It All About?
Agriculture	Module 2 - Farm Equipment Repair
	Module 3 - Tree Service
	Module 4 - Garden Center
	Module 5 - Fertilizer and Pesticide Service
	Module 6 - Dairy Farming
	Marketing and Distribution
Module 8 - Specialty Food Store	
Module 9 - Travel Agency	
Module 10 - Bicycle Store	
Module 11 - Flower and Plant Store	
Module 12 - Business and Personal Service	
Module 13 - Innkeeping	
Health	Module 14 - Nursing Service
	Module 15 - Wheelchair Transportation Service
	Module 16 - Health Spa
Business and Office	Module 17 - Answering Service
	Module 18 - Secretarial Service
	Module 19 - Bookkeeping Service
	Module 20 - Software Design Company
	Module 21 - Word Processing Service
Occupational Home Economics	Module 22 - Restaurant Business
	Module 23 - Day Care Center
	Module 24 - Housecleaning Service
	Module 25 - Sewing Service
	Module 26 - Home Attendant Service
Technical	Module 27 - Guard Service
	Module 28 - Pest Control Service
	Module 29 - Energy Specialist Service
Trades and Industry	Module 30 - Hair Styling Shop
	Module 31 - Auto Repair Shop
	Module 32 - Welding Business
	Module 33 - Construction Electrician Business
	Module 34 - Carpentry Business
	Module 35 - Plumbing Business
	Module 36 - Air Conditioning and Heating Service

Related Resources

Resource Guide of Existing Entrepreneurship Materials
Handbook on Utilization of the Entrepreneurship Training Components