BUSINESS PLAN FOR PALM ECO-RESORT IN BAGAN, MYANMAR

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ARTICLE INFO
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EXECUTIVE SUMMARY

Since 2010, The Republic Union of Myanmar embraced democracy and opened up to the world. As a result, Myanmar had a high positive effect on the travel and tourist industry. Consequently, there was an increase number of diversified international tourists coming into the country, as a result the growth of domestic trips increased in 2011. Especially in states like Naypyidaw (New Capital), Yangon, Bagan and Mandalay as these are some of the most popular tourist destinations in Myanmar.

Conversely, at present there are only 34,834 hotel rooms in Myanmar (Tourism Statistics Report 2013, Ministry of Hotels and Tourism, Myanmar). Due to the increasing number of tourists and local travelers, hotel industries are facing the problem of shortage accommodations. At present there is not even a single Eco-Resort in Myanmar, Palm Eco-resort will be the first resort that will have minimal impact towards the environment. Our ‘Palm Eco-resort’ will offer accommodation in Bagan, for every international and local customer who would love to bond up with nature and also see over 2,200 temples and pagodas that are from between the 11th and 13th centuries.

My business plan aims to fulfill the increasing demand for the high quality accommodations in Myanmar and intend to get profit through sustaining the environment. The Palm resort will be constructed closed to the riverbank of Irrawaddy. The resort will be located in the Bagan Archeological zone, Old Bagan with the main two floor environmental friendly building and a variety of cabins with lacquer wares and ecofriendly features. The hotel also plan to build a botanical garden that will have a variety of 500 trees and small water streams.

We assume the construction of this project to be completed within a year and the return of the capital within 3 years. The resort has been designed to have minimal impact on the local environment, minimize project cost, minimize the construction period, and maximize returns to investment.

1. INTRODUCTION

Palm Eco-Resort is a planned ecological practice resort that will be situated on a beautiful riverside in Bagan, Myanmar. It will be constructed on the banks of the river Irrawaddy and will be built on a 10 acres of landscaped (botanical) garden. Surrounding with wonderful pagodas, river and side seeing with the best hospitality and guests
can have the perfect place to enjoy the “eco-living” ways of living during their vocation.

It will be incorporated with ecological technologies in natural building, lush gardens, food fields, and water features such as fountains, streams. Furthermore, buildings have been designed with bungalows designed by lacquer wares and waving bamboo in Myanmar traditional style and that are surrounding with fruit trees. It will be setting up with various facilities like tent, cottages, nature ecological park, watchtower and adventure sports centers at planned locations inside the resort.

The resort will be design with energy-efficient windows, lighting and air conditioning. The furnishings are also toxin-free. We will reuse the trees that were destroyed in Nagis cyclone for decoration and landscaping the resort. The kitchens will get some of the crops from the self-own fields and some from the local vendors. Our resort will operate new waste management practice such as waste reduction through recycling and composting. We will produce our own compost soil from kitchen waste mixed with dried leaves and organic waste. We will use the drip water system for watering the plants to reduce wastage. Furthermore, it will include environmental friendly and sustainable toilet systems such as composting toilet. Everything we use, from the building to equipment, is environmental friendly.

The eco-resort consists 100 lodging units with a two floor main building and individual cabins. It includes 5 VIP suites and 10 River view Grand Deluxe cabins, surrounded by the swimming pools, providing wonderful view of the pagodas and have an easy access to the riverfront. The 20 Deluxe cabins are situated with the beautiful botanical garden surrounding with quiet environment.

The 35 Superior cabins are situated on a slightly higher ground behind the deluxe cabins, enclose with organic fruit trees garden and the view of the compound. In the two-floor building, there will be 30 standard rooms with the view of river Irrawaddy and our garden. There will be also a roof top area for relaxation.

In addition, our resort does something for the people, we create new opportunities for the locals and we will raise the ecological awareness of people. Nevertheless, Eco-resort is a commercial business so our goal is also to make profit.

**Motto**

“See Green, See Life”

**Vision**

To enhance the quality and diversity of Myanmar Tourism by creating an environmentally sustainable luxury resort, while also providing a positive socio-economic benefit in the local community.

**Objectives**

- Provide a high standard of services for guests with relaxing, comfortable and memorable experiences of Myanmar culture and nature through designing activities in a way that cannot harm the environment.

- Intend to have minimal impact on the local environment
• To play a significant role in the protection, preservation and promotion of the Myanmar natural environment with ecological practice.

Mission

Provide excellent hospitality experience with eco-friendly surrounding and introducing guests to new ways of sustainable living, by delivering quality service in an atmosphere of comfort through sustaining the environmental responsibility.

Site Description

Palm Eco-resort is located 10 minutes’ drive from Nyaung Oo Airport. And approximately 15 minutes from train station and 20 minutes’ drive from bus terminal. Located in the heart of Old Bagan and on the eastern bank of river Irrawaddy. The resort will set on the 10 acres of tropical garden and completed with a beautiful riverfront. Furthermore, the resort will offer excellent opportunities for relaxing, swimming, biking, side seeing and other outdoor activities.

In the resort, there will be two sites as riverfront site and back site that is integrated with the ecofriendly surrounding and historical side seeing.

The reasons for chosen this area are:

➢ One of the top tourist attraction place in Asia with more than 2,200 temples and pagodas
➢ It is located closed to River Irrawaddy

2. SERVICE

The first priority of the resort is to give the best service and satisfaction to our customers through environmental sustainable practices. The resort will offer excellent services 24-hour availability to guest by well-trained staff. The resort is integrated with the ecofriendly surroundings and historical side seeing. The services we offer in recreational activities and entertainment will be provided with nature based. The resort provides chances for relaxation, experiencing the nature as well as the tradition cultures of locals.

Features

There will be restaurant, café, bars, a full-service spa, health center (sauna, gym, meditation class and yoga class), recreation center (3 outdoor swimming pools, basketball court, tennis court, golf court and playground), children club and Adventure Park. Additionally, there will be also a restaurant on the boat with traditional style dishes. For the business convenience, three small meeting rooms and a conference room will be provided. Free Wi-Fi with high-speed Internet access is available in all resort areas.

Accommodations

Palm Eco-Resort will have 100 lodging units with two-floor main building and individual cabins with that of river view and botanical garden. All accommodations are decorated with eco-friendly feature designed by lacquer wares, waving bamboo and teak wood in Myanmar traditional style. There are 7 main building categories according to the classification of the decoration and offering services. They are two-floor building, Superior Cabins, Deluxe Cabins, Grand Deluxe Cabins, VIP Suite Cabins, Recreation Center and Event Hall building. Separate recycling bins are placed in all places. Additionally, free Internet
access will also be available in every place of the resort. Services are 24/7 available.

3. TARKET MARKET

Eco-Resort will focus on being a sustainability, quality and luxurious accommodation for vacationers who are interested in environmental friendly surroundings and in exploring the places where our resort is located. Our target markets are people from the middle and upper income groups and also tourists who are willing to travel to Bagan and Poke Pa Mountain.

We will target two market segments that are likely to be the most effective for our company’s strength and competitive advantage. Our two major customer segments are tourists who wants to see historical and cultural sites and locals target customers including families with children for holiday trip, group of students for excursion, couples for a vacation and individual travelers.

SWOT Analysis

Strength:
- Being Eco Friendly resort
- Located in the most tourist attraction place in Myanmar, Bagan
- Price is low compared to other luxury resorts
- Offers a variety of facilities and services

Weakness:
- Limited market share because guests will mainly come for vacation
- Smaller Rooms than other same rating accommodations

- Palm Eco-Resort will be different in tourist industry with new ways of operation and some people will not be familiar with sustainable living style

Opportunities:
- Good tourism market
- Government is trying to improve infrastructure
- Myanmar situation lead to improving and attracting many foreigners to enter the country
- Giving the awareness of environmentally friendly sustainable living to the local and guests
- Improvement of human resource

Threats:
- Unstable political situation can increase resort’s risk factors, because governments can quickly change business rules that can negatively affect the business
- Intense competitors from Foreign Direct Investment
- Natural disaster e.g. earthquake in Bagan
- Currency fluctuation continues to be a risk

4. MARKETING STRATEGY

The resort will use implementing sustainable marketing strategy. We will express our advertising campaigns with the sustainable stories and explain the people about the sustainable living. Our cost-effective campaign will focus on direct marketing, advertising and joint marketing.

Direct marketing - We will take activities like officially launching or making a
presentation of our resort, telemarketing, couponing, brochure or booklet. Although we use brochure or booklet for our marketing, we will print it in recyclable paper in small size.

**Advertising**- To attract new guests to build awareness and name recognition of the resort, we will advertise in some TV channels, local magazines, journals, newspapers and directories.

**Joint Marketing**- To access to new customers by directly addressing the partner’s customers or by using its distribution points and to reduction of marketing costs, we will also use joint marketing strategy.

5. **MANAGEMENT**

Palm Eco-Resort will be privately owned and operated by two investors. Concerning the management team of our resort, the owner will operate, as managing director and the investor will stand as director. Then there will be a general manager who will be responsible for the operation of the resort and potential expansion. Those 3 people will make decisions together and they will meet once a month.

The resort will have the dynamic, flexible and systematic organizational structure. There are seven major departments in our resort: Administrative Department, Human Resource Department, Finance and Accounting Department, Sale and Marketing Department, Room Division Department, Food and Beverage Department and Engineering and Maintenance Department.

6. **START-UP FUNDING**

<table>
<thead>
<tr>
<th></th>
<th>US $</th>
<th>US$</th>
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</thead>
<tbody>
<tr>
<td>Startup Expenses</td>
<td>179,200</td>
<td></td>
</tr>
<tr>
<td>Startup Assets</td>
<td>4,820,800</td>
<td></td>
</tr>
<tr>
<td>Total Funding Required</td>
<td>5,000,000</td>
<td></td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
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</tr>
<tr>
<td>* Non-Cash Assets from Start-up</td>
<td>3,722,670</td>
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<tr>
<td>* Cash requirement from Start-up</td>
<td>196,000</td>
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<tr>
<td>* Cash Balance on Starting Date</td>
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<tr>
<td>Total Asset</td>
<td>4,820,800</td>
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<tr>
<td><strong>Liabilities</strong></td>
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<td></td>
</tr>
<tr>
<td>* Currant Borrowing</td>
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<tr>
<td>Total Liabilities</td>
<td>1,500,000</td>
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<tr>
<td><strong>Capital</strong></td>
<td></td>
<td></td>
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<tr>
<td>* Owner</td>
<td>2,000,000</td>
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<tr>
<td>* Investor</td>
<td>1,500,000</td>
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<tr>
<td>Total Equity</td>
<td>3,500,000</td>
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<tr>
<td>Total Planned Investment</td>
<td>5,000,000</td>
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<tr>
<td>Loss at Start-up (Start-up Expenses)</td>
<td>(179,200)</td>
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<tr>
<td>Total Capital</td>
<td>4,820,800</td>
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<tr>
<td>Total Funding</td>
<td>5,000,000</td>
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7. **PROFIT AND LOSS STATEMENT**

<table>
<thead>
<tr>
<th>Income</th>
<th>US Dollar</th>
<th>US Dollar</th>
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<tbody>
<tr>
<td>Room Revenue</td>
<td>2,357,175</td>
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<tr>
<td>Conference Room, Food, Boat and other Service</td>
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<tr>
<td><strong>Total Income</strong></td>
<td>3,357,175</td>
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<tr>
<td><strong>Expenses</strong></td>
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<tr>
<td>Salaries</td>
<td>423,840</td>
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<tr>
<td>Payroll Taxes (2%)</td>
<td>8,500</td>
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</tr>
<tr>
<td>Marketing and Advertising</td>
<td>120,000</td>
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<tr>
<td>General and Administration Expenses</td>
<td>90,000</td>
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<tr>
<td>Commission and reservation expenses</td>
<td>100,000</td>
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Complimentary Food and Beverage Expenses | 30,000  
---|---
Electricity and Telephone Bills | 100,000  
Fuel Expenses | 39,000  
Laundry, Linen and Guest supplies | 60,000  
Operation and Maintenance Expenses | 100,000  
Other Expenses | 60,000  
---|---
(1,131,140)  
Profit before Interest | 2,225,835  
Interest (10% of Loan) | (150,000)  
Profit Before Tax | 2,075,835  
Tax (30% of income) | 622,750  
Profit After Tax | 1,453,085

REFERENCES:


