

BUSINESS PLAN FOR UNITY HOTEL IN YANGON, MYANMAR

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Executive Summary

After the election in Myanmar at 2010, the government gives forces for the new development within country and the Myanmar's economic situation is opened to foreign investors. In 2010, tourists have increased from 300,000 to a million, furthermore, by 2020, 7,000,000 international travellers are forecast to enter the country. On the other hands, the hotel industry is facing some problems; the numbers of visitors and hotel room are not correlative and the quality and price are opposed to each other as well, especially in Yangon, the main tourism city of Myanmar.

As a business plan of a hotel, this study aims to help solving the problems. 'Unity Hotel' is located in the middle of Yangon with the 12 - floor stylish hotel; it would become the best accommodation for visitors both local and international. The hotel not only has reasonable price, it also has the best facilities and services from qualified staffs. When compare with other same standard hotels, the room rate of the hotel is lower than others. Furthermore, the unique decoration of the hotel will lead for attracting the customers to the hotel.

Nowadays especially in developing countries like Myanmar, many visitors come for the investment and finding the firm for make a huge investment, so this business plan will be interesting.

Due to planning this hotel, it may help the locals from jobless and have a better earning. Therefore,

this business plan will give benefits and opportunities for investors and visitors as well as local workers.

Introduction

"Unity" Hotel is the new-built hotel planning to build near the down town area of Yangon, Kyit Myin Daing township that is about 1 km from downtown from the East, port, harbor and customs at the North, the education and recreation zone at the West and the Market area at the South. Fundamentally, "Unity" builds on the 800 square feet land, set up into 12th floor with the basement floor. Specifically the basement floor is for the parking spaces for the guest that can give enough space for 75 cars parking per floor.

Significance of Business Plan

"Unity Hotel" plans to solve these tourism problems in Yangon and plans to give the better standard and quality with the reasonable price. The hotel will have, in general, 96 standard rooms, 24 superior rooms, 16 deluxe rooms and 8 Family Suite rooms installing with four lifts for visitors and two lifts for loading bags. For the electricity problem in Myanmar, the hotel will support with the generator to supply when the electricity cut. The parking lots are enough for 75 cars at the basement floor. The online booking for the room will be offered in the hotel website with the easy steps for booking, choosing and making the payments. Looking at the cleaning parts of the hotel, the hotel will provide the cleaning machines such as vacuum haler, air purifier with the qualified cleaning staffs.

Objectives of this business Plan

- To give the good and clean accommodation to the visitors while visited in Yangon

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- To provide the effective information for the investors planning to build hotel in Yangon area
- To create the business plan which refers to the qualified hotel with reasonable price in order to be one of the best hotels in Yangon

The Hotel Business in Yangon, Myanmar

Together with Myanmar's abundance of outstanding cultural and natural tourism assets, ongoing reforms have fueled a surge in international visitors. The tourist arrivals are increasing sharply from 71 ankhs to 1 million within five years from all entries points of Myanmar.

The next coming 2015, the AEC (ASEAN Economic Community) will open officially. Both visitors and also investors would visit to Myanmar. According to statistics of the Ministry of Hotels and Tourism, there are 859 hotels comprising 31,321 suites in Myanmar, of which 217 hotels are in Yangon with 9,451 suites. Of them five hotels are rated as five stars. In 2012, the number of tourist arrivals in Myanmar reached 1.02 million, an increase of 200,000 compared with 2011's 820,000 due to the significant changes in the country during the year. Myanmar targets 2 million of tourist arrivals in 2013 and up to 3 million in 2014.

The surge in visitor numbers in the last few years has vastly out stocked hotel room supply, and the city got the problem to meet the demand. In these years Myanmar is a hot place to visit, but some visitors afraid to go Yangon without hotel reservation. When making reservation online not only to book ahead for a period of time but also to pay a big amount for a room. Four-star hotels are charging more than \$200 per night for standard room. In addition, the price is too expensive compared with other countries like Thailand and

Singapore and the standards and qualities of the hotel are not reasonable with the price given. The furniture and bathroom accessories of some hotels in Yangon are not in good qualities and the cleaning services are not satisfied by the customers.

Marketing Strategies for Unity Hotel

The hotel will use cost leadership strategies to penetrate the tourism market. Among the four star hotel in Yangon, our hotel is the most outstanding hotel with the reasonable price. The hotel will do the marketing through mainly to internet and making joint marketing. Firstly the hotel will build the private website with easily understanding for users making for online booking, registration, choosing the rooms with photos and finally making payments. Moreover, the website will contain four languages (English, Chinese, Thai and Burmese) for the major group customers.

Second, social media such as Facebook, Viber and Instagram will be used as marketing and promoting tools. The news, updates and promotions of the hotel will be posted on those social media every week in order to make the hotel active all the time. Furthermore, the hotel will cooperate with Golden Myanmar (GDM) Airline which is a low cost Myanmar Airlines. The travel and hotel special package will be provided to customers and the hotel advertisement provide in the airlines webpage as well. As one of the joint marketing strategies, the tour agencies will help to promote the hotel more efficiently.

Moreover, the hotel decoration styles would be an advantage in attracting customers to visit our hotel. The decoration of the hotel is unique and stylish. The reception area is decorated with Myanmar arts. What is special about this hotel is

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that there are exclusive floors of the hotel which decorated according to the famous cities in the world. The whole floor would be decorated according to these themes of famous cities: New York, Paris, Mumbai, Bangkok and Beijing, while the other floors are decorated in clean and comfortable style. These unique styles of hotel decorations aim to make customers feel that they have more choices of their rooms. It is more creative than usual hotels.

Target Markets

The target customer of the hotel include families with young children who may be visiting local attractions, visitors from overseas to see historical and cultural attractions, business people looking for the good time with the local business people, couples for a vacation, people from local looking for wedding parties and dinner parties and group of people for business conferences and event.

Profit and loss Statement

Income	US Dollar	US Dollar
Rooms Revenue	5,268,240	
Rental fees of restaurants and meeting rooms	1,000,000	
		6,268,240
Expenses		
Salaries	800,000	
Payroll taxes	200,000	
Laundry, Linen and Guest supplies	120,000	
Commission and reservation expenses	200,000	
Complimentary Food and/or beverage expenses	50,000	
General and administrative expenses	180,000	
Marketing and advertising expenses	120,000	
Operation and maintenance fees	200,000	
Water, electricity and telephone bills	200,000	
Fuel expenses	78,000	
All other expenses	120,000	
		2,268,000

Age	Above 18 including children with parents
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Gender	Both Male and Female
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Family size or life cycle	Looking for leisure or business or new environment
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Income	Above US \$1200/ month
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Education	Above high school level
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Religion	All
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Profit before Interest		4,000,240
Interest (10% of loan)		(252,000)
Profit before Tax		3,748,240
Tax (30% of income)		(1,124,472)
Profit After Tax		2,623,768

Balance Sheet Statement

Assets	US Dollar	US Dollar
Account receivable		
Inventories		
Cash & Bank		1,703,768
Total Assets		1,703,768
Liabilities		
Salary payable	-	
Account payable	-	
Total Liabilities		-
Stockholder's Equity		
Equity	1,080,000	
Retained earning	623,768	
Total stockholder's equity		1,703,768
Total Liabilities & Equity		1,703,768
Dividend Paid		2,000,000
Cumulative Profit		623,768
Cash Profit		2,623,768

Conclusion

The business plan of Unity hotel is started at the time we can get the land and the construction period is intended to be 2 years with all the facilities are available to use and the hotel can give services to all customers. During the construction period, the hotel prepares to recruit in the first year of construction and in the second year, plan to give training for them in advance. With the starting investment US 3,600,000, the hotel plan to get the profit back within one and a half year of the business.