



BUSINESS PLAN · INDIA

Corporate Travel Management

Hired to enforce a policy against the people who rate you

TRAVEL

AISEVAK.IN · BY ABL DIGITAL TECHNOLOGIES

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This document is confidential and prepared for planning purposes. All financial figures are illustrative model assumptions for an Indian MSME context and must be validated against live quotes, local rates and professional advice before any investment or borrowing decision.

1. Executive Summary

This plan sets out a **Corporate Travel Management** business in India — a travel management company serving mid-market and large corporate accounts with policy-compliant booking, negotiated supplier programmes, expense and reporting integration, duty-of-care tracking, and on-site implant support.

The travel agency that anchored this vertical sold advice to a person who was also the traveller. This plan describes the same trade with the buyer and the user separated — and that single separation changes the entire business. Procurement or finance signs the contract and is measured on savings and compliance. The traveller uses the service and wants the direct flight, the closer hotel and the airline they collect points with. These two parties want genuinely different things, and the travel management company sits between them, contracted by one and judged daily by the other. Its service failures are reported by travellers who did not choose it; its contract is renewed by a procurement team that never uses it.

The second point follows and is the least comfortable thing to say about this industry: what a corporate actually buys is the enforcement of its own policy against its own employees. Anyone can book a flight — the traveller can do it on a phone in ninety seconds. What the company cannot easily do is tell a senior manager that business class is not approved on a four-hour sector, or that the preferred hotel is the one at ₹6,200 rather than the one at ₹11,000 across the road. It outsources that conversation. The travel management company is hired, in substantial part, to be the bad guy — and is then rated by the people it is being the bad guy to. This plan takes policy compliance on in-programme bookings from 78% to 95% and treats the discomfort as the product rather than as a service problem to be smoothed away.

The third is the metric that decides whether the programme works at all, and it is the one most often left out of the reporting pack: leakage. 34% of the client's travel spend in Year 1 is booked outside the programme entirely — direct on an airline site, on a consumer travel app, through a local agent a department has always used. Those bookings escape the negotiated rates, escape the policy, escape the duty-of-care record, and escape the savings report. The travel management company is then judged on savings it was structurally prevented from delivering, and frequently does not raise the point because leakage is an awkward thing to tell a client about their own employees. This plan reports it prominently and reduces it from 34% to 12%, because a programme with a third of spend outside it is not a programme.

And the fourth: this business funds the airline before the client funds it, and the two dates are not negotiable in the same direction. Airline settlement runs on a fixed BSP calendar measured in days and cannot be delayed regardless of circumstance. The corporate client pays on its own terms — 68 days in Year 1 — and those terms are set by a procurement process that regards payment period as a lever. The travel management company therefore lends its clients the fare, at scale, permanently — a gap this plan reduces from 54 days to 35 but never eliminates, because it is structural.

This plan models a TMC requiring **₹1.65 crore** (₹60 lakh promoter + ₹25 lakh term loan + ₹80 lakh working capital), moving from **₹22.00 crore gross bookings / ₹1.32 crore net revenue and a ₹6 lakh loss** to **₹56.00 crore bookings / ₹3.81 crore net revenue and ₹49 lakh profit** by Year 3. *(Mid-market corporate travel management — figures illustrative.)*

2. Business Description, Vision & Legal Structure

Concept: A travel management business earning transaction and management fees for policy enforcement, negotiated programmes and duty of care, reporting leakage and savings against agreed baselines, and disclosing every supplier incentive it receives.

Vision: To be the programme the travellers stop working around.

Mission: Report leakage even when it is unflattering to the client; measure savings against a baseline we agreed in advance; disclose every rupee of supplier commission; know where every traveller is; and enforce the policy the client asked us to enforce, including when the traveller is senior.

Legal structure options

- **Private Limited** — effectively required: corporate vendor onboarding, IATA accreditation, data-processing agreements and credit terms all assume it.
- **LLP** — possible but frequently a barrier in enterprise vendor registration.
- **Proprietorship** — unsuitable: this business extends substantial credit and processes employee personal data at volume.

Regulatory anchor: the retail agency's obligations apply in full, with three additions that arise specifically from serving employers rather than individuals. **IATA accreditation with bank guarantee and BSP settlement on a fixed calendar — the one payment in this business that cannot be delayed, and here it is compounded because the client's payment terms are set by procurement and are considerably longer. GST charged on the management or transaction fee where the TMC acts as agent, and on package value where it acts as principal, with the distinction maintained per line rather than assumed. TCS on overseas tour packages** where applicable, collected and remitted on money that is not the TMC's own. Then the corporate-specific layer: **data-processing obligations under the Digital Personal Data Protection Act, where the TMC handles employee names, passport details, travel patterns and frequently medical or dietary information — as a processor acting for the employer, with a written data-processing agreement, defined retention and breach notification; duty-of-care undertakings, which are contractual rather than statutory but create real liability where the TMC has agreed to know traveller locations and does not; and supplier-incentive disclosure, where the honest position is that override commissions and volume incentives received from airlines and hotels create a conflict with the client's interest in impartial recommendation — disclosure is not a regulatory requirement in India but its absence is a live conflict.**

3. Promoter & Ownership

Led by a promoter with corporate travel, account management or procurement background. Three competences decide outcomes: *tolerance for being disliked*, because a TMC that wants travellers to be happy with every decision will approve out-of-policy bookings and lose the contract at renewal; *reporting honesty*, since the savings and leakage numbers are largely self-generated and the temptation to flatter them is constant; and *cash discipline*, because this business funds airline settlement against corporate receivables and a growth spurt consumes working capital faster than any other model in this vertical. Ownership, equity & investor terms are editable inputs.

4. Market Analysis — India

Indian corporate travel has recovered and grown, with mid-market companies increasingly formalising travel programmes that were previously handled by an office administrator and a local agent. The opportunity is in that

transition; the difficulty is that the buyer's expectations are set by consumer travel apps.

Demand drivers

- **Mid-market formalisation** — companies outgrowing informal booking and wanting policy, reporting and control.
- **Duty-of-care awareness**, materially raised by the pandemic and by geopolitical disruption.
- **Expense and finance integration**, where travel data feeding accounting systems has real value.
- **Cost pressure**, which makes demonstrable savings a board-level conversation.
- **Distributed and multi-site operations**, generating travel that nobody in the company is coordinating.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Managed corporate travel spend in the catchment	Employer- and sector-defined
SAM	Accounts of a size that justify a managed programme	Programme-viability bounded
SOM (Yr 1-3)	Accounts × spend under management × take rate	14 → 41 accounts; ₹22cr → ₹56cr GBV

The most useful thing to understand about selling to corporates is that the buying decision and the usage experience are made by different people with different incentives, and a TMC that optimises for one loses to the other. Procurement buys on transaction fee, negotiated rates, reporting quality, implementation plan and savings commitment. The traveller experiences hold times, whether the consultant found the flight they wanted, and whether the policy said no. These are close to unrelated. A TMC can win a contract on a compelling savings case and lose it at renewal because enough travellers complained loudly enough that procurement's own colleagues made the programme politically expensive to defend. Equally, a TMC can be loved by travellers precisely because it approves everything, and lose the contract when the savings report shows nothing was saved. The resolution is not to please both, which is impossible, but to make the trade-off explicit and jointly owned: policy exceptions escalated to the client's own approver rather than decided by the TMC, so that a declined upgrade is the employer's decision and not the agent's; traveller satisfaction measured and reported alongside savings, so procurement sees the cost of its own policy rather than attributing friction to the vendor; and compliance reported by department and seniority, since leakage and out-of-policy booking are concentrated rather than uniform, and naming where it happens converts a vendor complaint into a management issue the client can act on. The TMC that survives is the one that hands the difficult decision back to the client with the evidence attached, rather than absorbing it and being blamed for the outcome.

5. Competition & Competitive Advantage

Landscape: global travel management companies at the enterprise end with technology and scale, regional and national TMCs competing for mid-market accounts, consumer online travel agencies offering business-travel products directly to employers, corporate booking tools sold as software without service, and — very commonly — the incumbent local agent with a long relationship and no reporting. **The most common competitor in the mid-market is not a TMC at all; it is the way the company already does it.**

The business's edge

- **Leakage reported honestly**, including when it is unflattering to the client's own people.
- **Savings measured against a baseline agreed in writing beforehand**, not reconstructed afterwards.
- **Supplier incentives disclosed**, removing the conflict rather than managing it quietly.

- **Duty-of-care tracking that actually works** when it is needed rather than when it is demonstrated.
- **Policy exceptions escalated to the client**, so the employer owns its own decisions.

Savings reporting in corporate travel is, across most of the industry, self-marking homework — and a plan that intends to be honest has to say so and then do something about it. The claim "we saved you 14%" requires a baseline, and the baseline is chosen by the party being measured. **Savings against the published full fare are enormous and almost meaningless, since nobody pays that. Savings against the lowest fare available at time of booking are demanding and rarely used. Savings against last year's average are affected by route mix, fuel prices and how much business class was flown, none of which the TMC controls. The same programme can honestly report 4% or 22% depending on which baseline is selected, and the selection is generally made after the numbers are known.** Two further distortions are routine. **Savings from a traveller booking a cheaper flight they would have booked anyway are counted as programme savings. And leakage is excluded from the denominator, so the report covers only the spend the TMC influenced — which flatters the percentage precisely when the programme is working least well.** This plan's response is to accept a less impressive number in exchange for one that means something: **the baseline is defined and agreed in writing at implementation, before any data exists** — rising from 41% of accounts in Year 1 to 100% by Year 3; **total spend including leakage is the denominator, so a leaky programme reports worse savings and the client sees why; and the savings report distinguishes what the programme caused from what would have happened anyway. The commercial cost is real: this business will sometimes report 6% where a competitor reports 18% on the same account, and will occasionally lose a bid because of it. The offsetting gain is that its numbers survive scrutiny at renewal, which is when the competitor's do not.**

6. Service Model, Fees & the Commission Conflict

Service / revenue line	Basis	Economics & conflict position
Transaction fee per booking	Per ticket / per hotel booking	Clean; aligned; the core model
Management fee	Monthly, account-based	Best alignment — paid for programme outcomes, not volume
Implant / on-site staffing	Cost-plus per resource	Sticky, high-retention, people-cost-driven
Supplier override & volume commission	Paid by airlines and hotels	Real conflict — DISCLOSED in full to the client
Reporting, expense & duty-of-care modules	Subscription	Recurring; raises switching cost legitimately
Undisclosed supplier incentives influencing advice	NIL — by policy	It makes the TMC the supplier's agent, not the client's
Savings claimed against a baseline chosen afterwards	NIL — by policy	Baseline agreed in writing at implementation

Supplier commission is the structural conflict at the heart of corporate travel management, and most of the industry manages it by not mentioning it. The position is straightforward once stated. **The client pays the TMC to recommend the best option for the client. Airlines and hotels simultaneously pay the TMC override and volume incentives for directing business toward them. When the preferred airline's fare is ₹400 higher but carries an override, the TMC has a financial interest in a recommendation that costs its client money — and the client, in most arrangements, has no idea the incentive exists. This is not a hypothetical corner case; volume incentives are a**

material part of TMC economics across the industry, and they are routinely undisclosed. There are only three honest positions available and this plan takes the second. **Forgo supplier incentives entirely and price the service accordingly, which is cleanest and makes the fee visibly higher than competitors who are quietly subsidised. Accept them and disclose them in full — amount, source and the routes or properties affected — so the client can decide what weight to give a recommendation. Or accept them and say nothing, which is the industry norm and means the TMC is, on those transactions, the supplier's agent while presenting as the client's.** This plan discloses **100% of supplier incentives** and holds **recommendations influenced by undisclosed incentives at NIL**, and is candid that **disclosure occasionally costs the incentive itself, because a client informed of an override sometimes instructs the TMC to ignore the preferred supplier. That is the correct outcome and it is what disclosure is for.**

7. Go-to-Market — Winning Procurement, Keeping Travellers

Acquisition

- **Structured bids and RFPs**, where documentation, implementation planning and references decide outcomes.
- **Implementation quality as the selling point**, since most account losses trace back to a poor first ninety days.
- **Referenceable mid-market accounts** in the same sector, which shorten every subsequent sale.
- **Duty-of-care capability**, which has moved from a differentiator to a requirement for many boards.

Retention

- **Traveller experience measured**, because renewal is decided partly by internal politics the TMC cannot see.
- **Leakage and compliance reported by department**, converting friction into a client management issue.
- **Quarterly business reviews** with honest numbers rather than a favourable selection.
- **Implants where the account justifies it**, which materially raise retention.

Client retention runs at **86% rising to 94% here**, and the **implementation period** is where most of the difference is created. A programme that goes live badly — travellers unable to reach a consultant, the booking tool misconfigured, policy rules wrong — generates a founding impression that persists through the whole contract, because every subsequent problem is read as confirmation. A TMC that over-resources the first ninety days and under-resources the pitch will win fewer accounts and keep far more of them.

8. Operations Plan (implement, book, enforce, report, locate)

- **Implementation:** policy captured precisely, approval workflows configured, **baseline agreed in writing before go-live — after which it cannot be renegotiated.**
- **Booking:** online booking tool for simple trips, consultants for complex ones, **with the fee structure designed so the TMC is not penalised when a traveller self-serves.**
- **Policy enforcement:** out-of-policy attempts flagged at the point of booking; **exceptions escalated to the client's own approver rather than decided by the TMC.**
- **Leakage tracking:** card and expense data reconciled against programme bookings to identify spend booked outside — **reported by department, honestly.**
- **Supplier programme:** rates negotiated and loaded, performance monitored, **and every override or incentive disclosed to the client.**
- **Duty of care:** traveller location maintained and tested by drill, **not merely by capability claim — the system works when it is used in a crisis, not when it is demonstrated in a pitch.**

- **Settlement: BSP calendar treated as immovable, with client collection scheduled against it rather than hoped to arrive.**
- **Reporting:** quarterly reviews on the agreed baseline, including leakage in the denominator.

Control points

Area	Activity	Control point
Whether the programme exists	Leakage — spend booked outside the programme	34% → 21% → 12%
What the client is buying	Policy compliance on in-programme bookings	78% → 89% → 95%
Reporting honesty	Savings measured against a pre-agreed written baseline	41% → 82% → 100%
The conflict	Supplier incentives disclosed / undisclosed influence	100% / NIL
The cash gap	BSP-to-client-payment gap / receivable days	54 → 35 days / 68 → 49 days
Duty of care	Travellers locatable within 2 hours	71% → 91% → 98%
Concentration	Accounts / top-3 client share of net revenue	14 → 41 / 62% → 37%

Duty of care is the one part of this business where the promise and the capability are most often different things, and the gap is invisible until the day it matters. Every TMC's proposal includes traveller tracking. Most can produce a screen showing where travellers are supposed to be, derived from bookings. Far fewer can answer the question that is actually asked during an incident — an earthquake, an airport closure, civil unrest, a health emergency — which is: where are our people right now, which of them are affected, have we reached all of them, and who has not responded? The gap arises for mundane reasons. Travellers who booked outside the programme are invisible to the system, which is where leakage stops being a savings issue and becomes a safety one. Itineraries change on the ground and the record does not. Contact details are stale. And nobody has ever tested the process, so the first time it runs is during the emergency. This plan takes travellers locatable within two hours from 71% to 98%, and the improvement comes less from technology than from three unglamorous disciplines: leakage reduction, because a traveller the programme never saw cannot be located; contact-data refresh at booking rather than at onboarding; and periodic unannounced drills against a live traveller population, so the number is tested rather than asserted. A TMC that has contracted a duty-of-care obligation and cannot meet it has accepted a real liability in exchange for a line in a proposal, and this is one of the few places in this vertical where a service shortfall could contribute to somebody being hurt.

9. IATA, GST, DPDP & Corporate Compliance (India)

- **IATA accreditation with bank guarantee; BSP settlement on a fixed calendar — the one payment that cannot be delayed, compounded here because client terms are set by procurement and are far longer.**
- **GST on the management or transaction fee where acting as agent, and on package value where acting as principal,** with the distinction maintained per line rather than assumed.
- **TCS on overseas tour packages** where applicable, on money that is not the TMC's own.
- **DPDP obligations as a data processor for the employer —** employee names, passport details, travel patterns and frequently medical or dietary information — **with a written data-processing agreement, defined retention and breach notification.**

- **Duty-of-care undertakings, contractual rather than statutory, creating real liability where the TMC has agreed to know traveller locations and does not.**
- **Supplier-incentive disclosure — not a regulatory requirement in India, but its absence is a live conflict of interest against a client paying for impartial advice.**
- Professional indemnity and errors-and-omissions insurance; FEMA and authorised-dealer arrangements for forex.
- Written terms covering change and cancellation costs, credit limits and dispute resolution.

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Promoter / managing director	1	1	2
Travel consultants (corporate desks)	22	36	52
Operations & ticketing	8	13	19
Implants at client sites	6	11	17
Account management	5	8	12
Finance & admin	5	7	9
MIS, reporting & duty of care	3	5	7
Technology	2	3	4
Total	52	84	122

Salaries are 67% of net revenue in Year 1 — higher than the retail agency's 57% — and the reason is structural rather than inefficiency. A corporate account demands service-level response times, implants, dedicated account management, reporting production and duty-of-care monitoring, all of which are people, against a take rate lower than retail because corporate clients negotiate. Higher service obligation at a lower margin is the corporate travel bargain, and it is why this business needs scale to work at all and why a TMC with three accounts is generally losing money on all three.

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0–4	IATA accreditation and BSP arrangements, booking tool and duty-of-care platform configured, DPDP data-processing framework, first accounts won with baselines agreed in writing before go-live
Launch	Month 4–12	14 accounts; ₹22.00cr bookings / ₹1.32cr net revenue; ₹6L loss; leakage 34%; compliance 78%; traveller locatability 71%
Build	Year 2	26 accounts; leakage 21%; compliance 89%; baselines agreed on 82% of accounts; receivables 58 days; ₹2.43cr net revenue, ₹18L profit
Scale	Year 3	41 accounts; ₹3.81cr net revenue, ₹49L profit; leakage 12%; compliance 95%; 100% of savings on agreed baselines; 100% incentive disclosure; locatability 98%; concentration down to 37%

12. Financial Plan (Illustrative)

All figures are illustrative model assumptions for an Indian context, shown so the promoter can replace them with live rates. **Leakage, compliance and the settlement gap are the levers; gross booking value is not one, because it belongs to airlines and hotels.**

12.1 Project cost & means of finance

Capital requirement	₹
Working capital (BSP settlement against corporate credit)	74,00,000
Technology (booking tool, expense, duty of care, reporting)	26,00,000
IATA bank guarantee & security deposits	22,00,000
Office fit-out, deposits & implant setup	16,00,000
Launch, bidding & implementation costs	12,00,000
Initial operating losses	10,00,000
Legal, registrations & insurance	5,00,000
Total project cost	1,65,00,000
Promoter contribution	60,00,000
Term loan	25,00,000
Working-capital facility	80,00,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
GROSS BOOKING VALUE (client travel spend — NOT revenue)	22,00,00,000	38,00,00,000	56,00,00,000
<i>Less: fares, hotel and supplier cost passed through</i>	<i>(20,68,00,000)</i>	<i>(35,57,00,000)</i>	<i>(52,19,00,000)</i>
NET REVENUE (fees + disclosed commission)	1,32,00,000	2,43,00,000	3,81,00,000
Take rate (net revenue as % of GBV)	6.0%	6.4%	6.8%
— Transaction fees	52,00,000	92,00,000	1,40,00,000
— Management fees	30,00,000	58,00,000	96,00,000
— Implant & on-site services	22,00,000	44,00,000	74,00,000
— Supplier override & volume commission (fully disclosed)	18,00,000	32,00,000	46,00,000
— Reporting, expense & duty-of-care modules	10,00,000	17,00,000	25,00,000
Salaries (consultants, implants, account mgmt, MIS)	88,00,000	1,48,00,000	2,22,00,000
Technology (booking tool, expense, duty of care)	14,00,000	22,00,000	32,00,000
Rent, utilities & office	9,00,000	13,00,000	18,00,000
Finance cost (funding BSP against corporate credit)	8,00,000	13,00,000	19,00,000

Marketing, bidding & implementation	6,00,000	10,00,000	14,00,000
Admin, compliance & insurance	6,00,000	9,00,000	14,00,000
Bad debt & booking errors	4,00,000	6,00,000	8,00,000
Depreciation	3,00,000	4,00,000	5,00,000
Total expenses	1,38,00,000	2,25,00,000	3,32,00,000
Net profit / (loss) before tax	(6,00,000)	18,00,000	49,00,000
Net margin (on net revenue)	(4.5%)	7.4%	12.9%
Net profit as % of gross booking value	(0.03%)	0.47%	0.88%
PROGRAMME LEAKAGE (client spend booked outside the programme)	34%	21%	12%
POLICY COMPLIANCE ON IN-PROGRAMME BOOKINGS	78%	89%	95%
SAVINGS MEASURED AGAINST A PRE-AGREED WRITTEN BASELINE	41%	82%	100%
Supplier incentives disclosed to the client	100%	100%	100%
Recommendations influenced by undisclosed incentive	NIL	NIL	NIL
CORPORATE RECEIVABLE DAYS / BSP-TO-PAYMENT GAP	68 / 54	58 / 44	49 / 35
TRAVELLERS LOCATABLE WITHIN 2 HOURS (duty of care)	71%	91%	98%
Client accounts / top-3 client share of net revenue	14 / 62%	26 / 48%	41 / 37%
Client retention / salaries as % of net revenue	86% / 66.7%	91% / 60.9%	94% / 58.3%

12.3 Unit economics & break-even

- **₹56 crore of client travel spend produces ₹49 lakh of profit — 0.88%**, and the vertical's anchor discipline applies in full: **gross booking value is the client's money, not the TMC's turnover.**
- **Leakage at 34% means the programme covers only two-thirds of the spend it was hired to manage — and the TMC is judged on savings across the whole, which is the structural unfairness of the model.**
- **Salaries at 67% of net revenue against the retail agency's 57% is the corporate bargain: higher service obligation at a lower take rate**, which is why **this business needs scale and why a TMC with three accounts is generally losing money on all three.**
- **Finance cost is a real line, not a rounding item**, because the business funds BSP settlement against 68-day corporate receivables — **a gap that narrows to 35 days but never closes.**
- **Break-even: Year 2. The binding constraints are the working-capital facility and consultant capacity; the business can win more accounts than it can fund or service.**

12.4 Projected Cash Flow — Year 1 (quarterly, illustrative)

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	46,00,000	36,00,000	28,00,000	20,00,000
Collections from corporate clients	5,02,00,000	5,38,00,000	5,64,00,000	5,82,00,000
BSP & supplier settlements, salaries & operating costs	5,12,00,000	5,46,00,000	5,72,00,000	5,88,00,000
Closing balance	36,00,000	28,00,000	20,00,000	14,00,000

The cash position here is the most structurally difficult in the travel vertical, and it is the mirror image of the retail agency's problem rather than a variation of it. The retail agency held customer money before it owed suppliers — its danger was spending a float that was not its own. This business owes the airline before the client has paid it. BSP settlement runs on a fixed calendar measured in days and is entirely non-negotiable; the corporate client pays in 68 days on terms set by a procurement function that treats payment period as a lever and will not move it for a vendor of this size. The TMC therefore lends its clients the airfare, continuously, at a scale proportionate to their travel — and the loan grows precisely when the client's business is doing well. Three consequences follow. **First, growth consumes cash immediately and violently: winning a large account means funding its BSP settlements for two months before the first invoice is paid, so a TMC that wins three accounts in a quarter can hit its facility limit while its order book looks excellent.** **Second, a client payment delay is not an inconvenience but an existential event, because BSP does not wait and losing IATA standing ends the ability to issue tickets at all.** **Third, the facility must be sized against peak committed BSP exposure rather than against net revenue, which understates the requirement by an order of magnitude — ₹3.81 crore of net revenue is supported by a business settling ₹52 crore of supplier money.** The controls: credit limits set per account and enforced before the ticket is issued rather than after; payment terms negotiated as a commercial term of equal weight to the transaction fee; the facility sized to peak BSP exposure; and concentration reduced from 62% to 37%, because a single large client paying late is otherwise capable of stopping the business.

12.5 Key Performance Indicators to Monitor

- **Whether the programme exists:** leakage by account and department; policy compliance; online booking tool adoption.
- **Reporting integrity:** savings on pre-agreed baselines; leakage included in the denominator; supplier incentives disclosed.
- **Cash:** BSP exposure at peak; receivable days by account; credit-limit breaches; facility headroom.
- **Service & risk:** traveller locatability tested by drill; response times; traveller satisfaction alongside savings; client retention and concentration.

13. Funding Requirement & Bankability

Total ask: **₹25 lakh term loan plus an ₹80 lakh working-capital facility** against ₹60 lakh promoter contribution. Four points, and the second is the one that distinguishes this proposal from every other in the vertical. **First, read the plan on net revenue — ₹56 crore of client travel spend is not turnover, and ₹3.81 crore is what services debt.** **Second, and critically: the facility must be sized against peak committed BSP exposure, not against net revenue. This business settles ₹52 crore of supplier money on a fixed calendar while collecting from clients in 49-68 days — it is a lender to its own customers, and a facility sized on revenue understates the requirement by an order of magnitude.** **Third, the most useful diagnostic available: ask for the leakage figure and whether savings are measured against a baseline agreed in writing before go-live. A TMC reporting impressive savings and no leakage number is reporting on the portion of spend it influenced and excluding the rest — which flatters the percentage precisely when the programme is working least well.** **Fourth, treat client concentration and credit discipline as covenants: at 62% of net revenue from three accounts and BSP obligations that cannot be deferred, a single large client paying sixty days late is capable of stopping this business — and losing IATA standing would end its ability to trade rather than merely damage it.**

13.1 Funding utilisation

Use of funds	₹	% of total
Working capital (BSP settlement against corporate credit)	74,00,000	44.8%
Technology (booking tool, expense, duty of care, reporting)	26,00,000	15.8%
IATA bank guarantee & security deposits	22,00,000	13.3%
Office fit-out, deposits & implant setup	16,00,000	9.7%
Launch, bidding & implementation costs	12,00,000	7.3%
Initial operating losses	10,00,000	6.1%
Legal, registrations & insurance	5,00,000	3.0%
Total	1,65,00,000	100%

14. Risk Analysis & Mitigation

Risk	Mitigation
The buyer is not the user	SETS THIS PLAN'S GOVERNING CONVENTION AND SEPARATES IT FROM THE RETAIL AGENCY, WHICH SOLD ADVICE TO A PERSON WHO WAS ALSO THE TRAVELLER: PROCUREMENT SIGNS THE CONTRACT AND IS MEASURED ON SAVINGS AND COMPLIANCE; THE TRAVELLER USES THE SERVICE AND WANTS THE DIRECT FLIGHT, THE CLOSER HOTEL AND THE AIRLINE THEY COLLECT POINTS WITH. THESE ARE CLOSE TO UNRELATED — A TMC CAN WIN ON A SAVINGS CASE AND LOSE AT RENEWAL BECAUSE ENOUGH TRAVELLERS COMPLAINED LOUDLY ENOUGH, OR BE LOVED BY TRAVELLERS PRECISELY BECAUSE IT APPROVES EVERYTHING AND LOSE WHEN THE SAVINGS REPORT SHOWS NOTHING WAS SAVED → make the trade-off explicit and jointly owned: POLICY EXCEPTIONS ESCALATED TO THE CLIENT'S OWN APPROVER SO A DECLINED UPGRADE IS THE EMPLOYER'S DECISION AND NOT THE AGENT'S ; traveller satisfaction reported alongside savings; compliance reported by department and seniority, SINCE NAMING WHERE IT HAPPENS CONVERTS A VENDOR COMPLAINT INTO A MANAGEMENT ISSUE THE CLIENT CAN ACT ON
You are hired to be the bad guy	THE LEAST COMFORTABLE THING TO SAY ABOUT THIS INDUSTRY: ANYONE CAN BOOK A FLIGHT — THE TRAVELLER CAN DO IT ON A PHONE IN NINETY SECONDS. WHAT THE COMPANY CANNOT EASILY DO IS TELL A SENIOR MANAGER THAT BUSINESS CLASS IS NOT APPROVED ON A FOUR-HOUR SECTOR, OR THAT THE PREFERRED HOTEL IS THE ONE AT ₹6,200 RATHER THAN THE ONE AT ₹11,000 ACROSS THE ROAD. IT OUTSOURCES THAT CONVERSATION — THE TMC IS HIRED IN SUBSTANTIAL PART TO BE THE BAD GUY, AND IS THEN RATED BY THE PEOPLE IT IS BEING THE BAD GUY TO → compliance treated as the product rather than as friction to be smoothed away (78%→89%→95%); THE TMC THAT SURVIVES IS THE ONE THAT HANDS THE DIFFICULT DECISION BACK TO THE CLIENT WITH THE EVIDENCE ATTACHED, RATHER THAN ABSORBING IT AND BEING BLAMED FOR THE OUTCOME

Leakage — judged on savings you were prevented from delivering	34% OF CLIENT SPEND IS BOOKED OUTSIDE THE PROGRAMME ENTIRELY — DIRECT ON AN AIRLINE SITE, ON A CONSUMER APP, THROUGH A LOCAL AGENT A DEPARTMENT HAS ALWAYS USED. THOSE BOOKINGS ESCAPE THE NEGOTIATED RATES, THE POLICY, THE DUTY-OF-CARE RECORD AND THE SAVINGS REPORT — AND THE TMC IS THEN JUDGED ON SAVINGS IT WAS STRUCTURALLY PREVENTED FROM DELIVERING, FREQUENTLY WITHOUT RAISING THE POINT BECAUSE LEAKAGE IS AN AWKWARD THING TO TELL A CLIENT ABOUT THEIR OWN EMPLOYEES → reported prominently and by department (34%→21%→12%), BECAUSE A PROGRAMME WITH A THIRD OF SPEND OUTSIDE IT IS NOT A PROGRAMME; and note that leakage is also a SAFETY issue, since A TRAVELLER THE PROGRAMME NEVER SAW CANNOT BE LOCATED IN AN EMERGENCY
Savings reporting is self-marking homework	THE CLAIM "WE SAVED YOU 14%" REQUIRES A BASELINE, AND THE BASELINE IS CHOSEN BY THE PARTY BEING MEASURED: SAVINGS AGAINST PUBLISHED FULL FARE ARE ENORMOUS AND MEANINGLESS SINCE NOBODY PAYS THAT; AGAINST LOWEST FARE AT TIME OF BOOKING ARE DEMANDING AND RARELY USED; AGAINST LAST YEAR'S AVERAGE ARE AFFECTED BY ROUTE MIX, FUEL PRICES AND BUSINESS-CLASS VOLUME THE TMC DOES NOT CONTROL. THE SAME PROGRAMME CAN HONESTLY REPORT 4% OR 22% DEPENDING ON THE BASELINE, AND THE SELECTION IS GENERALLY MADE AFTER THE NUMBERS ARE KNOWN — WITH TWO FURTHER ROUTINE DISTORTIONS: SAVINGS FROM A TRAVELLER BOOKING A CHEAPER FLIGHT THEY WOULD HAVE BOOKED ANYWAY COUNTED AS PROGRAMME SAVINGS, AND LEAKAGE EXCLUDED FROM THE DENOMINATOR SO THE REPORT FLATTERS THE PERCENTAGE PRECISELY WHEN THE PROGRAMME IS WORKING LEAST WELL → baseline defined and agreed IN WRITING at implementation before any data exists (41%→82%→100%); total spend including leakage as the denominator; programme-caused savings distinguished from what would have happened anyway. THE COMMERCIAL COST IS REAL — THIS BUSINESS WILL SOMETIMES REPORT 6% WHERE A COMPETITOR REPORTS 18% ON THE SAME ACCOUNT AND WILL OCCASIONALLY LOSE A BID — BUT ITS NUMBERS SURVIVE SCRUTINY AT RENEWAL, WHICH IS WHEN THE COMPETITOR'S DO NOT
The supplier-commission conflict	THE CLIENT PAYS THE TMC TO RECOMMEND THE BEST OPTION FOR THE CLIENT; AIRLINES AND HOTELS SIMULTANEOUSLY PAY IT OVERRIDE AND VOLUME INCENTIVES FOR DIRECTING BUSINESS TOWARD THEM. WHEN THE PREFERRED AIRLINE'S FARE IS ₹400 HIGHER BUT CARRIES AN OVERRIDE, THE TMC HAS A FINANCIAL INTEREST IN A RECOMMENDATION THAT COSTS ITS CLIENT MONEY — AND THE CLIENT USUALLY HAS NO IDEA THE INCENTIVE EXISTS. THERE ARE ONLY THREE HONEST POSITIONS: FORGO INCENTIVES AND PRICE ACCORDINGLY; ACCEPT AND DISCLOSE IN FULL; OR ACCEPT AND SAY NOTHING, WHICH IS THE INDUSTRY NORM AND MEANS THE TMC IS, ON THOSE TRANSACTIONS, THE SUPPLIER'S AGENT WHILE PRESENTING AS THE CLIENT'S → full disclosure of amount, source and routes affected (100%; undisclosed influence NIL), ACCEPTING CANDIDLY THAT DISCLOSURE OCCASIONALLY COSTS THE INCENTIVE ITSELF WHEN A CLIENT INSTRUCTS THE TMC TO IGNORE THE PREFERRED SUPPLIER — WHICH IS THE CORRECT OUTCOME AND IS WHAT DISCLOSURE IS FOR

You fund the airline before the client funds you	THE MIRROR IMAGE OF THE RETAIL AGENCY'S PROBLEM RATHER THAN A VARIATION: THAT BUSINESS HELD CUSTOMER MONEY BEFORE IT OWED SUPPLIERS; THIS ONE OWES THE AIRLINE BEFORE THE CLIENT HAS PAID. BSP RUNS ON A FIXED CALENDAR IN DAYS AND IS NON-NEGOTIABLE; THE CORPORATE PAYS IN 68 DAYS ON TERMS SET BY A PROCUREMENT FUNCTION THAT TREATS PAYMENT PERIOD AS A LEVER AND WILL NOT MOVE IT FOR A VENDOR OF THIS SIZE — SO THE TMC LENDS ITS CLIENTS THE AIRFARE CONTINUOUSLY, AND THE LOAN GROWS PRECISELY WHEN THE CLIENT'S BUSINESS IS DOING WELL. WINNING A LARGE ACCOUNT MEANS FUNDING ITS BSP SETTLEMENTS FOR TWO MONTHS BEFORE THE FIRST INVOICE IS PAID, SO A TMC WINNING THREE ACCOUNTS IN A QUARTER CAN HIT ITS FACILITY LIMIT WHILE ITS ORDER BOOK LOOKS EXCELLENT — AND A CLIENT PAYMENT DELAY IS NOT AN INCONVENIENCE BUT AN EXISTENTIAL EVENT, BECAUSE BSP DOES NOT WAIT AND LOSING IATA STANDING ENDS THE ABILITY TO ISSUE TICKETS AT ALL → credit limits per account enforced BEFORE the ticket is issued; payment terms negotiated as a commercial term of equal weight to the transaction fee; facility sized to peak BSP exposure; concentration 62%→37% (gap 54→35 days; receivables 68→49)
Duty of care promised but not capable	EVERY TMC'S PROPOSAL INCLUDES TRAVELLER TRACKING AND MOST CAN PRODUCE A SCREEN SHOWING WHERE TRAVELLERS ARE SUPPOSED TO BE. FAR FEWER CAN ANSWER WHAT IS ACTUALLY ASKED DURING AN INCIDENT: WHERE ARE OUR PEOPLE RIGHT NOW, WHICH ARE AFFECTED, HAVE WE REACHED ALL OF THEM, AND WHO HAS NOT RESPONDED — BECAUSE TRAVELLERS WHO BOOKED OUTSIDE THE PROGRAMME ARE INVISIBLE, ITINERARIES CHANGE ON THE GROUND AND THE RECORD DOES NOT, CONTACT DETAILS ARE STALE, AND NOBODY HAS EVER TESTED THE PROCESS SO THE FIRST TIME IT RUNS IS DURING THE EMERGENCY → locatability 71%→98% achieved less through technology than through leakage reduction, contact-data refresh at booking, and PERIODIC UNANNOUNCED DRILLS AGAINST A LIVE TRAVELLER POPULATION SO THE NUMBER IS TESTED RATHER THAN ASSERTED . A TMC THAT HAS CONTRACTED A DUTY-OF-CARE OBLIGATION AND CANNOT MEET IT HAS ACCEPTED A REAL LIABILITY IN EXCHANGE FOR A LINE IN A PROPOSAL
Structural margin & scale	SALARIES AT 67% OF NET REVENUE AGAINST THE RETAIL AGENCY'S 57% IS THE CORPORATE BARGAIN: HIGHER SERVICE OBLIGATION — SLAs, IMPLANTS, ACCOUNT MANAGEMENT, REPORTING, DUTY OF CARE — AT A LOWER TAKE RATE BECAUSE CORPORATES NEGOTIATE. THIS BUSINESS NEEDS SCALE TO WORK AT ALL, AND A TMC WITH THREE ACCOUNTS IS GENERALLY LOSING MONEY ON ALL THREE → implementation over-resourced in the first ninety days since A PROGRAMME THAT GOES LIVE BADLY GENERATES A FOUNDING IMPRESSION THAT PERSISTS THROUGH THE WHOLE CONTRACT, BECAUSE EVERY SUBSEQUENT PROBLEM IS READ AS CONFIRMATION (retention 86%→94%); DPDP data-processing agreements maintained as processor for the employer

15. SWOT Analysis

Strengths Leakage reported honestly, including when unflattering to the client's own people; savings on baselines agreed in writing before go-live; supplier incentives disclosed in full, removing the conflict rather than managing it quietly; duty-of-care capability tested by drill; policy exceptions escalated so the employer owns its decisions.	Weaknesses Funds airline settlement against 68-day corporate credit — a permanent structural loan to its own clients; salaries at 67% of net revenue on a take rate corporates negotiate down; judged daily by users who did not choose it; loss-making in Year 1; needs scale before any account is profitable.
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Opportunities Mid-market companies formalising informal travel arrangements; duty-of-care awareness now a board-level requirement rather than a differentiator; expense and finance integration with real value; honest reporting as a genuine differentiator at renewal; implants raising retention materially.	Threats A single large client paying late against non-deferrable BSP obligations; global TMCs' technology and scale at the top end; consumer travel apps sold directly to employers; competitors reporting flattering savings on chosen baselines; loss of IATA standing ending the ability to trade.
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16. Recommended AiSevak Tools for This Business

This travel management company would use AiSevak's Travel vertical tools in operations:

- **Programme integrity:** leakage reconciliation against card and expense data by department, policy-compliance tracking by seniority, exception-escalation workflow routing decisions to the client's approver.
- **Reporting honesty:** baseline agreement recorded at implementation and locked, savings computed on total spend including leakage, programme-caused versus incidental savings separation, supplier-incentive disclosure register.
- **Cash:** peak BSP exposure monitor, per-account credit limits enforced pre-issuance, receivable ageing by client, facility-headroom alerts against settlement calendar.
- **Duty of care:** traveller locator with contact-refresh prompts at booking, unannounced drill scheduler with response-rate capture, incident communication workflow.
- **Account health:** traveller satisfaction alongside savings, implementation checklist for the first ninety days, retention and concentration tracking, quarterly business review pack builder.

17. Key Assumptions & Notes

- Corporate travel management: TMC serving mid-market and large corporate accounts with policy-compliant booking, negotiated supplier programmes, expense and reporting integration, duty-of-care tracking and on-site implant support.
- **SIXTH PLAN IN THE TRAVEL VERTICAL — AGENCY/INTERMEDIARY SUB-MODEL, SEPARATING THE BUYER FROM THE USER.**
- △ **GOVERNING CONVENTION FOR THE CORPORATE-TRAVEL SUB-MODEL, SET HERE: (a) THE BUYER IS NOT THE USER — PROCUREMENT SIGNS AND IS MEASURED ON SAVINGS; THE TRAVELLER USES AND WANTS THE DIRECT FLIGHT; THE TMC IS CONTRACTED BY ONE AND JUDGED DAILY BY THE OTHER. (b) WHAT THE CORPORATE ACTUALLY BUYS IS ENFORCEMENT OF ITS OWN POLICY AGAINST ITS OWN EMPLOYEES — THE TMC IS HIRED TO BE THE BAD GUY AND THEN RATED BY THE PEOPLE IT IS BEING THE BAD GUY TO. (c) LEAKAGE DECIDES WHETHER THE PROGRAMME EXISTS AT ALL, AND THE TMC IS JUDGED ON SAVINGS IT WAS STRUCTURALLY PREVENTED FROM DELIVERING. (d) SAVINGS REPORTING IS SELF-MARKING HOMEWORK UNLESS THE BASELINE IS AGREED IN WRITING BEFORE ANY DATA EXISTS. (e) YOU FUND THE AIRLINE BEFORE THE CLIENT FUNDS YOU — THE MIRROR IMAGE OF THE RETAIL AGENCY'S FLOAT PROBLEM.**
- **ON THE COMMISSION CONFLICT: THERE ARE ONLY THREE HONEST POSITIONS — FORGO SUPPLIER INCENTIVES AND PRICE ACCORDINGLY; ACCEPT AND DISCLOSE IN FULL (AMOUNT, SOURCE, ROUTES AFFECTED); OR ACCEPT AND SAY NOTHING, WHICH IS THE INDUSTRY NORM AND MEANS THE TMC IS THE SUPPLIER'S AGENT WHILE PRESENTING AS THE CLIENT'S. THIS PLAN TAKES THE SECOND, AND IS CANDID THAT DISCLOSURE OCCASIONALLY COSTS THE INCENTIVE ITSELF — WHICH IS THE CORRECT OUTCOME AND IS WHAT DISCLOSURE IS FOR** (disclosure 100%; undisclosed influence NIL).

- **ON DUTY OF CARE: THE PROMISE AND THE CAPABILITY ARE MOST OFTEN DIFFERENT THINGS, AND THE GAP IS INVISIBLE UNTIL THE DAY IT MATTERS — TRAVELLERS WHO BOOKED OUTSIDE THE PROGRAMME ARE INVISIBLE TO THE SYSTEM, WHICH IS WHERE LEAKAGE STOPS BEING A SAVINGS ISSUE AND BECOMES A SAFETY ONE** → locatability 71%→98% via leakage reduction, contact-data refresh at booking, and unannounced drills against a live traveller population; **THIS IS ONE OF THE FEW PLACES IN THIS VERTICAL WHERE A SERVICE SHORTFALL COULD CONTRIBUTE TO SOMEBODY BEING HURT.**
- Economics & cash — **₹56 CRORE OF CLIENT TRAVEL SPEND PRODUCES ₹49 LAKH OF PROFIT (0.88% OF GBV); SALARIES AT 67% OF NET REVENUE AGAINST THE RETAIL AGENCY'S 57% IS THE CORPORATE BARGAIN OF HIGHER SERVICE OBLIGATION AT A LOWER TAKE RATE, WHICH IS WHY THIS BUSINESS NEEDS SCALE AND WHY A TMC WITH THREE ACCOUNTS IS GENERALLY LOSING MONEY ON ALL THREE. THE CASH POSITION IS THE MOST STRUCTURALLY DIFFICULT IN THE VERTICAL: BSP SETTLES IN DAYS AND CANNOT BE DEFERRED WHILE THE CORPORATE PAYS IN 68, SO THE TMC LENDS ITS CLIENTS THE AIRFARE CONTINUOUSLY AND THE LOAN GROWS PRECISELY WHEN THE CLIENT'S BUSINESS IS DOING WELL — WINNING THREE ACCOUNTS IN A QUARTER CAN HIT THE FACILITY LIMIT WHILE THE ORDER BOOK LOOKS EXCELLENT** (Y1 →₹6L → Y3 ₹49L; net margin -4.5%→7.4%→12.9%; take rate 6.0%→6.8%; leakage 34%→12%; compliance 78%→95%; break-even Year 2). Regulatory: IATA with bank guarantee and immovable BSP calendar; GST by agent-versus-principal per line; TCS on overseas packages; **DPDP AS A PROCESSOR FOR THE EMPLOYER, HANDLING PASSPORT, TRAVEL-PATTERN AND FREQUENTLY MEDICAL DATA, WITH WRITTEN DATA-PROCESSING AGREEMENTS AND DEFINED RETENTION**; contractual duty-of-care liability; professional indemnity; FEMA for forex. Lender note: **READ ON NET REVENUE — ₹56CR OF SPEND IS NOT TURNOVER AND ₹3.81CR SERVICES DEBT; SIZE THE FACILITY AGAINST PEAK COMMITTED BSP EXPOSURE, NOT NET REVENUE, BECAUSE THIS BUSINESS SETTLES ₹52 CRORE OF SUPPLIER MONEY WHILE COLLECTING IN 49-68 DAYS — A FACILITY SIZED ON REVENUE UNDERSTATES THE REQUIREMENT BY AN ORDER OF MAGNITUDE; ASK FOR THE LEAKAGE FIGURE AND WHETHER SAVINGS ARE MEASURED AGAINST A BASELINE AGREED IN WRITING BEFORE GO-LIVE — A TMC REPORTING IMPRESSIVE SAVINGS AND NO LEAKAGE NUMBER IS REPORTING ONLY ON THE SPEND IT INFLUENCED, WHICH FLATTERS THE PERCENTAGE PRECISELY WHEN THE PROGRAMME IS WORKING LEAST WELL**; and **TREAT CLIENT CONCENTRATION AND CREDIT DISCIPLINE AS COVENANTS, SINCE A SINGLE LARGE CLIENT PAYING SIXTY DAYS LATE AGAINST NON-DEFERRABLE BSP OBLIGATIONS IS CAPABLE OF STOPPING THIS BUSINESS — AND LOSING IATA STANDING WOULD END ITS ABILITY TO TRADE RATHER THAN MERELY DAMAGE IT.** ₹1.65cr, GBV 22.00→56.00cr, net revenue 1.32→3.81cr, 14→41 accounts, 52→122 staff. Figures illustrative, exclude GST.

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