BUSINESS PLAN · INDIA

MICE and Event-Travel Business

You sign the venue before the client signs you

TRAVEL

AISEVAK.IN · BY ABL DIGITAL TECHNOLOGIES

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1. Executive Summary

This plan sets out a **MICE & Event-Travel Business** in India — a meetings, incentives, conferences and exhibitions company producing corporate conferences, dealer and sales conventions, incentive travel programmes, product launches and exhibition participation, as a principal contracting venues, accommodation, transport and production on the client's behalf.

> **This plan inherits the gross-versus-net discipline that anchors both this vertical and the events vertical, and it must be restated with MICE numbers because the gap here is wider than almost anywhere in the library. This business bills ₹24 crore in Year 1 and earns ₹3.12 crore of it. The rest is hotel rooms, banqueting, airfares, venue hire, production and transport — money that belongs to suppliers and passes through. A MICE company presenting its billing as turnover is describing a business roughly eight times its actual size, and the error is not vanity: it produces an operator who believes a ₹40 lakh cost overrun on a ₹2 crore event is a two-per-cent problem when it is in fact larger than the entire margin on that event.** Net profit against gross billing reaches **2.89% by Year 3**, and both figures are shown throughout.

> **The second point is the exposure that defines the trade and kills the companies that fail in it: you sign the venue before the client signs you. A conference for four hundred delegates requires a hotel block, a convention hall, a food-and-beverage minimum and a production commitment — contracted eight or ten months ahead, on the strength of a client's approval "in principle", a nod in a meeting, or an email saying "please proceed while we get the PO raised". The MICE company signs. The client's budget is then cut, the event is downsized, the sponsoring executive moves, or procurement decides to re-tender — and the hotel is holding a signed contract with somebody's name on it, and that name is not the client's.** This plan takes **venue commitments made against written client authorisation from 54% to 100%**, and reduces the value committed on a verbal go-ahead from **₹1.42 crore to NIL.**

> **The third is the mechanism through which that exposure is actually realised, and it is a clause most first-time operators skim: attrition. A hotel block of four hundred room-nights carries a commitment that a defined proportion will be paid for whether or not they are occupied. Delegates cancel, the client's attendance forecast was optimistic, a division withdraws — and the difference between rooms blocked and rooms used is invoiced to the party that signed the block. Unless the client contract passes that risk through explicitly, the MICE company absorbs it, on an event where its total margin may be less than the attrition bill.** This plan improves **room-block accuracy from 71% to 91%** and **attrition recovery from the client from 68% to 96%**, and treats both as contract-drafting problems rather than operational ones.

> **And the fourth distinguishes this from every other plan in the travel vertical: the event has exactly one date. A tour that goes badly on Tuesday can be rescued by Thursday. A hotel with a poor month has another month. An event that fails on the day fails completely and permanently** — **four hundred people are in a room, the chairman is about to speak, and there is no version of the service that gets delivered late. There is no partial delivery and no second attempt**, which is why this plan reports **events delivered on date without material failure — 96.2% rising to 99.4% — as its principal operational metric.**

This plan models a MICE company requiring **₹2.20 crore** (₹80 lakh promoter + ₹30 lakh term loan + ₹1.10 crore working capital), moving from **₹24.00 crore gross billing / ₹3.12 crore net revenue and a ₹19 lakh loss** to **₹64.00 crore billing / ₹9.60 crore net revenue and ₹1.85 crore profit** by Year 3. *(Corporate MICE and event-travel producer — figures illustrative.)*

2. Business Description, Vision & Legal Structure

Concept: A MICE producer run on net revenue rather than billing, committing supplier money only against written client authorisation, passing attrition risk through by contract, and pricing every scope change before it is executed.

Vision: To be the company a client's procurement team and its event sponsor both want to work with.

Mission: Never sign a venue on a verbal instruction; price the change before we build it; block the rooms the delegates will actually use; report our margin honestly against the budget we manage; and deliver on the one date that exists.

Legal structure options

- **Private Limited** — effectively required: corporate vendor onboarding, large supplier contracting, credit terms and indemnity all assume it.
- **LLP** — possible for a small producer, though a barrier in enterprise vendor registration.
- **Proprietorship** — **unsuitable: this business signs multi-crore supplier commitments against client approvals that are sometimes informal.**

> **Regulatory anchor:** lighter than the licensed corners of this vertical, and concentrated in tax treatment, contract and event-day statutory obligations. **GST is the most consequential item and the most commonly mishandled: where the company acts as principal — contracting venues and production in its own name and rebilling — GST applies on the full billing value, while where it acts as a pure agent recovering costs at actual with a separate service fee, the treatment differs materially. Most MICE companies operate as principal on some lines and agent on others within the same event, and the distinction must be maintained line by line rather than assumed for the invoice as a whole. TDS on payments to venues, production houses and artists**; **TCS on overseas incentive travel packages** under the Income-tax Act; **FEMA and authorised-dealer compliance for foreign venue and supplier settlements**. Then the event-day layer: **venue fire, safety and occupancy compliance verified rather than assumed — the venue holds the licence but the producer who fills it beyond capacity carries responsibility**; **police and local permissions for large gatherings, and PPL/IPRS music licensing which is routinely overlooked and routinely enforced**; **FSSAI where catering is contracted directly**; **public liability insurance sized to attendance**; and **employment compliance for the large temporary workforce that appears on site for two days and is frequently undocumented in this industry.**

3. Promoter & Ownership

Led by a promoter with event production, corporate account or hospitality background. Three competences decide outcomes: *contract literacy*, because the money in this business is lost in clauses signed ten months before the event — attrition, cancellation, force majeure and scope; *the discipline to wait for paper*, since every commercial instinct pushes toward securing the venue before a competitor does, and that instinct is what produces the losses; and *production nerve*, because the event happens on one date and somebody has to hold the room together when the AV fails at 09:40. Ownership, equity & investor terms are editable inputs.

4. Market Analysis — India

Indian corporate MICE demand has grown with expanding sales forces, dealer and channel networks, and a return to in-person convening after a period of substitution. Domestic incentive travel and dealer conventions are the volume base; conferences and product launches carry the visibility.

Demand drivers

- **Large distributed sales and dealer networks** requiring annual convening — the most reliable recurring demand in the category.
- **Incentive travel as a retention and motivation tool**, budgeted separately from ordinary travel and less price-sensitive.
- **Renewed value placed on in-person meeting** after a period of virtual substitution.
- **New venue and destination capacity** in Tier-2 cities, widening what is affordable.
- **Exhibition participation** by companies without in-house event capability.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Corporate MICE spend in the served market	Sector- and budget-defined
SAM	Accounts of a scale that outsource production	Capability- and relationship-bounded
SOM (Yr 1–3)	**Events produced × net revenue per event**	₹24cr → ₹64cr billing at 13% → 15% take

> **Client concentration in MICE is more dangerous than the numbers usually suggest, and the reason is that the revenue is not merely concentrated but episodic. A single dealer convention can represent a fifth of a year's net revenue, and it recurs annually — until it does not. The decision to move it in-house, to re-tender, to halve the budget or to skip a year is made by one or two people, is frequently unrelated to the producer's performance, and arrives with a few months' notice at most. 58% of Year-1 net revenue sits with three clients on this plan, which is a normal position for a MICE company of this size and a genuinely fragile one.** Three responses, and the third is the one most operators neglect. **Diversify accounts deliberately — concentration falls to 33% by Year 3, achieved by winning smaller recurring work rather than chasing another anchor client, since a second large account replaces one fragility with two. Diversify event types within an account: a company that uses the producer for its dealer convention, its regional meetings, its product launches and its exhibition stand is far harder to displace than one relationship built on a single annual showpiece. And build the relationship below the sponsor — a MICE company known only to the CMO who commissioned it is one job change away from irrelevance, while one known to the regional marketing managers, the sales operations team and the procurement contact survives the transition. The commonest way a good MICE company loses a large account is not being beaten on a pitch; it is the person who valued them leaving.**

5. Competition & Competitive Advantage

Landscape: large national event and MICE agencies with production scale, corporate travel management companies extending into meetings, hotel and venue sales teams selling directly to clients, freelance producers assembling supplier networks per event, and clients' own in-house teams. **The competitive set includes both parties larger than this business and parties with almost no fixed cost, and it is squeezed from both.**

The business's edge

- **Written authorisation before supplier commitment**, which competitors treat as optional and which is where their losses come from.
- **Attrition passed through by contract** rather than absorbed by default.
- **Scope changes priced before execution**, ending the industry's standard post-event argument.
- **Room-block accuracy** built from historical attendance data rather than the client's optimism.

- **Delivery record on the date**, which is the only performance measure that matters in this trade.

> **Scope creep in MICE follows a pattern so consistent that it should be treated as a designed feature of the industry rather than as a series of accidents. The event is contracted at a defined scope. Then, in the final three weeks, the requests begin: an additional gala dinner, a change of venue for the awards night, forty more delegates, a second stage set, a celebrity appearance, an extended AV package. Each arrives informally — a call, a message, a corridor conversation — and each is small enough that raising a commercial discussion feels petty against the relationship. The producer executes them, because the event is in nineteen days and there is no time to argue. The commercial conversation then happens after the event, when the client's enthusiasm has passed, the sponsor is reviewing an invoice larger than the budget they approved, and the producer is trying to recover costs already incurred with no written authority. This single dynamic accounts for a large share of the disputes, write-offs and destroyed relationships in the category.** The correction is procedural and unglamorous, and it works only if applied from the first small request rather than from the first large one. **Every change is priced and confirmed in writing before it is executed, however minor and however awkward the timing. A standing change-order format is agreed at contracting, so the mechanism exists before it is needed and using it is not an escalation. A named client authoriser is identified who can approve variations, so the producer is not relying on whoever happened to make the request. And genuinely trivial goodwill items are absorbed openly and recorded**, since **a producer who charges for everything is unpleasant to work with, while one who charges for nothing has no basis on which to charge for anything.** This plan takes scope changes priced in writing before execution from **41% to 100%.**

6. Services, Commercial Model & the Attrition Clause

Service / term	Model	Commercial position
Dealer & sales conventions	Principal; full production	**Volume base; recurring annually until it is not**
Incentive travel programmes	Principal; outbound or domestic	**Best margin; TCS applies on overseas packages**
Conferences & summits	Principal or managed fee	Visibility; heavy production content
Product launches	Project fee + production	Short lead time; highest scope-creep risk
Exhibition participation	Stand design, build, logistics	Steady, lower-margin, calendar-anchored
Venue commitment on verbal go-ahead	**NIL by Year 3**	**₹1.42cr committed this way in Year 1 — the core risk**
Attrition absorbed without contractual pass-through	**Reduced to 4% by Year 3**	**A contract-drafting problem, not an operational one**
Scope executed before it is priced	**NIL by Year 3**	**The industry's standard post-event argument**

> **The attrition clause is the most expensive sentence in a MICE company's contract file, and it is routinely signed by people who have not modelled what it means.** The mechanism: **a hotel offers a favourable group rate in exchange for a room-block commitment — four hundred room-nights, of which perhaps eighty or ninety per cent must be paid for whether or not they are occupied. The producer signs, because the rate is good and the**

> **client's forecast says four hundred delegates. Then the actual number is three hundred and ten: a division withdrew, twenty people cancelled in the final week, the client's own attendance estimate was aspirational. The hotel invoices the shortfall against the block, and that invoice goes to whoever signed — which is the producer, not the client. On an event where net revenue might be ₹22 lakh, an attrition bill of ₹9 lakh is not a variance; it is nearly half the margin.** Three protections, applied in order of value. **First and most important, the client contract must pass attrition risk through explicitly — if the client's forecast drives the block, the client bears the shortfall — and this is a clause to negotiate at contracting, when nobody is thinking about it, rather than to raise after the invoice arrives. Second, block conservatively against historical attendance rather than against the client's forecast**: **a client who says four hundred and has delivered three hundred and twenty for three consecutive years is telling you three hundred and twenty, and the producer who blocks four hundred has chosen to pay for the difference.** Room-block accuracy rises from 71% to 91% here almost entirely through that discipline. **Third, negotiate release dates and staged reduction rights into the hotel contract**, which — as the tour-operator plan observed about release dates generally — **are worth more than a marginally better rate and are routinely traded away for one.**

7. Go-to-Market — Winning Work, Keeping Relationships

Acquisition

- **Referenceable events in the same sector**, which shorten every subsequent conversation.
- **Pitch discipline** — bidding selectively, since MICE pitching is expensive and win rates are low.
- **Relationships below the sponsor**, so the account survives a job change.
- **Recurring smaller work** — regional meetings, training events, exhibitions — that diversifies without chasing another anchor.

Delivery as the sales channel

- **The event itself is the pitch** — delegates include prospective clients and future decision-makers.
- **Post-event reconciliation delivered promptly and honestly**, which is unusual and remembered.
- **Attendance and engagement data** returned to the client, which most producers do not bother with.
- **The same producer on the account**, because continuity is what the client is actually buying.

Pitch cost deserves explicit management in this business because it is invisible and substantial. A serious MICE pitch consumes creative concepting, venue research, costing, sometimes a site visit and frequently a presentation to a committee — and the win rate across the industry is low. A producer bidding indiscriminately is running an unfunded marketing operation dressed as business development, which is why this plan budgets pitching explicitly and bids selectively rather than treating every RFP as an opportunity.

8. Operations Plan (authorise, contract, produce, change, reconcile)

- **Authorisation: no supplier commitment without written client authorisation — a purchase order, a signed proposal or an email that unambiguously commits, never a verbal instruction to proceed.**
- **Venue contracting: attrition pass-through, release dates and staged reduction rights negotiated as primary clauses rather than conceded for rate.**
- **Room blocking: sized against historical attendance for that client rather than against the current forecast.**
- **Production planning:** run-of-show, technical rehearsal and contingency for the failure modes that actually occur — AV, power, speaker no-show, weather at outdoor venues.

- **Change control: every variation priced and confirmed in writing before execution, using a change-order format agreed at contracting so the mechanism is not an escalation.**
- **Compliance on site: venue fire, safety and occupancy verified rather than assumed; music licensing obtained; public liability sized to attendance; temporary workforce documented.**
- **Delivery:** producer continuity from pitch to event day, **because the client bought a person as much as a company.**
- **Reconciliation: final account issued promptly with variances explained, rather than months later when memories differ.**

Control points

Area	Activity	Control point
The defining exposure	**Venue commitments on written client authorisation**	**54% → 84% → 100%**
The money at risk	**Value committed against verbal go-ahead**	**₹1.42cr → ₹68L → NIL**
The expensive clause	**Attrition recovered from client / block accuracy**	**68% → 96% / 71% → 91%**
The standard argument	**Scope changes priced in writing before execution**	**41% → 78% → 100%**
The only performance measure	**Events delivered on date without material failure**	**96.2% → 98.4% → 99.4%**
Fragility	**Top-3 client share of net revenue**	**58% → 44% → 33%**
Cash	Corporate receivable days	74 → 62 → 52

> **The event has one date, and that fact should govern how this business allocates its attention and its contingency, because it makes MICE structurally unlike every other plan in this vertical. A tour operator whose Tuesday goes badly has Wednesday to recover the customer's impression. A hotel with a poor week has next week. A travel agency that mishandles a booking can rebook it. An event either happens correctly at 09:00 on the fourteenth or it does not happen. Four hundred people will be in a room, a chairman will be about to speak, and there is no version of this service that arrives late and is still the service.** Three consequences follow. **First, contingency must be physical rather than notional — a spare projector in the building, a second generator, a backup speaker briefed, a wet-weather plan actually costed rather than mentioned — because the failure occurs at a moment when procurement is impossible. Second, rehearsal is not optional and is the first thing cut when the schedule compresses**: **the technical rehearsal is where the failure that would have happened live is discovered instead at 22:00 the night before, when it is merely expensive rather than catastrophic. Third, the producer who pitched the event should be in the room on the day**, because **the person who knows what the client actually wanted is the one who can make the right call in the four seconds available when something goes wrong.** This plan reports delivery without material failure at **96.2% rising to 99.4%**, and the residual is honest: **in a business producing hundreds of events, some will go wrong, and an operator claiming a perfect record is either very new or not counting.**

9. GST, Contract & Event-Day Compliance (India)

- **GST treatment maintained line by line** — **principal where venues and production are contracted in the company's own name and rebilled, agent where costs are recovered at actual with a separate fee; most events contain both, and assuming one treatment for the whole invoice is the common and expensive error.**

- **TDS on payments to venues, production houses, artists and speakers**; **TCS on overseas incentive travel packages.**
- **FEMA and authorised-dealer compliance** for foreign venue and supplier settlements on international programmes.
- **Venue fire, safety and occupancy compliance verified rather than assumed** — **the venue holds the licence, but the producer who fills it beyond capacity carries responsibility.**
- **Police and local permissions for large gatherings; PPL/IPRS music licensing** — **routinely overlooked and routinely enforced.**
- **FSSAI where catering is contracted directly; public liability insurance sized to attendance.**
- **Employment compliance for the large temporary on-site workforce**, **which is frequently undocumented in this industry and is a real contingent liability.**
- Written client contracts covering attrition pass-through, cancellation, force majeure, change control and payment terms.

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Promoter / managing director	1	1	2
Event producers & project managers	**18**	**30**	**46**
Operations, logistics & on-ground	16	27	42
Sales & account management	10	16	24
Creative, content & design	6	10	15
Finance & admin (incl. reconciliation)	7	11	15
Technology & registration platforms	3	5	7
Total	**61**	**100**	**151**

Salaries are 60% of net revenue and this is a people business with a large temporary workforce layered on top for each event. The permanent producer headcount is the constraint on growth rather than capital — **a producer can run a limited number of concurrent events well, and a company that takes more work than its producers can hold delivers the failure on the one date it cannot recover.** **Growth in this business is therefore the recruitment and development of producers, not the winning of accounts**, and an operator that reverses that order discovers it on an event day.

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0–4	Producer team recruited, supplier and venue network contracted with attrition and release terms negotiated, standard client contract and change-order format drafted, registration and production technology live
Launch	Month 4–12	₹24.00cr billing / ₹3.12cr net revenue; ₹19L loss; written authorisation 54%; block accuracy 71%; delivery without material failure 96.2%
Build	Year 2	Written authorisation 84%; attrition recovery 84%; scope priced before execution 78%; concentration 44%; ₹42.00cr billing / ₹5.88cr net revenue, ₹66L profit

Scale	Year 3	**₹64.00cr billing / ₹9.60cr net revenue, ₹1.85cr profit; 100% written authorisation with NIL committed on verbal go-ahead; attrition recovery 96%; block accuracy 91%; scope 100% priced before execution; delivery 99.4%; concentration 33%**

12. Financial Plan (Illustrative)

All figures are illustrative model assumptions for an Indian context, shown so the promoter can replace them with live rates. ***Authorisation discipline, attrition recovery and scope control are the levers; gross billing is not one, because seven-eighths of it belongs to suppliers.***

12.1 Project cost & means of finance

Capital requirement	₹
Working capital (venue deposits against corporate credit)	**92,00,000**
Technology (event platform, registration, production tools)	28,00,000
Marketing, bidding & pitch costs	26,00,000
Office fit-out, deposits & production store	24,00,000
Initial operating losses	22,00,000
Production equipment & AV inventory	18,00,000
Legal, registrations & insurance	10,00,000
Total project cost	**2,20,00,000**
Promoter contribution	80,00,000
Term loan	30,00,000
Working-capital facility	1,10,00,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
GROSS BILLING (client budgets managed — NOT revenue)	**24,00,00,000**	**42,00,00,000**	**64,00,00,000**
Less: venue, accommodation, F&B, transport, production paid to suppliers	*(20,88,00,000)*	*(36,12,00,000)*	*(54,40,00,000)*
NET REVENUE	**3,12,00,000**	**5,88,00,000**	**9,60,00,000**
Net revenue as % of gross billing	**13.0%**	**14.0%**	**15.0%**
— Dealer & sales conventions	1,06,00,000	1,94,00,000	3,08,00,000
— Incentive travel programmes	**78,00,000**	**1,56,00,000**	**2,68,00,000**
— Conferences & summits	62,00,000	1,18,00,000	1,92,00,000
— Product launches	38,00,000	72,00,000	1,18,00,000
— Exhibition participation	28,00,000	48,00,000	74,00,000
Salaries	**1,86,00,000**	**3,22,00,000**	**5,12,00,000**

Marketing, bidding & pitch costs	32,00,000	48,00,000	66,00,000
Attrition & unrecovered venue commitments	**26,00,000**	**30,00,000**	**32,00,000**
Finance cost (venue deposits vs corporate credit)	**18,00,000**	**26,00,000**	**34,00,000**
Technology (event platform, registration, production)	16,00,000	24,00,000	34,00,000
Rent, utilities & office	14,00,000	20,00,000	28,00,000
Admin, compliance & permits	14,00,000	20,00,000	28,00,000
Bad debt & scope disputes	**12,00,000**	**14,00,000**	**16,00,000**
Insurance & indemnity	8,00,000	12,00,000	17,00,000
Depreciation	5,00,000	6,00,000	8,00,000
Total expenses	**3,31,00,000**	**5,22,00,000**	**7,75,00,000**
Net profit / (loss) before tax	**(19,00,000)**	**66,00,000**	**1,85,00,000**
Net margin (on net revenue)	(6.1%)	11.2%	19.3%
Net profit as % of gross billing	**(0.08%)**	**1.57%**	**2.89%**
VENUE COMMITMENTS ON WRITTEN CLIENT AUTHORISATION	**54%**	**84%**	**100%**
— value committed against verbal go-ahead	**1,42,00,000**	**68,00,000**	**NIL**
ATTRITION LIABILITY RECOVERED FROM CLIENT	**68%**	**84%**	**96%**
ROOM-BLOCK ACCURACY (used vs blocked)	**71%**	**82%**	**91%**
SCOPE CHANGES PRICED IN WRITING BEFORE EXECUTION	**41%**	**78%**	**100%**
EVENTS DELIVERED ON DATE WITHOUT MATERIAL FAILURE	**96.2%**	**98.4%**	**99.4%**
TOP-3 CLIENT SHARE OF NET REVENUE	**58%**	**44%**	**33%**
Corporate receivable days / client retention	74 / 81%	62 / 88%	52 / 93%
Salaries as % of net revenue / pitch cost as % of net revenue	59.6% / 10.3%	54.8% / 8.2%	53.3% / 6.9%

12.3 Unit economics & break-even

- **₹64 crore of billing produces ₹1.85 crore of profit — 2.89%. An operator who thinks in billing will regard a ₹40 lakh overrun on a ₹2 crore event as a two-per-cent problem; on net revenue for that event it is larger than the entire margin.**
- **Attrition and unrecovered commitments run at ₹26 lakh in Year 1 against net revenue of ₹3.12 crore — 8.3% of everything earned, lost in clauses signed ten months before the events took place.**
- **Pitch cost at 10.3% of net revenue in Year 1 is real and usually invisible**; a producer bidding indiscriminately is running an unfunded marketing operation.
- **Producer capacity, not capital, limits growth — a company that takes more work than its producers can hold delivers the failure on the one date it cannot recover.**
- **Break-even: Year 2. The constraint is the working-capital facility against venue deposits, and producer bandwidth.**

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

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	52,00,000	38,00,000	28,00,000	18,00,000
Collections from clients	5,42,00,000	5,86,00,000	6,14,00,000	6,36,00,000
Venue deposits, supplier settlements, salaries & overheads	5,56,00,000	5,96,00,000	6,24,00,000	6,44,00,000
Closing balance	**38,00,000**	**28,00,000**	**18,00,000**	**10,00,000**

> **The cash position combines the tour operator's advance-deposit problem with the corporate travel company's receivable problem, and having both simultaneously is what makes MICE the most working-capital-hungry model in this vertical. Venue deposits, production advances and airline deposits are paid months before the event. The client pays 52 to 74 days after invoicing, which is after the event, on terms set by a procurement function. So the producer funds the supplier chain across a gap that can exceed six months on a large conference** — and the gap widens with success, because **a bigger event means larger deposits earlier against the same payment terms.** Three exposures deserve naming. **First, growth consumes cash violently and non-linearly: winning a ₹6 crore convention means funding perhaps ₹1.5 crore of deposits before a rupee arrives. Second, a cancelled or downsized event leaves deposits placed and frequently unrecoverable, which is exactly why the written-authorisation discipline is a cash control rather than a legal nicety. Third, scope changes executed but not priced become receivables the client disputes, so the money is spent, invoiced late and collected slowly if at all.** The controls: **the facility sized against peak concurrent deposit exposure rather than average revenue; client payment milestones structured to precede major supplier commitments wherever the relationship permits; deposits placed only against written authorisation; and change orders priced before execution so every rupee invoiced has a document behind it.**

12.5 Key Performance Indicators to Monitor

- **The exposure: value committed against verbal authorisation; deposits at risk on unconfirmed events; concurrent deposit exposure against facility headroom.**
- **The clauses: attrition recovered from client; room-block accuracy against historical attendance; release dates secured in venue contracts.**
- **Scope: changes priced before execution; value of unpriced scope executed; disputed invoice value and ageing.**
- **Delivery & structure:** events delivered without material failure; producer concurrent-event load; top-3 client concentration; pitch win rate and pitch cost per win.

13. Funding Requirement & Bankability

Total ask: **₹30 lakh term loan plus a ₹1.10 crore working-capital facility** against ₹80 lakh promoter contribution. Four points. **First, read on net revenue — ₹64 crore of billing is client budget passing through, and ₹9.60 crore is what this business earns and services debt from. Second, size the facility against peak concurrent deposit exposure rather than average monthly revenue**: **this business pays venue and production deposits months ahead and collects 52–74 days after the event, so a large win consumes cash immediately and the requirement scales with the size of individual events rather than with turnover. Third, the most useful diagnostic available in this trade: ask what value of supplier commitment is currently outstanding against events that have no written client authorisation. A MICE company with ₹1.42 crore committed on verbal go-aheads is not running a working-capital risk, it is running an unsecured exposure to clients who have not**

agreed to anything — and this is the single commonest cause of failure in the category. Fourth, treat client concentration and attrition recovery as covenants: 58% of net revenue from three accounts is normal for this size and genuinely fragile, and an operator absorbing attrition rather than passing it through by contract is losing a material share of margin in clauses signed long before anybody was watching.

13.1 Funding utilisation

Use of funds	₹	% of total
Working capital (venue deposits against corporate credit)	92,00,000	41.8%
Technology (event platform, registration, production tools)	28,00,000	12.7%
Marketing, bidding & pitch costs	26,00,000	11.8%
Office fit-out, deposits & production store	24,00,000	10.9%
Initial operating losses	22,00,000	10.0%
Production equipment & AV inventory	18,00,000	8.3%
Legal, registrations & insurance	10,00,000	4.5%
Total	**2,20,00,000**	**100%**

14. Risk Analysis & Mitigation

Risk	Mitigation
You sign the venue before the client signs you	**SETS THIS PLAN'S GOVERNING CONVENTION AND IS THE EXPOSURE THAT KILLS COMPANIES IN THIS TRADE: A CONFERENCE FOR FOUR HUNDRED DELEGATES REQUIRES A HOTEL BLOCK, A HALL, AN F&B MINIMUM AND A PRODUCTION COMMITMENT CONTRACTED EIGHT OR TEN MONTHS AHEAD — ON THE STRENGTH OF APPROVAL "IN PRINCIPLE", A NOD IN A MEETING, OR AN EMAIL SAYING "PLEASE PROCEED WHILE WE GET THE PO RAISED". THE MICE COMPANY SIGNS; THE BUDGET IS THEN CUT, THE EVENT DOWNSIZED, THE SPONSORING EXECUTIVE MOVES OR PROCUREMENT RE-TENDERS — AND THE HOTEL IS HOLDING A SIGNED CONTRACT WITH SOMEBODY'S NAME ON IT, AND THAT NAME IS NOT THE CLIENT'S** → no supplier commitment without written client authorisation (54%→84%→100%; value committed on verbal go-ahead ₹1.42cr→₹68L→NIL), **WHICH IS A CASH CONTROL RATHER THAN A LEGAL NICETY**
The attrition clause	**THE MOST EXPENSIVE SENTENCE IN A MICE COMPANY'S CONTRACT FILE, ROUTINELY SIGNED BY PEOPLE WHO HAVE NOT MODELLED IT: A HOTEL OFFERS A FAVOURABLE GROUP RATE FOR A ROOM-BLOCK COMMITMENT WHERE 80–90% MUST BE PAID FOR WHETHER OCCUPIED OR NOT; THE ACTUAL NUMBER IS THREE HUNDRED AND TEN AGAINST FOUR HUNDRED BLOCKED, AND THE SHORTFALL IS INVOICED TO WHOEVER SIGNED — THE PRODUCER, NOT THE CLIENT. ON AN EVENT WHERE NET REVENUE MIGHT BE ₹22 LAKH, AN ATTRITION BILL OF ₹9 LAKH IS NOT A VARIANCE; IT IS NEARLY HALF THE MARGIN** → attrition passed through explicitly in the CLIENT contract, negotiated at contracting **WHEN NOBODY IS THINKING ABOUT IT, RATHER THAN RAISED AFTER THE INVOICE ARRIVES** (recovery 68%→96%); blocks sized against HISTORICAL attendance not the client's forecast, since **A CLIENT WHO SAYS FOUR HUNDRED AND HAS DELIVERED THREE HUNDRED AND TWENTY FOR THREE YEARS IS TELLING YOU THREE HUNDRED AND TWENTY, AND THE PRODUCER WHO BLOCKS FOUR HUNDRED HAS CHOSEN TO PAY FOR THE DIFFERENCE** (accuracy 71%→91%); and release dates negotiated as primary clauses, **WORTH MORE THAN A MARGINALLY BETTER RATE AND ROUTINELY TRADED AWAY FOR ONE**

Scope creep is a designed feature, not a series of accidents	**THE PATTERN IS SO CONSISTENT IT SHOULD BE TREATED AS STRUCTURAL: IN THE FINAL THREE WEEKS THE REQUESTS BEGIN — AN ADDITIONAL GALA DINNER, FORTY MORE DELEGATES, A SECOND STAGE SET, A CELEBRITY APPEARANCE — EACH ARRIVING INFORMALLY AND EACH SMALL ENOUGH THAT RAISING A COMMERCIAL DISCUSSION FEELS PETTY AGAINST THE RELATIONSHIP. THE PRODUCER EXECUTES, BECAUSE THE EVENT IS IN NINETEEN DAYS. THE COMMERCIAL CONVERSATION THEN HAPPENS AFTER THE EVENT, WHEN ENTHUSIASM HAS PASSED, THE SPONSOR IS REVIEWING AN INVOICE LARGER THAN THE BUDGET THEY APPROVED, AND THE PRODUCER IS TRYING TO RECOVER COSTS ALREADY INCURRED WITH NO WRITTEN AUTHORITY — WHICH ACCOUNTS FOR A LARGE SHARE OF THE DISPUTES, WRITE-OFFS AND DESTROYED RELATIONSHIPS IN THE CATEGORY** → every change priced and confirmed in writing before execution (41%→100%), using a change-order format agreed at contracting **SO THE MECHANISM EXISTS BEFORE IT IS NEEDED AND USING IT IS NOT AN ESCALATION**; a named client authoriser identified; and trivial goodwill items absorbed openly and recorded, since **A PRODUCER WHO CHARGES FOR EVERYTHING IS UNPLEASANT TO WORK WITH, WHILE ONE WHO CHARGES FOR NOTHING HAS NO BASIS ON WHICH TO CHARGE FOR ANYTHING**
The event has exactly one date	**STRUCTURALLY UNLIKE EVERY OTHER PLAN IN THIS VERTICAL: A TOUR THAT GOES BADLY ON TUESDAY HAS THURSDAY; A HOTEL WITH A POOR WEEK HAS NEXT WEEK; AN EVENT EITHER HAPPENS CORRECTLY AT 09:00 ON THE FOURTEENTH OR IT DOES NOT HAPPEN — FOUR HUNDRED PEOPLE WILL BE IN A ROOM, A CHAIRMAN WILL BE ABOUT TO SPEAK, AND THERE IS NO VERSION OF THIS SERVICE THAT ARRIVES LATE AND IS STILL THE SERVICE** → contingency PHYSICAL rather than notional (spare projector in the building, second generator, backup speaker briefed, wet-weather plan costed) **BECAUSE THE FAILURE OCCURS AT A MOMENT WHEN PROCUREMENT IS IMPOSSIBLE**; technical rehearsal protected as the first thing cut when schedules compress, since **IT IS WHERE THE LIVE FAILURE IS DISCOVERED INSTEAD AT 22:00 THE NIGHT BEFORE, WHEN IT IS MERELY EXPENSIVE RATHER THAN CATASTROPHIC**; and the pitching producer in the room on the day, **BECAUSE THE PERSON WHO KNOWS WHAT THE CLIENT ACTUALLY WANTED IS THE ONE WHO CAN MAKE THE RIGHT CALL IN THE FOUR SECONDS AVAILABLE** (delivery 96.2%→99.4%, and **AN OPERATOR CLAIMING A PERFECT RECORD IS EITHER VERY NEW OR NOT COUNTING**)
Concentration that is episodic as well as large	**A SINGLE DEALER CONVENTION CAN BE A FIFTH OF A YEAR'S NET REVENUE AND RECURS ANNUALLY — UNTIL IT DOES NOT. THE DECISION TO MOVE IT IN-HOUSE, RE-TENDER, HALVE THE BUDGET OR SKIP A YEAR IS MADE BY ONE OR TWO PEOPLE, IS FREQUENTLY UNRELATED TO PERFORMANCE, AND ARRIVES WITH A FEW MONTHS' NOTICE** → concentration 58%→33% via smaller recurring work rather than another anchor, **SINCE A SECOND LARGE ACCOUNT REPLACES ONE FRAGILITY WITH TWO**; event-type diversification within accounts; and relationships built BELOW the sponsor, because **THE COMMONEST WAY A GOOD MICE COMPANY LOSES A LARGE ACCOUNT IS NOT BEING BEATEN ON A PITCH — IT IS THE PERSON WHO VALUED THEM LEAVING**
Deposits out early, payment in late	**COMBINES THE TOUR OPERATOR'S ADVANCE-DEPOSIT PROBLEM WITH THE CORPORATE TRAVEL COMPANY'S RECEIVABLE PROBLEM, AND HAVING BOTH SIMULTANEOUSLY MAKES MICE THE MOST WORKING-CAPITAL-HUNGRY MODEL IN THIS VERTICAL: DEPOSITS MONTHS AHEAD, PAYMENT 52–74 DAYS AFTER THE EVENT, SO THE GAP CAN EXCEED SIX MONTHS ON A LARGE CONFERENCE — AND IT WIDENS WITH SUCCESS, SINCE A BIGGER EVENT MEANS LARGER DEPOSITS EARLIER AGAINST THE SAME TERMS. WINNING A ₹6 CRORE CONVENTION MEANS FUNDING PERHAPS ₹1.5 CRORE OF DEPOSITS BEFORE A RUPEE ARRIVES** → facility sized against PEAK CONCURRENT deposit exposure; client payment milestones structured to precede major supplier commitments; deposits only against written authorisation; change orders priced before execution **SO EVERY RUPEE INVOICED HAS A DOCUMENT BEHIND IT**

Pitch cost is real and invisible	**A SERIOUS PITCH CONSUMES CREATIVE CONCEPTING, VENUE RESEARCH, COSTING, SOMETIMES A SITE VISIT AND FREQUENTLY A COMMITTEE PRESENTATION, AND INDUSTRY WIN RATES ARE LOW — A PRODUCER BIDDING INDISCRIMINATELY IS RUNNING AN UNFUNDED MARKETING OPERATION DRESSED AS BUSINESS DEVELOPMENT** → pitching budgeted explicitly (10.3%→6.9% of net revenue) and bids taken selectively rather than treating every RFP as an opportunity
GST treatment & event-day compliance	**GST MUST BE MAINTAINED LINE BY LINE — PRINCIPAL WHERE VENUES AND PRODUCTION ARE CONTRACTED IN OUR NAME AND REBILLED, AGENT WHERE COSTS ARE RECOVERED AT ACTUAL WITH A SEPARATE FEE; MOST EVENTS CONTAIN BOTH, AND ASSUMING ONE TREATMENT FOR THE WHOLE INVOICE IS THE COMMON AND EXPENSIVE ERROR** → line-level treatment; TDS on venues, production, artists and speakers; TCS on overseas incentive packages; FEMA on foreign settlements. On site: **VENUE FIRE, SAFETY AND OCCUPANCY VERIFIED RATHER THAN ASSUMED, SINCE THE VENUE HOLDS THE LICENCE BUT THE PRODUCER WHO FILLS IT BEYOND CAPACITY CARRIES RESPONSIBILITY**; PPL/IPRS music licensing, **ROUTINELY OVERLOOKED AND ROUTINELY ENFORCED**; public liability sized to attendance; **TEMPORARY ON-SITE WORKFORCE DOCUMENTED, WHICH THIS INDUSTRY FREQUENTLY DOES NOT DO AND WHICH IS A REAL CONTINGENT LIABILITY**

15. SWOT Analysis

Strengths **Written authorisation before supplier commitment — where competitors' losses come from**; attrition passed through by contract rather than absorbed; **scope priced before execution, ending the industry's standard post-event argument**; blocks sized on historical attendance; delivery record on the date.	**Weaknesses** **Most working-capital-hungry model in the vertical — deposits months early against 52–74 day payment**; 58% of Year-1 revenue from three episodic accounts; **pitch cost at 10.3% of net revenue with low industry win rates**; producer capacity caps growth; loss-making in Year 1.
Opportunities Large distributed dealer and sales networks requiring annual convening; **incentive travel budgeted separately and less price-sensitive**; renewed value on in-person meeting; **new venue capacity in Tier-2 cities widening what is affordable**; event-type diversification within existing accounts.	**Threats** **A single anchor client moving the convention in-house or re-tendering**; national agencies with production scale and freelancers with no fixed cost squeezing from both sides; **venues selling directly to clients**; a material failure on an event date that cannot be recovered; budget cuts after commitments are signed.

16. Recommended AiSevak Tools for This Business

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

- **The exposure: supplier-commitment register flagging every commitment without written client authorisation, value-at-risk on unconfirmed events, concurrent deposit exposure against facility headroom.**
- **The clauses: attrition pass-through checklist for client contracts, room-block sizing model built on that client's historical attendance, release-date and staged-reduction tracker per venue contract.**
- **Scope control: change-order workflow requiring written pricing before execution, named-authoriser register per client, unpriced-scope-executed value report.**
- **Delivery:** run-of-show and technical-rehearsal completion tracking, physical contingency checklist by venue type, producer concurrent-load monitor, material-failure log with cause.

- **Commercial:** gross-billing-versus-net-revenue reporting by event, pitch cost per win, client concentration and event-type spread, GST principal-versus-agent line classification.

17. Key Assumptions & Notes

- MICE and event-travel business: meetings, incentives, conferences and exhibitions producer delivering dealer and sales conventions, incentive travel programmes, conferences, product launches and exhibition participation as principal. ▯ **NINTH PLAN IN THE TRAVEL VERTICAL — PRINCIPAL SUB-MODEL, INHERITING THE EVENTS VERTICAL'S GROSS-VERSUS-NET BILLING RULE.**
- ⚠ **GOVERNING CONVENTION FOR THE MICE SUB-MODEL, SET HERE: (a) GROSS BILLING IS NOT REVENUE — ₹24 CRORE BILLED, ₹3.12 CRORE EARNED, AND AN OPERATOR WHO THINKS IN BILLING WILL REGARD A ₹40 LAKH OVERRUN ON A ₹2 CRORE EVENT AS A TWO-PER-CENT PROBLEM WHEN IT EXCEEDS THE ENTIRE MARGIN ON THAT EVENT. (b) YOU SIGN THE VENUE BEFORE THE CLIENT SIGNS YOU — THE DEFINING EXPOSURE AND THE COMMONEST CAUSE OF FAILURE IN THE CATEGORY. (c) THE ATTRITION CLAUSE IS THE MOST EXPENSIVE SENTENCE IN THE CONTRACT FILE AND IS A CONTRACT-DRAFTING PROBLEM, NOT AN OPERATIONAL ONE. (d) SCOPE CREEP IS A DESIGNED FEATURE OF THE INDUSTRY, NOT A SERIES OF ACCIDENTS. (e) THE EVENT HAS EXACTLY ONE DATE — NO PARTIAL DELIVERY, NO SECOND ATTEMPT.**
- **ON THE ROOM BLOCK: A CLIENT WHO SAYS FOUR HUNDRED AND HAS DELIVERED THREE HUNDRED AND TWENTY FOR THREE CONSECUTIVE YEARS IS TELLING YOU THREE HUNDRED AND TWENTY, AND THE PRODUCER WHO BLOCKS FOUR HUNDRED HAS CHOSEN TO PAY FOR THE DIFFERENCE** → blocks sized on historical attendance (accuracy 71%→91%), attrition passed through in the client contract at contracting time (recovery 68%→96%), and release dates negotiated as primary clauses — **THE SAME OBSERVATION THE TOUR-OPERATOR PLAN MADE, THAT RELEASE DATES ARE WORTH MORE THAN A MARGINALLY BETTER RATE AND ARE ROUTINELY TRADED AWAY FOR ONE.**
- **ON SCOPE: THE CORRECTION WORKS ONLY IF APPLIED FROM THE FIRST SMALL REQUEST RATHER THAN THE FIRST LARGE ONE — A STANDING CHANGE-ORDER FORMAT AGREED AT CONTRACTING SO THE MECHANISM EXISTS BEFORE IT IS NEEDED AND USING IT IS NOT AN ESCALATION; A NAMED CLIENT AUTHORISER SO THE PRODUCER IS NOT RELYING ON WHOEVER HAPPENED TO MAKE THE REQUEST; AND TRIVIAL GOODWILL ITEMS ABSORBED OPENLY AND RECORDED, BECAUSE A PRODUCER WHO CHARGES FOR EVERYTHING IS UNPLEASANT TO WORK WITH WHILE ONE WHO CHARGES FOR NOTHING HAS NO BASIS ON WHICH TO CHARGE FOR ANYTHING** (41%→78%→100% priced before execution).
- Economics & cash — **THE MOST WORKING-CAPITAL-HUNGRY MODEL IN THIS VERTICAL, COMBINING THE TOUR OPERATOR'S ADVANCE DEPOSITS WITH THE CORPORATE TRAVEL COMPANY'S RECEIVABLES: DEPOSITS MONTHS AHEAD AGAINST PAYMENT 52–74 DAYS AFTER THE EVENT, A GAP THAT CAN EXCEED SIX MONTHS AND WIDENS WITH SUCCESS BECAUSE A BIGGER EVENT MEANS LARGER DEPOSITS EARLIER AGAINST THE SAME TERMS — WINNING A ₹6 CRORE CONVENTION MEANS FUNDING PERHAPS ₹1.5 CRORE BEFORE A RUPEE ARRIVES. ATTRITION AND UNRECOVERED COMMITMENTS RUN AT 8.3% OF YEAR-1 NET REVENUE, LOST IN CLAUSES SIGNED TEN MONTHS BEFORE THE EVENTS TOOK PLACE** (Y1 −₹19L → Y3 ₹1.85cr; net margin −6.1%→11.2%→19.3%; net profit on gross billing −0.08%→2.89%; take rate 13.0%→15.0%; break-even Year 2; **PRODUCER CAPACITY NOT CAPITAL LIMITS GROWTH, AND A COMPANY THAT TAKES MORE WORK THAN ITS PRODUCERS CAN HOLD DELIVERS THE FAILURE ON THE ONE DATE IT CANNOT RECOVER**). Regulatory: **GST MAINTAINED LINE BY LINE BETWEEN PRINCIPAL AND AGENT TREATMENT, SINCE MOST EVENTS CONTAIN BOTH AND ASSUMING ONE FOR THE WHOLE INVOICE IS THE COMMON AND EXPENSIVE ERROR**; TDS on venues, production, artists and speakers; TCS on overseas incentive packages; FEMA on foreign settlements; **VENUE FIRE, SAFETY AND OCCUPANCY VERIFIED RATHER THAN ASSUMED, BECAUSE THE VENUE HOLDS THE LICENCE BUT THE PRODUCER WHO FILLS IT BEYOND CAPACITY CARRIES RESPONSIBILITY**; PPL/IPRS licensing;

FSSAI where catering is direct; public liability sized to attendance; temporary-workforce employment compliance. Lender note: **READ ON NET REVENUE — ₹64CR OF BILLING IS CLIENT BUDGET PASSING THROUGH AND ₹9.60CR SERVICES DEBT**; **SIZE THE FACILITY AGAINST PEAK CONCURRENT DEPOSIT EXPOSURE RATHER THAN AVERAGE REVENUE, SINCE THE REQUIREMENT SCALES WITH INDIVIDUAL EVENT SIZE RATHER THAN TURNOVER**; **ASK WHAT VALUE OF SUPPLIER COMMITMENT IS OUTSTANDING AGAINST EVENTS WITH NO WRITTEN CLIENT AUTHORISATION — A MICE COMPANY WITH ₹1.42 CRORE COMMITTED ON VERBAL GO-AHEADS IS NOT RUNNING A WORKING-CAPITAL RISK BUT AN UNSECURED EXPOSURE TO CLIENTS WHO HAVE NOT AGREED TO ANYTHING, AND THIS IS THE SINGLE COMMONEST CAUSE OF FAILURE IN THE CATEGORY**; and **TREAT CLIENT CONCENTRATION AND ATTRITION RECOVERY AS COVENANTS.** ₹2.20cr, billing 24.00→64.00cr, net revenue 3.12→9.60cr, 61→151 staff, delivery 96.2%→99.4%. Figures illustrative, exclude GST.

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