

THE BUSINESS PLAN OF IPANEMA, CLUB DE BOSSA NOVA
IN BANGKOK, THAILAND

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AN INDEPENDENT STUDY

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Executive Summary

Business Background

Ipanema, club de bossa nova is a high end bar which will be located in Sukhumvit area. It's the place to relax, kick back and listen to the elegant rhythms of bossa nova, a jazz and samba combined music style from Brazil. The club is named after the most famous bossa nova song "Garota de Ipanema / Girl from Ipanema." Ipanema, club de bossa nova; a classy styled club with a Brazilian flavor to it.

Target Market & Forecast

Target market are upper income citizens. The profile of this target market can be profiled as high society (hi-so). Characteristics of this group can be; well educated, high social prestige, good job, well known family, sophisticated, investors, business men, entrepreneurs, diplomats, politicians etc. In addition, people who aspire to live the high society live are targeted as well.

This is a growing group since Thailand has seen the biggest growth of High Net Worth Individuals with an estimated growth of 12.8%. According to the Nation Multimedia, the amount of HNWI's in Thailand is approximately 50,000. This means 50,000 people in Thailand have assets of more than US\$1 million (Bt30 million).

Sales forecast is to attract 24,150 customers within the first year and create a sales revenue of THB 12,075,000. For the consecutive years a growth of respectively 15%, 11% and 10% is expected.

Competitive Advantages

The competitive advantage is that Ipanema offers a different style of music and therefore creates a whole new atmosphere and vibe in comparison with most regular jazz and blues clubs. This is reflected not only in the music but also in the artists, staff, drinks, food, decoration etc. The bossa nova look and feel is everywhere around the customer. Brazilian samba and jazz vibes will wave through Ipanema.

Some distinctive features are:

- Live music from the best bossa nova artists
- Cachaça and cachaça cocktails
- Authentic Brazilian barkeeper to serve the best Cachaça cocktails
- Cachaça tastings (like whiskey and wine tastings)
- Traditional Brazilian food (only small dishes)
- VIP area with conference room
- Souvenir shop with bossa nova and other cultural Brazilian products

Sustainability

Three major trends for the next three years contribute to the sustainability of Ipanema:

- FIFA World Cup Football 2014 in Brazil
- ASEAN 2015
- Olympics 2016 in Brazil

Furthermore, the first years are focused on the core business. However, side services like cachaça tastings and conference meetings can be further exploited. Furthermore, the gift shop will grow overtime and meet customer preferences more precisely. Next to that, Ipanema has the option to invite other cultures into its concept if there's a lack of interest in Brazilian culture.

Team

The team will have the following 7 members:

CEO	Operations Manager	Bartender	Waitress 1
Waitress 2	Door staff	Kitchen help/Runner	

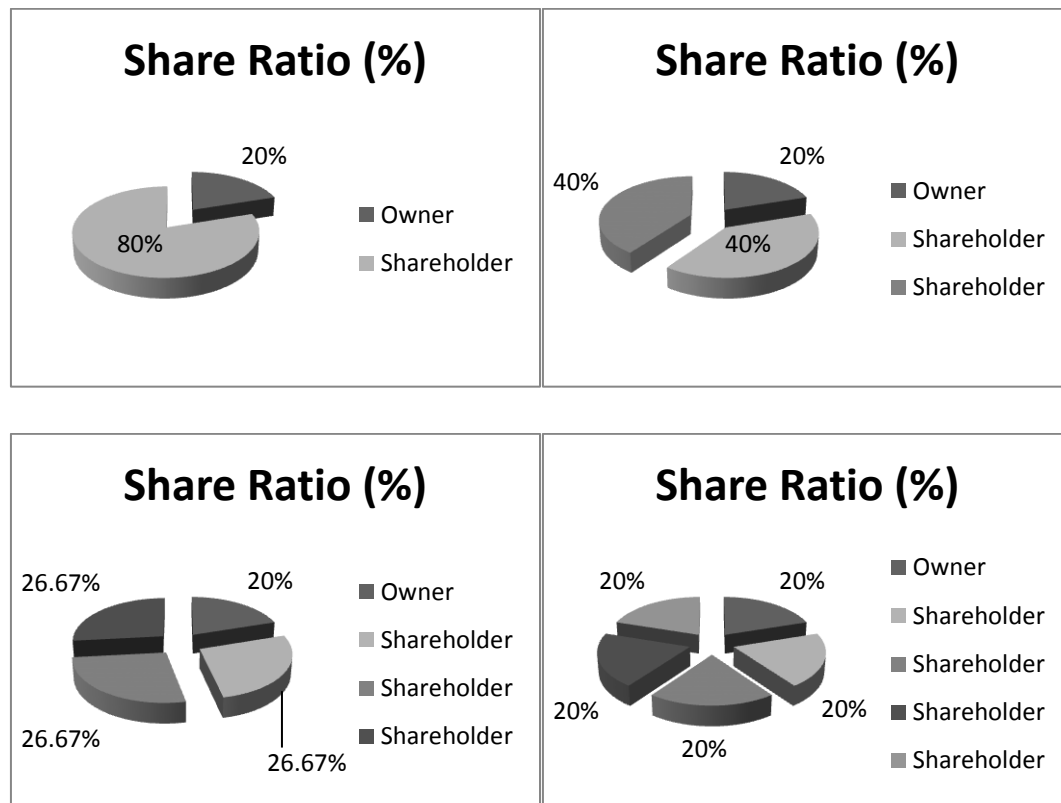
Business Proposal

To start operations an initial investment of THB 4,000,000 is needed. In exchange for this, 80% equity share will be available to acquire. The remaining 20% is reserved for the owner (the inventor of the business plan). The following four options will be considered:

1. One shareholder acquires 80% equity share in return for an initial investment of THB 4,000,000.
2. Two shareholders acquire both 40% equity share in return for an initial investment of THB 2,000,000 each.
3. Three shareholders acquire each 26,667% equity share in return for an initial investment of THB 1,333,333 each.
4. Four shareholders acquire each 20% equity share in return for an initial investment of THB 1,000,000 each.

Thus the price for 1% equity share is THB 50,000 with a maximum of four additional shareholders. See chart:

Figure 1: Business Proposal



Chapter I

Introduction

Business Background

Ipanema, club de bossa nova is a high end bar which will be located in Sukhumvit area. It's the place to relax, kick back and listen to the elegant rhythms of bossa nova, a jazz and samba combined music style from Brazil. The club is named after the most famous bossa nova song "Garota de Ipanema / Girl from Ipanema." Ipanema, club de bossa nova; a classy styled club with a Brazilian flavor to it.

Mission

It is Ipanema's mission to provide a subliminal customer experience by sharing Brazilian values and traditions to spread happiness, companionship and an escape from daily routine in an inspiring environment.

Vision

Our vision is to be the #1 place to go out for our target market by exceeding guests' expectations.

Strategy & Goals

Ipanema intends to open a bossa nova bar in Chidlom area. The club will be designed in a way to create a Brazilian look and feel. Ipanema will target high income consumers to generate a sufficient profit margin. We will justify our profit margin by creating value and a subliminal customer experience. Our key performance indicators (KPI's) are:

- Skilled staff
- Quality music artists
- Premium brands
- Outstanding service

Furthermore, the necessary marketing promotions and initiatives will be executed in order to gain brand awareness and new customers.

Goals help businesses to allocate their time and resources more efficiently and create a clear direction for a company. Ipanema has listed the following goals:

Exceed Customer Expectations

Making our guest feel special is our top priority. Creating additional value in our service we strive to provide a customer experience that exceeds expectations.

Invest in Excellence

We will invest in excellent people, leading brands and external stakeholders important to our businesses' success.

Strive for Long Enduring Relationships

Nurture a winning network of customers and suppliers by seeking shared interests, to create mutual, enduring value.

Create Substantial Value For Shareholders

We will execute our business plans to create sustainable growth and generate substantial returns for shareholders.

Logo & Slogan

The following logo is designed for the communication purpose of Ipanema, Club de Bossa Nova:

Figure 2: Logo of Ipanema, Club de Bossa Nova



Brand Name: Ipanema

Slogan: Club de Bossa Nova

Chapter II

Market Research & Analysis

Target Market

My business idea is designed to serve a distinctive kind of entertainment for upper income citizens. The profile of this target market can be profiled as high society (hi-so). Characteristics of this group can be; well educated, high social prestige, good job, well known family, sophisticated, investors, business men, entrepreneurs, diplomats, politicians etc. In addition, people who aspire to live the high society live are targeted as well. This means they may not fall into the income category of the high income group but do want to express or experience the same. Furthermore, after the completion of the AEC, more high income profiles will visit Thailand and will be considered as a target group.

Market Size and Trends

Since Ipanema is a luxurious based concept, segmentation will be done on national incomes. This segmentation group will be considered as the target market group. However, it does not reflect the sales forecast since it excludes variables as penetration grade, repeat purchases, average spending, below the line incomes and international consumers.

A good indicator to look at top incomes of a country is the High Net Worth Individuals (HNWI) segment. According to the Asia-Pacific Wealth Report 2012 by RBC Wealth Management and Capgemini, the number of high-net-worth individuals in Asia-Pacific surpassed both the US and Europe for the first time. In 2011, the population of high-net-worth individuals (HNWIs) in Asia-Pacific reached 3.37 million, more than in any other region.

Thailand remarkably has seen the biggest growth of the region in this segment with an estimated growth of 12.8% of HNWI's. According to the Nation Multimedia, the amount of HNWI's in Thailand is approximately 50,000. This means 50,000 people in Thailand have assets of more than US\$1 million (Bt30 million).

There is little to no information about the group size of incomes between \$100,000 and \$1 million. Some sources indicate that 15% of the population of Thailand can be considered as ‘‘high income.’’ The Worldbank provides the following data which shows equalities to these figures:

Table 1: WORLD BANK INDICATORS - THAILAND - INCOME DISTRIBUTION

	2010
Income share held by second 20% in Thailand	10.1
Income share held by third 20% in Thailand	14.3
Income share held by fourth 20% in Thailand	21.3
Income share held by highest 20% in Thailand	47.7
Income share held by highest 10% in Thailand	31.8
Income share held by lowest 10% in Thailand	2.8
Income share held by lowest 20% in Thailand	6.6
GINI index in Thailand	40.5

This means that 20% of the people in Thailand are responsible for 47.7% of the GDP. If we define this group as high income than we can make the following calculation:

$$20\% \times 66,785,001 \text{ (population Thailand 2012, Worldbank)} = 13,357,0002$$

This group includes the 50,000 people with an income above \$1 million. Excluded are potential customers below this income group and potential international guests. The exact sales forecast will be taken into account on the income statement.

Competitor Analysis

Immediate competitors

Brown Sugar

Opening Hours: 17:00-02:00 (live music from 21:30)

Location: 469 Phrasumen rd. Banglumpoo Bangkok

Style: Husky, dark, American

Situated in one of the best high end places of Bangkok, Brown Sugar is located in an excellent area to serve its target market. The club is open during the day as a restaurant and coffee house, and at night for drinks with live music 7 days a week. They have a big space on its second floor to serve art exhibition, film screening, plays, poetry reading, private events/functions, performances and concerts, and all other art/music events.

Pro's

Lot of live music
Great location and view
Fine acoustic and design
Restaurant as well

Con's

Staff doesn't speak proper English
Long ordering time

Saxophone pub

Opening Hours: 18:00 - 02:00

Location: 3/8 Victory Monument Phayathai, Bangkok

Style: Classic pub

Saxophone pub is one of the famous jazz/blues club in Bangkok. The place looks like a traditional pub and attracts a younger crowd. It has a big stage, backed up by a big bar. The club offers several places to sit but also to stand. Especially in the weekends it can be really packed. Inside it has cozy interior and good acoustic. Variety of drinks is sufficient and food is available too. Every night there are different artists/bands for live music. Furthermore, it's located near victory monument which is easy to reach.

Pro's

Live music, with different artists
Great location
Fine acoustic
Brand value

Con's

No focus strategy on HNWI's
No innovation, no changes
Inconsistent music styles
Service not outstanding

Black the jazz spot

Address: 8/1 Sukhumvit Soi 33

Opening Hours: 18:30 -24:00 (first performance at 19:00)

Style: Dark, intimate full jazz bar

Black the jazz spot is a relatively new club, founded/managed by two jazz fanatics. It promises a true jazz experience. The club is located in a street with many gogo bars and massage parlors. It's on the second floor of a building which is a little bit hidden from the street. Visibility of the club and its brand name is low. When entering the club, the place looks dark, intimate and elegant. It's the place where you can find seclusion and sit back to enjoy the music with a nice drink. Food, however, is not available. Only a small bucket of peanuts. The first performance starts at 19:00 and is usually a solo artist, before the main band takes to the stage around 21:00. Entry is free before 20:30 but afterwards there is a cover charge of 200 baht per person. Drinks start from 210 baht and service fee is excluded.

Pro's

Live music, with different artists

No service fee

Affinity with jazz

Easy to find seclusion

Con's

Location (doesn't suit image)

Visibility

No food

Entrance fee

Impending competitors

The living room

Address: 1st floor, Sheraton Grande Sukhumvit, 250 Sukhumvit Road

Opening Hours: 09:00 - 00:00

Style: Open, light, partially hotel

The living room is on the first floor of the Sheraton Grande, a great location on Sukhumvit road. The place is easy to find and hotel staff is ready to help you to bring you to the right floor. The hotel is quite big and gives an open feeling. It's not the romantic candle light place but it shows elegance and sophistication. There's a jazz band or musician every night. The menu shows a great variety of cocktails and wines and food is also available. They have a high presence on social media and monitor reviews on networks ,such as trip advisor, very narrow.

Pro's

Live music, with different artists
Great location
Wide variety on menu
Online presence

Con's

Lack of intimacy
Partially hotel / missed identity

Bamboo bar

Opening Hours: 11am-2am (Friday-Saturday) - 11am-1am (Sunday-Thursday)

Address: Mandarin Oriental Bangkok, 48 Oriental Avenue

Style: Jungle, exotic

Located in Bangkok's riverside area, Bamboo bar offers a beautiful view on the river with romantic lightened boats on it. Watching sunset is a real treat. The bar is inside the Mandarin Oriental hotel. Apart from the great location, Bamboo bar is unique in its style. It differs from the typical jazz bars by creating a jungle/exotic inside design. It has an old school feeling and a great acoustic. Furthermore, the place is famous for its cocktails since they have a skilled bartender.

Pro's

Live music every day
Great location with nice view
Skilled bartender
Unique theme/design

Con's

Lack of intimacy
Partially hotel

Invisible competitors

Chinese entrepreneurs who come and settle in Thailand. Chinese tourism is taking off since a couple of years in Thailand and therefore form an attractive target market for Chinese entrepreneurs.

Brazil entrepreneurs who come and settle in Thailand. There's not a lot of Brazilian tourism in Thailand but due to the close relationship of my concept with Brazil this can be a potential danger. A copying competitor could be on the watch.

Industry Analysis (Porter)

Euromonitor provides the following data about the café/bar industry in Thailand:

Cafés/bars showed declining growth during the period 2009-2011, as large numbers of independent cafés/bars had to close down. Particularly those with a poor financial position, were not able to survive in the market during the economic recession in 2009, political unrest in 2010 and flooding in 2011, which led to slow growth in overall bars/pubs during the last three years.

Overall cafés/bars is anticipated to increase by a CAGR of 4% over the forecast period, with bars/pubs expected to see a recovery in growth over the forecast period. After the political turmoil, as well as the flooding, players in bars/pubs are expected to boost sales with promotions and new outlet expansion.

Six Forces Porter:

Threat of new entrants

The threat of new entrants is relatively low since it takes quite some investment and risk to start in this particular segment and target this specific group of people. Quality control and

skilled labor play a very important role and ask more attention and specific skills than any ordinary bar. Therefore, most new entrants hesitate to step in this industry. The threat of this group can therefore be considered low.

Rivalry among existing firms

The rivalry among existing bars which target the same group of consumers is very high. Sukhumvit has a very high concentration of high society clubs and rooftop bars. All present themselves as exclusive and unique and fight for a piece of the pie. Then there are other parts of Bangkok as well where bars target the same market. It's a very competitive industry which has all the characteristics of a red ocean.

Threat of substitute products

The substitute is any form of entertainment that can fill in a 'night out.' Instead of going out for a drink, consumers have the choice of a wide variety of options to choose from to plan their entertainment. A trip to the movies, eating at a restaurant, going for a play of pool, etc. can all fulfill the need of going out. However, it does only satisfy a general need not a specific need. Nonetheless, we can consider the threat of substitutes very high.

Bargaining power of suppliers

For this specific business model, supply will mostly exist of drink and food. This is widely available although some products will have to be imported from Brazil. However, due to widespread availability and variety, the suppliers' bargaining power will not be high.

Bargaining power of buyers

This business concept is based upon a business to consumer market. The consumer is therefore the buyer. Over the past few decades the consumer has gained a lot of power. This is mainly due to the ease of access and share information. The consumer has a voice and any

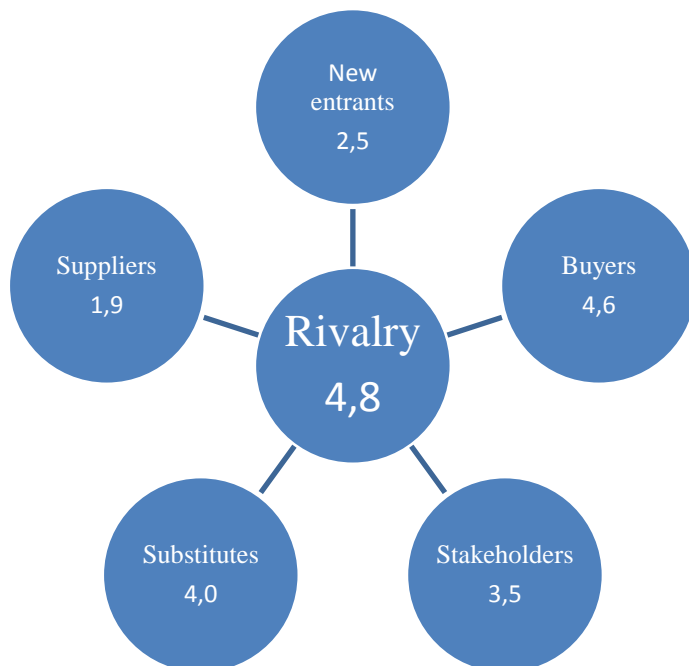
business has to be careful in their relationship with their customers in order to maintain a positive image. The power of this group is considered very high.

Relative power of stakeholders

The most powerful stakeholders for Ipanema are its shareholders. They invest capital and have therefore a say in the operating business and decision making process. Especially from the start of the company. After, other stakeholders will occur such as the government officials with whom has to be dealt with. Though they have a lot of power, the amount of stakeholders is not that high compared to other industries. Therefore the power of stakeholders can be considered reasonable.

6 Forces of Porter:

Figure 3: 6 Forces of Porter (source: Rustenburg Consultancy)



PESTEL Analysis

Political

- Tensions between red shirts and yellow shirts (T)
- Succession risk if King Bhumibol passes away (T)
- ASEAN 2015, potential new visiting customers and new accessible markets (O)
- Infrastructure investment plan 2020 (O)

Economic

- Rising minimum wages (T)
- More restrictions on the capital market, harder to borrow money (T)
- Rising amount of high net worth individuals in Thailand and Asia-Pacific (O)
- Tourism continuous to grow (O)

Sociocultural

- Low recognition of bossa nova music (T)
- Language barrier (T)
- Population will exceed 70mln in 2025 with over 10mln people living in Bangkok (O)
- World Cup Football (2014) and Olympics (2016) in Brazil will create more awareness about Brazilian culture (O)

Technical

- Specific goods have to be imported from Brazil (time/costs/trust) (T)
- E-commerce (O)

Ecological

- Health awareness raised by stakeholders (T)
- Sustainability (O)

Legal

- Foreign business act (list 3) (T)
- Foreigners cannot own property/land in Thailand (T)
- 2 million baht registered share capital per foreign employee needed (T)
- Reduced corporate tax rates (O)

SWOT Analysis

Table 2: SWOT Analysis

Strengths	Weaknesses
Distinctive concept Authentic and clear proposition Cachaça cocktails Cachaça tastings (like scotch or wine tastings) Live music from the best bossa nova artists	Unproven concept Dependable on investors No brand recognition No entrepreneurial experience Limited knowledge of the market/culture/language/legal system
Opportunities	Threats
Rising amount of HNWI's Greater awareness of Brazilian culture after World Cup and Olympics ASEAN 2015 Growing tourism Growing population in Bangkok	Legal restrictions such as the foreign business act Language barrier Highly competitive market Restricted capital market Rising minimum wages

Chapter III Organization

Geographic Location

Ipanema will be located in the Chidlom - Ploenchit area in Bangkok, Thailand. This area is a well-heelled mix of post-office suits, expat executives and hi-society Thais. The nightlife scene falls firmly in the up-market bracket. Characteristics of this area are high-class restaurants, lavish wine bars, luxurious hotels etc. with an atmosphere that matches.

Figure 4: Geographic Location



Facilities

Table 3: Equipment List

Equipment	Units
Chairs	38 units
Small tables	15 units
Couch	2 units

Long table	2 units
Office chair	1 unit
Office desk	1 unit
Gas tank	1 unit
Refrigerator	2 units
Cashier Casio	1 unit
Sound system	1 unit
CCTV	2 units
Uniforms	6 units
Inventory	Various
Supplies	Various
Miscellaneous	Various

Furthermore, the following facilities have to be built in:

- Restrooms
- Kitchen
- Bar
- Stage
- VIP area
- Conference room
- Office
- Storage
- Decoration

Last, is the renovation of the building to the required quality standards and look and feel of Ipanema, Club de Bossa Nova.

Legal Issues and Regulations

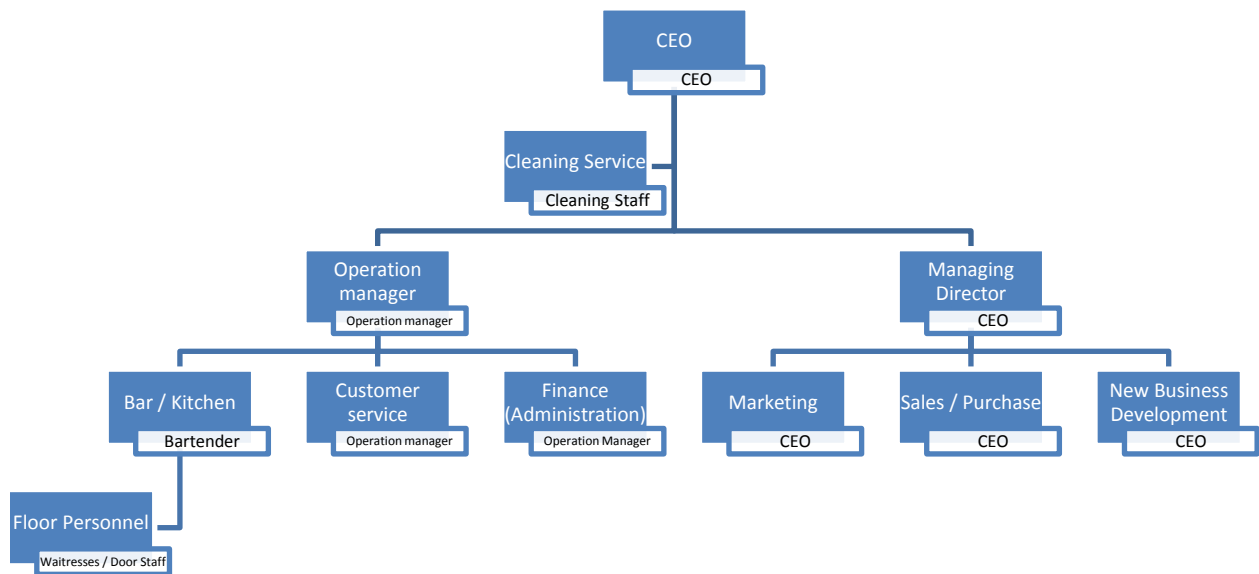
The following rules and regulations are applicable on Ipanema (Wylie, 2007):

- Business license has to be obtained from the provincial excise office
- Entertainment license: The annual fees are 10,000 baht for an area under 100 square meters, 30,000 baht for an area between 101 and 300 square meters, 50,000 baht for areas over 301 square meters. (License has to be required at the local district police office)
- Alcohol license: A license to sell beer, wine and spirits. Costs are 1,100 baht per annum
- License to sell tobacco and cigarettes. Annual fee 1,000 baht.
- Foreigners are allowed to lease land up to thirty years max. Government fee (including stamp duty) for land leasing is 1.1 percent of the rent payable over the entire lease term.

- Property leases of more than three but less than thirty years may be registered with the Land department; otherwise, the lessee has no legal recourse.
- Apply for one year, multiple-entry Non-Immigrant business visa (type B). Foreigners residing in Thailand for a minimum of three consecutive years on one-year, Non-Immigrant B visas are eligible to apply for permanent residence. This allows dispensation of annual visa renewals and work permits are renewed annually instead of quarterly.
- Apply for work permit (Alien's act BE 2521, 1978)
 - Three months or less – 750 baht
 - Three to six months – 1,500 baht
 - Six to twelve months – 3,000 baht
- Company must register sufficient capital for a limited company. 2 Million baht per work permit. The company must have at least four Thai employees with employment contracts.
- Minimum salary for every foreigner (including myself) is between 25,000 and 60,000 baht depending on the nationality (European 50,000 baht)

Organizational Chart

Figure 5: Organizational Chart



*Cleaning services will be outsourced and is included in the utility expense in the financial plan.

Key Management Personnel

CEO: Will be in charge of the management of the whole organization. The CEO has the overview, keeps the business running, organizes all the necessary facets of the firm and makes sure the firm stays competitive and achieves above average returns. The CEO will take up the tasks of the managing director as well. This means the CEO will be responsible for all marketing, sales, purchases and new business development.

Operation Manager: Will be in charge of the operational process on the floor. Managing the bar, kitchen, waiters, taking care of customers and artists on stage, keeps track of the inventory, makes supply plans, finance administration, listens to customer feedback for continuous improvement and communicates/report directly to the CEO. The operation manager is the eyes and the ears of the company and the CEO. For all staff roles see chapter IV → people.

Salary and Benefits

For the start-up of the company, Ipanema will need seven full time employees. Additional work or replacement work will be outsourced. In a later stage students and part time workers may join the team to be less dependent on outsourcing.

Table 4: Salary & Benefits

Occupation	Monthly salary (THB)	Yearly salary (THB)
CEO	75,000-	900,000-
Operations Manager	65,000-	780,000-
Bartender	40,000-	480,000-
Waitress	25,000-	300,000-
Waitress	25,000-	300,000-
Door staff	15,000-	180,000-
Kitchen help/Runner/All-round	15,000-	180,000-
Total	260,000-	3,120,000-

Benefits will be discussed during the negotiating process and is dependable upon each individual employee.

Recruitment and Training

The CEO shall recruit an operations manager in consultation with the main shareholders. From then, the CEO and the operations manager will recruit the necessary personnel for the organization.

The operations manager will be in charge to train the floor personnel on etiquettes, representation and behavior. This training will be vital for the overall experience of the customer.

The bartender will be in charge of training floor personnel to prepare cocktails and running the bar. The main reason for this is to be less dependable on just one person. The whole team must be able to switch positions when necessary.

Any additional training will be available if it enhances the abilities and skills of the employee to make a more valuable contribution towards the organization.

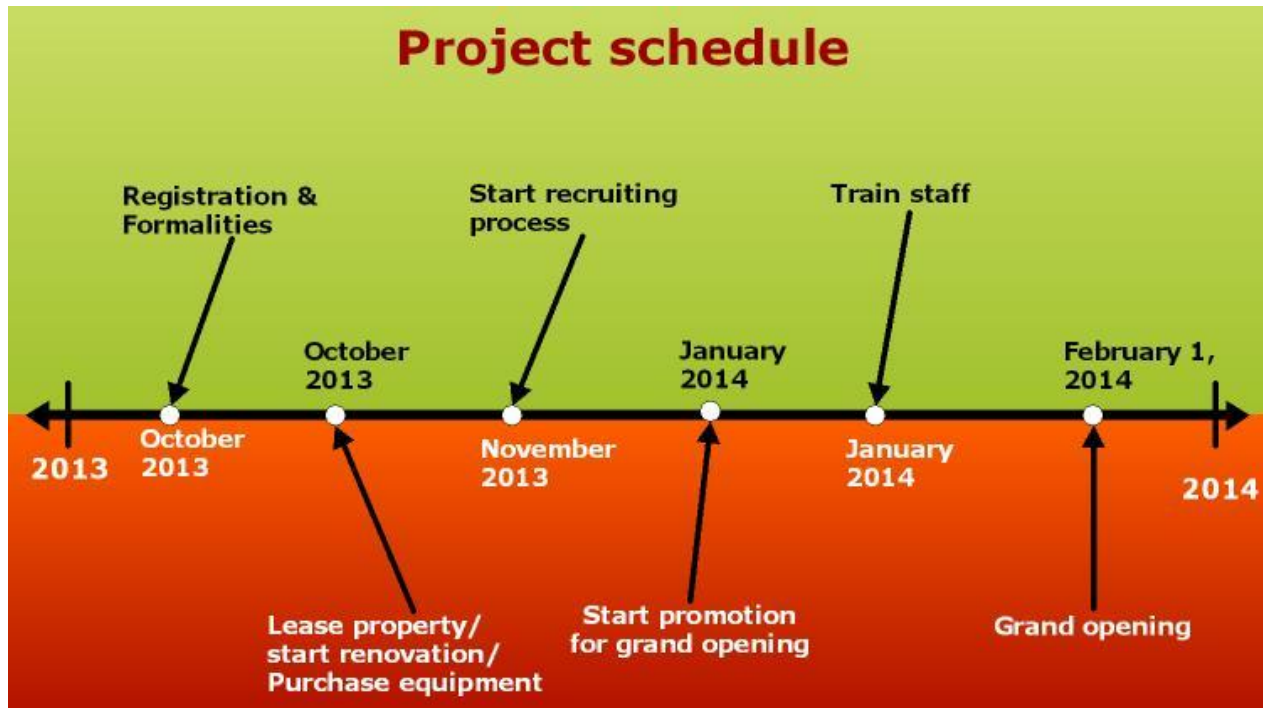
Project Schedule

Ipanema, Club de Bossa Nova will start operations after the busy period of Christmas & New Year and before the World Cup Football in Brazil (June 12, 2014). The main reasons for this are:

- It will be hard to find personnel willing to work during the holidays.
- Time frame would be too short.
- Difficult to promote grand opening due to rising advertisements of competitors during this period.
- Consumers prefer familiar and trustworthy places during the holidays when they go out.
- World Cup will bring extra attention and opportunities for advertisement to Ipanema.

The rough schedule looks as followed:

Figure 6: Project Schedule



In more detail the following steps have to be taken:

1. Reserve proposed company name
2. File a memorandum of association
3. Convene a statutory meeting
4. Company registration
5. Tax registration
6. Trademark and patents registration
7. Obtain visa and work permit (owner)
8. Obtain business, entertainment, Alcohol and tobacco licenses
9. Opening a corporate bank account
10. Lease suitable property
11. Make renovation plan with contractor
12. Start renovation
13. Purchase equipment

14. Start recruitment process
15. Hire key employees
16. Obtain visas and work permits if necessary
17. Start preparations grand opening
18. Start promoting grand opening
19. Hire remaining staff
20. Obtain visas and work permits if necessary
21. Train and prepare staff for grand opening
22. Host grand opening on Saturday, February 1st, 2014
23. Start daily operations

Risks, Problems and Assumptions

The main challenge for Ipanema will be the finding of Bossa Nova artists since they are scarce and most come from Brazil. An alternative is to find jazz musicians who have mastered the Bossa Nova style as well. Another alternative is to hire one Bossa Nova artist/band per week.

Other challenges are:

- Find a Brazilian bartender which can speak English and is willing to live in Thailand
- Obtaining all the required work permits, visas and licenses
- Find a suitable and available property in the desired area of Chidlom
- Find a trustworthy and qualified contractor
- Find trustworthy suppliers form long term relationship

Exit Plan

In the event that set goals & objectives are not met and the majority of the shareholders agree upon bankruptcy, the bar will have to liquidate. After employee's compensation, furniture, and equipment will be sold at auction to repay lenders.

Chapter IV

Marketing Plan

Products and services

Ipanema delivers a service but at the same time revenues come from tangible products. The tangible products are the direct fast moving consumer goods that gives ownership to the customer. However, it's the intangible part, the service, that makes the overall experience. To exceed customer expectations, the intangible part plays a vital role. We can therefore define products and services as followed:

Tangible (direct ownership):

- Cachaça (straight with honey and lime)
- Cachaça cocktails (Caipirinha, Passion-fruit batida etc. 50+ varieties)
- Regular cocktails (Mojito, Manhattan etc. 20+ varieties)
- Wine (Wine card 50+ varieties)
- Strong drinks (<35%, A brands like Jack Daniels and specialties like Glenmorangie)
- Beer (Draft and bottle 5+ varieties)
- Soft drinks (Coke, 7up etc.)
- Tea and coffee (Latté, Green tea etc.)
- Food (several small dishes and Brazilian specialties)
- Specialties (Champaign, rare products, seasonal products)
- Souvenir shop (Diverse Brazilian artifacts/handicrafts)

Intangible:

- Guidance into the club
- Live music
- Cachaça tasting (same as whiskey and wine tasting, available on reservation)
- Free snacks on table (peanuts, Brazilian specialties)
- Full waitress service
- VIP area

Pricing Policy

Pricing is one of the most important elements of the marketing mix, as it is the only element, which generates a turnover for the organization. As Warren Buffet once said: “price is what you pay, value is what you get.” Ipanema will set a premium price setting For its products (see table and figure below):

Figure 7: Price Strategy

		QUALITY	
		LOW	HIGH
P R I C E	L O W	Economy	Penetration
	H I G H	Skimming	Premium

Price range of products:

Cachaça:	150 THB
Cachaça cocktails:	175 – 250 THB
Regular cocktails:	200 – 450 THB
Wine glass:	200 – 300 THB
Wine bottle:	1,500 – 4,500 THB
Strong drinks:	250 – 450 THB
Beer:	200 – 250 THB
Soft drinks:	100 – 200 THB
Tea and coffee:	100 – 250 THB
Food:	50 – 550 THB
Specialties:	Start from 5,000 THB

*Prices can be adjust to changing demand. Souvenir shop has yet to be defined.

Promotion

For the start of the operations the grand opening will be the most important event for promotion. This is the start of and first impression for the consumer. For the first year the majority of the promotion budget will go to the grand opening and the promotion of that.

Grand opening

The grand opening will all be around the big signing of a bossa nova star á la Sérgio Mendes. The star of the show, the name, the brand, has to attract audience and media. Local and national media will be invited to create media coverage. Entrance is free as well as snacks & hors d'oeuvres. Famous artists, actors, musicians, politicians etc. will be invited on a special notice. Outsourced staff will be hired to cover the event. The goal of the grand opening is to gather as many successful, important, strategic, high-so, glamorous people as possible.

Furthermore, the grand opening will be promoted with flyers, on the golf course with the local Bangkok golf club, hotel partnerships, on Ipanema's website and social media, and posters/billboard adds throughout the city of Bangkok. All promotion is designed to propaganda the bossa nova star to attract audience.

The cover a part of the overall costs, sponsors will have to be find. Since there will be a lot of media coverage and people to attend, it will be attractive for prospective sponsors to invest in the event.

Website and social media

The website will be an informative and dual communication tool. New artists, events photos etc. will all be available on the website. The consumer will be able to respond, give feedback and leave suggestions/comments. With the implementation of social media such as Twitter, Facebook, Flickr and Instagram, Ipanema will try to bond with its customers for a stronger relationship.

Building advertisement

Logo with address with perhaps a picture to create a suitable atmosphere will be displayed on a banner of a building in Thailand to increase visibility and raise brand awareness.

Sponsoring network events

Ipanema will sponsor main network events in Bangkok since that is a place where its target market gathers together. The effectiveness to reach our customers will be high when present at these events.

Hand out flyers

Small team (outsourced) will hand out flyers on the street to create word of mouth.

Hotel partnerships

Work together with high-end hotels in the surrounding to advertise Ipanema, Club de Bossa Nova. Look for win-win deals to lower advertisement costs.

Golf club

Advertise within or near the Bangkok golf club to reach target market directly.

Place

Ipanema will be located in the Chidlom - Ploenchit area in Bangkok, Thailand. This area is a well-heeled mix of post-office suits, expat executives and hi-society Thais. The nightlife scene falls firmly in the up-market bracket. Characteristics of this area are high-class restaurants, lavish wine bars, luxurious hotels etc. with an atmosphere that matches. It differs sufficiently from other parts of the city which has a greater buzz around. Here, there are no night markets, few street-cart vendors and certainly no dens of sin.

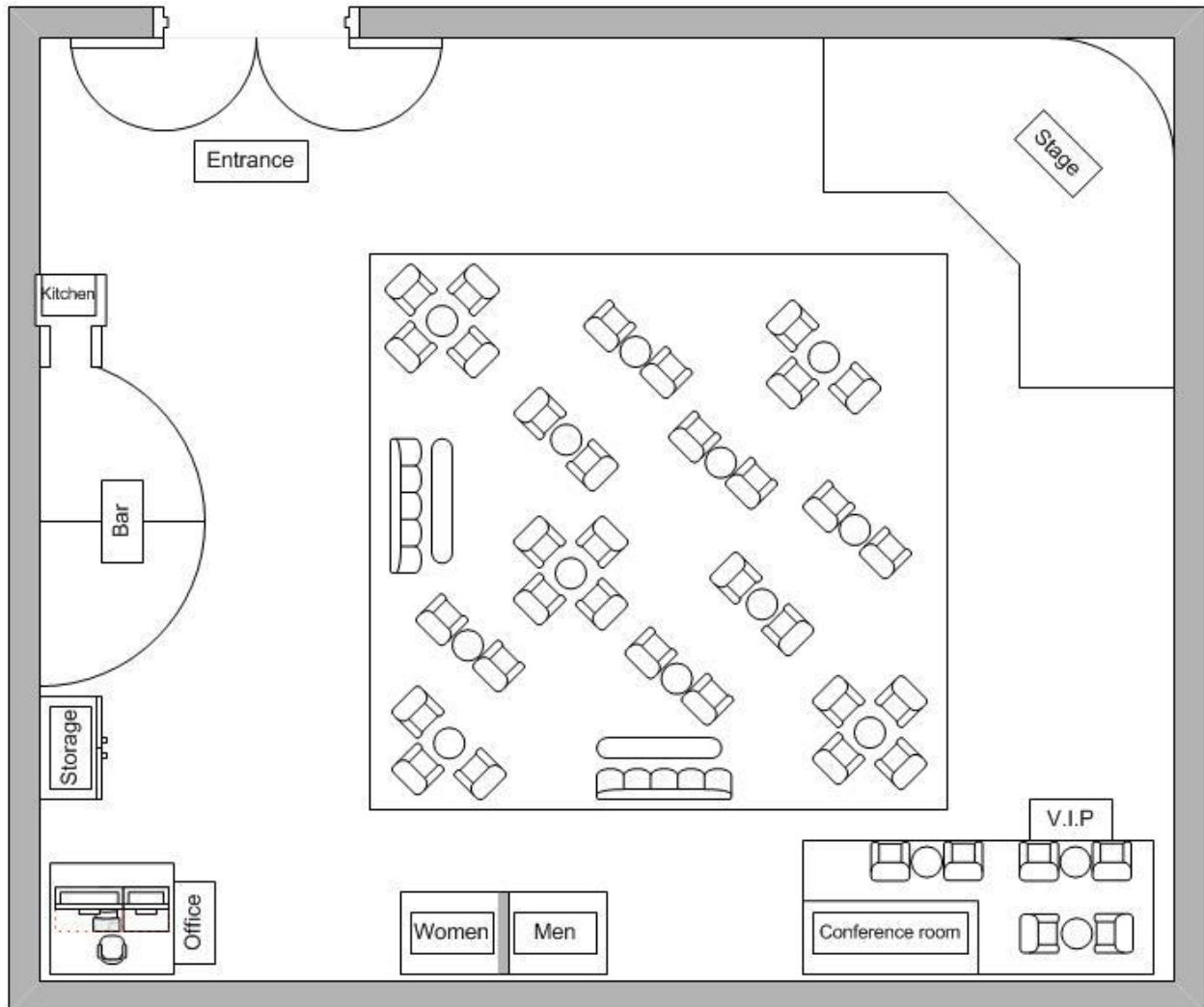
The lack of a buzzing scene is made up for by the odd, tucked-away nightlife nugget. Nearby Sarasin Road has a handful of bars, among them 70's Bar and Brown Sugar, one of Bangkok's live jazz venues. There are also classy hotel bars and lounges. The Diplomat Bar at Conrad Bangkok Hotel, 87Plus!, Syn Bar at Swissotel and more to listen to fine tunes of jazz for a great night out.

At the northern end of Ratchadamri Road, the Grand Hyatt Erawan Hotel has both Bar 494 and the well-known Italian restaurant Spasso, which at night morphs into a lively live music venue popular with Bangkok's affluent post-work crowd.

Physical Evidence

The physical evidence contributes to the customers' perception of the club and influences the overall experience. The main theme will be the bossa nova style. See the floor chart of the club on the next page:

Figure 8: Floor Chart



The club will be decorated with Brazilian art, pictures and paintings of bossa nova artists and albums/songs, bossa nova instruments and any other equipment that enhances the overall experience. Important is to make it classy and sophisticated to meet the high society expectations and at the same time create a Brazilian atmosphere to it to keep it authentic.

People

For a service company, people often form the most valuable asset. This is also true for Ipanema. Since Ipanema wants to exceed customer expectations, everything that can enhance that

experience will be valuable. The employees will be the face of the company and will be in direct contact with the customers. It is therefore a vital aspect of the overall experience.

The following people will be needed to operate the business from the start:

Shareholders: The shareholders are accountable for the capital investment. They operate on the background and will only be involved as far as their own interest goes.

CEO: The CEO has to keep the overview to hold everything together. He or she will mostly operate on the “outside” of the organization. This means his main tasks are focused on marketing, sales and new business development.

Operations Manager: The operations manager will be mainly responsible for the “inside” of the organization. The manager reports directly to the CEO and provides him or her with useful information about the operating process, employee development and customer feedback. His main task is to keep the bar running by managing the operating floor staff.

Bartender: The bartender will be the main face of the organization in the eyes of the customer. He is clearly visible in the bar and has to reflect the Brazilian identity. For this reason the bartender has to be a Brazilian national. Due to the specific Brazilian drinks like cachaça and caipirinha cocktails it will be important that it is made by a “specialist.” Although other nationalities might be able to produce the same quality of cocktails, they will not have the credibility image that the Brazilian bartender has. With a Brazilian bartender, the customer will believe he will get an authentic cocktail/drink. Furthermore, the Brazilians are known for their friendliness, warmth and proudness of their country. The Brazilian bartender has to show these characteristics.

*The ideal situation would be if the Brazilian bartender is able to prepare Brazilian food (only small dishes) as well. However, if the bartender cannot then a Thai chef will be hired or the Brazilian bartender will get a training. The Brazilian bartender is of course more authentic but it will be a closed kitchen so a Thai national would not be critical for the image.

Waitresses/waiters: The waitresses/waiters are in direct contact with the customer and therefore have to be friendly, smiling, polite and know the right etiquettes. They have to be Thai national, first due to legal regulations and second to communicate with Thai customers. They all have to speak English as well to serve international clients.

Door staff: The door staff will be in charge of attracting customers and lead them into the club. They are the first contact and will make the first impression. This will be the first and perhaps the most important part of the service process. If the customer has a nice feeling while entering, the overall experience will be enhanced. The door staff has to be Thai nationals and show politeness, friendliness, etiquettes and a smile. Next to that they are required to speak English as well.

Cleaning staff: Cleaning staff has to be reliable and trustworthy. Their main tasks is to clean the bar after it closes. Important is that hygienic requirements are met.

Accounting: The operations manager will be responsible for the administration of cash flows. The accounting itself will be outsourced. A reliable partner has to be found.

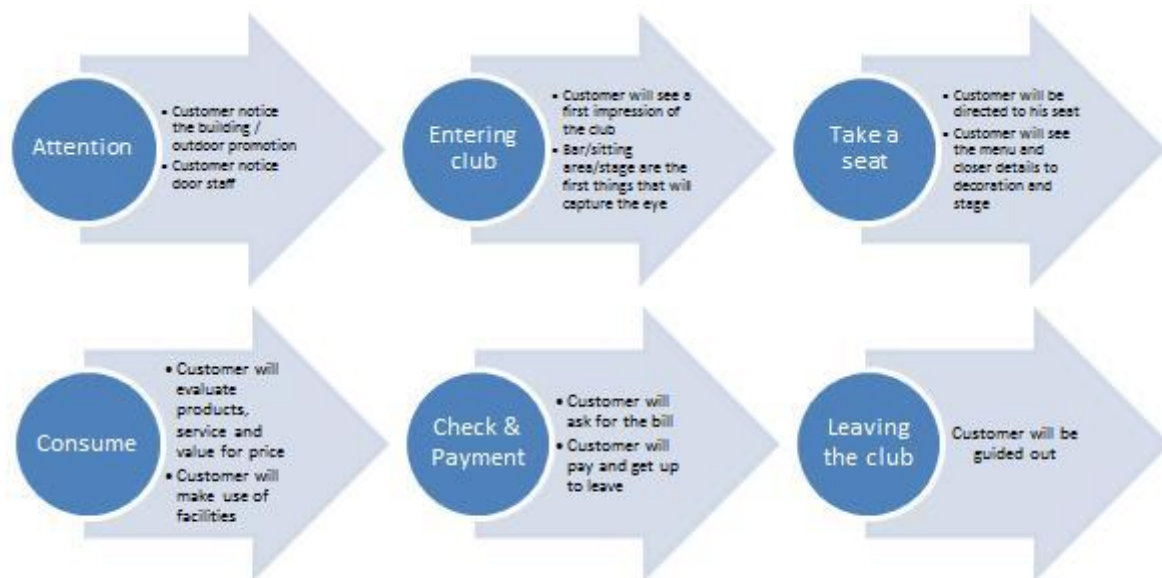
IT: An IT company or expert will be hired to set up a website and social media pages. The CEO will adjust from time to time the information. Further IT issues will be outsourced when necessary.

Legal affairs: An advocate will be hired to start the company and help with all the legal documentation and ownership registration. Further legal affairs will be outsourced when necessary.

Process

The process describes step for step the experience and perception of the customer from the moment he notice and enters the club till the time he walks out again. See the chart below for a schematic overview of the process:

Figure 9: Process Chart



When walking by, first the customer has to notice the building (or any promotional attachment) or the door staff. At this point it's critical for the door staff to notice the customer and attract him or her in. If this goes correctly the first impression will be good.

In the second stage, the customer will be guided into the bar and will get a first impression of the outlook. Eye catchers are the bar, the sitting area and the stage. In the design, these will be critical factors.

Then the customer will be guided to his seat. Now he can have a more detailed view of everything around him. He will also see the menu the further develop his opinion about the bar.

In the consuming faze, the customer will evaluate the products, facilities and service. He then will evaluate the price for value. This will be the point where the main overall view is made by the customer.

The customer will ask for the bill and make his payment.

The floor staff will guide him out and give him the last impression. This is the last faze to influence the overall experience and perception of the customer. In the end we want:

- The customer to come back
- To get his/her feedback for improvement
- To give positive word of mouth and recommendations

Sustainability

To sustain as a business Ipanema has to look for ways to keep growing in the future. The following options will be considered as future possibilities for growth:

Penetration

- Open same bar/concept in other domestic cities.
- Franchise to concept to potential domestic investors.

Market development

- Expand to other countries. Introducing the concept to new markets.

Product development

- Create new "theme" bars in Thailand. Expansion in existing markets.

Diversification

- Create other/different "theme" bars in other countries/markets
- Franchise concept to foreign investors

Intellectual Property

Apply and registering for a trademark can be done at Application Request Service and Examination Division (3rd floor), the Trademark Bureau, the Department of Intellectual Property, or at the on-line trademark services at www.ipthailand.org. To go through the whole process, the following steps have to be made:

Thailand's Trademark Registration Procedures

1. Application for Registration
2. Internet Services for Trademark Registration
3. The Examination of Trademark for Registration
4. Notification of Amendment on the Application
5. Notification of the need for Prior Agreement
6. Notification of Non-Declined Application
7. Notification of Declined Application
8. The Publication of the Application
9. The Registration of Trademark

For all the specific details about each process step, please look into Appendix I.

Chapter V Financial Plan

Capitalization

The following initial capital is needed to startup Ipanema, club de bossa nova:

Table 5: Start-Up Expenses

Start-Up Expenses	
Licenses & Permits	15,000
Advertising Costs	100,000
Marketing Costs (i.e. Grand Opening)	100,000
Rent Deposit	200,000
Beginning Inventory	300,000
Working capital	455,000
Other	50,000
Total	THB 1,220,000

Table 6: Start-Up Assets

Start-Up Assets	
Building Renovation	THB 2,225,000
Equipment & Machine	460,000
Remodeling Work	95,000
Total	THB 2,780,000

Table 7: Total Required Start-Up Costs

Total Required Start-Up Costs	
Start-Up Expenses	THB 1,220,000
Start-Up Assets	2,780,000
Total	THB 4,000,000

Source of Financing

The following table demonstrates the proposed sources and uses of funds:

Table 8: Source and Use of Funds

Source and Use of Funds	
Source of Funds:	
Private Investment	THB 4,000,000
Use of Funds:	
Fixed Assets	THB 2,780,000
Operating Capital	1,220,000
Total	THB 4,000,000

Sales Forecast

To come up with an accurate estimation of the sales forecast, there has to be a fair indication of the occupancy and the turnover.

In the case of Ipanema, the club has 38 chairs available. However, there are two couches involved, four are in the VIP and most chairs will be in pairs while some customers will come alone. For this reason, a starting occupancy rate of 60% seems fair since most companies in comparable businesses strive/have an occupancy rate of 80%.

The turnover rate will be sat at 3.0. This because most people do not stay for the entire night and especially in the first year Ipanema will generate a lot of trials.

This means Ipanema will attract the following number of customers per day:
 $38 \text{ chairs} \times 0.6 \times 3.0 = 68.4 \rightarrow 69 \text{ customers}$

In 2014 there are 15 national holidays according to the Bank of Thailand. This means $69 \times 350 = 24,150$ customers for the first year.

With an average spending of THB 500 per customer per visit the sales forecast for the first year is: $24,150 \times 500 = 12,075,000$.

After the first year the brand awareness will have increased and a steady customer base has been established. The second year is therefore the major growth year. After people got familiar to the concept, a growth rate of 35% is expected. This due to the worth of mouth that will spread after the first year. Ipanema will be exciting because it's new.

In the third year, the newness will be gone and a more stabilized growth of 10% is expected. This growth is pushed by the forming of ASEAN 2015 on December 31 of that year. It will thus have impact on 2016, the third year. In addition, the Olympics are taken place in Brazil which will enhance again the interest in Brazilian culture.

In the fourth year a further growth of 10 % is expected due to a steadier customer base and more focus on customer relationship than acquiring new customers. This will save money and increase the profitability per customer. (Pareto analysis 80/20 rule).

Income Statement

Table 9: Pro Forma Profit and Loss Statement

Pro Forma Profit and Loss	Year 1	Year 2	Year 3	Year 4
Income				
Sales	12,075,000	16,301,250	17,931,375	19,724,513
Cost of Goods Sold	6,279,000	6,683,513	6,993,236	7,495,315
Gross Profit	5,796,000	9,617,738	10,938,139	12,229,198
Gross Margin %	48%	59%	61%	62%
Expenses				
Insurance	3,000	3,000	3,000	3,000
Miscellaneous	15,000	15,000	15,000	15,000
Permits and Licenses	15,000	15,000	15,000	15,000
Rent	1,200,000	1,200,000	1,200,000	1,200,000
Payroll	3,120,000	3,179,904	3,240,959	3,240,959
Marketing	1,100,000	1,300,000	1,500,000	1,500,000
Depreciation	500,000	500,000	500,000	500,000
Utilities	52,500	52,500	52,500	52,500
Total Expenses	6,005,500	6,265,404	6,526,459	6,526,459
Profit Before Interest & Taxes	-209,500	3,352,334	4,411,680	5,702,739
EBITDA	290,500	3,852,334	4,911,680	6,202,739
Taxes incurred (20%)	0	670,467	882,336	1,140,548
Net Income	-209,500	2,681,867	3,529,344	4,562,191
Dividend	0	1,500,000	2,200,000	3,100,000
Retained Earnings	-209,500	1,181,867	1,329,344	1,462,191
Net Margin %	-1,73%	16,45%	19,68%	23,13%
Operating Margin %	2,41%	23,63%	27,39%	31,45%

Assumptions:

- Depreciation expenses THB 500,000

*based on a salvage value of THB 0 and an estimated lifetime of 8 years.

- Inflation correction for salaries 1.92% (Trading Economics, 2013).

Cash Flow Statement

Table 10: Pro Forma Cash flow Statement

Pro Forma Cash Flow	Year 1	Year 2	Year 3	Year 4
Beginning Cash Balance	455,000	49,000	1,730,867	3,560,211
Investor's payment	3,545,000	0	0	0
Income from Sales	12,075,000	16,301,250	17,931,375	19,724,512
Depreciation	500,000	500,000	500,000	500,000
Cash Outflows	16,526,000	13,619,383	14,402,031	15,162,322
Dividends	0	1,500,000	2,200,000	3,100,000
Operating Cash Balance	49,000	1,730,867	3,560,211	5,522,402

Balance Sheet

Table 11: Pro Forma Balance Sheet

Pro Forma Balance Sheet	Year 1	Year 2	Year 3	Year 4
Assets				
Current Assets				
Cash	49,000	1,730,867	3,560,211	5,522,402
Inventory	241,500	1,660,000	1,540,000	1,125,000
Prepaid expenses	1,220,000	1,220,000	1,220,000	1,220,000
Accumulated Depreciation	152,500	305,000	457,500	610,000
Other Current Assets	0	391,000	29,133	14,789
Total Current Assets	1,358,000	4,696,866	5,891,843	7,272,191
Long Term Assets				
Building Renovation & Remodeling	2,320,000	2,320,000	2,320,000	2,320,000
Accumulated Depreciation	290,000	580,000	870,000	1,160,000
Equipment and Machine	460,000	460,000	460,000	460,000
Accumulated Depreciation	57,500	115,000	172,500	230,000
Total Long Term Assets	2,432,500	2,085,000	1,737,500	1,390,000
Total Assets	3,790,500	6,781,867	7,629,344	8,662,191
Liabilities and Capital				
Current Liabilities				
Dividends Payable	0	1,600,000	2,300,000	3,200,000
Long Term Liabilities	0	0	0	0
Total Liabilities	0	1,600,000	2,300,000	3,200,000
Common Stock	4,000,000	4,000,000	4,000,000	4,000,000
Retained Earnings	-209,500	1,181,867	1,329,344	1,462,191
Total Capital	3,790,500	5,181,867	5,329,344	5,462,191
Total Liabilities and Capital	3,790,500	6,781,867	7,629,344	8,662,191
Net Worth	3,790,500	5,181,867	5,329,344	5,462,191

Payback Period

The initial investment of THB 4,000,000 will be depreciated over 8 years. After 8 years, the investors will get their initial investment back and the owner will acquire total ownership. Depreciation is THB 4,000,000 / 8 years = THB 500,000 per year. (See income statement).

Return on Investment

Table 12: Return on Investment

Shareholder	Initial Investment	Shares %	Dividend Year 1	Dividend Year 2	Dividend Year 3	Dividend Year 4
Owner	0	20%	0	320,000	460,000	640,000
Remaining Shareholders	4,000,000	80%	0	1,280,000	1,840,000	2,560,000
ROI (for shareholders)	4,000,000	80%	0%	32%	46%	64%

The investor will profit from dividends for a period of 8 years with exemption of the first year.

Break-Even Analysis

The gross margin for the first year is 48%. This means that the variable costs lay on 52%. Fixed costs are estimated on THB 6,005,500 which reflect 48% of the total costs. In the sales forecast, the estimated spending per customer per visit is THB 500. Thus, the following calculation:

Fixed costs: THB 6,005,500

Variable costs: 260 (0,52 x THB 500)

Fixed costs have to be covered by gross profit THB 240 (500 – 260) thus:

$6,005,500 / 240 = 25,022.92 \rightarrow 25,023$ customers are needed to break-even in the first year. That means that there has to be an annual revenue of $25,023 \times \text{THB } 500 = \text{THB } 12,511,500$.

Unfortunately, this target will not be fulfilled in the first year which results in a first year's loss.

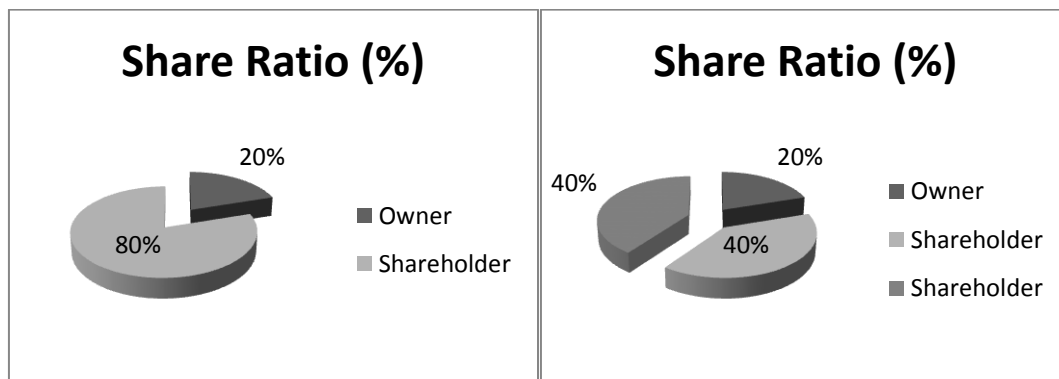
Business Proposal

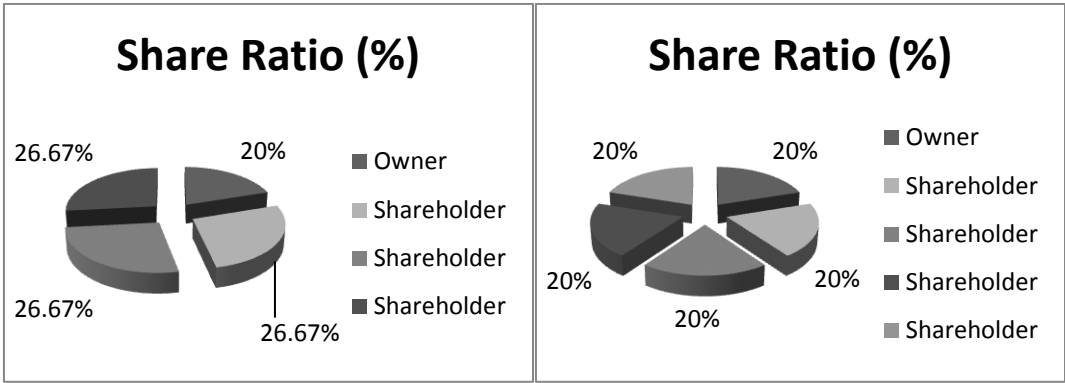
To start operations an initial investment of THB 4,000,000 is needed. In exchange for this, 80% equity share will be available to acquire. The remaining 20% is reserved for the owner (the inventor of the business plan). The following four options will be considered:

1. One shareholder acquires 80% equity share in return for an initial investment of THB 4,000,000.
2. Two shareholders acquire both 40% equity share in return for an initial investment of THB 2,000,000 each.
3. Three shareholders acquire each 26,6% equity share in return for an initial investment of THB 1,333,333 each.
4. Four shareholders acquire each 20% equity share in return for an initial investment of THB 1,000,000 each.

Thus the price for 1% equity share is THB 50,000 with a maximum of four additional shareholders. See chart (and on the next page):

Figure 10: Business Proposal





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APPENDICES

APPENDIX I

Thailand's Trademark Registration Procedures

Search for a Trademark

1. It is recommended that the applicant filing for the registration of trademark search for a trademark which he would like to register in order to determine whether it is the same or similar to other person's trademark.
2. The searcher of trademark must pay a searching fee of 100 baht per hour. The search can be done by a searcher at the Application Request Service and Examination Division (3rd floor), the Trademark Bureau, the Department of Intellectual Property, or at the on-line trademark services at www.ipthailand.org.

Application for Registration

1. General Services

1. The applicant for the registration must prepare and completely fills in all the information in the following documents, as prescribed by the laws:

1.1 One original registration application form (Gor. 01) with the signature of the authorized person and a photo of the trademark. The photo should be no larger than 5 centimeters in width and length (a fee of 100 baht will be charged for each additional centimeter). Five copies of the completed Gor. 1 forms are also required.

1.2 Five copies of the trademark photos of the same size as affixed in the Gor.1 form.

1.3 In case of applying as a juristic person, an original of certification of juristic person no longer than 6 months must be submitted, while applying as a natural person, a copy of the personal identification card is required together with a certified signature.

If an applicant resides outside the country, a notary public must be used to certify the documents.

1.4 If another person is authorized to file a document, a copy of the power of attorney (Gor.18) with a stamp duty of 30 baht per each authorized person (with crossed-out stamp), as well as a copy of authorized person's personal identification card and certified signature must be submitted.

2. All of the documents must be submitted to an official with a fee of 500 baht per goods or services.

3. The application for the registration of trademark can be submitted at:

3.1 The Application Request Service and Examination Division, Trademark Bureau, the Department of Intellectual Property

3.2 The Provincial Commercial Offices

3.3 Via registered mail to the Trademark Registrar, the Department of Intellectual Property, with a payment of the fee by money order, payable to the trademark registrar

3.4 Via the internet at in the on-line trademark service www.ipthailand.org

2. Internet Services for Trademark Registration

2.1 The registration of a trademark can be applied via an internet service through the following steps:

2.1.1 Enter the website www.ipthailand.org. Then, click the trademark registration system in the on-line services menu to go into on-line services menu system.

2.1.2 Click “Member Sign Up Here”. A registration application form will be appeared. Fill in all information completely similar to applying for an e.mail membership. (Use only English language or Numbers to enter the Username and Password). Then, click OK, which will return to the first screen.

2.1.3 Fill in your Username and Password, then click OK to enter to the system.

2.1.4 The trademark servicing menu will be appeared, then click User Menu and choose “Trademark Registration Application Gor. 01”.

2.1.5 Fill in all information on the trade registration form completely and attach the picture file surnamed “jpeg” no smaller than 30K. Then, specify type and goods/services item which is applying for protection, as well as the number of goods/services. The system will automatically calculate and display the fee i.e. 500 baht per item of goods/services. Then, click Next. The power of attorney document will appear (Gor. 18). If there is no transfer for authority, click OK.

2.1.6 The Options of Payment screen will be appeared, in which there are 2 methods of payment;

2.1.6.1 Via an on-line commercial bank. For this method, a bank account with an ATM of the United Overseas Bank (Thailand) (UOB) of any branch is required, which can be applied as an i-banking member in the bank's website. After signing up with the bank, the bank will send the USER ID, PASSWORD, and Account Number, which must be used to enter the payment system. The system will deduct the registration application fee from the account. The i-banking service fee is 1,500 baht per year.

2.1.6.2 Over bank's counter at any branch of the United Overseas Bank (Thailand) (UOB). Through this payment method, the applicant's name can be specified in the receipt. The service fee is 15 baht each time.

2.1.7 After the payment method has been chosen, click Payment. The system will display the choice of payment methods. If the payment via i-banking is chosen, the payment will be automatically deducted the account, or if the payment is over bank's counter, then the "invoice" needs to be printed out to be submitted together with the payment at any United Overseas Bank (Thailand) branches. For both payment methods, the Department of Intellectual Property will later send the receipt. After the payment method has been chosen, click "Pay Now" and a reference number will be shown. Once the payment is made and the Department receives the fee, an application number will be issued. In this respect, if the payment is made via on-line banking, the application number will instantly be issued, while payment over the bank's counter (the 2nd method), the application number will be issued the next business day as the Department needs to receive the bank's payment report. The official at the Application Request Service and Examination Division will then issue the application number prior to the filing of the application for registration the next working day. However, after the application over the internet, as stipulate under the Department of Intellectual Property's Instruction on Application over the Internet, the applicant is required to submit all the original documents within 15 days from the date recorded in the internet in order for the department to proceed to the next step. The original documents may be sent by postal service to the Director of Trademark Bureau or submit directly at the Trademark Bureau.

2.2 Requests for the Search for Similarity in Trademark

2.2.1 Enter on-line trademark service by signing up for membership as in 2.1.

2.2.2 When the trademark servicing menu appears, click "Search for Trademark Similarity."

2.2.3 When the signing up of member screen appears, choose signing up for new member. After signing up for user name and password, choose the searching period for 1 hour, 3 hours, or 5 hours. Then, choose the payment method.

2.2.4 Choose a payment method and make a payment as in 2.1

2.2.5 Once the payment is made (via on-line banking or over the bank's counter), the applicant can search for the similarity in trademark the next working day from 8.30 AM.

Note: When the applicant has filed the application for registration, the officials at the Bureau of Trademark will reexamine the trademark as well as the application for registration.

2.3 Filing of other application forms

Other services can be accessed on the internet by signing up for membership and paying a fee as in 2.1. For some services, such as filing an opposition to a registration, no fee will be charged. However, for requests for services over internet, all original documents, including supporting documents (if any) must be submitted to the Department within 15 days from the date recorded over the internet.

Note: The registration of associated marks (Gor. 13) cannot be filed over the internet but the application form can be printed from the Department's website.

2.4 Other services

The services to check status of the application for trademark registration and the list of request for publication can be accessed without any fee.

The Examination of Trademark for Registration

1. At the first instance, the official will carry out preliminary check on the accuracy of the documents.

2. The examining official and the registrar will then examine whether the trademark applying for the registration meets the qualifications as prescribed by the laws, that is:

- must be distinctive
- must not be prohibited under the law, and
- must not be the same as or similar to a trademark registered by another person

This examination process will take about 3 months.

3. After examination process, the official will notify the applicant of the results as follows:

- In case of acceptance of registration, the registrar will publish the application for 90 days to open the opportunity for objections.

- In case of unaccepted registration, if a registrar perceives that the trademark is not distinctive, is prohibited under the law, or is the same as or similar to a trademark registered by another person, the applicants can appeal the registrar's order to the Trademark Board within the specified period.

- To make necessary amendments and changes.

- Notify the applicant that the requested trademark is being applied by another individual and that prior agreement between the applicant and the other applicant is required before registration.

Notification of Amendment on the Application

A registration applicant must correct the application, such as an incorrect word, incomplete information, or unsigned documents. The fee charged is 100 baht per application before registration and 200 baht per application after registration, by using form Gor. 06.

Notification of the need for Prior Agreement

1. If an agreement between the applicant and the other applicant has been made as to the right on trademark and is notify to the official, the official will proceed with the publication of the application.

2. If the applicant and the other applicant cannot come to an agreement prior to the registration, the first-to-file applicant will receive the right.

Notification of Non-Declined Application

1. The official will proceed with the publication of the application.

2. In some cases, the official will notify the applicant to do the followings:

2.1 File a request to surrender rights on some parts of the trademark which are commercially used in general, or are not distinctive.

2.2 File an associated trademark for the item as there is similar or the same trademark that has been registered by the applicant due similar characteristics of the item:

- If the applicant agrees to surrender the right, he must notify the registrar by submitting a document to indicate his surrender (Gor. 12) within 90 days from the date that he receives the order without any fee. On the other hand, if the applicant agrees to apply for an associated trademark, he is required to notify a registrar by submitting an application for associated trademark registration (Gor. 13) within 90 days without any fee.

- If the applicant disagrees with the registrar's order, he can appeal the order with the Trademark Board by submitting an appeal form (Gor. 03 form) within 90 days from the date that he receives the order.

Notification of Declined Application

1. If the applicant does not appeal the registrar's order, the application will be removed from the system.

2. If the applicant wishes to appeal the registrar's order, he is required to appeal the order with the Trademark Board within 90 days from the date that he receives the order, as well as pay a fee of 1,000 baht or 2,000 baht for each appeal form (Form Gor. 03) depending on the appeal case (see the rates of fees under the Trademark Act).

3. Once the Trademark Board has issued a decision, the Board will notify the registrar as follows:

- If the Board's decision is to accept the registration, the registrar will proceed with the publication of the application.

- If the board's decision is not to accept the registration, the registrar will remove the application from the system. The Board's decision is deemed as final.

The Publication of the Application

1. If the registrar accepts the application for registration, he will issue an order to publish the application for a period of 90 days, which can be searched at the Application Request Service and Examination Division (3rd floor), the Trademark Bureau, the Department of Intellectual Property, at the Provincial Commercial Offices, or at www.ipthailand.org.

- If there is no objection within the 90 days period after the date of publication, the official will proceed with the trademark registration.

- If there is an objection for any reasons, such as the trademark lacks the qualifications for registration, the trademark does not belong to the applicant, or the registration does not comply with the law, the person who filed the objection must submit supporting evidence and reasons for the claim. The fee for the objection is 1,000 baht per application (Form Gor. 02)

2. The official will notify applicant of the objection to the application

- If the applicant does not wish to refute the objection, the registrar will remove the application from the system.

- If the applicant wishes to refute the objection, he is required to submit his counter objection to the registrar within 90 days from the date that he receives a copy of the objection.

3. The registrar will consider the objection, and then notify the disputed parties of the result.

4. The party which loses the benefit may appeal the registrar's decision by filing an appeal with the Trademark Board within 90 days from the date that he receives a registrar's decision. He is required to pay a fee of 2,000 baht per each appeal form (Form Gor. 03)

5. After the Trademark Board has issued a decision, the registrar will notify the decision to the disputed parties.

6. If the party which loses the benefit does not agree with the decision, he may file a petition with the court within 90 days from the date that he receives the decision of the Trademark Board.

The Registration of Trademark

1. A trademark which is distinctive and is not prohibited under the law, has passed the examination of the registrar and has been published, as well as has passed all the disputes and appeal processes, is a trademark which can be a registered. In such cases, the registrar will notify the applicant to pay for a fee within 30 days from the date that he receives the notification.

2. The application is required to bring the notification when paying the fee at the Application Request Service and Examination Division (3rd Floor), Trademark Bureau, the Department of Intellectual Property, at the Provincial Commercial Offices, or over the internet, within 30 days from the date that he receives the notification. Once the payment is made, 300

baht for each item of goods or services, the applicant will then receive the trademark registration certification as evident.

In this connection, the Department of Intellectual Property can send trademark registration certification to the applicant according to the address in the application form within 2 weeks after the fee payment. However, if the applicant wishes to receive the trademark registration certification on the day of making the fee payment, then the applicant or the authorized person is required to obtain it in person. In cases that a person has been authorized to obtain the trademark registration certification, a power of attorney (Form Gor. 18) with a stamp duty of 10 baht, as well as a copy of identification card of both the applicant and the authorized person's with certified signatures must be submitted to the official at the Application Request Service and Examination Division so as to receive the certification. The official at the One-Stop-Service will then expeditiously issue the trademark registration certification to the applicant within 1 hour without any fee.