Alliance University
Master of Business Administration

Submitted to: *Ed Eskew*

Submitted by: *Kevin Saunders*
22 W 25TH ST
Bayonn, NJ, 07002
(201)-275-8687
Ksaunders1500@gmail.com

Course Location: AUMC

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Infinite Horizons

CERTIFICATE OF AUTHORSHIP:
I certify that I am the author of this paper and that any assistance I receive in its preparation is fully acknowledged and disclosed in this paper. I have also cited any sources from which I used data, ideas, or works, either quoted directly or paraphrased. I also certify that this paper was prepared by me specifically for this course.

Student's E-Signature:

X _____

Infinite Horizons

Kevin Saunders

A Capstone Research Project

Submitted in partial fulfillment

of the requirements for the degree

Master in Business Administration

School of Business and Leadership

Alliance University

<Date>

Capstone Project Committee: Professor Joseph Reid

Ed Eskew>: Capstone Advisor

Professor Strain, MBA Director

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Executive Summary

The executive summary in the business plan is always the first section after the table of contents and title page. It is a brief yet comprehensive summary of the overall business plan. Typically, the executive summary will be one to two pages and will include such items as a summary description of the concept and business; opportunity and strategy; target market, profit margins, and projections; competitive advantages; team; and funding requirements (Timmons & Spinelli, 2012). As with all types of research, this initial section should set the stage for the subsequent detailed sections of the entire study (business plan).

Although there are many forms and iterations for presenting business plans, the Capstone project business plan will be prepared in the model format presented by Timmons & Spinelli (2012, p. 256-266). This primer is based on that model and is intended to provide an overview of the required sections. Specific details for each of these sections are further defined in that text. The ability to perform the necessary research, analytics and evaluation is presented throughout the master's journey in the various core and concentration course offerings. Additionally, three seminars are conducted to assist in the development of the Capstone project proposal, as well as the project itself. Fundamental research methods are presented in a separate course offering which will also assist in developing the proposal and ultimate project.

Mission, Vision, and Core Values

This concept proposal provides an overview of the proposed charter aviation provider Infinite Horizons. First, we present our mission statement. Our mission statement serves as our guide to help us achieve our vision at Infinite Horizons. Next, we establish the core values that serve as our guiding principles. Then, the private aviation industry is described. In this section of the proposal, we discuss the market size, the industry's potential for growth, the competitors in the industry, and perform a PEST analysis. Furthermore, in the service overview section the services provided are described. Lastly, we present our purpose, the significance, and a SWOT analysis.

Mission Statement

"To provide travelers with safe, simple, and dependable charter jet services.

Vision

"To obtain a large fleet of aircraft that allows us to take our guest where they want when they want safely and efficiently, with no limits.

Core Values

Respect

We have respect for our guests, the sky, and the communities we serve.

Efficiency

We will value all our guest time.

Safety

We will always keep safety as our top priority.

Reliability

We will get you where you want when you want.

Teamwork

We work best when we work with each other.

Industry Description

Private aviation industry allows for travelers to rent or own part of an aircraft opposed to purchasing an individual seat on a commercial aircraft. Private flights are also unscheduled and allow the customer to decide where and when they would like to fly. This industry is broken into six different regions: North America, Europe, Asia Pacific, Middle East, Latin America, and Africa. With North America being the largest market in the industry. The industry is also divided by aircraft type. With the shortest range you have turbo props and light jets which typically are used for reginal flights up to about 3 hours. Next you have your mid-size jets which can take you from coat to coast. Last you have heavy jets that have transoceanic capability.

Market Size

As of August 2022, the global private aviation market is believed to be worth up to “48.07 billion dollars” (Devost, 2022). And this number is projected to reach up to “51.88 billion by 2029 with a compound annual growth rate (CAGR) of 12.4%” (Devost, 2022). This shows the overall size of the market and its huge potential for growth over the next seven years. Additionally, the North America region is the largest market in the industry. This is driven predominantly by the United States which has a well-organized aviation industry in general. Along with a growing number of affluent individuals and corporations demanding to fly private within the region. As other countries develop and markets like China, Nigeria, India, and Dubai continue to grow economically so will the other charter aviation regions. Leading to even greater growth in the private aviation industry.

Potential Growth

The private aviation industry was previously reliant on businessmen and women, but during the pandemic many businesses were shut down. As for the companies that were still open, they began using zoom to safely conduct meetings. However, during the pandemic more and more affluent individuals began looking to fly private. David Zipkin the owner of Tradewinds aviation said, “while existing clients and longtime private flyers account for about 60% of its business, the remainder are new to private” (Edenedo, 2022). Furthermore, Senior Vice President of market intelligence for the private jet data tracking company Argus, stated “Industry trackers have found that private jet use has surged since the pandemic: In May alone, usage in North America was 15.8% above May 2019” (Edenedo, 2022). The COVID-19 pandemic had a huge impact on the charter aviation industry, but that’s not the only driving factor behind the markets growth. Time-saving features, an increase in net disposable income, an increase in tourism-related activities, convenience, and a high level of hygiene will all help the market grow. The private aviation industry offers a degree of convenience, comfort, versatility, dependability, and safety that commercial airlines simply cannot match.

Competitors

The private aviation industry is very different from the commercial aviation industry. About seventy percent of the commercial aviation industry is controlled by four major companies (Campbell, 2022). One of those companies being Southwest which recently brought in over twenty-one billion dollars of revenue in one year. However, only thirty five percent of the charter aviation industry is controlled by the top twenty-five companies (Campbell, 2022). The largest companies in the charter aviation industry include Net Jets, Wheels Up, and Vista

Global. Each of these companies alone brought in over a billion dollars of revenue. With Vista global being the largest after bringing in one and a half billion dollars in revenue.

Private Aviation Options

Within the private aviation industry there are four primary ways to fly private. The first way would be to charter a flight. This is where individuals rent a plane from a company at an hourly rate. The next way to fly private is through a flight broker. Flight brokers are connected to many companies and works for the customers to find the best private flight available. Flight brokers are like realtors and charge a percentage to the customer for finding the flight. The third way to fly private is through fractional ownership. With fractional ownership a company buys a share of an aircraft, and the share is equal to a certain amount of flight hours. The hourly rate is fixed at the time of purchase. This way companies own part of the aircraft and are guaranteed service from a fleet of similar aircraft. The last option to fly private is through fixed fleet operators who fly designated routes based on demand.

Proposed Company

This subsection should contain information about the type and location of your business. What type of business is this (sole proprietorship, partnership, LLC, S Corp, C Corp, …), and explain why you selected this form.

PESTLE Analysis

The use of a PESTLE analysis should be included. A few sources to add credibility and validity to this concept proposal are warranted and expected. These should be cited appropriately and then listed in the Reference List. Here is an example of how you might want to depict the PEST, and then a discussion of how it will be applied is warranted.

Table I: PEST Framework

Political	**Economical**	**Social**	**Technological**	**Legal**	**Environmental**

Political

Each subheading section should contain information detailing how this topic could potentially impact this industry and your business. Ultimately you will need to complete a best-case and worst-case scenario analysis, which should be based partially on your PESTLE analysis.

Product/Service Overview

Infinite Horizons is a charter aviation company, allowing individuals to rent an entire aircraft at an hourly rate based on the aircraft size. On round trip purchases customers will pay a fixed hourly rate for the entire aircraft. For one-way trips customers will pay a higher hourly rate plus a fee to reposition the aircraft. Infinite Horizons will eliminate empty legs (flying back to base with the plane empty) by offering empty leg tickets. Empty leg tickets will be at a fraction of the cost as the customer is only paying for their individual seat. Although this isn't a "private" flight, this will allow for individuals who usually wouldn't be able to fly private to have the experience at a fraction of the cost.

Product (or Service) Description

Our fleet is made up of light, mid-sized, and heavy jets that allow us to take our customers where they want when they want. Along with flexibility and reliability Infinite Horizons offers a level of safety airlines can't compete with.

Light Jets

First is the light jet category. These aircraft have space to accommodate 4 to 6 people comfortably. With top ranges maxing out at 2,000 nautical miles, these aircraft are perfect for families or businesses looking to take a quick trip. In June of 2022 the average hourly rate for a light jet was $8,050 (Gollan, 2022).

Midsize Jets

Next, is the mid-size jet. These aircraft have a ton of space for 9 to 12 people, with interiors featuring flat screen TV's full tables and even couches. These aircrafts maximum range of about 3,000 nautical miles makes them perfect for coast-to-coast trips. In June of 2022 the average hourly rate for a mid-sized jet was $9,323 (Gollan, 2022).

Heavy Jets

Last, is the heavy jet. These aircraft have an enormous interior to comfortably accommodate 12 to19 people. Several of these aircraft can even be configured to have full beds. With ranges between 3,500 and 7,000 nautical miles transoceanic travel is a breeze. In June 2022 the average hourly rate for a heavy jet was $15,449 (Gollan, 2022).

Mid-Sized and Heavy jets will also come with a flight attendant to serve you.

Empty Leg Seats

Empty leg seats will be offered when any jet is scheduled to return to its airport base empty. These seats will be available at a fixed price that's fraction of the price of renting the entre aircraft. These flights can be cancelled or delayed up until a few hours before the trip.

Purpose

The purpose of Infinite Horizons is to provide safe and simple charter jet services that customers can rely on. Also, to reduce the time our customers spend travelling so they can have more time to do the things that are important to them. The last few years have shown people they can't rely on the airlines. From the long TSA security lines to cramming into a seat surrounded by hundreds of complete strangers. This has made more and more people look to private aviation. Infinite Horizons allows customers to fly privately without dishing out millions of dollars a year to own a private jet.

Significance

The private aviation industry is booming. Because of long wait times at large airports and recent health concerns more and more people are looking to fly private every day. Out of 500 operators surveyed 80% believe that fractional and charter utilization seen in the past 12

to 18 months will continue to increase (Gollan D. , 2022). If the industry continues to grow at the rate it has in the past two years more providers will need to emerge to fulfill the demand.

Background

A brief synopsis of any relevant historical information related to how this potential business venture idea evolved should be presented in one of two paragraphs. This subsection is optional.

SWOT Analysis

The use of a SOT analysis should be included. A few sources to add credibility and validity to this concept proposal are warranted and expected. Here is an example of how you might want to depict the PEST, and then a discussion of how it will be applied is justified.

Table I: SWOT Analysis

Strengths	Weaknesses	Opportunities	Threats

Strengths

Each subheading section should contain information detailing how this topic could potentially impact this industry and your business. This could also be used to justify your best-case and worst-case scenario analysis required later in your business plan.

Porter's Six Forces

The use of Porter's six forces analysis should be included. A few sources to add credibility and validity to this concept proposal are warranted and expected. Here is an example of how you might want to depict Porter's six forces, and then a discussion of how it will be applied is warranted.

Table I: Porter's Six Forces

Competitive Rivalry	Threat of New Entrants	Supplier Power	Buyer Power	Threat of Substitutes	Impact of Complements

Competitive Rivalry

Each subheading section should contain information detailing how this topic could potentially impact this industry and your business. This could also be used to justify your best-case and worst-case scenario analysis required later in your business plan.

Market Analysis

This section of the business plan provides the reader with information that explains and supports the assertions about the entrepreneurial venture related to the target market, the ability to capture the projected share of the market, as well as ability to handle the competition. Specific areas that require discussion include target customers; geographic targets; particular ability to reach and appeal to the targeted customers; potential initial sales projections; etc. Therefore, this section is typically broken up into several subsections that may include customers, market size and trends, competition and competitive strategies, forecasted market share and sales, and ongoing market evaluation.

Market Size and Trends

The market size and trend subsection typically provides a five-year forecast, including estimated market share over time, market segmentation, units, dollars, and profitability. A subsection on competition and competitive strategies will provide an evaluative discussion of the strengths and weaknesses of the competitors; a comparative analysis of potential substitutable products or services; the fundamental value proposition of the product or service; as well as an analysis of the competition to combat the newly introduced product or service. Following the competitive discussion should be an analytic presentation on forecasted market share and sales that may include fundamental value add of the product or service; major potential customers who may have already (or are willing) to procure the product or service; and relationship of the projected growth to industry or market growth. Typically, the market analysis section of a business plan concludes with an examination and evaluation of how the product or service will continue to evolve in the

market. Specific considerations should address product or service programs, expansion plans, etc.

Economics of the Business

This portion of the business plan speaks to the company's ability to become profitable, sustain that profitability, and share the plan for long-term profitability. Note that this identifies the fixed/variable/semi-variable costs as well as individual pricing and sales forecasts. Clarity is a significant component as investors will pay close attention to how it is presented in this business plan section. Thought should be given to the following questions:

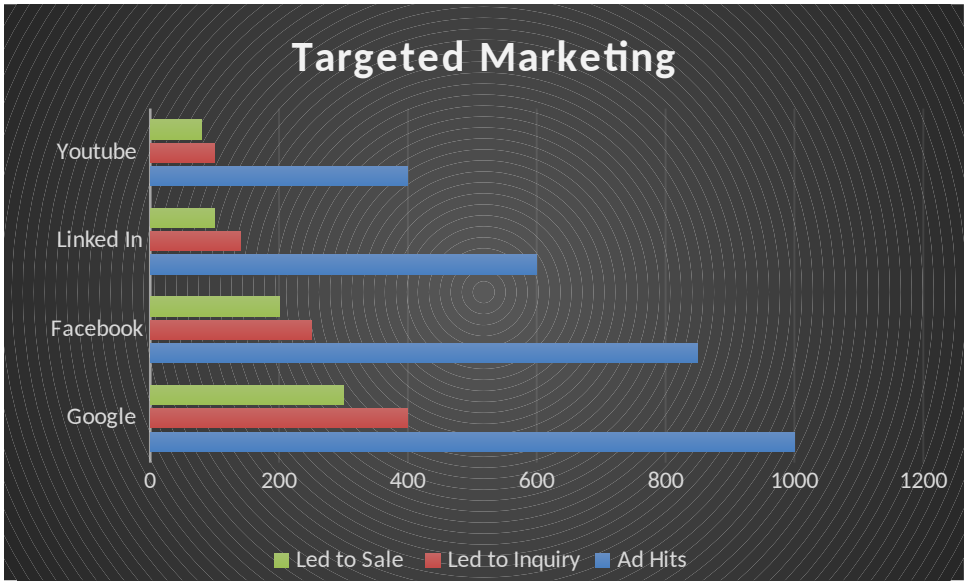
- When is break-even achieved? (Measure this in months rather than years)
- How long will the business run at break-even status?
- Once break-even status has been achieved, what is the lead time to obtain the target profit margins?

Any business can be mirrored, and therein lies the threat of competition. Identify any perceived difficulties competitors might have in copying this model. Demonstrate why and how it would be difficult to duplicate this model's unique and differentiating components and why this model could fend off a spirited intrusion into the targeted niche marketplace.

Marketing Plan

Chartering a private jet is luxury that only a small percentage of the population get to enjoy. Therfore, it is crucial that targeted marketing is used in order to reach this group of people. Our target market will be business executives, high net-worth leisure travellers and high profile individuals. Infinte Horizons will use targeted marketing through Google Ads and social media platforms to ensure the right individuals are seeing our ads. We will identify these indivduals throught external demographic data. This data will tell us the the websites they shop on, the things they search for, and the people they interact with the most on social media. All of this data can be bought from several different sources. We will begin running our ads one to three months prior to opening, since we know this is how far out most charters are booked. We will also do a lot of networking so people can know who we are and what we do. This will be done by attending high net-worth evets. Also, by hosting our own events where we invite prior guest and their friends and family. Lastly, we will have a referral program where are guest referrer their family and friends to us. We will offer discounted flights to the reffered and ther refferer. All of our marketing will be handled by our marketing team. The team will start off with two marketing experts and grow as the company begins to take off.

Figure 2 Targeted Marketing Startegy



Design and Development Plans

Every idea begins with an outline. This section will review and detail the time and money required to prepare and prepare a product or service for the market. This could include such topics as engineering work, creating a unique tool to fabricate the product, retaining an industry expert to lend creative credibility to the product, and identifying and organizing employees, equipment, and special techniques.

Think about including such items as:

- Development status and task assignment
- Challenges and risks associated with the creation of this product
- Product improvement
- Costs
- Proprietary issues such as patents, trademarks, and the like.

It is imperative to send the message that this idea, product, or service has not only met the needs of the target market but that it has included the customer's thoughts and ideas through focus group research and one-on-one sessions with the customer base to ensure the product can be continually improved, enhanced and expanded which will demonstrate potential sustainability of the business.

Operations Plan

Identify the location of the proposed facility and the type of facility required to produce/deliver the proposed product/service. What size footprint is necessary to accommodate the volume planned for production? Will the labor force work a single shift, or is there a plan to work multiple shifts or schedule weekend teams? What management staff will be required to operate each shift? Inventory controls must be established to manage minimum on-hand inventory levels. Will the workforce manufacture the entire product? If not, what part is manufactured outside the facility and therefore NOT under direct control? Just-in-time operations must be described with schedules to ensure the products manufactured outside the facility arrive in time to be used in the development of the product. Too much inventory, and there is a risk of tying up operating capital. Too little inventory and the ability to deliver the correct number of units for a customer's order may be delayed, which translates into lost sales. Either occurrence can expose the business to undue monetary pressure.

If this is a start-up, when will these facilities be ready for prime time? Will construction lead time be adequate to keep the order commitments on schedule? Investors will want to know, so be prepared to address these issues BEFORE getting in front of the "money people."

Management Team

The management team of any business is as critical as the product or service itself. The greatest product possible could be manufactured; however, if the management team fails to execute the company plan, lost sales could occur, which may prove fatal.

Describe each management position on the team, their role, responsibilities, and required compensation. Is the management team willing to accept lower compensation given the start-up nature of the business? If so, this is worth noting when presenting the plan. Has the talent been balanced on the team? Does the team possess adequate technical skills, leadership skills, and a proven track record of success? Beyond their salary compensation, what other perks will be offered? Does the business intend to provide profit sharing, stock options, or bonus plans? What is the strategy for holding on to intellectual property, especially after the management team proves successful? Many companies go to exhausting lengths to ensure sustainable, successful management teams. Good management personnel are hard to come by. Finding them is an incredible challenge; however, it pales in comparison to retaining them once they have proven their worth.

Sustainability and Impact

All business plans must address sustainability and impact. Every business developed has had some impact on the economy, society, and the environment. Investors will want to know how the proposed business venture can/will impact all these areas.

If the business positively impacts any of the above, the chance of sustainability is significantly increased. In keeping with this theme, think about the type of potential waste that the business may generate. Will the company adequately and compliantly recycle or dispose of the waste it creates? Review and discuss the impact on the planet's green initiative to include carbon reduction and effective waste management. If there are suppliers, there is a need to include the supplier list in the plan and explain how they intend to address their impact on the environment. Be sure also to consider the impact on the local community and society.

Often, how a company addresses these issues can create separation from its competitors. All things being equal, if the production environment of the proposed business proves to be a greener, more planet-friendly alternative, it could create separation from competitors on this element alone. Forward think on this issue and try to project future impact on the company and product line growth. Is the company poised and on track to improve the environment, or is there a risk of falling back to the pack?

Finally, this section should address the potential exit strategies of the venture. Exiting does not mean leaving the venture; it is a liquidity event as it achieves certain milestones, which should be analyzed and presented. Investors typically want a plan to capitalize on their gains and leave your business. How long do you need them to remain engaged, and what's the plan for paying them when the time comes?

Overall Schedule

Scheduling is critical and can quickly become the deciding factor in the success of the pursuit of funding. Investors want to see a meticulously formulated plan with realistic goals and objectives, alternative strategies in the event specific mid-term goals are missed, as well as remediation plans should a major “show-stopper” occur. This is the time to think out of the box, demonstrate solid forward-thinking, and show just how creative this plan can be. Leave nothing to the assumption of the reader or audience. Walk them through the elements in the order envisioned for the events. As an example:

- Lay out a cash conversion cycle for each product or service
- Create a month-by-month schedule that shows the timing of the product development, market planning, sales programs, production
- Display critical milestones essential in achieving success to include:
    - Incorporation of the venture
    - Completion of design and development
    - Completion of proto-types
    - Securing sales representatives
    - Trade Show displays
    - Contracts with distributors and suppliers
    - Material orders in quantities indicative of production volumes

This is a time to demonstrate copious adherence to every detail. Leave no stone unturned, and when those in attendance walk away, they should think, “Wow, what a presentation. This idea is solid, and I need to be part of this business”.

Critical Risks, Problems, and Assumptions

The Entrepreneurial spirit is based on a risk-reward mindset. The willingness to assume such risks is at the very core of every entrepreneur. Although it is believed the business creator accepts these risks, those who consider investing in the business need more assurance. Often, investor comfort levels can be heightened simply by observing the care with which the business plan identifies and addresses these risks. Be thorough in reviewing all the risks, problems, and obstacles perceived to be in the path of operating a successful business and, by extension, the path of all stakeholders.

Identify each risk and its potential impact on the business. Will it affect personnel, product delivery, development, and market appeal? Drill down through the Sales assumptions made in the projections. Talk about how and why such predictions have been offered, and provide insight into how the numbers were determined (in many cases, appendices and exhibits should be used to support many of these sections). Address potential "show-stoppers"; why they may be considered such, and how they could be managed. It has long been a standing rule that most potential investors will read the "Management Team" section and then immediately turn to this section. The omission could prove fatal, with the reader concluding a belief that they may be stupid or naïve, that the plan is attempting to pull the "wool over their eyes", or that there is insufficient critical thinking to have thought of these exposures. Any of these conclusions may result in a refusal to engage and not achieve the goal. Be thorough in the review and consider some, if not all, of the following:

- Running out of cash before orders are secured
- Potential price cutting by competitors
- Unfavorable industry trends

- Design or manufacturing costs exceeding original estimates
- Sales projections not achieved
- Raw material lead-time longer than anticipated
- Challenges in obtaining bank credit

Weigh these risks placing higher weights on the most critical down to the least vital to demonstrate a stronger sense of impact. Do not take this section lightly. Be sure to demonstrate deep critical thinking in this area. It can and will separate the plan from competitors.

The Financial Plan

In this section, the proverbial “rubber meets the road”. It is here where many potential investors and/or bankers will focus on uncovering the business’s true financial requirements. Accurate presentation of the estimates results in increased validity of the business plan. The business viability and timetable will be on display in this section.

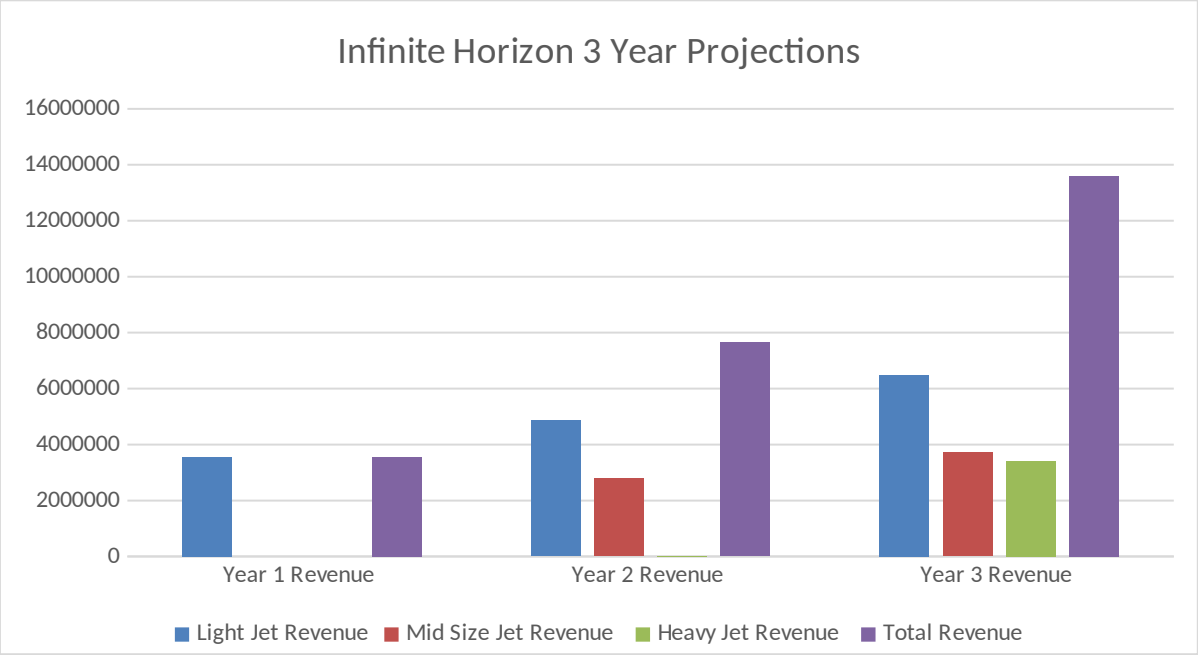
The use of financial exhibits will be expected. Financial statements should cover five-year projections, including income statements, balance sheets, and cash flow statements. Many of these can be discussed and described here while providing the full statements in appendices and exhibits. In most cases, start-ups will use pro forma financial statements. Use sales forecasts and the accompanying production or operations costs when preparing the pro forma. Be sure to review/discuss the assumptions made in these reports entirely. The income and cash flow statements should show a monthly analysis for at least the first six months or minimally until the business becomes profitable.

A discussion must be provided on worst-case, most likely, and best-case scenarios. Describe how certain assumptions may cause any of these scenarios and what that will do to specific performance indicators. The worst-case and best-case expectations should be based on your PESTLE, SWOT, and Portal’s analysis.

Proposed Funding Requirements

Infinite Horizons will use a several diffent startegies to secure funding. First the owner of Infinite Horizons will use a boot strapping method as a successful pilot bringing in personal savings to infuse capital into the business. He will also secure investments from friends and family that will buy into the company. Next, Infinite Horizons will also secure bank loans and establish lines of credit. These loans and credit will go towards leasing aircraft on a monthly basis until te company is able to purchase its own aircraft. Another source of funding will come from investors that will trade capital for equity in the business. We wil also research and apply for any government grants available for aviation business. Lastly, since Infinite Horizons will begin with only a light jet we will partner with established charter companies and broker flights for them. This way we are building a customer base and bringing in income by charging a commission for finding the flight. Using these methods Infinite Horizons will secure enough funding to get throught the starup phase and start generating enough revenue to sustain itself.

Figure 3 Three Year Revenue Projection



Now that the business idea has been fully described and presented, it is time to identify precisely how much funding is being sought after. Identify how the plan intends to invest this money in the business and the rate of consumption. Potential investors will want to hear about how and when their investment dollars will be repaid. A detailed plan will be

required showing how the expected rate of return will be achieved. Understand that those investors who are serious about investing in your business will be the ones most concerned with the content in this section. Be prepared for the potential investors to counteroffer ideas on how to pay back the money with a few rather creative ideas of their own. If you are considering offering equity in the company, what percentage of the company will be surrendered to investors? Note also that this will require you t perform a valuation on your company to justify the equity percentage. Will controlling stock be retained, or is there a willingness to sell more than half of the interest in the business?

All investors want to know how their money is going to be spent. Be prepared to provide a list of items planned to purchase. How much will be spent on creative design, market research, development, and the creation of production facilities? The more data provided, the greater your investors' comfort level will feel.

References

American Psychological Association (2010). Publication manual of the American Psychological Association. Washington, DC: American Psychological Association.

Spinelli, S. & Adams, R. J. (2016). New venture creation: Entrepreneurship for the 21st century (10th ed.). NY: McGraw-Hill.

NOTE: It is expected that 20-30 resources (80-90% from scholarly sources within the past five years) will be used throughout the business plan and listed in proper APA format. The most important aspect is the distillation of the sources and their relevance to this proposed venture. Proper APA citations must be used at all times.

Appendix

NOTE: Appendices should be included that support the discussion within the business plan and referenced herein; this may include but not be limited to financial statements, charts, diagrams, org charts, etc.