Medial Tourism

1.0 EXECUTIVE SUMMARY

1.1 COMPANY

Medical Travel, Inc., ("the Company") is an early stage start up that will serve as a full service "medical tourism" agency. It will focus on helping upscale U.S. patients receive cosmetic and non-elective surgery in foreign countries through relationships with world-class medical facilities in India, the Philippines, Indonesia and Thailand. The Company's founders have identified factors indicating an opportunity to enter the market for upscale medical tourism services. In the spring of 20XX the Company was formed and capitalized with equal investments of $25,000 from each of the founders. In May, 20XX the founders traveled to Thailand and the Philippines to meet with representatives of medical facilities to discuss the terms of a working relationship. To date, the Company has signed deals with three hospitals and two out patient clinics in Bangkok, Thailand and one hospital in Manila, the Philippines.

1.2 PRODUCTS & SERVICES

The Company will make all necessary arrangements for US patients to receive world-class medical procedures in Thailand, the Philippines and other Asian countries. The Company will arrange for initial consultations between patients and foreign doctors, schedule procedures and make all travel arrangements. For the procedure itself, the client will be contracting directly with the medical provider. Financial arrangements, including necessary deposits, will be finalized before travel itineraries are booked and before the client is admitted to the medical facility. The Company will work directly with the client's insurance provider to determine in advance whether a portion of the treatment and related expenses will be covered.

1.3 MARKET ANALYSIS

Expected to be a $40 billion industry by 20XX, medical tourism provides patients with the opportunity to receive top quality medical services in foreign countries at lower prices than in their home country. The Company will target upscale clients who seek cosmetic and other elective surgery procedures. Rather than spending the recovery period after surgery in their homes, these clients will prefer to spend time in a resort environment where all of their needs are met. While these clients could afford the higher prices for cosmetic surgery in the United States, they would rather go abroad to receive treatment. They can spend the money they save on the treatment by indulging in a vacation. Many clients will travel abroad with a spouse or a group of friends. In general, the Company's upscale clients will be from older demographics, generally between the ages of 45-65.

Market indicators in the United States show that the prospects for medical tourism have great potential over the next decade and beyond. In 20XX, approximately 500,000 Americans traveled overseas for health care in other countries. The United States has 78 million people who were born in the baby boom generation, and the oldest members of this group turned 60 years of age in 20XX. As people get older, their health care requirements go up. Many baby boomers have inadequate medical insurance, or don't have any at all. Meanwhile, medical costs are going up much faster than inflation. These factors make medical tourism an increasingly more attractive option for patients in the United States, especially those that are uninsured and underinsured.

1.4 STRATEGY & IMPLEMENTATION

As a premium medical tourism agency, the Company will offer its clients VIP service while they are traveling abroad. In order to ensure the highest levels of customer service, the Company will contract with the premier medical facilities and service providers in foreign countries. The Company will invest in a best-in-class website that is designed to appeal to the sensibilities of upscale customers. The Company will seek to develop brand

awareness among upscale clients by advertising in niche print publications that reach this audience. The Company will hire a PR firm to generate publicity that will reinforce the Company's image as an agency that caters to the VIP crowd, including celebrities. By focusing on customer satisfaction, the Company expects to achieve strong word-of-mouth advertising as clients share their medical tourism experience with their close friends. The Company will seek strategic alliances and affinity relationships with a select group of upscale merchants in the Southern California region.

1.5 MANAGEMENT

Company founder Ted Francis will serve as the Company's CEO. With 10 years of experience in the travel business, Ted Francis will provide overall leadership of the enterprise. He will work closely with Company founders Dr. Bob Robinson, MD, and Dr. Donna Springfield, MD, who will sit on the Board of Directors. The Company will be organized into two general departments – Service and Marketing. The Service department will be led by a Vice President of Case Management, who will be responsible for supervising the provision of services to the Company's clients. The Marketing department will be led by a Vice President of Marketing who will be in charge of promoting the Company to the target market.

1.6 FINANCIAL PLAN

As indicated in the attached income statements, the Company expects to achieve profitability by month 10. This will be achieved by gradually increasing the number of clients per month from 3 in month 1 to 15 in month 10. Given the current level of projections, the initial investment will be sufficient to carry the Company until it reaches a positive cash flow position.

1.7 SOURCES & USE OF FUNDS

In order to get the business off the ground and achieve a self-sustaining level of cash flow, the Company requires $500,000 from equity investors. Funds will be used to acquire a lease on office space, outfit the office with necessary equipment, hire key management and support staff, develop a best-in-class website and brand identity and begin marketing the Company's services to potential clients. Remaining funds will be used to support business operations until the Company becomes self-sustaining.

2.0 COMPANY

2.1 COMPANY & INDUSTRY

Medical Travel, Inc., will operate out of offices in San Diego, California. As a premium full service "medical tourism" agency, the Company will help patients to receive high quality medical procedures in foreign countries at prices far below comparable procedures in the United States. While traveling abroad, the Company's clients will have the opportunity to enjoy a world-class travel experience with all of the amenities associated with 5-Star travel.

2.2 LEGAL ENTITY & OWNERSHIP

The Company is formally incorporated under the laws of the state of California. Ownership is divided in equal shares among the Company's three founders, which include Dr. Bob Robinson, MD, Dr. Donna Springfield, MD, and Ted Francis, who has 10 years of experience as the manager of a travel agency.

2.3 COMPANY HISTORY TO DATE

The Company is an early stage start up in the process of developing a full service "medical tourism" agency that will be focused on helping U.S. patients receive cosmetic and non-elective medical procedures in foreign countries through relationships with world class medical facilities in India, the Philippines, Indonesia and Thailand. The Company's founders recognized market factors that indicate a strong opportunity to provide premium service to upscale VIP patients from the United States. In the spring of 20XX the Company was

formed and capitalized with equal investments of $25,000 from each of the founders. In May, 20XX the founders traveled to India and the Philippines to meet with representatives of medical facilities in India and the Philippines to discuss the terms of a working relationship. To date the Company has signed deals with three hospitals and two out patient clinics in Bangkok, Thailand, and one hospital in Manila, the Philippines.

2.4 FACILITIES

The Company plans on renting a 1,500 square foot office space in a medium sized building in or near downtown San Diego. A facility of this size is expected to be adequate for at least the first three years of the Company's anticipated growth. Market rate for office space in downtown San Diego is $XX – XX SF/Year.

2.5 KEY ASSETS

The Company's founders have each invested $25,000 in order to provide the Company with an initial capitalization. After paying for the exploratory trip to Asia, the Company has $50,000 in the bank. Other key assets include the signed contracts with the medical facilities in Asia.

3.0 PRODUCTS AND SERVICES

3.1 DESCRIPTION

The Company will make all necessary arrangements for U.S. patients to receive world class medical procedures in Thailand, the Philippines and other Asian countries. The Company will arrange for initial consultations between patients and foreign doctors, schedule procedures and make all travel arrangements. In the majority of cases, an all-inclusive quote will be provided for prospective clients. The quote will include the Company's fees, which will account for approximately 20% of the total. For the procedure itself, the client will be contracting directly with the medical provider. Financial arrangements, including necessary deposits, will be finalized before travel itineraries are booked and before the client is admitted to the medical facility. The Company will work directly with the client's insurance provider to determine in advance whether a portion of the treatment and related expenses will be covered.

3.2 FEATURES & BENEFITS

The Company's services will include the following:

- Help with procuring a medical visa;
- Booking travel to the country where the services will be provided;
- Airport pick up and drop off;
- Consultation with appropriate specialists;
- Pre-operation accommodation;
- Booking into the hospital for the operation;
- Accommodation for post-operative recuperation;
- Arrangements for post-operative care in the foreign country;
- Book travel home from the country where the services have been provided;
- Arranging emergency insurance coverage for any unexpected serious adverse events arising from the surgery that means prolonged hospitalization and/or a medical flight back to the U.S.;
- Arranging Travel insurance.

The Company's services will be more comprehensive than any competitor in its industry. Premium one-stop-shopping will differentiate it from competitors that concentrate on specific packages and/or countries.

3.3 COMPETITION

There are several US based medical tourism agencies that offer services to U.S. patients. These agencies are all relatively similar to each other, except that they have relationships with hospitals in specific countries. The Company's competitors include the following U.S.-based medical tourism agencies:

- Med Journeys
- The Medtrava Group
- Quest MedTourism
- IndUShealth
- Med Retreat

In addition to U.S.-based agencies, there are several foreign-based medical tourism agencies that market their services directly to U.S. patients. Generally these agencies are affiliated with medical providers in only one specific country. A few of these agencies are listed below.

- Health Tours India
- Medical Tourism China
- Medtral New Zealand

3.4 COMPETITIVE ADVANTAGES / BARRIERS TO ENTRY

The Company will distinguish itself from its competitors by focusing on the niche market for upscale premium service. While most medical travel agencies are targeting bargain hunters, the Company will position itself to appeal to upscale market segments. The Company will derive a competitive advantage from the fact that two of its founders are medical doctors, which will enhance the Company's reputation for safety, and obviates the need to pay for medical experts to evaluate the quality of foreign medical facilities. The Company will also have an advantage because of its location in the San Diego area. San Diego county has an aging population that is far above average in terms of wealth. In addition to web-based marketing, the Company will take advantage of its location among large population of potential clients by using an innovative regional marketing campaign that is designed to appeal to the sensibilities of people in Southern California.

The medical travel industry has significant barriers to entry, because it requires expertise in the provision of both medical services and travel services. Startup costs are higher in medical travel because it requires hiring expensive medical experts who can evaluate foreign medical facilities. While there is nothing to prevent additional competitors from entering the market, the start up costs are going to be quite high.

3.5 DEVELOPMENT

The Company aims to develop into the country's premier medical tourism agency for upscale clients who want to have a first class experience while Company will seek to diversify both its services and the number of countries where packages can be offered.

4.0 MARKET ANALYSIS

4.1 TARGET CUSTOMER

The Company will target upscale clients who seek cosmetic and other elective surgery procedures. Rather than spending the recovery period after surgery in their homes, these clients will prefer to spend time in a resort environment where all of their needs are met. While these clients could afford the higher prices for cosmetic surgery in the United States, they would rather go abroad to receive treatment. They can spend the money they save on the treatment by indulging in a vacation. Many clients will travel abroad with a spouse or a group of friends. In general, the Company's upscale clients will be from older demographics, generally between the ages of 45-65.

A secondary market segment is people who have a medical need for surgery and are looking to save money by

traveling abroad. In order to accommodate the needs of these clients, the Company will develop relationships with hotels and other foreign service providers that are at the lower end of the luxury scale.

4.2 MARKET SIZE

Expected to be a $40 billion industry by 20XX, medical tourism provides patients with the opportunity to receive top quality medical services in foreign countries at lower prices than in their home country. Market indicators in the United States show that the prospects for medical tourism have great potential over the next decade and beyond. In 20XX, approximately 500,000 Americans traveled overseas for health care in other countries. The United States has 78 million people who were born in the baby boom generation, and the oldest members of this group turned 60 years of age in 20XX. As people get older, their health care requirements go up. Many baby boomers have inadequate medical insurance, or don't have any at all. Meanwhile, medical costs are going up much faster than inflation. These factors make medical tourism an increasingly more attractive option for patients in the United States, especially those that are uninsured and underinsured.

4.3 TRENDS

Over the past decade the medical tourism industry has exploded, with many new companies emerging to help people in developed countries obtain health care services in developing countries. This is due to a convergence of factors in both developed and developing countries:

- Aging populations in developed countries;
- Rising health care costs and/or long waiting periods in developed countries;
- Inadequate health insurance coverage in developed countries;
- Technological and care standard upgrades in developing countries;
- Relatively lower medical costs in developing countries;
- Added value of leisure and tourist activities in addition to receiving medical care;
- Relatively low cost of travel to developing countries.

Both elective procedures and specialized surgical operations (dental surgery, cosmetic surgery, cardiac surgery, knee and hip joint replacement) are commonly carried out as part of medical tourism packages. Countries that offer medical travel packages include Belgium, Brunei, Cuba, Colombia, Hong Kong, Hungary, India, Israel, Jordan, Lithuania, Malaysia, The Philippines, Poland, Singapore, Slovakia, South Africa, Thailand, the United Arab Emirates (UAE), and New Zealand. Argentina, Bolivia, Brazil, Colombia, Costa Rica, Cuba, Mexico and Turkey also specialize in cosmetic surgery procedures.

4.4 SWOT ANALYSIS

Strengths

- Experience and understanding up medical procedures
- Experience and understanding of the travel industry
- Strategic location in region with high density of potential customers

Weaknesses

- New player in a competitive market

Opportunities

- Establishing a new reputation as a boutique agency for upscale clients
- Entering a fast-growing market

Threats

- Economic downturn could impact demand for elective surgeries
- Competitive market could increase marketing costs

5.0 STRATEGY & IMPLEMENTATION

5.1 PHILOSOPHY

As a premium medical tourism agency, the Company will offer its clients VIP service while they are traveling abroad. The Company will never question the demands or needs of its clients, no matter how extravagant. The Company will strive to deliver the highest levels of customer service, and will operate according to the strictest standards of medical ethics.

5.2 PRODUCT DEVELOPMENT

In order to ensure the highest levels of customer service, the Company will contract with the premier medical facilities and service providers in foreign countries. The Company will also employ executive travel coordinators who will arrange for the client's transportation and lodging needs, and help the client to secure medical visas and comply with other travel-related formalities. The Company will employ case managers with a background in nursing who will work with the client, and the client's U.S. based doctors, and coordinate and schedule the treatment with the Company's network of health care providers abroad.

5.3 INTERNET STRATEGY

Most medical tourism agencies use the Internet to promote themselves. The Company will invest in a best-in-class website that is designed to appeal to the sensibilities of upscale customers. The website will make extensive use of Flash technology, videos and photos to achieve high production values and a sense of exclusivity. Because there are many established medical tourism websites the Company expects that it would be quite expensive to achieve high ranking on search engine results for search terms such as "medical travel" and "medical tourism". Rather than invest in an expensive SEO strategy, the Company will budget for extensive paid search advertising in order to attract traffic to its website.

5.4 MARKETING STRATEGY

The Company will seek to develop brand awareness among upscale clients by advertising in niche print publications that reach this audience. The Company will hire a PR firm to generate publicity that will reinforce the Company's image as an agency that caters to the VIP crowd, including celebrities. In order to minimize advertising costs, the Company will execute a regional marketing campaign that is focused on Southern California. This may include sponsorship of charity golf tournaments and other events that appeal to the Company's target demographic. The Company will make limited use of direct mail by creating an extremely high quality mail piece that will be sent to high income zip codes. Direct mail will be closely monitored to ensure that it is achieving ROI. By focusing on customer satisfaction, the Company expects to achieve strong word-of-mouth advertising as clients share their medical tourism experience with their close friends.

5.5 SALES STRATEGY

In most cases, customers will initiate contact with the Company by phone. The Company will employ professional case managers who will be the first point of contact with prospective clients. Case managers will be compensated in part on a commission basis to encourage up-selling of the Company's VIP services. The Company will only hire case managers who have significant experience catering to the needs of upscale clients. The key to the Company's sales strategy is to achieve an extremely high close ratio on sales opportunities. Case managers will be closely supervised and monitored by company management to ensure that they are presenting the Company in the best possible light.

5.6 STRATEGIC ALLIANCES

The Company will seek strategic alliances and affinity relationships with a select group of upscale merchants in the Southern California region. This will including luxury car dealerships, charter jet airlines, exclusive clothing boutiques and medical spas.

5.7 OPERATIONS

The Company plans to operate out of a suite of offices located in San Diego. The Company will seek an office location that will allow for gradual expansion as the Company head count grows over time. The Company offices will be maintained in a manner such that they are appropriate for inviting clients to visit for in-person consultations. Office hours will be from 8am to 5pm Monday through Friday. The Company may establish an affiliate office abroad so that it will be better able to meet the needs of its clients during their travel to the host country.

5.8 GOALS

In order to become the world's leading upscale medical tourism agency, the Company has established a set of goals:

- Attract an equity investment of $500,000 to finance growth
- Establish a Company headquarters in downtown San Diego
- Hire key management personnel and staff
- Establish working protocols for case management and service
- Develop a best-in-class website
- Begin to offer services by Q2 200X
- Launch public relations and marketing campaigns in Q2 200X
- Develop reputation for superior customer service
- Become profitable by Q4 2009

5.9 EXIT STRATEGY

By developing the premier VIP brand in the world of medical tourism, the founders plan to exit by selling the Company to a larger travel service business. Potential acquisition targets include large luxury travel agencies that want to leverage their strong customer base by adding medical travel to their offering.

6.0 MANAGEMENT

6.1 ORGANIZATIONAL STRUCTURE

Company founder Ted Francis will serve as the Company's CEO. The Company will be organized into two general departments – Service and Marketing. The Service department will be led by a Vice President of Case Management, who will be responsible for supervising the provision of services to the Company's clients. The Marketing department will be led by a Vice President of Marketing who will be in charge of promoting the Company to the target market.

6.2 LEADERSHIP

With 10 years of experience in the travel business, Ted Francis will provide overall leadership of the enterprise. He will act as CEO and work closely with Company founders Dr. Bob Robinson, MD, and Dr. Donna Springfield, MD, who will sit on the Board of Directors. The Board of Directors will ensure that the Company maintains the highest standards of medical ethics and maintains relationships with only the most professional medical professionals abroad.

6.3 STAFF MEMBERS

Once the Company has a management team in place, it will gradually scale up its personnel in order to execute a 5-year growth strategy. Because the Company seeks to become the world's premier VIP medical tourism agency, it will seek to hire exceptional professionals who are committed to the highest standards of excellence. The staff will be comprised of the following members:

CEO

CFO

VP of Case Management

VP of Marketing

Case Managers - from 1 to 5 by Year 5

Travel Coordinators - from 1 to 4 by Year 5

Administrative Staff - from 1 to 3 by Year 5

7.0 FINANCIAL PLAN

7.1 REQUIREMENTS

In order to get the business off the ground and achieve a self-sustaining level of cash flow, the Company requires $500,000 in investment capital.

7.2 USE OF FUNDS

Funds will be used to acquire a lease on office space, outfit the office with necessary equipment, hire key management and support staff, develop a best-in-class website and brand identity and begin marketing the Company's services to potential clients. Remaining funds will be used to support business operations until the Company becomes self sustaining.

7.3 INCOME STATEMENT PROJECTIONS

As indicated in the attached income statements, the Company expects to achieve profitability by month 10. This will be achieved by gradually increasing the number of clients per month from 3 in month 1 to 15 in month 10. The Company will bill clients a fee based on the total cost of their travel expenses, along with a medical consultation fee that is based on the total cost of their medical expenses. By Year 3, the Company expects to receive an average of two new clients per day. As indicated, the largest portion of the Company's expenses will come from salary expense. The Company will hire Case Managers and other support staff gradually over Years 1-5 as necessary to meet demand. The second largest expense will be for marketing. Once the initial marketing efforts enable the Company to achieve a base level of sales in Year 1, marketing will be scaled back to a consistent level for years 2-5.

7.4 CASH FLOW PROJECTIONS

The accompanying cash flow statement projects that the Company will be cash positive by month 10. Because the company will require upfront payment from customers at the time the medical procedure is scheduled, the Company will be able to avoid risks associated with deferred payment. Given the current level of projections, the initial investment of $500,000 will be sufficient to carry the Company until it reaches a positive cash flow position.

7.5 BALANCE SHEET

The Company will acquire office furniture and equipment to begin operations. The Company's initial Balance Sheet will maintain a high proportion of Cash, which will be used to fund operations. There will be no initial debt or other liabilities.

7.6 ASSUMPTIONS

The key assumptions in the Company's projections relate to the estimates of new business. As indicated in the Income Statements, the Company projects a gradual increase in new customers from Month 1 through Month 36, at which point the company predicts a slower rate of growth. For each new customer the Company expects to receive an average of $X,XXX of revenue, which represents X% of the client's total travel and medical expenses.