

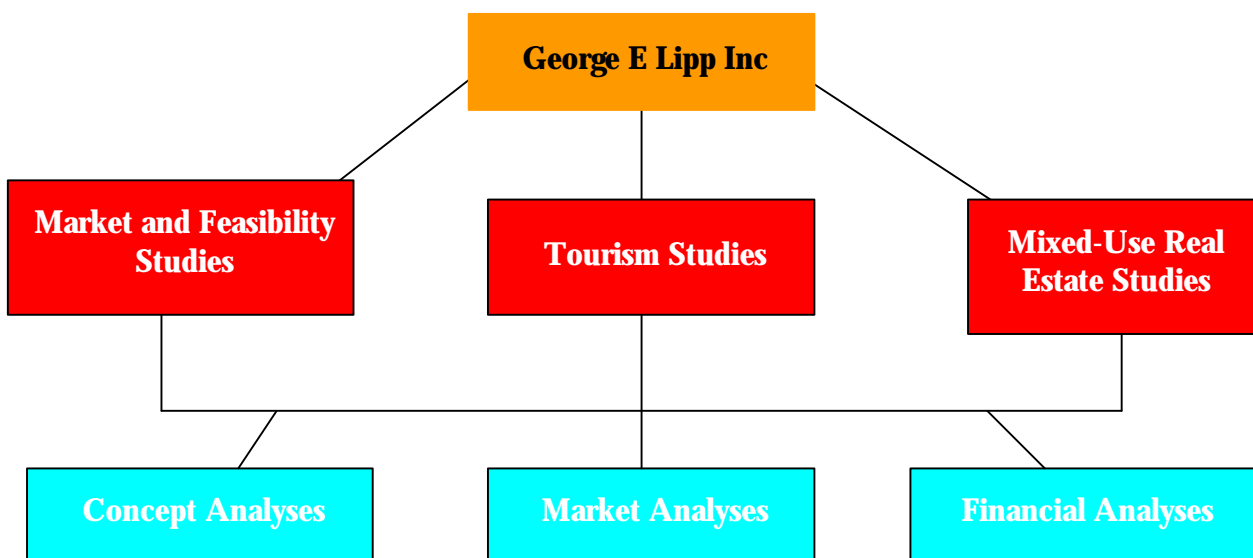
The Company

George E. Lipp, Inc. was formed in 1980 to carry on the consulting work its founder and President, George E. Lipp, had performed for clients in the service industries as a partner in Pannell Kerr Forster (an international accounting firm) since 1959.

The company has gained recognition in all phases of professional assistance and counsel to service industries and specifically to the tourism, hospitality and real estate sectors. Besides serving clients who represent private investment interests, the company is frequently engaged in a consulting capacity by local authorities, state and national governments, and international agencies. The company frequently collaborates with architects, engineers, and other professionals on assignments that require a multi-discipline approach.

The breadth of George E. Lipp, Inc. resources allows the Company to undertake projects covering a diverse range of consulting engagements including:

- ?? Conduct **market** evaluation **and feasibility studies** for hotel and resort developments, convention and conference centres, marinas, entertainment centres, and food and beverage outlets.
- ?? Counsel and assist governments in developing a well researched, resource based, competitive, and financially viable visitor service industry, including the structuring of economic incentives to attract foreign private investment to the economy ? **tourism studies**.
- ?? Advisors on real estate development strategy and specialists in conducting market demand studies and determining economic rents applicable to real estate utilised in the hospitality industry ? **mixed-use real estate studies**.



Market and Feasibility Studies

Evaluating the market potential and economic feasibility of a new venture prior to making a major financial commitment is an essential aspect of sound decision making by management. In many cases, an independent and objective evaluation of a new project is essential to obtain equity and/or loan financing or a franchise or management agreement.

Our client may be an individual developer or an international corporation. Regardless of the scope, the feasibility study involves an assessment of the potential demand and earnings prospects for that specific project. Also we frequently advise on the best economic utilisation of property which requires an extensive market survey to evaluate the potential of many diverse forms of development.

Depending on the client's requirements, a hotel feasibility study might involve any or all of the following:

- ?? Site analysis in relation to potential sources of demand.
- ?? Analysis of demand for the proposed services in the market area.
- ?? Quantitative and qualitative evaluation of existing and proposed competition.
- ?? Analysis of the market for food and beverage facilities and function spaces.
- ?? Evaluation of the general economy of the area.
- ?? Study of the area's transportation systems and area development plans as related to the proposed project.
- ?? Conclusion as to the need for the proposed facilities.
- ?? Critique of proposed plans.
- ?? Preparation of estimates of income and expenses.
- ?? Preparation of estimated cash flow projections and analysis of economic feasibility

Marketing studies (as opposed to market analyses conducted during the feasibility stage) are a logical extension of the feasibility study. While the feasibility study defines the potential; the marketing study concentrates on specific steps including advertising and media promotion which could lead to the realisation of the potential indicated by the feasibility report.

Marketing studies provide management with a basis for the development of new or improved marketing and merchandising plans specifically targeted for increasing sales and profits or initiating profitable revenue generating programmes.

Tourism Studies

Assignments undertaken by the Company have ranged from resource analysis, product definition, articulation of marketing themes and programmes, phased development of infrastructure, facilities, attractions, training and organisation structure, and recommendations as to public policy and governmental assistance to the tourism industry.

It is this complete range of services, the long experience, expertise and resources that has established our Company in the unique position to serve the needs of the tourist, travel, hotel, restaurant, and real estate industries.

Consulting engagements have been undertaken by our Company, in a number of cases in conjunction with a consortium of specialised marketing firms, environmentalists, sociologists, planners, architects, and engineers. Briefly stated, the purpose of these assignments has been to identify and measure the potential tourist market. From this base we:

- ?? Project realistic tourist traffic levels which could be attained in conjunction with a recommended promotional and marketing plan;
- ?? Detail specifically the hotel, recreational, travel, and support facilities required for the proper development of a substantial tourism industry; and
- ?? Determine staff training needs for implementation of the programmes.

These projects together with specific studies relating to new hotel development throughout the world, undertaken for organisations in both the public and private sectors, have involved detailed financial analysis and financial planning in the hotel and tourism sector.

Major Asia/Pacific Tourism Assignments

Australia ? Central Australia/Ayers Rock – 1969; Canberra and ACT – 1976; Great Barrier Reef Marine Park – 1980; and PATA Task Force: Far North Queensland – 1981 (original) and 1990 (update). **Bangladesh** ? Bangladesh Tourism Action Programme – 1989. **Fiji** ? Fiji Tourism Plan – 1972. **India** ? India Beach Resorts Study – 1972. **Indonesia** ? Marketing Yogyakarta and Solo to Tourists – 1996. **Malaysia** ? Visitor Development Plan – 1970 (original) and 1975 (update); East Coast of Peninsular Malaysia – 1979; Teluk Rubiah & Pangkor Island ? 1980 for TDC (original) and 1990 (for private developer); Bukit Keluang/Dendong Tourist Resort – 1982; and Desaru International Resorts development programme – 1987 to 1991. **Myanmar** ? Pagan Tourism Contribution to Conservation – 1991. **Nepal** ? PATA Task Force: Study of Tourism in Pokhara – 1975 (original) and 1988 (update). **New Caledonia** ? Development of a Tourism Marketing Programme – 1967. **New Zealand** ? Matakana Island Mixed-Use Resort Community – 1997 (ongoing). **Philippines** ? PATA Task Force on tourism potential of Bantayan Island, Cebu – 1989. **Singapore** ? Resort/Recreation Plan for Sentosa – 1970; Product Development Plan for Singapore – 1986; and Study of future hotel room requirements, analysis of available sites and design recommendations for hotels on specific sites – 1989. **Sri Lanka** ? Ceylon Tourism Development Plan – 1967; Ceylon Pre-Investment Study – 1970; and Analysis of Tourism in Sri Lanka for ADB – 1978. **Vietnam** ? Dankia Resort Market Study in Dalat – 1993 and 1994

Mixed-Use Real Estate Studies

Evaluating the market potential and economic feasibility of a new real estate venture prior to making a major financial commitment is an essential aspect of sound decision making by management. In many cases, an independent and objective evaluation of a new project is essential to obtain equity and/or loan financing, and operator agreements.

Here again our client may be an individual developer or an international corporation. Regardless of the scope, the mixed-use real estate study involves an assessment of the potential demand and earnings prospects for the suggested elements of a specific project and provide advise on the best economic utilisation of a property to evaluate the potential of many diverse forms of development.

As an example, depending on the client's requirements, a mixed-use real estate market feasibility study might involve any or all of the following:

- ?? Site analysis in relation to potential sources of demand (often in collaboration with other professionals, e.g., planners, architects, engineers and operators) in order to define potential uses.
- ?? Analysis of demand for the proposed uses in the market area.
- ?? Quantitative and qualitative evaluation of existing and proposed competition.
- ?? Analysis of the market for merchandise, accommodation, recreation and other potential facilities.
- ?? Evaluation of the general economy of the area.
- ?? Study of the area's existing and proposed airline, highway and other transportation systems and area development plans as related to the proposed project.
- ?? Conclusion as to the need for the proposed facilities (e.g., retail floor area, number and type of transient and residential accommodation units, the number of golf holes and rackets sport courts, and the size and scope of other amenities).
- ?? Critique proposed plans, review architectural design work, and provide input as to the inter-relationship of the location within the site of the various elements to maximise operating potential.
- ?? Preparation of estimates of income and expenses predicated on varying business volumes for the suggested facilities, incorporating our estimates of usage levels, rate structures potentially attainable; and perform sensitivity analyses.
- ?? Preparation of estimated cash flow projections and analysis of economic feasibility by relating the potential operating results to the required capital investment based on land valuation; construction and furnishing costs; and the terms of financing.

An important portion of our study, one often omitted by other consulting firms, is the provision of definitive guidelines to planners, architects and engineers of potential user preferences to assist them in developing conceptual plans that best meet market expectations and maximise operating results.

Recommended Steps in Resort Planning

