



Tips from Incentive Connection Travel

Starting a Travel Agency from Home

If you're thinking of starting a travel agency from home, you're in luck. The start-up costs are low (Only the Support Package, \$195 including E&O Insurance, all booking engines, Marketing and Amenities programs, etc) and there are plenty of opportunities for someone with the passion to sell travel. Using a host agency makes the process of starting a travel agency waaaaay. When working with Incentive Connection Travel, there's no risk.

Here are a few steps you'll want to take *before* you even decide on a host!

Getting Ready to Start Your Home Based Travel Agency?

It can be totally overwhelming. But if you're starting a travel agency from home, these steps will help prepare you to feel 100% more confident when you start making a short list of host agencies. What are the preliminary steps you need to take when starting a travel agency?.

1. TRAVEL AGENCY NICHE:

A niche is your friend. It will help you establish your brand, create your travel agency name, and navigate the world of consortia when you get to that point. Starting a travel agency without a niche is like traveling without a compass or, let's be honest

2. CHOOSING YOUR TRAVEL AGENCY'S NAME:

The host agency will want to know your travel agency name for their records so have one ready before you choose a host. You'll also need it for other documentation (listed below).

3. CHOOSE A BUSINESS STRUCTURE (LLC OR SOLE PROPRIETOR OR CORPORATION):

You'll want to talk to your tax advisor to see where you'll get the largest financial benefits.

4. REGISTER DBA/YOUR COMPANY WITH THE STATE:

DBA is an acronym for "Doing Business As." If you choose to become a sole proprietor, you may need to register it with your state as a DBA. The Small Business Administration (SBA) website shows **how to register your company's name by state**. If you are an LLC, the SBA also has a **state by state guide on how to register your LLC**.

5. GET AN EIN (OPTIONAL, BUT RECOMMENDED):

Technically, you do not need an Employer Identification Number (EIN) since you can use your social security number with certain business structures like a sole proprietor. Make sure to check in with your tax professional when it's tax filing time—but if your Host is a true, legitimate Host, you are classified as an Independent Contractor and will get a 1099 that is reported as ordinary income on yearly tax return that you can file on your own.

6. SET UP YOUR TRAVEL AGENCY FINANCIALS:

You don't need a separate business bank account or credit card if you're a sole proprietor, but you'll have wished you'd had set one up come tax time! Separating your personal account from the business account from the start makes accounting easier and will help you keep track of business expense write offs. Lastly, if you're anything beyond a sole proprietor, you want to keep your money separate to reiterate to the IRS that you and your business are separate entities for tax purposes!

The fact is that there's a lot of groundwork that needs to take place in order to start a travel agency. We suggest a weekend with a few books on Home Based Travel from your local library. Look for books from Kelli Monaghan or Tom Ogg. A weekend will be very rewarding with tips and procedures and give you a better understanding of how to be successful.

What to Expect Time-Wise When Starting a Home Based Travel Agency

In general, it will take a year to get your agency off the ground. This is the case with any entrepreneurial endeavor. We've found that it can take 2 years to really start generating a sustainable income.

Here's the reason it can take awhile to get going (especially when you're starting a travel agency from home)

1. It takes awhile to build a client base and develop your brand
2. Even when you do make your first bookings, you're not paid until after your client completes their travel (or after final payment for some vendors). So, if you make seven bookings in January but the clients aren't traveling until November, you can see how your first year money might be tight. Let's just say, if you're wanting to walk off your current job, and are thinking that the big bucks will roll in the next month, you might want to reconsider your strategy. □
3. Travel is something most people only do 1-2 times a year. Even with referrals and repeat clients, it can take a lot longer to build steady business compared to a new restaurant or other service industries like a hair stylist.

What to Expect Money-Wise When Starting a Travel Agency from Home

You probably want to know what you can expect when it comes to money. There is no one set answer. It depends on many factors. How much time you give to the business. How social you are, like Facebook, Twitter, social groups at home, size of your circle of friends.....

Travel Agent Commission: Incentive Connection Travel starts you at 70% commission (and goes up to 80%), but the big difference between ICT and the others, is that we pay on any amount and we pay on all commission (backend, Frontend, bonuses, promotions and any other form of override}.

In summation, prepare and choose your Host Agency wisely. If a Host offers 100% commission, look for the extras that are charged, like monthly fees, per transaction charges.....there is no way any business can pay their bills if they give, 100% or even 90% away.