USAEV CORE TRAVEL SALES ACADEMY

Day 5: Travel Economics

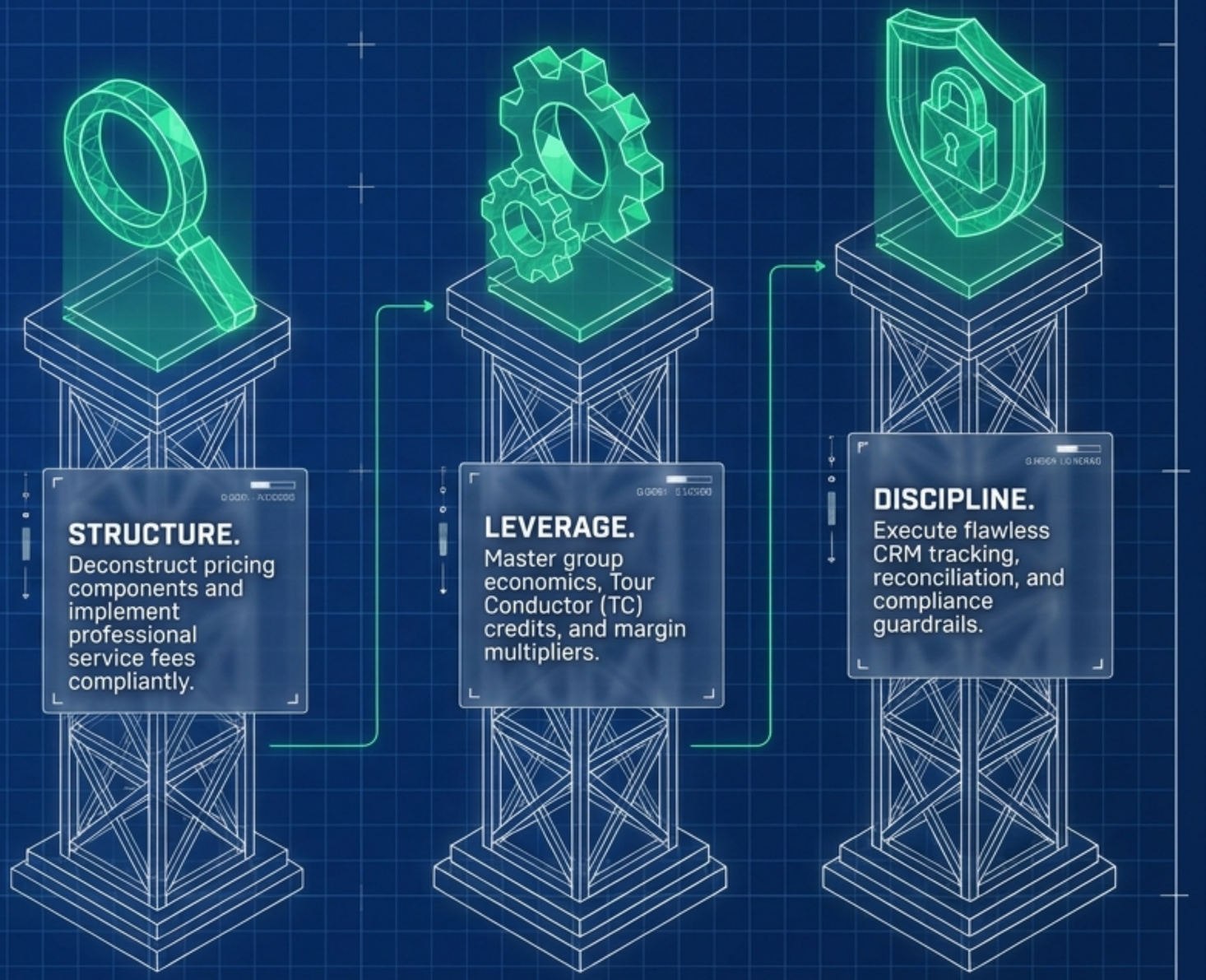
Mastering Price Structure, Profitability Levers, and the Quote-to-Cash Workflow.



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THE REVENUE REALITY

Understand how you generate revenue without misrepresenting price, guaranteeing unearned income, or violating supplier terms.



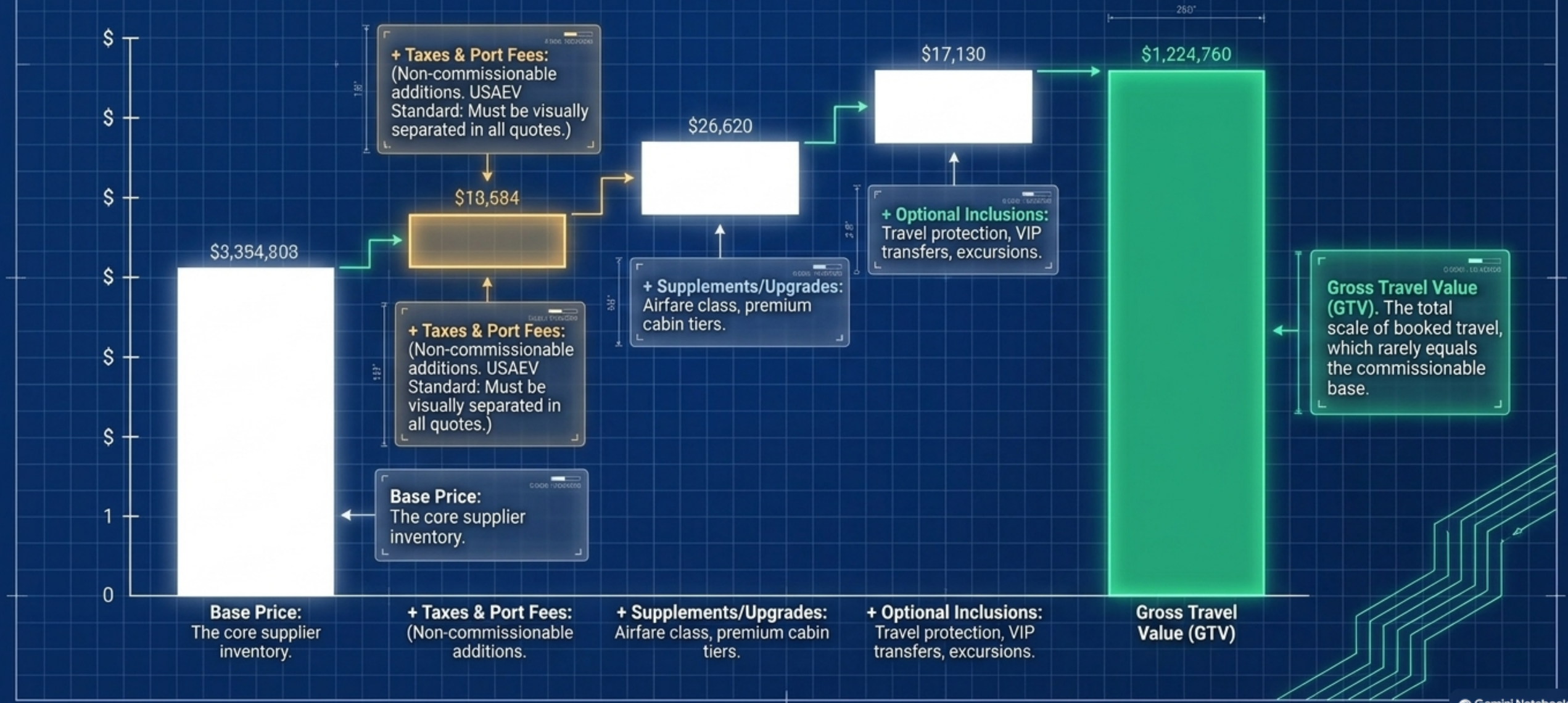
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THE QUOTE-TO-CASH BLUEPRINT



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Deconstructing the Quote (Price Anatomy)



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Pulling the Right Profitability Levers

Dial 1: Supplier Choice

80%

Margin Leverage

Dial 2: Package Structure

60%

Dial 3: Cross-Selling

90%

Dial 4: Service Fees

50%

Route volume to USAEV/CCRA preferred suppliers to lock in higher base commission tiers.



Compare margin yields across FIT (Flexible Independent Travel), Escorted Tours, and Cruises.



Strategically add high-margin components (e.g., travel protection, VIP transfers) that objectively improve the client outcome.



Implement professional planning fees for complex itinerary design.



OPTIMIZED PROFITABILITY & MARGIN GROWTH

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Implementing Professional Service Fees

The Mechanics



- Upfront professional planning and research fees.



- Specialized itinerary design and coordination fees.



- Complex booking and change management fees.

The Compliance Guardrails



- **Explicit Disclosure**: Must be clearly stated and agreed upon prior to quoting.



- **Regulatory Status**: Subject to specific state Seller-of-Travel laws.



- **Transparency**: Cannot be arbitrarily hidden or bundled into supplier costs.



- **Policy Check**: Must be governed by internal USAEV company policy and permitted scope.

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The Multiplier Effect: Group Margins

15 : 1 (Standard TC Credit Ratio)



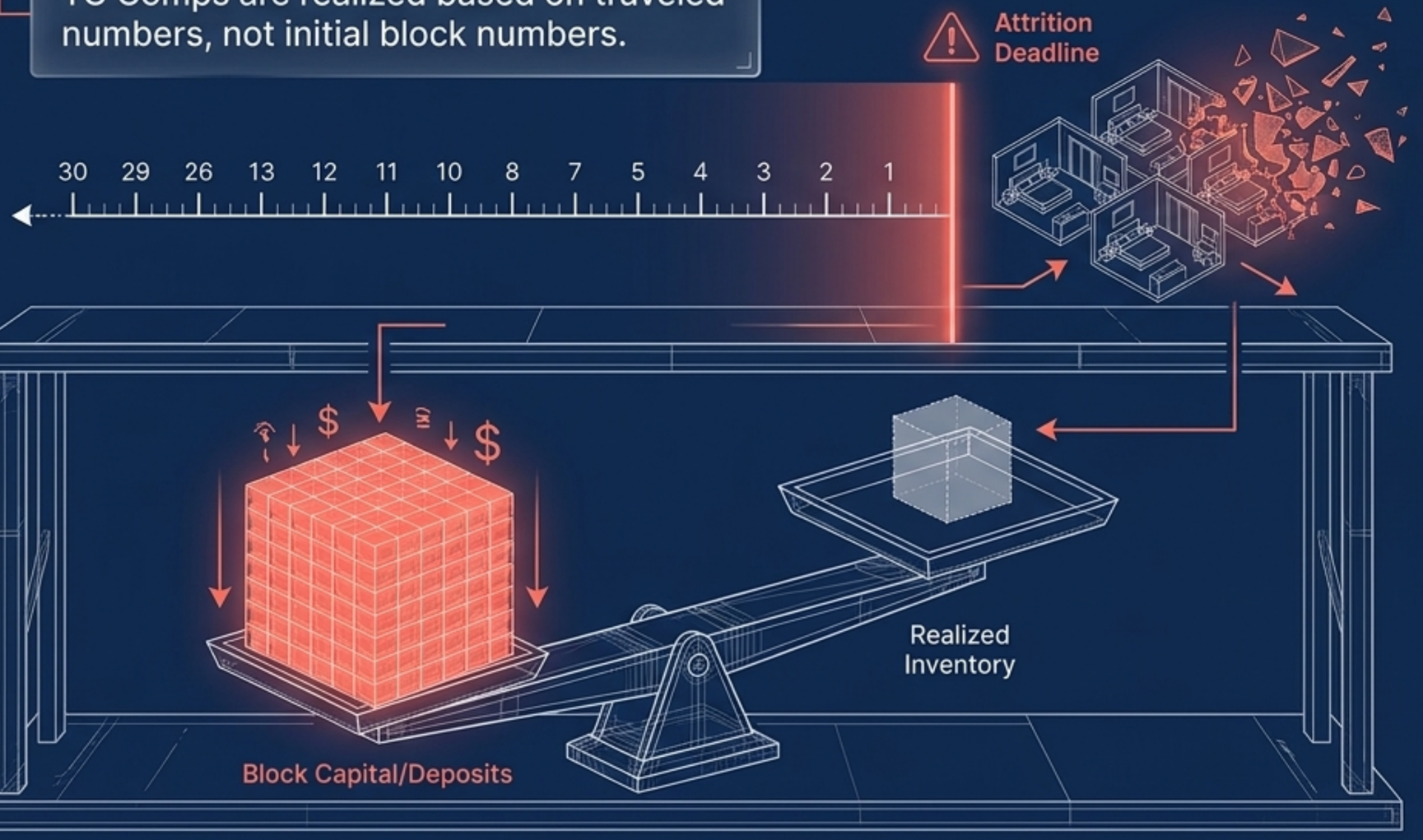
Key Concepts:

- **Room Blocks:** Moving from individual FIT margins to aggregated, contracted inventory (Guaranteed vs. Speculative blocks).
- **Tour Conductor (TC) Credits:** Earned complimentary space based on actual volume booked. Can be utilized as a free room for the organizer, or converted into pure cash margin for the advisor.
- **Organizer Economics:** Structuring the proposal so the group leader understands their distinct value and responsibilities.

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The Gravity of Group Attrition

TC Comps are realized based on traveled numbers, not initial block numbers.



Risk Factors:

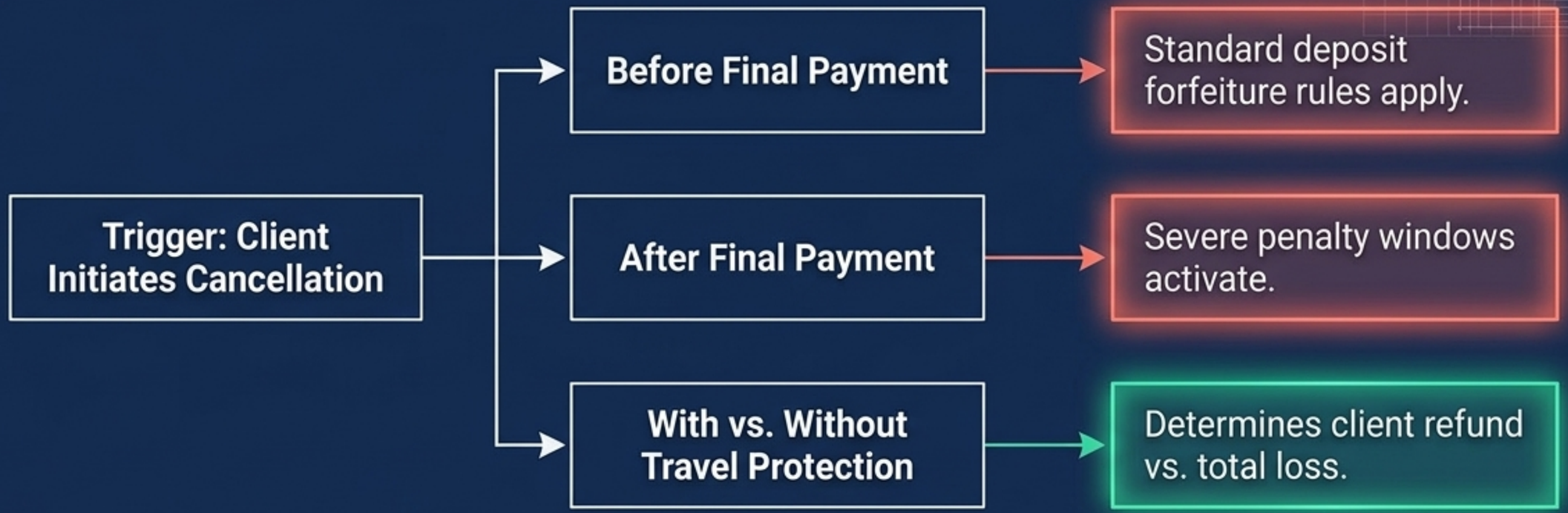
- **Deposits:** Securing the block capital correctly without advisor exposure.

- **Attrition Dates:** The exact, non-negotiable deadline to release unsold inventory back to the supplier without financial penalty.

- **Margin Destruction:** Missing the attrition deadline transfers the financial liability of unsold rooms directly to the group or agency.

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Cancellation Economics & Financial Exposure

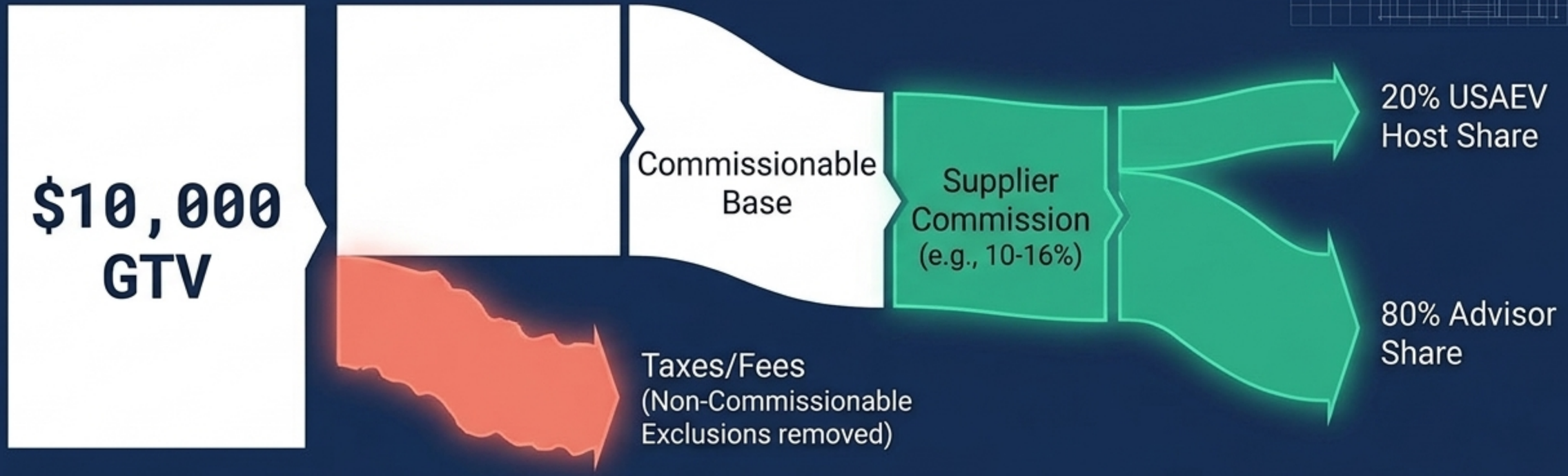


The USAEV Rule: Supplier terms dictate all refunds.

Advisor Exposure: Recalled commissions, lost margins, uncompensated planning time. Never represent uncertain income as guaranteed until the penalty period passes or travel is executed.

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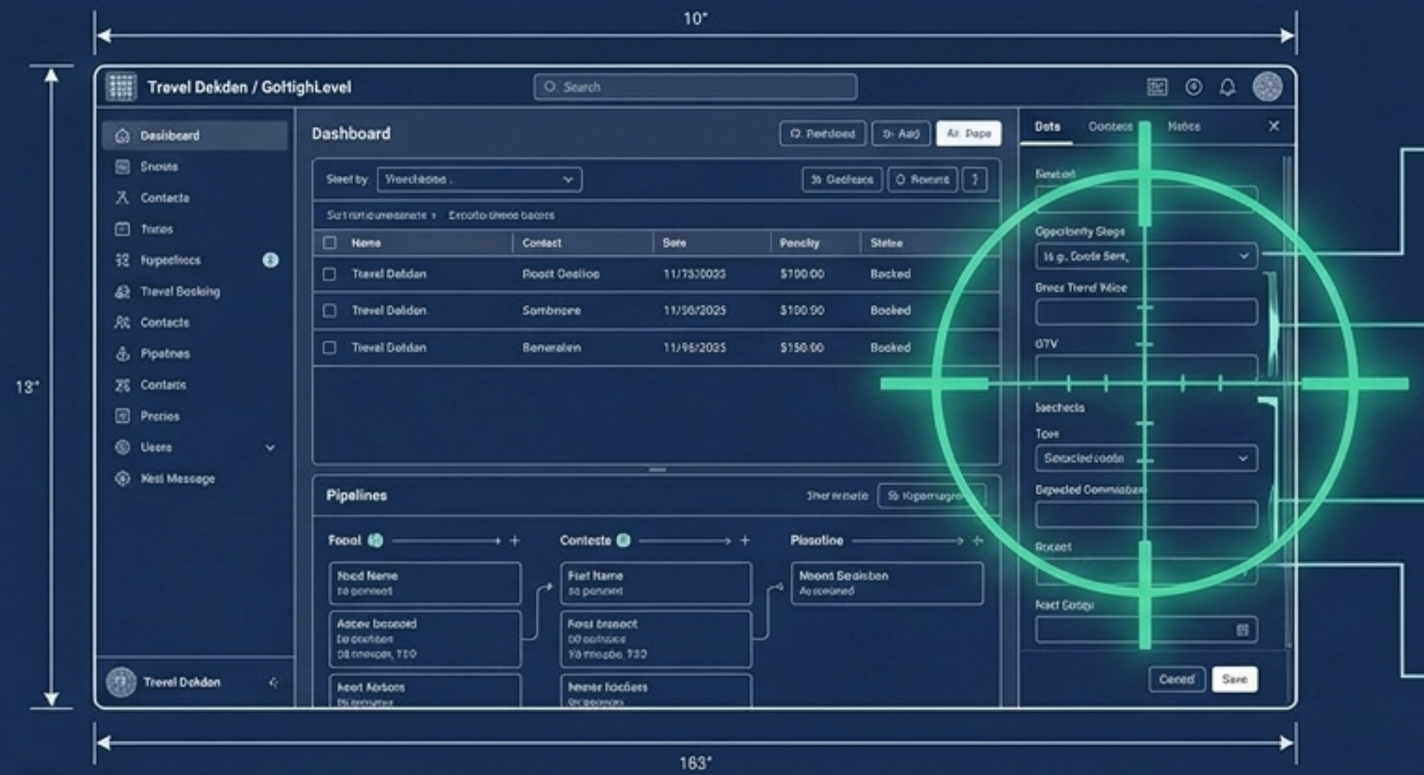
Following the Commission Flow



Key Takeaway: Your margin is a fraction of the GTV. Optimize the variables you control before the flow begins.

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GHL: Your Revenue Operating System



Opportunity Stage: (e.g., Quote Sent, Decision Pending, Booked)

Gross Travel Value (GTV): The total scale of the booked transaction.

Expected Commission: The calculated yield based on supplier terms.

Next Action / Follow-up: Revenue requires momentum.

Operational Mandate: Accurate GHL recordkeeping is how USAEV tracks your Phase 2 production metrics and authorizes eventual payouts.

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Tracking Your Production KPIs



Gross Travel Value (GTV).
Total scale of your booked travel portfolio.



Commission Generated.
Your true revenue contribution and take-home indicator, under approved accounting rules.



Average Booking Value (ABV).
Calculated as GTV ÷ Bookings. This measures the quality of your client base, package architecture, and cross-sell success.

Secondary Conversion Metrics: Lead-to-Quote Rate & Quote-to-Booking Rate.

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Revenue Integrity & Compliance Guardrails



1. **Visual Separation:** Separate taxes and port fees from the base price in all client-facing quotes.

2. **Payment Security:** Use only approved payment handling systems. Never store credit card data in GHL notes.

3. **Term Verification:** Verify terms, penalties, and cancellations in live supplier portals—do not rely solely on Synthetic Intelligence (SI) output.

4. **Refund Boundaries:** Do not state cancellation rights or guarantees beyond verified supplier terms.

5. **Audit Trails:** Track required notes, timestamps, client acknowledgments, and attachments for every quote generated.

Strict Adherence Required for Audit Compliance and Revenue Validation.

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Day 5 Practical Lab

The Challenge:

1. **Calculate:** Execute 10 distinct commission scenarios determining commissionable base, supplier yield, and USAEV splits.
2. **Build:** Construct a client-facing quote with perfectly separated inclusions, exclusions, and taxes.
3. **Map:** Create a 3-stage cancellation and financial exposure timeline for a mock booking.

Verification Step: Use SI to audit your generated quote for ambiguous wording or unverified guarantees before submitting to your supervisor.

START

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