

# The TeamUp Network Model

*The Vortex Organizations Program for Vacation Rental Managers*

Working with others is the best way to achieve great success. The Vortex TeamUp™ program is the best way to grow and profit from the vacation rental industry.

In our network local Members provide front office lodging management and the Vortex Organization provides back-office lodging services. Lodging requires good intentions and dedicated participants. It becomes manageable and profitable when the duties are divided between a well orchestrated back office and an energetic partner Member.



**INCOME OPPORTUNITIES:** Vacation rental income is derived from a variety of sources such as rental and activity commissions, housekeeping and maintenance, concierge, startup and other fees. In the TeamUp program, the various kinds of income are split between the local Member and the network based on the split of duties. In some cases Vortex performs as much as three-quarters of the work. In other cases, the local member performs half of the duties.

**SERVICES & RESPONSIBILITIES:** The division of tasks is not arbitrary, in most cases being determined by contract with owners. Plus, each Member has the added incentive to book properties in markets outside their own. A real opportunity because, given the chance, happy guests will re-book with the same company.

**SHARING DUTIES:** The lodging industry is a safe and predictable occupation. There are times when tasks overlap between the front and back office. But in general, here is how duties are split up:

The Vortex Organization performs all back-office lodging services such as:

Guest Marketing	Owner Marketing	Computer Network & Hardware
Guest Advertising	Owner Contract Forms	Guest & Owner Software
Guest Telephone Sales	Owner Scheduling	Telephone Equipment & Service
Guest Email Sales	Owner Accounting	Website Design & Maintenance
Guest Online Sales	Provider Marketing	Database Integration
Guest Contracting	Provider Contracts	Legal Contracts
Guest Scheduling	Policies & Procedures	Member Accounting
Guest Confirmations	Member Training	Programs & Modeling
Guest Phone Checkins & Outs	Member Coordinator	Legal Forms
Guest Accounting	Cross Selling Platform	Legal Assistance
Guest Collections	Graphic Design & Materials	Employee Medical/Dental
Guest After Hours Operator	General Advertising	

Local Members perform all on-site lodging management such as

Owner Solicitation	Guest Assistance	Housekeeping Recruitment
Owner Management	Guest Issues	Housekeeping Coordination
Provider Solicitation	Guest Coordination	Maintenance Recruitment
Provider Management	Industry Networking	Maintenance Scheduling

**LEGAL STRUCTURE:** The vacation rental industry is a safe and predictable occupation. But in today's world devising the correct relationship and legal arrangement protects both the Member and the Network.

- Member uses their existing legal entity or starts a new one, such as a corporation or LLC.
- Training and Setup services are provided for one-time flat fees.
- The Member offers lodging management services to owners in their geographic area.
- Owner and guest contracts are undertaken in the name of the Member's legal entity.
- Member then incorporates lodging services from the Vortex Organization.
- Vortex may operate or service other business in Member territories.
- Member utilizes the network exclusively for back-office services.
- The relationship has a set period of time, renewing automatically.
- Income from operations is shared between Member and Vortex.

**ACCOUNTING SYSTEM:** Perhaps the biggest and often overlooked task of lodging management is the need for proper and timely accounting of all income and expenses. Generally income can be derived from areas such as:

- Commission on Rental Fees
- Housekeeping & Maintenance Charges
- Setup fees (For photos, graphics & website)
- Reservation Fees
- Merchant Account Fees
- Overages & Damages
- Travel & Other Agent Fees

**REVENUE SHARING:** Members are paid a percentage of all fees received from owners, providers and guests. Rate of pay can vary depending on duties the Member chooses to undertake. Fees for services such as housekeeping and maintenance are heavily split to the Member. Rental commissions which require a great deal of effort by the back office are more heavily split to Vortex.

**COSTS & EXPENSES:** The majority of hard costs are paid for by Vortex. Here is a breakdown of usual costs and who pays. Where both columns are check marked each party pays their respective portions. Certain expenses, such as the photography, videos, and floor plans for each property may be offset by fees that are charged to the owner:

Expense	Vortex	Member
Advertising Material Design	✓	
Advertising Media Placement & Cost	✓	
Computers	✓	✓
Computer Network & Administration	✓	
Desk space		✓
Internet Connection	✓	✓
Property & Provider Database	✓	
Legal Services	✓	
Licensing – Local		✓
Merchant Fees	✓	
Office Space	✓	
Originator Commissions	✓	
Personnel – Accounting	✓	
Personnel – Administrative	✓	
Personnel – Housekeeping		✓
Personnel - Local Member		✓

Expense	Vortex	member
Personnel – Maintenance		✓
Personnel - Marketing	✓	
Personnel – Reservations	✓	
Photocopies – Local		✓
Postage & Shipping	✓	✓
Reservations Software	✓	
Sales Materials General	✓	
Sales Materials & Signage - Local		✓
Taxes – Sales & Lodging	✓	
Taxes – Local B&O		✓
Telephone Equipment	✓	
Telephone Long Distance	✓	
Telephone Service	✓	
Vehicle Expense		✓
Website Content (photos, etc).	✓	

**PREDICTIONS:** Each Member market will have unique opportunities and challenges. The success of each Vortex member depends primarily on their commitment and capabilities, but are also affected by the type and size of the market plus competition. It can also be affected by economic and other factors.

Minimum market size is probably 20 units, but certain markets could grow to 100 or more properties. Success will come from combining entrepreneurial zeal of the local Member with the strength of the Network. Frequent communications, friendly cooperation and mutual respect will be required.

The Vortex Organization allows Members to focus on enrolling properties and maintaining owner, guest and staff satisfaction. Together Members and Vortex seek to achieve growth and profit.



**NOTE:** This document is not an offer of employment, or franchise and is not a binding agreement by either party. Details of any relationship will be defined in a TeamUp™ Member Agreement prepared for each market. It will define each party's duties, obligation and limitations of our liability. The TeamUp program has a minimum term, and conditions governing the cancellation of the relationship if desired at later dates. There are flat one-time charges for training and setup. Local Member establishes itself legally in each local area and contracts with Vortex to provide certain services and in return to share income received from property owners, providers and guests.