Lehua Hawaiian Adventures

MEMO

TO: Katherine Okubo, President; Carl Kawaoka, Tour Operations Manager

FROM: Paulo Alvarez, Vice President Finance

DATE: August 12, 2016

SUBJECT: Company Cost Savings

I have examined company expenses and have several recommendations for cutting costs. Please review the attachment, which covers operating, marketing, and employee-related costs. Briefly, I recommend that we look across all areas of our budget in terms of making cuts. Some of my suggestions include eliminating paper communication as much as possible and relying mostly on e-mail, faxes, and our Web site to communicate with vendors and customers. Shopping around for better local and long-distance phone service should yield a better rate. We should also analyze the effectiveness of our advertising strategy and determine which efforts are yielding the best results. Finally, I recommend that we switch employees' mobile phone accounts to smaller, emergency-oriented plans.

I have scheduled a meeting on August 18 at 2 p.m. in Conference Room B so that we can discuss our plan. Please let me know what other members of our team you think should be invited.

Employee Related Cost Savings

Mobile phone plans reduced to smaller plans with focus on emergency-only calls

Reduction in vehicle allowance

Operations Related Cost Savings

Focus on electronic communications instead of paper communications

Research less expensive local and long-distance phone services

Marketing Related Cost Savings

Evaluate current marketing strategies and advertisements, evaluate effectiveness, and focus on most successful ventures

Utilize Web site, electronic newsletter, and other electronic formats as much as possible