





#### Tourism Ownership: My Business Builder

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### **Tourism Ownership: My Business Builder**

#### Who is the Business Builder for?

This Business Builder is designed to help tourism entrepreneurs bridge the gap from business idea to reality. It is focused on guiding entrepreneurs through the various stages of business implementation at a grassroots level. It is also intended to assist entrepreneurs with existing businesses to improve their business.

#### **Objectives of the Business Builder**

- Assist entrepreneurs with business start up at a grassroots level
- Better prepare entrepreneurs for opening or improving their business
- Create a greater understanding of how the tourism industry works
- Provide Eeyou Istchee tourism businesses a competitive edge in the Canadian tourism market

#### How does the Business Builder work?

Before you begin working on your Business Builder, it is important to start with a visioning exercise. This exercise is important as you 'paint a picture' of what your business is going to be. If you are to imagine your business operating at its optimum capacity, what exactly would it look like?

The Business Builder has 7 chapters - each addressing a key component of starting or running a tourism business:

- **Product** what are you offering?
- Sustainability how will the environment be affected?
- Human Resources who will run it?
- **Funds** how will costs be covered?
- Operations Management how will it be managed?
- Marketing how will it be promoted?
- **Distribution** how will it be sold?

Each of the 7 chapters is further broken down into critical elements, which must be addressed to effectively meet the minimum requirements of creating a viable business.

Under each of the critical elements are specific tasks or action items for you to complete. This becomes the working element of the Business Builder, where you will describe specific details for your business.

# **Tourism Ownership: My Business Builder**

Answers in the sample Business Builder are fictitious and are to be used only to put the question into context. They are fabricated from Sample Business Plan given at the back of the binder. Answers should not be used for specific information.

Checklists and templates can be found on COTA's Tourism Development Resource Centre website (www.creetourism.ca) and the Canadian Business Service Centre website (www.canadabusiness.ca). Please check with the COTA office for any additional resources and/or information you may need.

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### Glossary

**Distribution Channel** A set of interdependent organizations involved in the

process of making a tourism product or service available

for use by the consumer.

**Ecological Processes**Process which plays an essential part in maintaining

ecosystem integrity.

**Grey water**Domestic wastewater such as sink drainage, washing

machine discharge or bath water (does not include

toilet discharge).

**Run-of-river Hydro**A generating facility where there is only minimal or no

storage of water.

**Return on Investment**The ratio of money gained or lost on an investment

relative to the amount of money invested.

**Socio-economic benefits** A benefit that is social and economic in nature,

i.e. local job creation.

**Tourism Operator** An individual or organization that conducts a tourism

activity (i.e. guided tour) which results in a monetary

return.

**Tourism Product**The actual activity in which the tourist is willing to

participate in and the overall experience that links

activities and services.

**Tour Operator** A business that brings together tourism products and

operators into packages or products that are sold to the travel industry. They may package inbound or outbound

travel to and from Canadian markets.

**Travel Agent**Travel agents sell tour operator packages directly to the

general public through retail outlets.

Below is a timetable for you to use when completing your Business Builder. It is essential to write down the tasks you need to complete and when you want to complete them by as this will keep you focused and motivated. Another great way to stay motivated is to reward yourself once you have completed a certain number of tasks.

Task	Due Date	Complete



#### PRODUCT REFINEMENT

Developing a product that is unique to the region will help you to succeed in the competitive tourism market. A unique tourism product is one that is not offered in your community, has suitable and high-quality activities and focuses on exceptional customer service.

Prior to refining your product, do research to determine who else in the region offers similar products and what makes their products unique. Be aware of these elements and familiarize yourself with their product and pricing when further refining your product.

# **SECTION 1: Defining your Product**



What is your product? Briefly describe your project and who is involved.

### **Seven Common Reasons** Why New Tourism **Businesses Fail:**

- 1. Not enough financial support during the first year
- 2. Lack of a marketing plan or poor execution of marketing materials
- 3. Target market is too small
- 4. No access to consumers
- 5. Poor product quality and customer service
- 6. Insignificant difference between your product and competitors' established product
- 7. Bad timing (i.e. time of year or target market in midst of an economic recession)

(CTHRC Business Builders, 1999)

### **Describing your product**

- + Make it as precise as possible and no more than a few sentences long.
- + This description should describe what you do, how you do it, who you do it for, and **why** you do it.

### **Sample Travel Itinerary**

Example: Vancouver's North
Shore Authentic Discovery and
Adventure 1-Day Tour

**9:00 a.m.** - Depart by bus for a **tour** of the key First Nations sites in North Vancouver before transferring to Deep Cove for the paddle adventure of a lifetime.

**10:30 a.m.** - A First Nations guide from Landsea Tours takes visitors to **explore an authentic Long House** on the Capilano Reserve.

12:00 p.m. - A traditional light meal and tea will be available on-site. After lunch, visitors will also visit St. Paul's Mission Church on the Eslah7an Reserve and local gift shops to see the artwork of native artisans.

1:30 p.m. - The afternoon will be spent on the water with a two-hour paddle in Deep Cove with Takaya Tours. Live the authentic First Nations experience of water travel in traditional ocean-going canoes and sea kayaks. Snacks will be provided. Experience traditional songs and legends of the area while learning about the cultural history of Indian Arm and Burrard Inlet.

**5:00 p.m.** Transfer to **Grouse Mountain** for a tour and dinner at the popular Hiwus Feast House (season dependent).

Optional: Visit Capilano Suspension Bridge to see First Nations totem poles and carvers at work. Ask your tour operator for details.

(Tourism Vancouver, 2009)

### **B** PLANNING YOUR ITINERARY

How will the client get to your business?

Where is the first point of contact for them?

Who is the first point of contact?

When is the best time of year/week/season to offer your product?

What time of day will your activities start?

Will the client need to get to your community a day in advance? If yes, where will they sleep/eat?

# Draft Itinerary Timeline: Day One

	8:00 a.m.
What activities require a qualified guide?	9:00 a.m.
	10:00 a.m.
How long does each activity take?	11:00 a.m.
	12:00 p.m.
	1:00 p.m.
Where will you do these activities?	2:00 p.m.
	3:00 p.m.
What level of fitness/endurance is required to do the activities?	4:00 p.m.
	5:00 p.m.
	6:00 p.m.

# Draft Itinerary Timeline: Day Two

How will you get your guests to where the activities are taking place?

8:00 a.m.	
9:00 a.m.	How long will this take?
10:00 a.m.	
11:00 a.m.	How many staff will you need? (Client to guide ratio - should not exceed 10 people per guide and will vary depending upon activity.)
12:00 p.m.	
1:00 p.m.	Will you need to book any support facilities?
2:00 p.m.	
3:00 p.m.	When will you stop to eat, if necessary?
4:00 p.m.	
5:00 p.m.	Where will your guests take rests/washroom breaks?
6:00 p.m.	

# C OPERATING SEASON

Is your business open year round? If not, when is it closed?

How will your activities vary throughout the year?

Will you have a high and a low season?

Do you offer different prices for the high and low season? What are the price differences?

What can be offered to attract visitors during low season?

# CANADA's National Holidays

#### **New Year's Day**

January 1

#### **Good Friday**

April 2 (2010) April 22 (2011)

#### **Easter Monday**

April 5 (2010) April 25 (2011)

#### **Victoria Day**

Monday preceding May 25 May 24 (2010) May 23 (2011)

### **National Aboriginal Day**

June 21

### **Canada Day**

July 1

### **Labour Day**

First Monday of September September 6 (2010) September 5 (2011)

#### **Thanksgiving Day**

Second Monday of October October 11 (2010) October 10 (2011)

#### **Remembrance Day**

November 11

#### Christmas

December 25

### **Boxing Day**

December 26

#### Ideas to Consider...

- Use local food if possible
- Create a unique menu that appeals to your clients

#### **Example Menu:**

Fresh Baked Bannock and Butter

\* \* \*

Spring Greens w/ Blueberry Vinaigrette

\* \* \*

Fresh caught Walleye cooked over an open fire

\* \* \*

Herb Roasted Baby Potatoes

\* \* \*

Seasonal Vegetables

\* \* \*

Blueberry Apple Pie with Real Whipped Cream

\* \* \*

Gourmet Coffee, Labrador Tea and Iced Tea

Consider offering a **'tasting'** menu of moose, goose, beaver, or other wild game.

Be cautious about offering these items as the main or only choices for guests.

### **D** FOOD AND ACCOMMODATIONS

Will you offer food as part of your program? If yes, what type of food will be available?

What are your alternatives for clients with special dietary requirements or needs, food allergies and/or food dislikes?

Where will you serve your food?

Who will you serve your food?

What supplies will you need to prepare it and to clean up afterward?

Where will the clients sleep? (i.e. hotel, camp, teepee, etc.)

TIPS

Make sure your clients know where they will be sleeping

Advise clients if they need to bring any items for an overnight stay

Inform your guests about the kinds of foods they will be served, and obtain information on their food allergies or strong dislikes

If overnights are included, what should the client bring for their sleeping arrangements? (i.e. sleeping bag)

What will you provide the client with for an overnight stay?

# Why Develop a Contingency Plan?

A contingency plan helps you prepare for unexpected challenges in your business.

Possible scenarios for which a contingency plan could be developed:

- Overbooked accommodations
- Vehicle breakdown
- Illness or injury
- No-shows (by client or staff)
- Missing luggage
- Missing equipment
- Weather conditions
- Failed communication

(emerit, 1999)

### **E** CONTINGENCY PLANS

A contingency plan is developed for when a specific activity cannot take place or goes wrong. They are known as 'back-up plans' or 'plan b'.

Is your product outdoor based?

Will you lead your activity rain or shine? If yes, are the clients prepared for that?

Is there time to reschedule the activity?
If not, do you have an alternative activity for your clients to do? What is it?

If an alternative activity or only part of the activity is done, will you provide some kind of compensation? Describe your strategy.

Make a list of all the things that could possibly go wrong during your activities, and decide how you will deal with each.

### **SECTION 2: Equipment**

# A PURCHASING

What equipment is needed for your product? (i.e. canoes, paddles, PFD's, etc.)

Where will you get the equipment from?

What does each piece of equipment cost?

What equipment will the client need to bring for themselves?

# Making the Right Equipment Purchases

In these economically challenging times, it's more important than ever to buy equipment wisely.

A bad purchase can hurt your ability to compete.

It's crucial to analyze the pros and cons of each purchase, including the potential return on investment.

In fact, buying new equipment may not be the best option; it may be wiser to lease or rent, or to avoid acquiring equipment entirely.

(Business Development Bank of Canada, 2009)

#### TIPS

- Purchase local supplies and equipment whenever possible
- Shop around for the best prices
- Prepare a list detailing the equipment prices for future use
- Ensure you service your equipment regularly and repair as needed

# Choosing a General Contractor

**B** ON-SITE INFRASTRUCTURE

What infrastructure is needed for your project?

- Hire locally whenever possible
- Shop around and compare prices
- Weigh the pros and cons of each option
- Have everything in writing- exactly what the contractor will do, how they will do it, how much it will cost, and when it will be completed

What infrastructure do you already have that can be upgraded or repaired to fit your needs?

Will you hire a general contractor?

Who are the local contractors?

What will it cost to complete your infrastructure needs?

#### SECTION 3: Clients

#### A PRE-TRIP GUIDELINES

Where will you meet your client?

How will they know how to get there?

What weather conditions and other natural features should the client be aware of?

What clothing will you recommend?

What limits to telephone, radio and email use are there?

What rules do you have?

#### TIPS

Once a customer has purchased your product, you should send out a package of pre-trip guidelines that will help prepare your client for their upcoming trip. These guidelines will give your business a professional image and should cover:

- Where to meet
- Clear directions on how to get to the site; how long it takes to get there i.e. a map; transportation required (car, 4x4, boat); conditions of the roads and paths used.
- Or from where you will be picking them up.
- What time the activity starts.
- How long (km and time duration) the activity will be.
- Experience, skills and level of physical conditioning required to take part in the activities.
- Weather conditions and other natural features that the client should be aware of.
- List of equipment customers should bring with them.
- List of equipment provided.
- List of equipment sold on site.
- Recommended clothing.
- Information on safety and evacuation procedures.
- Presence or absences of a first aid worker on site.
- Use and limits to the use of telephone, radio and email.
- Meal service if provided and what type of food is served.
- Seasonal schedules and times for hunting and fishing.
- Rules re: bikes, pets, smoking, alcohol.

(COTA's Tourism Quality Standards Ecotourism Workbook, 2005)

# **Gaining Community** Support

Community support for your tourism product ideas is essential because you will inevitably be showcasing Cree culture and your community.

It is also essential as it will help to ensure your business succeeds by creating a welcoming environment for your incoming clients.

(emerit, 2006)

#### **TIPS**

- + Create a list of all the upcoming events in the community.
- + Choose which event(s) would be the most appropriate for you to discuss your product to your community.

### **SECTION 4: Community Support**



Identify people who will be affected by your business.

What individuals, businesses or organizations will/could be affected by your business in a positive way? How?

What individuals, businesses or organizations will/could be affected by your business in a less positive way? How?

Solutions to potential impacts:

Who have you spoken with?
Families:
Businesses:
Organizations:
Talk to your local Economic Development Officer, Tourism Officer/Coordinator or
Cultural Coordinator:
What are the upcoming events where you
can present your business to the community?  At the community meeting talk to your
community about your business.

# Resolutions to Potential Impacts

It is important to approach all the individuals/ businesses/ organizations that may be affected by your business before it is up and running. This can avoid community disputes in the future.

- Have you arranged a meeting with those who may be affected by your business?
- Are the impacts of your business serious in nature? (i.e. may put someone out of business or may cause environmental damage at a sensitive site)
- Did you determine solutions to the potential impacts?
- Create an agreement that outlines what the community and your business expect from each other
- Listen to the community's suggestions and add them to your business plan whenever possible.

Discuss why you want to start the business.

# Gaining Community Support

Explain your business in 2 sentences.

Are there community guidelines or principles for tourism business development?

Have you raised community awareness about your business?

Explain the benefits of the business for you. For example, financial self reliance, personal fulfilment.

# Maximizing Local and Regional Economic Benefits

Hire Cree people and use local material resources.

Do business with Cree owned local or regional suppliers.

Support or take part in sustainable tourism and environmental protection initiatives.

(COTA's Tourism Quality Standards Ecotourism Workbook, 2005) Explain the benefits to the community. For example, spin-off benefits from tourists staying at local accommodations and buying locally made crafts.

Discuss how you will give back to the community. For example, hire local people, buy from local producers.

# **B** BAND COUNCIL

Arrange a meeting between you, your Elders and the leaders (Chief and Council) of your community.

Contact:

Phone Number:

Date of Meeting:

Be prepared to discuss why you want to start the business.

Notes:

# How to Prepare for A Meeting

### Items to bring:

- Copy of business concept
- This Business Builder
- Any other necessary documents? (i.e. permits, maps, etc.)
- Prepared notes

Find out how much time you have to make your presentation, and approximately how many people will be there.

Decide on a clear objective for your presentation – what is the main message that you want to get across to the audience?

Practice your presentation!

# **Band Council Support**

Are the products/services offered acceptable to Council and Elders?

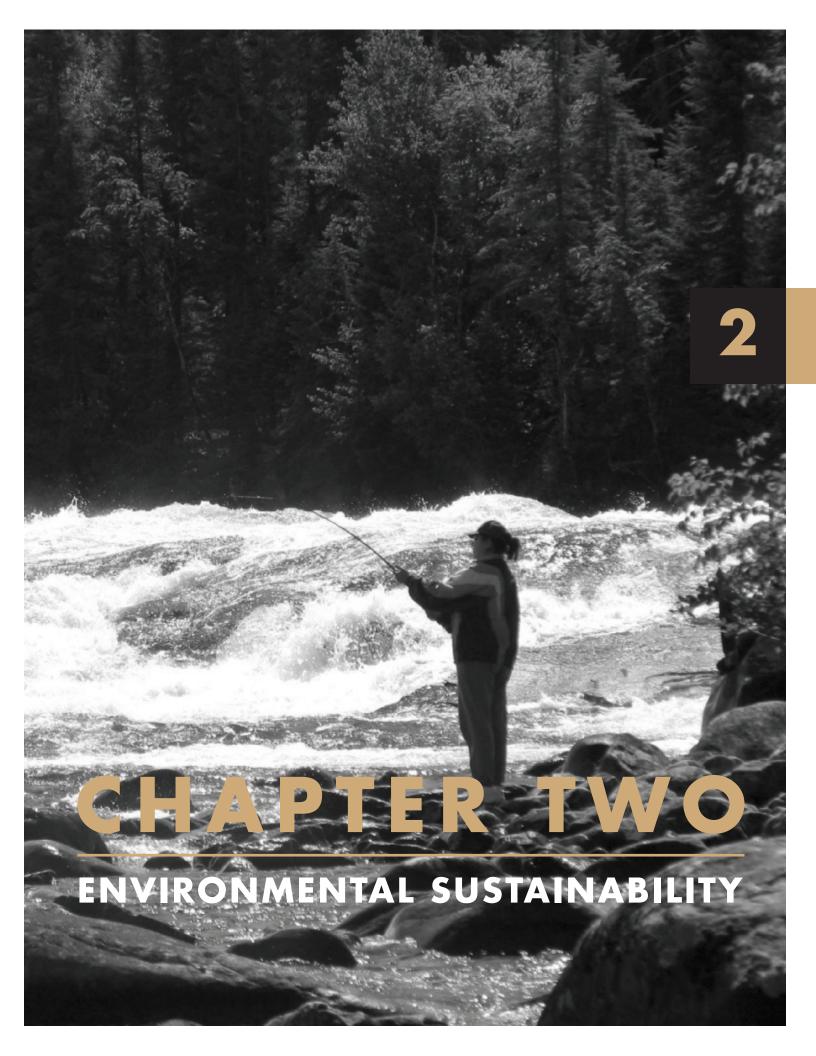
Who are the people in your community you want to influence?

Does your band council require a band council resolution (BCR)?

Talk to your local tourism officer to see if there are new initiatives or plans for tourism development in your community that your business supports.

# **My Action Plan**

1. Defining my Product:		
2. Equipment:		
3. Pre-Trip Guidelines:		
4. Community Support:		



#### **ENVIROMENTAL SUSTAINABILITY**

'Sustainable community tourism should aim to improve the resident's quality of life by optimizing local economic benefits by protecting the natural and built environment and provide a high quality experience for visitors' (Choi and Sirakaya, 2006).

Your impact on the environment will depend on what your product is. For example, building a permanent structure will have more of an impact than a hike would. It is important that despite your product you make every effort to minimize negative impacts and employ sustainable practices as today's travellers are increasingly looking for tourism experiences that demonstrate a respect for the natural, social and cultural environment (The Canadian Tourism Commission, 1999). Your efforts to minimize negative impacts can become part of your marketing campaign: you should advertise what you it is you are doing to reduce your impact as it may become the deciding factor for one tourist to choose your product over the next.

If your product involves hiking, canoeing or camping, refer to Annex D of COTA's Tourism Quality Standards Ecotourism Workbook for the Principles of Leave No Trace Camping. For additional resources please refer to Annex C and L of COTA's Tourism Quality Standards Ecotourism Workbook for an Ecotourism Code of Conduct and a Sustainability Policy.

# Principles of Sustainable Tourism

- Make optimal use of environmental resources
- Maintain essential ecological processes<sup>1</sup>
- 3. Conserve natural heritage and biodiversity
- 4. Conserve the built and living cultural heritage and traditional values
- 5. Contribute to intercultural understanding and tolerance
- 6. Ensure viable, long-term economic operations
- 7. Provide socio-economic benefits<sup>2</sup> to all stakeholders
- 8. Include stable employment and income-earning opportunities
- 9. Contribute to poverty alleviation
- 1 Ecological Processes: Process which play an essential part in maintaining ecosystem integrity (Australian Government, 2009)
- 2 Socio-economic benefits: A benefit that is social and economic in nature, i.e. local job creation

(WTO, 2004)

### **Strategies for Sustainable Tourism Development**

- Avoid sensitive lands
- Avoid areas with high animal density (i.e. nesting grounds)
- Avoid wetlands
- Do not build within 30 metres from any source of water
- Use recycled building materials
- Minimize soil erosion and excavation

TIP

**Refer to COTA's** sector-based standards for a list of provincial and national regulations

### **SECTION 1: Environmental Impact**

A ENVIRONMENTAL REGULATIONS

Arrange a meeting with the community Environmental Officer.

Name:

Phone number:

Date and time of meeting:

Resources to bring:

Government agencies to comply with:

Licenses, permits and approvals required:

#### **B** MINIMIZING ENVIRONMENTAL IMPACT

During the development of your product, how will you minimize your impact on the environment?

How will you supply power to your operation?

During operations, how will you minimize your impact on the environment?

# Strategies for Sustainable Operations

- Adhere to 'Leave no Trace' guidelines (see Annex D in COTA's Ecotourism Workbook)
- Avoid overusing one site by conducting regular site assessments and alternating sites as necessary
- Avoid environmentally harmful products; use biodegradable products
- Use transportation that causes the least environmental damage

# Sustainable Sources of Power

Propane
Wind turbines
Solar panels
Run-of-the-river Hydro
Geothermal
Methane Based
Diesel generators

1 - A generating facility where there is only minimal or no storage of water.

### **Ways to Reduce Waste**

#### How will you reduce waste?

- Make use of the community's recycling program if present
- Avoid disposable products (i.e. paper plates)
- Buy/use reusable or recyclable products
- Buy food and materials in bulk or refillable packaging
- Buy/use biodegradable products
- Compost

#### Ways to Manage Waste

- Use low flow or composting toilets
- Use collected rain water or grey water for non-potable uses
- Do not discharge wastewater directly into the environment
- Bring back soiled paper from expeditions in a biodegradable bag
- Bury solid human waste in a hole 15-20 cm deep and at least 65 metres from any source of water. Cover hole.

How will you manage human waste?

#### Additional resources to help you 'green' your business:

Green your Business: Toolkit for Tourism Operators • Parks Canada, TIAC, Canadian Tourism Commission 2008 http://www.tourismvi.ca/pdf/best-practices/green\_your\_business\_en.pdf

Sustainable Tourism for Dummies • John Wiley & Sons, Ltd. 2008 http://www.industry.visitsoutheastengland.com/xsdbimgs/Dummies%20Final%20copy%20(for%20upload).pdf

#### **Green Certification Resources for your business:**

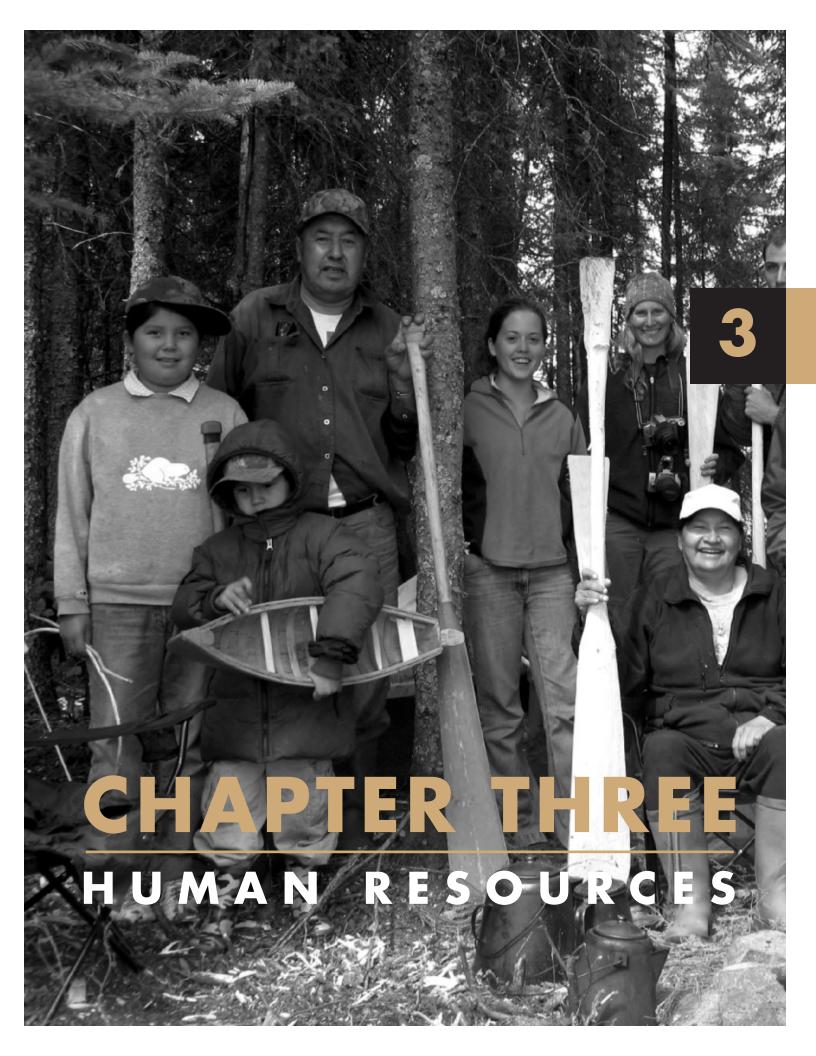
Rainforest Alliance – Sustainable Tourism Certification Network of the Americas • Membership-based network that promotes sustainable tourism in the Americas. http://www.rainforest-alliance.org/tourism.cfm?id=network

Sustainable Travel International – Sustainable Tourism Eco-certification Program (STEP)
The world's first comprehensive, global sustainable tourism certification program offered by a non-profit organization. http://www.sustainabletravelinternational.org/documents/stepbrochure.pdf

Green Globe 21 – The Green Globe Programme • Designed for organizations within the travel and tourism industry and sets out the criteria to attain certification. Provides an environmental management framework for organizations to achieve sustainability. http://www.ec3global.com/products-programs/green-globe/Default.aspx

# **My Action Plan**

1. Environmental Impact:



#### **HUMAN RESOURCES**

Not every tourism business employs additional staff. However, if you do, a well developed human resource plan is essential for the health and well-being of your business.

Tourism is a 'people' business, therefore you need to have partners and employees who are committed to your product and know how to do their jobs well.

#### **SECTION 1: Human Resources Plan**

# A JOB DESCRIPTIONS

What job positions are needed for your business? (i.e. Fishing Guide, Administrative Assistant)

Are the job positions seasonal, temporary or full-time?

### Developing a Strong Team of Staff Members Requires 3 Steps:

- 1. Attracting the right people
- 2. Training your team members
- 3. Motivating and rewarding your team members

(emerit, 2006)

# Job Descriptions are Important Because they:

- Help you describe a position when hiring
- Create a clear understanding of what you expect from staff
- Allow you to perform employee reviews

# Creating Job Descriptions

**Function** 

The role they will play in the business

**Key Responsibilities** 

The duties that you are paying the employee to do

**Typical Activities** 

The activities the employee is expected to do to accomplish the key responsibilities

(CTHRC Business Builders, 1999)

For Example:

Freshwater Angling Guide

**Function:** 

Organizes and conducts fishing expeditions.

### **Key Responsibilities:**

- Guide clients to designated areas
- Create positive client relations
- Assemble necessary equipment and supplies
- Respect and maintain environment

#### **Typical Activities:**

- Set up and break camp
- Prepare and/or serve meals
- Instruct and demonstrate fishing skills and techniques

For each job position describe their function, the key responsibilities, typical activities, and skills & knowledge required.

Function of Position 1:

Key responsibilities:

Typical activities:

Knowledge and skills required:

# Creating Job Descriptions

# Knowledge and skills required:

- Fishing experience and knowledge
- Knowledge of the local terrain
- Physical ability
- Ability to get along and work well with others
- Excellent communication and instruction skills
- Knowledge of outdoor cooking skills is desired
- Customer relations skills
- Equipment maintenance and repair skills
- Knowledge of relevant laws, safety and emergency procedures
- Standard first aid and CPR are usually required
- National Occupational Certification as a Freshwater Angling Guide is an asset

(Go2: The resource for people in tourism, 2008)

**TIP** 

Are there people in your community that are qualified for your job positions? Who are they?

#### HIRE LOCALLY

#### WHENEVER POSSIBLE!

# Finding Candidates Outside your Community:

If no, how will you find candidates outside your community?

#### 1. Internet Searches

You can post job positions on your website or use websites that specialize in job postings.

#### 2. Advertise

Create an ad in the local/ provincial newspaper to recruit people for job positions. How are you going to hire your employees? Are you going to review resumes and conduct interviews? Once you have determined the best candidate for the job you may want to make a verbal offer and support it with a written document.

A written document should include:

- Position title, general responsibilities, and the reporting structure
- Starting wage or salary
- Normal working hours
- List of benefits and vacation pay
- Starting date, probationary period, and performance review process

(CTHRC Business Builders, 1999)

# **B** WAGE/BENEFITS

What is the minimum wage in your province?

What is the rate of pay for each staff member?

How will you reward your staff for a job well done? Financially or non-financially?

Do you have a benefits package? If yes, what does it include? (i.e. dental plan)

### **TIPS**

- + Find out the rate of pay and benefits other employers in the area are offering for similar jobs.
- What you pay employees depends on their qualifications, experience, job suitability, and the job market

# **Training**

# Training is an essential management function.

# Training is often performed for the following reasons:

- To introduce new methods or technology
- To prepare employees for new positions
- To keep skills fresh and current
- To meet legal or industry requirements, such as WHMIS, First Aid and CPR training
- To increase efficiency and productivity

(CTHRC Business Builders, 1999)

# **C** TRAINING

What are the tourism-related training programs in your region?

Which employees need training?

What type of training is needed for your employees? (i.e. customer service, guide training, wilderness first aid, etc.)

Who will do the training?

How will the training be done? (i.e. classroom, on-site, coaching)

How will you pay for the training?

When will the training be done?

**TIPS** 

COTA and CHRD offer training programs.

**Contacts:** 

COTA

1.888.268.COTA 418.745.2220 info@creetourism.ca

**CHRD** 

418.923.2525 info@chrd.ca

**TIPS** 

The tourism industry is customer service orientated.

It is important to ensure that your employees receive basic and ongoing quality service training.

# **Training your Staff**

It is important to train your staff to become aware of the personal and Aboriginal cultural values that you want to demonstrate in your tourism product.

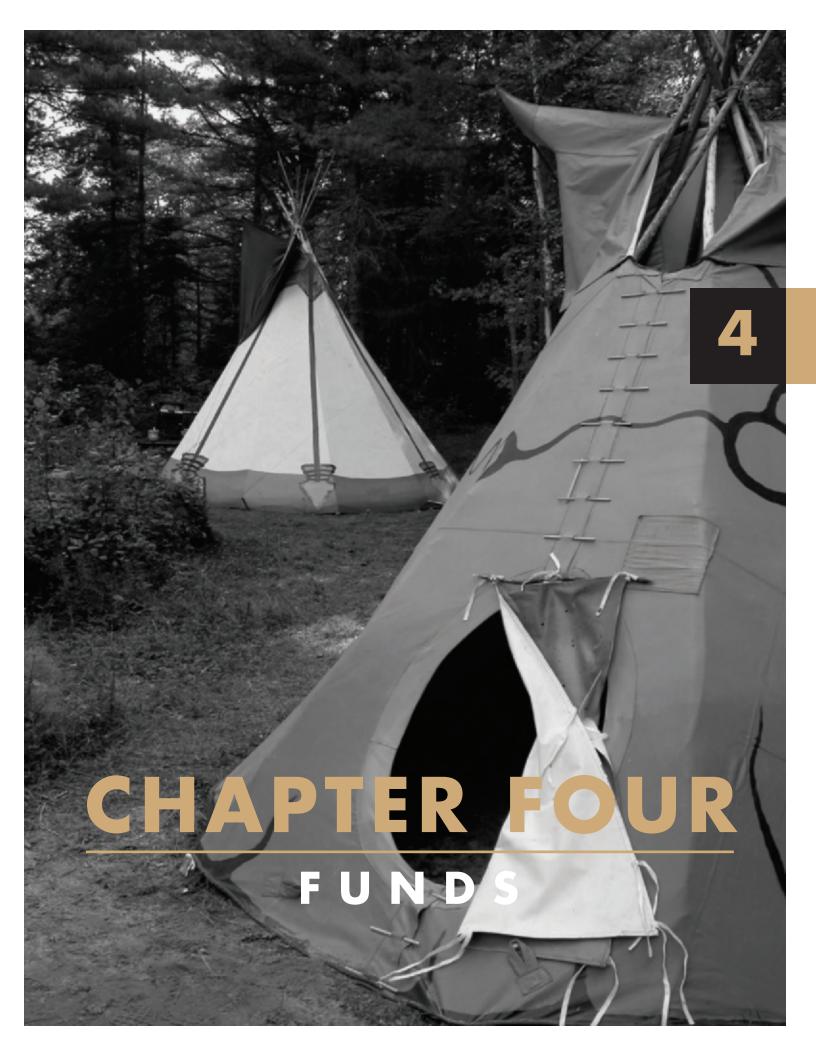
Participate in the training process to let your staff know that you care. This will also build up your staff morale making your work environment a healthier place.

How often do you plan to train your employees on updating their skills?

Are there any other tourism businesses in your community that you can team up with to organize training programs? If yes, who are they?

# **My Action Plan**

1. Human Resources Plan:



### **FUNDS**

Acquiring funding and managing your finances will be critical to the success of your product.

Many people who are in the midst of starting up their own business require assistance either through funding or loans. Acquiring funding or loans from various sources will assist you with the various stages of business implementation from marketing to capital cost expenditures. It is important to approach each funding agency with a solid business plan.

Subsequently, managing your finances will assist you with maintaining a viable and profitable business. There are many accounting software programs available that will assist you with financial management, or you can create simple spreadsheets to work with. If you do not feel comfortable managing your finances, there is the option of hiring a bookkeeper or accountant. Please refer to the COTA Toursim Development Resource Centre (TDRC) for the differences between a bookkeeper and accountant and to determine which option is best for you. For additional resources on funding and financial management, please visit the COTA TDRC.

# Common Lenders of Funds for Aboriginal Tourism Business

- Cree Regional Authority
- Cree Human Resources
   Development Department
- Aboriginal Development Corporations
- Band Councils
- Regional Economic
   Development Programs
- Aboriginal Business Canada
- Indian and Northern Affairs Canada
- Human Resources
   Development Canada

# **Before you Start**

- Get a copy of the guidelines specific to the funding agency to determine if you are eligible
- Make sure you have an up-todate list of all the documents required by the funding agency and make sure to get copies of all of them
- Review the objectives of the program; no two funding programs are alike
- Contact the program development officer directly to discuss your project plan
- Find out if there is a deadline for submission
- Get a copy of the program application form and ask if there is a template you can follow
- Assess eligible costs
- Have quotes ready to determine what your real needs are (equipment, land, supplies, construction, consultants, etc)
- Be very specific; only include the most relevant information
- When submitting a budget, always make sure it balances
- Proof read and make sure there are no spelling errors
- Ask for help from your local Tourism Officer or EDO

(COTA's TDRC, 2009)

### **SECTION 1: Start-up**



### **ABORIGINAL BUSINESS CANADA**

Non-repayable contributions of up to \$99,999 are available, per project for a person of Aboriginal Heritage who has a viable business opportunity.

### **Quebec Contact:**

Aboriginal Business Canada Indian and Northern Affairs Canada 7th Floor 5 Place Ville-Marie Montréal, Quebec H3B 2J2 Telephone: 514-283-1828

Fax: 514-283-1843

Toll-free (information): 1-888-237-3037

Website: http://www.ainc-inac.gc.ca/ecd/ab/

abc/abt/h\_ab00354-eng.asp

### **ABORIGINAL FINANCIAL INSTITUTIONS**

Aboriginal Capital Corporations (ACCs) concentrate on providing developmental loans: loans to enterprises, which are not yet ready to successfully secure business loans from banks. Some ACCs also provide business services.

#### Quebec Contact:

Waswanipi EEYOU Economic Development Group 3 Highway 113 Waswanipi QC JOY 3C0

Tel: 1-819-753-2560 Fax: 1-819-753-2568

Email: robertkitchen@waswanipi.com

#### **NISKAMOON CORPORATION**

Facilities, simplifies and speeds up access to the benefits, measures, resources and programs under the Cree-Hydro-Quebec Agreements

#### Contact:

Each Community has a local coordinator; Please visit you local band office.

#### **ABORIGINAL FUNDING TOOL**

The Aboriginal funding tool is an interactive tool designed to help find different types of funding available specifically for Aboriginal Peoples in Canada.

### **National Contact:**

Aboriginal Canada Portal Indian and Northern Affairs Canada Toll-free (information): 1-888-399-0111

E-mail: ACP@ainc-inac.gc.ca

Website: http://www.aboriginalcanada.gc.ca/acp/

site.nsf/en/index.html

# **CREE REGIONAL AUTHORITY (CRA)**

The Board of Compensation funds economic ventures directly. Eeyou Corporation manages the funding received under the La Grande 1986 Agreement and invests in community development and economic development ventures.

#### **National Contact:**

2 Lakeshore Road Nemaska, Quebec JOY 3B0 Fax: 1-819-673-2606

rax: 1-819-0/3-2000

Phone (information): 1-819-673-2600

Web site: http://www.gcc.ca

# CREE HUMAN RESOURCES DEVELOPMENT DEPARTMENT (CHRD)

The CHRD provides job search services, administers employment insurance and provides training funding. Depending on the type of programs, funding is available namely for:

Salaries, Training fess (tuition, material, etc.), Training allowance, and Travel expenses

#### **Contact:**

32 Amisk Street Mistissini, Quebec GOW 1C0

Fax: 1-418-923-2111

Phone (information): 1-418-923-2525

Web site: http://www.chrd.ca

# **Funding**

Before approaching a funding institution or agency, ask yourself the following questions:

Do I have a well-prepared business plan that shows I know what I am doing?

Does my business plan contain clear and convincing financial projections?

Have I done enough research to back up my claims of market potential?

Have I looked at the 'Best Case' and the 'Worst Case' scenarios of my project?

Do I have some of my own money invested in the project to show my commitment and confidence in the project?

(emerit, 2006)

### **TIPS**

- Purchase or develop an orderly records and accounts system
- Bring your books up to date at least once a week
- Control the bills you receive and pay by separating them into two file folders – one for unpaid invoices, the other for paid invoices – keep them in chronological order with newest on top
- You may need an accountant or bookkeeper and may want to hire them from the beginning

   still make the effort to
   understand and implement
   basic accounting procedures
   ask for referrals from
   business friends

(CTHRC Business Builders, 1999)

### TIPS

Determine the advantages and disadvantages of having a business account vs. a personal account for your business.

It may be best to make an appointment with your bank to discuss the options.

# **B** BANKING

Have you opened a separate bank account for your business?

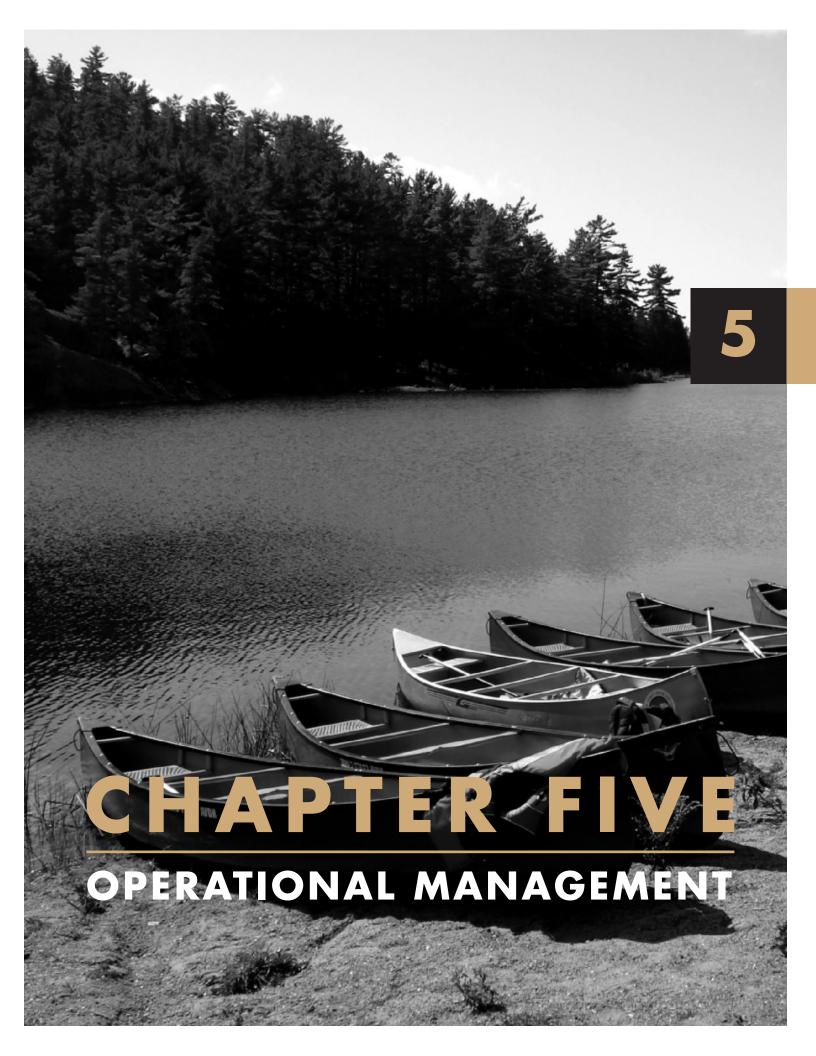
It is recommended you do this to help manage your business finances and to accept payments.

Who will you bank with?

What banking services will you need? (chequing, interac, credit card processing)

# **My Action Plan**

1. Start-Up Funds:



### OPERATIONAL MANAGEMENT

Operational management refers to how you deal with the day-to-day activities that happen in your business. To ensure that your business is sustainable you must develop rules and guidelines that are designed to provide your clients with a quality tourism product in a safe and comfortable environment. This should include a risk management plan and a policy on staff conduct and customer service.

It is also important to manage your tourism business to ensure that you have a system set up for booking/cancelling reservations, processing payments, and inventory control.

# **SECTION 1: Risk Management**

Risk management is a strategic process that will protect your assets and ensure your financial stability. Risk management will reduce uncertainty and the potential for accidental or unanticipated loss and will provide the basis for maximizing opportunity, (CTC Risk Management and Insurance Guide, 2001).

It is important to establish a risk management plan that protects clients from harm and the tour operator from legal or financial problems.

### **TIPS**

Please refer to COTA's
Tourism Quality Standards
Ecotourism Workbook,
Annex J, Page 56 for a
template on how to develop
a Risk Management Plan.

(COTA, 2005)

# Examples of Safety Equipment

First Aid kits
Fire Extinguisher
PFDs
Helmets
Protective eyewear
Gloves

# A SAFETY EQUIPMENT

What safety equipment is required for your business and activities?

What quantities will you need?

#### TIPS

Develop a maintenance schedule for your equipment.

A maintenance schedule will keep track of when items need to be serviced or replaced to ensure the safety of your clients and your staff.

Never put yourself or your guests at risk by using broken or inappropriate equipment.

Use common sense and do not be afraid to ask for help from a team member if needed.

Always wear the appropriate safety equipment.

Know where all safety and first aid equipment is located, and know how to use it.

Where will you purchase the equipment?

What are the approximate costs?

Do you have a maintenance schedule to keep track of your safety equipment and ensure all of your equipment is in good working order?

Who will be responsible for the above task?

# **B** REGISTERING TRIPS

Are the locations of your tourism activities far from the community? Where are they located?

If your program requires taking clients on outdoor/off-site excursions, such as canoe/fishing trips, who is the local contact that will be aware of your location and times of your departure and return?

Will the contact person in the community be able to contact you or the guide at all times?

Do you have a satellite telephone? Who is responsible for it?

# **Important to Note**

Make sure that you register any trips that take place outside of the community.

Develop a local contact, such as a co-worker, the Police department, or family member that is aware of your whereabouts at all times in case of an emergency.

Make sure that the contact person is aware of exactly where you are going and how long you will be gone for.

### **TIPS**

Ensure that a staff member with up-to-date First Aid/CPR training is always on-site/available.

Avoid dangerous situations with wildlife and plants.

Prepare for weather and seasonal conditions.

Follow safety guidelines for machinery, equipment and appliances.

Follow fuel safety guidelines.

Follow guidelines for safe travel.

# **C** FIRST AID TRAINING

Who are the staff members with First Aid/CPR training? Is their training up to date?

Who requires First Aid/CPR Training?

Are there any additional safety courses that your staff members should be trained in, such as wilderness First Aid?

Where is your First Aid kit located?

What is your emergency plan in case of fire, injury, motor breakdown, and natural disasters?

# **D** INSURANCE

COTA states that your organization must have an insurance policy that provides sufficient coverage for the nature of your activities (typically a minimum of \$2 million). Your insurance policies must include the following:

- Civil responsibility, including guarantees for material damage, bodily injury or loss
- Civil responsibility for managers and executives in cases where the outfitter is liable

Do you have adequate business and liability insurance coverage for your business? What are you covered for?

Who are your options for insurance providers?

What are the advantages/disadvantages of each provider?

### **TIPS**

Phone COTA to get as much information as possible before purchasing insurance and to see if there is an insurance provider they can recommend to you.

Before purchasing insurance talk to other small business owners/operators and to insurance reps.

Make sure you review your insurance policies with your insurance agent regularly to ensure that you have adequate coverage.

# Activities that Require Waivers

- + Fishing
- + Camping
- + Hiking
- + Canoeing
- + Hunting
- Winter activities

### TIPS

Please refer to COTA's Tourism Quality Standards Ecotourism Workbook, Annex J, Page 56 for an example waiver form.

And remember, a signed waiver form doesn't relieve you of the proper care of your guests; negligence on your part can still result in lawsuits.

# **E** LIABILITY WAIVERS

Waivers provide a legal defence to claims that may arise out of the activities that you provide. Clients that participate in potentially dangerous activities, sports or operations should be asked to read and sign a waiver form before undertaking the activity. By signing a form, the client acknowledges the risks involved with the activity they are participating in.

The wording of the waiver form is important. Ensure that you have acquired legal or risk management professional advice before developing the wording. The waiver should also be reviewed seasonally.

What activities do you need to have waiver forms for?

Who did you get to review the wording of your waiver forms?

Was there anything that you needed to change?

Where do you keep all of your signed and unsigned waiver forms?

### **SECTION 2: Policies**

### **A** STAFF CONDUCT

Your employees represent your tourism business so it is important to ensure that they exhibit a high level of professionalism. Poor staff conduct can result in loss of business and a bad reputation in the tourism industry.

Do you have a code of conduct or employee handbook for your employees?

What is your policy on the following: Greeting guests:

Treating co-workers:

Using Foul Language:

### **TIPS**

For more information on staff code of conduct for the tourism industry refer to:

COTA's Tourism Quality Standards General Principles Workbook, Annex B

Quebec code of conduct for the tourism industry found in COTA's Tourism Quality Standards Ecotourism Workbook, Annex A

For reception guidelines please refer to COTA's Tourism Quality Standards Ecotourism Workbook, Annex F

### **Standards**

Smoking:

The Standards that are most relevant for your product include:

Drugs and Alcohol:

# COTA's Tourism Quality Standards:

www.creetourism.ca

- General Principles
- Outfitting
- Outdoor Adventure Tourism
- Ecotourism
- Hospitality

Breaks:

# Aventure Ecotourisme Quebec:

www.aventure-ecotourisme.qc.ca

Lunches/Dinners:

Operating vehicles and equipment:

# Quebec Aboriginal Tourism Corporation (STAQ):

www.staq.net

- Authenticity
- Environment
- Infrastructure and Equipment
- Human Resources
- Customer Service

Attendance:

(CTHRC Business Builders, 1999)

# Professional Appearance:

Accepting gifts/tips from clients:

What is the disciplinary action if your employees do not comply with the code of conduct?

Does your code of conduct/employee handbook comply with industry standards and guidelines? If yes, which ones do you follow?

How often do you meet with your staff to discuss your code of conduct and their behaviour towards clients?

# **Disciplinary Action**

It is recommended to take disciplinary action if a staff member does not comply with the code of conduct.

# Example:

- 1st failure to comply results in a verbal warning
- 2nd failure to comply results in a written warning
- 3rd failure to comply results in termination

### **Customer Service Skills**

- Professionalism
- Positive attitude
- Responsibility with regard to actions & decisions
- Punctuality
- Confidence
- Courtesy & attentiveness
- Respect for customers
- Friendliness & enthusiasm
- Good humour
- Appearance
- Willingness to help
- Resourcefulness
- Flexibility
- Empathy
- Diligence
- Discretion
- Strong communication skills

# **B** CUSTOMER SERVICE

Having great customer service skills is essential in creating a friendly atmosphere and enjoyable experience for your client, in generating repeat clients and great word-of-mouth advertising. Please refer to Section 2 of COTA's Tourism Quality Standards Ecotourism Workbook for specific requirements on customer service.

Customer Service Exercise: Visit an established retail store, restaurant, or other place of service.

What did the employee do to make you feel welcome?

What could the employee have done to make your experience better?

Refer to the side bar for a list of customer service skills. What qualities do you possess?

Refer to the side bar for a list of customer service skills. What qualities do you need to practice on or receive training for?

### COMMUNICATION

From the first phone call or email from the client, it is important to employ exceptional customer service skills that will help you to sell your product.

Who will be responsible for answering the phones?

How should each employee answer the phone?

Are they aware of your hours of operation, prices, and how to book/cancel reservations?

What are your guidelines on phone etiquette?

What are your guidelines for dealing with clients: On-site (face-to-face):

Fmail:

Mail:

# **Phone Etiquette**

- Use a natural voice and speak clearly
- Greet the caller
- Identify self and company
- Record information if necessary
- Confirm that concerns and comments will be addressed
- Ask questions to clarify information if needed
- Smile the person at the other end of the line will sense it
- Say thank you and goodbye
- Follow-up as required

Please refer to Section 2 of COTA's Tourism Quality Standards Ecotourism Workbook, Page 5, for specific requirements on customer service

### **TIPS**

Ensure your employees are trained on how to communicate effectively at the workplace in a clear and natural manner.

Train your staff if necessary on their written, reading, and oral communication skills.

### Items to consider...

How do you provide information on culture?

- Storytelling
- Displays or exhibits
- Guided tours
- Self-guided tours supported by printed or audio materials
- Performances
- Multi-media presentations
- Lectures
- Printed documents
- Pre-tour briefings, talks or demonstrations

Does all of your staff understand Aboriginal culture?

Is your staff aware of the traditional ecological knowledge in your community?

Is your staff able to provide information to clients about the local Aboriginal culture and traditional ecological knowledge?

Do you have interpretive or educational programs that address current Aboriginal issues and concerns? (i.e. hunting and fishing rights, self-government)

Do you offer special programs for schools and other educational institutions that highlight Aboriginal culture and traditional ecological knowledge?

Do you have staff members that have any unique technical skills? (i.e. making crafts)

(Aboriginal Tourism Team Canada, 2009)

# UNDERSTANDING CULTURAL DIFFERENCES

What are the aspects of the local culture that differ from the anticipated client's culture?

Do you have cultural guidelines posted in common areas or areas of cultural significance using signs? If yes, where are they located?

Ensuring cultural differences are understood by you, your employees and your clients is a way of promoting great customer service and mitigating potential complaints.

### **CUSTOMER COMPLAINTS**

What is your policy on how to deal with customer complaints?

How do you record customer complaints?

What are the immediate actions that take place when you get a customer complaint?

How do you follow-up to the customer complaint?

### **Customer Service Extras**

- Be honest and realistic with your clients

   tell them what they can and cannot expect.

   For example, inform them if they are unlikely to see a particular animal due to the season.
- Be clear on the details of your refund and cancellation policy.
- Impress your clients with little extras or surprises; for example, a small parting gift as a souvenir of their experience.

### **TIPS**

100% satisfaction should be strived for but, realistically cannot always be attained; therefore you should have a process for dealing with customer complaints.

Effective handling of customer complaints may turn a negative into a positive and it will help you to identify areas in your product that are weak.

Please see Annex H of COTA's Tourism Quality Standards Ecotourism Workbook, & Annex E for a customer complaint form.

# Having a Positive Attitude

Encourage staff members to always have a positive attitude when approaching a task, person or situation.

This will create a positive experience for the client and other staff members, encourage repeat business, and can result in an increase in revenue.

# How to Make a Booking

To make sure you have all the information required from your clients to secure a booking and so there is no confusion when they arrive, ask the following questions:

How many people are you traveling with?

What is your name and the names of the people you are traveling with?

What are your flight times, and arrival and departure dates?

What is your contact information (include phone number, address, and email)?

What are the ages of the people you are traveling with?

How many rooms/beds are required for you and your party?

Do you have any special requests? Special dietary needs, handicap accessible, smoking permitted, etc.

If a certain fitness level is required for your product, inform the client at the time of booking.

Notify your clients if you are sending pre-trip guidelines to them.

Discuss payment and deposit terms.

# **SECTION 3: Systems**

### A BOOKING/CANCELLING RESERVATIONS

A booking and cancellation policy details how your business accepts payment for confirmed services. It provides the buyer with information they need to decide whether or not to make a reservation now or later, or if at all.

The following questions are designed to determine what your booking/cancellation policy should be:

Do you own or have control over all the components of your product? i.e. transportation, food, accommodation

If you do not own or control all components of your product, who are your suppliers/partners?

Do you have to pay your suppliers non-refundable fees?

How much time is required to organize your tour program? Do you have to secure services (i.e. boats, guides, caterers, planes, etc.) in advance?

What days of the week does your business operate?

What are the age requirements for your activities?

How can a client secure a booking? Do they need to leave their credit card or do you just require a name and phone number?

Is a deposit required at the time of booking? If yes, what amount and is it refundable if the client cancels?

# Example Booking/ Cancellation Policy for a Day Tour with Guaranteed Scheduled Departures and Advanced Booking Required

- Prices subject to GST
- A 20% deposit is required 10 days after receiving confirmation
- Full payment will be charged
   2 weeks prior to departure
- All spaces for the tour need to be reserved ahead of time using a credit card (Visa, MasterCard, AMEX)
- A 48 hour cancellation notice prior to the confirmed tour time is required
- If cancellation takes place less than 48 hours before the tour the deposit is non-refundable
- If cancellation takes place outside 48 hours the deposit is fully refundable
- Children under the age of 18 must be accompanied by an adult
- Departure times are subject to change
- All participants are required to sign a liability waiver prior to departure

### **PLEASE NOTE**

It is critical to remember what you negotiated at the time of booking so there is no misunderstanding when it comes time for collecting and invoicing for payments.

What is the minimum amount of clients required for your activity?

Do you have guaranteed departures regardless of the minimum number of clients?

What happens if someone cancels and the minimum number decreases?

What happens if someone cancels a day before the tour?

What happens if you have to cancel due to an unexpected situation? (i.e. an accident in your family, equipment breaking down, or poor weather conditions)

# **B** PROCESSING PAYMENTS

When do you take payment from the client? (i.e. at the time of booking, before the program begins or after)

What methods of payment will you accept? Cash, cheques, Visa, MasterCard, AMEX, debit

Who is the authorized staff member to receive and process payments?

Do you have a cash register or a point of sale system?

Will you accept payments on your website?

If you said 'yes' to the last question, it is recommended you use a service that is recognizable and trusted by the wider public, for example PayPal.

Visit the PayPal website for further information on setting up your online billing:

https://www.paypal.com/us/cgi-bin/webscr?cmd= home-merchant

# **Payment**

### Cash Sales

If you decide to use cash/
cheques as a form of payment,
create a clearly defined
process for monitoring,
receiving, recording, and
depositing cash sales.

### **Credit/Debit**

Accepting credit cards will help to increase your market.

Each credit card company will have a fee associated with the use of their credit services.

For example:
If you make less than \$2,000 in
Visa sales— expect to pay 3.5%
of those sales to Visa.

### **TIPS**

Develop strict controls on who can process payments and expenses for your business.

This can prevent errors in record keeping and staff theft.

### **TIPS**

Do a Pre-season and Post-season inventory check! This will help to determine your yearly budget.

### **Pre-season**

- Ensure that you have all items needed to operate your programs
- + Ensure that all items are in proper working order
- Record the quantity of equipment and supplies on-hand

#### Post-season

- Check to make sure that all items are still in proper working order
- Record quantities of equipment and supplies
- Record if any items need to be repaired or replaced

# **C** INVENTORY CONTROL

It is important to keep track of all the equipment and supplies necessary for you to run your business. This includes the items necessary for you to lead your activities, as well as any items that are for sale to guests. This can be done by creating inventory checklists which should be completed on a regular basis (weekly/bi-weekly).

Equipment can include items such as lodging amenities, boats and motors, motor vehicles, fishing gear, etc. What quantities of those items/equipment/supplies are needed to deliver your product?

Do you have an inventory checklist set up? (Inventory checklists are used to keep track of items that need to be replaced or are missing.)

How often do you plan to do an inventory check? (Weekly/bi-weekly)

Do you require a motorized vehicle (i.e. boat or a car) for your program? If yes, what are the supplies/equipment needed to operate and manage the vehicles? (i.e. spare motor oil, repair kit, spare tires, etc.)

Do you have to prepare food for your program? If yes, what are the supplies/equipment needed to cook for your clients? (i.e. cooking utensils, pots and pans, cooking oil, spices, etc.)

Do you perform daily maintenance checks for your equipment? How is this done?

### **TIPS**

It is important to create daily maintenance checks for your equipment.

### **Example - Vehicle Maintenance**

All equipment should be treated with care, to ensure its safe, effective use and longevity. Abuse or neglect of equipment should not be tolerated.

- 1. Smoking is not permitted in vehicles.
- 2. At the end of each working day, all garbage, debris, etc. must be removed from the vehicle.
- 3. Also at the end of each day, all personal belongings must be removed from the vehicle.
- 4. Once per week, on Fridays, the vehicle should be washed using a pressure washer and soap.
- 5. Every Monday morning, the oil should be checked and topped up if necessary.
- 6. Any problems or concerns with any of the vehicles should be immediately reported to the manager on duty.
- A maintenance checklist should be created. Each week, one individual will be accountable for ensuring each of the above tasks are completed.

### **TIPS**

- Create an inventory control sheet.
- Keep track of how many items you sell on a weekly, monthly and yearly basis.
   This will help you determine how many items to stock and will help you with your budget.
- Perform an inventory count at the beginning of the season.
- Evaluate how many items were sold at the end of the season and plan to order accordingly for the next year.

Do you have a retail/sales component to your business? If yes, what do you sell? (i.e. T-shirts, baseball hats, other souvenirs)

How do you keep track of what is sold?

How many items do you sell or expect to sell on average per year?

How often do you restock?

For the retail/sales component, do you have an inventory control sheet?

# **My Action Plan**

1	•	Risk	<b>Management:</b>

2. Policies:

3. Systems:



### MARKETING

'Marketing is a process in which you determine who your potential customers are, what their needs and expectations are, how to reach them, and how to convince them that your tourism product or service is the one they should choose' (COTA, 2009). Effective marketing will be one of the most important elements to establishing a successful tourism product.

The first step in your marketing campaign is conducting market research. Market research should be conducted for your business plan to determine your target market, the size of your target market, the best way to attract your target market, and the best way to attract the interest of tour operators/agents/wholesalers in domestic and international markets.

# **Experiential Tourism**

"A tourism product is what you buy. A tourism experience is what you remember".

(CTC, 2009)

Tourism is focused on selling an experience; the buyer cannot touch, examine or test the product prior to purchasing it. In marketing your product, it is important to try and sell tangible elements by using:

- Photos or videos of people using your product
- Testimonials from past clients that emphasize your company's reputation for reliability and quality products
- Descriptions highlighting what is commonly experienced with your product
- Detailed itineraries of where you go and what you do so that people can envision the product
- A brochure that provides answers to commonly asked questions

(CTHRC Business Builders, 1999)

# **Branding Tips**

The following questions may help guide you in the right direction to create a unique brand identity for your product:

Does my product create a unique sense of place or do my clients feel that they can be anywhere?

Does my product exist in isolation or is it integrated into the overall tourism experience available in the surrounding market?

Am I focused on what I have to sell or do I consider what's important to travelers?

Am I telling clients what they should buy, or how they should feel when they experience my product?

Is there a sense of surprise and discovery in my product?

Is my product unique or could travelers experience the same thing anywhere?

(CTC, 2009)

# **SECTION 1: Branding**

**A** EXPERIENTIAL TOURISM

What makes your tourism product unique?

What do you expect your clients to get out of their experience with you?

How will you convey that experience or feeling in your marketing materials?

What specific emotions does your product trigger?



How does your product promote the qualities of its location?



How does your product promote the exploration of culture?



How does your product allow the client to broaden their own personal experience?

# **Branding Tips**

**Examine the above images:** 

How do these pictures make you feel?

Do they tell a story?

# Creating your Product's Visual Identity

What form(s) of media can most effectively showcase your product? (i.e. website, brochures, etc.)

Some of the key elements to explore when creating your branding strategy are:

- Logo
- Phrase that describes your product (tagline)
- Colour
- Pattern and graphics
- Photography
- Local artwork

What type of imagery/photos should you use to communicate your product?

What would be a good 'tagline' for your product?

What would your logo look like?

(http://www.nnart.ca/images/
aurora,m.jpg)

Source: Northern Native Art Gallery

What colours would you use to set the tone for your product?

#### **SECTION 2: Promotion**



#### **DEVELOPMENT**

What is the purpose of your website? Be specific.

Who will develop your website?

What information do you want to include on your website?

Does the website describe your product clearly?

What type of imagery and language will you use?

How will the website differentiate you from other tourism business' websites?

# Tips on Developing your Website

Use imagery that captures intimate moments with people.

Create a sense of energy and vitality by using imagery of people having fun.

Incorporate authentic images. (i.e. local artwork, photos of community festivals, etc.)

Make the imagery seem natural, not posed or deliberately constructed.

Develop a sense of warmth by using light and the colours of the environment.

Ensure that the images are up to date.

Describe your product in a way that can trigger the viewers five senses (smell, taste, see, feel, and hear). For example, what does the inside of a tipi smell like?

Keep the writing simple and straightforward when describing your product.

Showcase the tourist as the star in your product. Use descriptive words such as 'learning' and 'participating in' when describing your product.

(CTC, 2009)

# Tips for Using Imagery

What are some ideas that can make your website unique and different from your competitors?

Use images in your promotional materials that demonstrate people connecting with their environment.

Will there be links on your website to other businesses in your community? If yes, which ones?

Capture the spirit of the experience by showing what is being shared between people and the host community.

How often will you update the information on your website?

### **Web Hosting**

Do you plan on updating your website every time there are any promotions, special events, and changes to the hours of operation or prices of your product? If yes, who will do it?

Web hosting is a type of internet hosting service that enables your business to post a website that can be accessible via the world wide web. Web hosts are companies that provide space on a server they own or lease for use by their clients as well as providing internet connectivity.

#### **HOSTING**

Who will host your website?

What are the associated costs?

Have you shopped around for the best cost and most reliable hosting service?



#### **DEVELOPMENT**

What forms of print media are you going to use as promotional material for your product? (i.e. brochures)

Do you have to hire someone to create your print media? If yes, who will you hire?

What are the associated costs involved?

How long will it take to produce?

How can your print media create a desire to buy? What can you do to improve it?

### **Tips for Brochures**

- Company contact details: company name, address, phone number, fax number, email address, and website address are clear and easy to find
- Map on how to get to your location (this can be found on Google Maps or Map Quest)
- Attracts attention through captivating and exciting photographs, graphics and/ or enticing headlines
- Message is clear and stands out
- The brochure is not overcrowded
- Looks professional
- Highlights benefits of your activities
- Grammar and punctuation are correct
- Includes all necessary information: price, group rates, technical aspects of the tour - accommodation, transportation
- Use testimonials from previous clients to increase your business' credibility.

#### **TIPS**

- Make sure you record how many copies you have of each promotional print material
- Record how often you need to replace them and whether or not your business is increasing
- If there are a lot of copies going out but no increase in business, the print materials may not be that effective
- Ensure that all the information on the print materials is up to date and accurate

#### **PRINTING**

Where can you print the promotional materials?

What are the printing costs?

How often will you print?

#### **DISTRIBUTION**

Where are you going to showcase your print materials? (i.e. tourist information centres, COTA, restaurants, hotels, etc.)

In what towns/cities are you going to distribute your print media? (i.e. Montreal, nearby communities, international contacts, etc).

# C OTHER MEDIA

What other forms of media do you plan on using to promote your product? (i.e. newspapers, events, guidebooks, social networks such as Facebook)

At what events in your community can you promote your product?

What outdoor adventure or travel magazines can you contact to do a story about your product?

In what local/provincial publications can you advertise your product?

### Taking Advantage of the Networking Tools that are already out there

- Many people use social networking tools such as FaceBook, Twitter, and blogs.
- + These tools are free of charge and can be a good source to use to invite people to special events, advertise specials, inform the public about your hours of operation, receive feedback from clients, and keep connected with your clients.

#### Other Media

Many travelers read guidebooks and travel magazines to learn about tourist destinations.

#### + Guidebooks

- Lonely Planet
- Let's Go
- Rough Guides

#### + Travel Magazines

- Outpost
- Canadian Geographic
- Travel
- Dreamscapes
- Discovery
- Explore

#### **TIPS**

It is important to evaluate your marketing materials on an annual or semi-annual basis to keep them up to date and to review their effectiveness.

#### **AIDA**

#### **AIDA**

#### A - ATTENTION

Does your marketing material grab a potential client's attention?

#### I - INTEREST

Does your marketing material generate interest in your products?

#### D - DESIRE

Does your marketing material create a desire to buy?

#### A - ACTION

Does your marketing material get people to take action by providing them with the necessary information?

# SECTION 3: Evaluating your Marketing Tools

# **A** WEBSITE

Is the home page welcoming and attractive?

Is the website easy to navigate? Is information easy to find?

Does it contain all your relevant contact information?

Does it contain clear information on all your services and products?

Does it contain intriguing photos that will entice people to buy your product?

Do all the links work?

Is it secure for payment options?

How many hits is your website getting?

How many website bookings are you receiving?

What is your return on investment?

# **B** PRINT

Does the cover page entice people to pick it up?

Is the text clear and easy to read?

Does it contain all your relevant contact information?

Does it contain clear information on all your services and products?

Does it contain intriguing photos that will entice people to buy your product?

Is the formatting consistent?

How will you keep track of how many of your print copies are taken by potential clients and when they need to be replaced?

How many bookings are you receiving from your print materials?

What is your return on investment?

# Tips for Print Advertising

- Have a specific objective in mind
- Have only one sales message
- Focus on the benefits
- Make it clear, concise and to the point
- Include all contact information
- Make it traceable (so you can determine where the client heard about you)
- Get help if you need it to create professional looking material

(CTHRC, 1999)

TIP

If you need assistance with your marketing plan or materials, contact:

COTA's Marketing and Communications Officer:

1-418-745-2220 or marketing@creetourism.ca

TIP

Refer to COTA's Tourism

Quality Standards –

Ecotourism Workbook,

Annex G for a sample

of an exit survey.

**C** OTHER MEDIA

What other media have you chosen to use as part of your marketing plan?

Does it contain all your relevant contact information?

Does it contain clear information on all your services and products?

Does it contain intriguing photos that will entice people to buy your product?

How many people are viewing the information?

How many bookings are you receiving from your other media?

What is your return on investment?

#### **D** EXIT SURVEYS

Exit Surveys are given to clients at the end of their stay with you. Their purpose is to enhance your knowledge of client's expectations, dislikes and likes. It is important to develop a system (i.e. excel spreadsheet) that allows you to easily compile and analyze the information.

# **My Action Plan**

1. Branding:		
2. Promotion:		

3. Evaluating my Marketing Tools:

# CHAPTER SEVEN

DISTRIBUTION CHANNELS

#### DISTRIBUTION CHANNELS

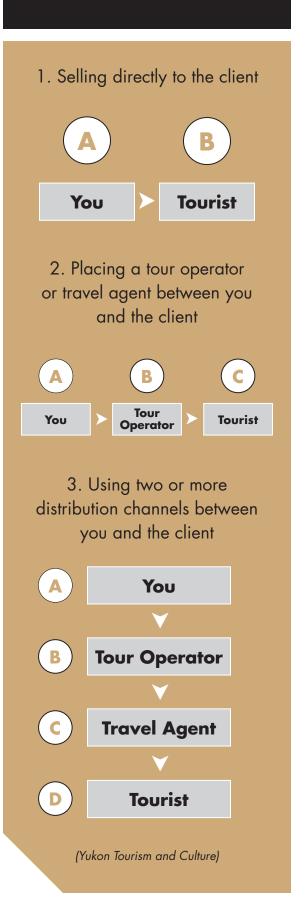
Distribution channels are one of the most critical elements in marketing since they determine the competitiveness and profitability of tourism businesses and organizations. Distribution can be seen as the bridge between supply and demand that makes the product available to the clients (Pearce, 2005). Distribution channels can help with:

- Contacting potential clients
- Packaging tourism products
- Establishing mechanisms that enable potential clients to make, confirm, and pay for reservations

Distribution channels are paths by which tourism organizations carry-out the communication and sale of their services and products (Williams & Richter, 2002).

Because of the often remote and emerging nature of Canada's Aboriginal tourism products and services, developing partnerships with tour operators, travel agents and sales representatives is extremely important.

# Three Main Channels of Distribution



### Partnerships and Packages



A partnership with another service provider allows you to offer more to your potential client at a competitive rate and enhance their experience while increasing the appeal of your product.

A package is when two or more companies partner to sell their products as one package. For example, a canoe-guiding business and a lodge combine a day-long canoe trip with an overnight accommodation.

#### **PROS**

- Appeals to wider markets
- Creates a unique product
- Allows a new business to partner with an established business
- Maximizes revenue for partners by decreasing marketing costs
- Increases convenience for clients
- Makes vacations more affordable and less time consuming to plan

#### CONS

- Less control over total product
- May increase logistical requirements

# SECTION 1: Partnerships and Packages

## A WHO AND WHAT

Tourism partnerships take advantage of opportunities to work closely with others that are directly or indirectly involved in the tourism industry.

What are the businesses/organizations in your community and/or other communities that you can partner with to promote your product?

What are the goals and objectives for creating a proposed package?

What components will you include in the package? (i.e. transportation, accommodations, meals, attractions, etc.)

components that you think might be part of the package. Transportation: Accommodations: Meals: Activities or Entertainment: Mementoes or souvenirs:

Create a list of partners in the following

#### **TIPS**

What should be included in a package?

- Transportation
- Accommodations
- Meals
- Activities or entertainment
- Mementoes or souvenirs
- Related services

   (i.e. guides, equipment service, translators, etc.)
- Extra and/or creative elements (i.e. coffee service, photo services)

(CTHRC Business Builders, 1999)

Related Services:

# How to Make a Successful Package

Extra and/or Creative Elements:

Plan far in advance

- What will you charge per person for each service?
- Build the package around a core activity or attraction

Transportation:

Price the package competitively

Accommodations:

Package well-matched activities and services together

Meals:

 Ensure that the quality of the package is consistent

Activities or Entertainment:

• Pay attention to details

Mementoes or souvenirs:

 Communicate effectively with clients

Related Services:

Ensure that you earn an acceptable profit

Extra and/or Creative Elements:

(CTHRC Business Builders, 1999)

What is the core activity or attraction for the package? (i.e. whale watching, learning local fishing techniques)

What will be the strengths and opportunities of the package?

What will be the weaknesses and threats of the package?

What are the strengths and opportunities of the example tour package on the right?

What are the weaknesses and threats of the example tour package on the right?

### **Example Tour Package**

The Great River Journey begins in Whitehorse and unfolds over six days and 600 kilometres (373 miles) of wilderness leading to Dawson City.

# Day 1 - Whitehorse to Upper Labarge Lodge

Guests are greeted by their guide at the airport or their hotel. Guests may cruise the scenic onehour trip by riverboat or fly the 15-minute route by float plane to Upper Labarge Lodge.

#### Day 2 - Upper Labarge Lodge

Guests have a full day to explore the Lake Laberge area. Choose from a leisurely walk through the Ta'an village, a more challenging hike and mountain bike ride to the ridges above, a bird scouting jaunt or fishing and kayaking.

# Day 3 – Upper Labarge Lodge to Homestead Lodge

Guests travel by riverboat (or kayak part of the way) from Upper Labarge Lodge down the "Thirty Mile" section of the Yukon River. A floatplane meets the group near Steamboat Island. Guests enjoy a one-hour flight over the Yukon River to Homestead Lodge near Fort Selkirk.

#### Day 4 - Homestead Lodge

After breakfast, guests make the short trip across the river from Homestead Lodge to Fort Selkirk. After exploring this historic site for the day, the group returns to Homestead Lodge for the night.

# Day 5 – Homestead Lodge to Wilderness Outpost

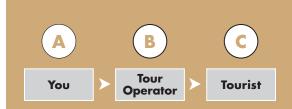
Guests travel by riverboat from Homestead Lodge to Wilderness Outpost. Opportunities abound for wildlife viewing along this truly wild section of the journey.

#### Day 6 - Dawson City Departure

Guests may board Air North's scheduled flight back to Whitehorse, or travel by plane or riverboat into Alaska to connect with a cruise. Other options include trips to the High Arctic and the Arctic Ocean.

(Great River Journey, 2009)

# Working with Operators



#### **Pros**

- Ability to target more potential clients
- Include your product as part of a tour package
- Create more business
- One stop shop for tourists which may be more appealing

#### Cons

- Pay commission rate
- Might not have full control over your days of operation

#### **SECTION 2: Tour Operators**



A tour operator combines tour and travel components together to create a tour package. A tour operator also sells the tour packages to the tourists.

Create a list of tour operators in your area that could potentially sell your product.

Are you going to work with tour operators outside your province or even internationally? If yes, which ones have you considered?

How will you contact the tour operators that you would like to work with?

Create a list of the possible Tourism Travel and Trade shows you can attend.

How are you going to convince the tour

sell sheet)?

operator to sell your product (i.e. sales pitch,

#### **TIPS**

What to include in your sell sheet: Business Description:
Target Market:
What makes your tour different from others:
How will your product compliment other tourism products:
Price:
What will you offer the tour operator for commission for selling your product:

# Working with Travel Agents



# Creating partnerships with Travel Agents

- Not a difficult process
- Create an incentive for the travel agent to work with you
- Commission rates are the more traditional way to negotiate prices
- Average commission rates are 10 – 20%
- When working with travel agents you need to be flexible and work with the agent in a respectful manner
- Create a document containing terms and conditions
- Contract is not necessary

#### **SECTION 3: Travel Agents**



Please note: A travel agent is used by the tour operator to sell packaged tours. The following information is not intended for individual businesses.

Travel agents are in the business of selling tourism products directly to the general public. The majority of the product is not owned or operated by the agency. The travel agent sells the product on behalf of the operators.

#### How to connect with travel agents:

- Create a marketing piece detailing your product and send it to travel agents of interest
- Trade Press can connect your business to a network of travel agencies across Canada
- Why use Trade Press service?
  - + It is a cost effective way to reach several thousand travel agents to inform them of your products and services
  - + If you have a message to send to the travel industry, the Trade Press can be used to deliver that message
  - + A way to reach your audience through all media sources (print, digital, interactive or online)
  - + Connect you with information on niche markets
  - + Examples of Trade Press companies:
    - Baxter Travel Media
    - o Travel Information Network
    - o Travel Week
    - o Travel Hot News
    - o Travel Industry Today

# **My Action Plan**

1.	<b>Partnerships</b>	and	Packages:

2. Tour Operations:

3. Travel Agents:

# CONGRATULATIONS



You have successfully completed

# TOURISM OWNERSHIP

MY BUSINESS BUILDER

Grow, Share and Experience

Name:		
Company:		
Address:		
Phone Number:		
Email address:		

Please fill out the following page and send to COTA for a certificate commemorating the completion of your Business Builder.

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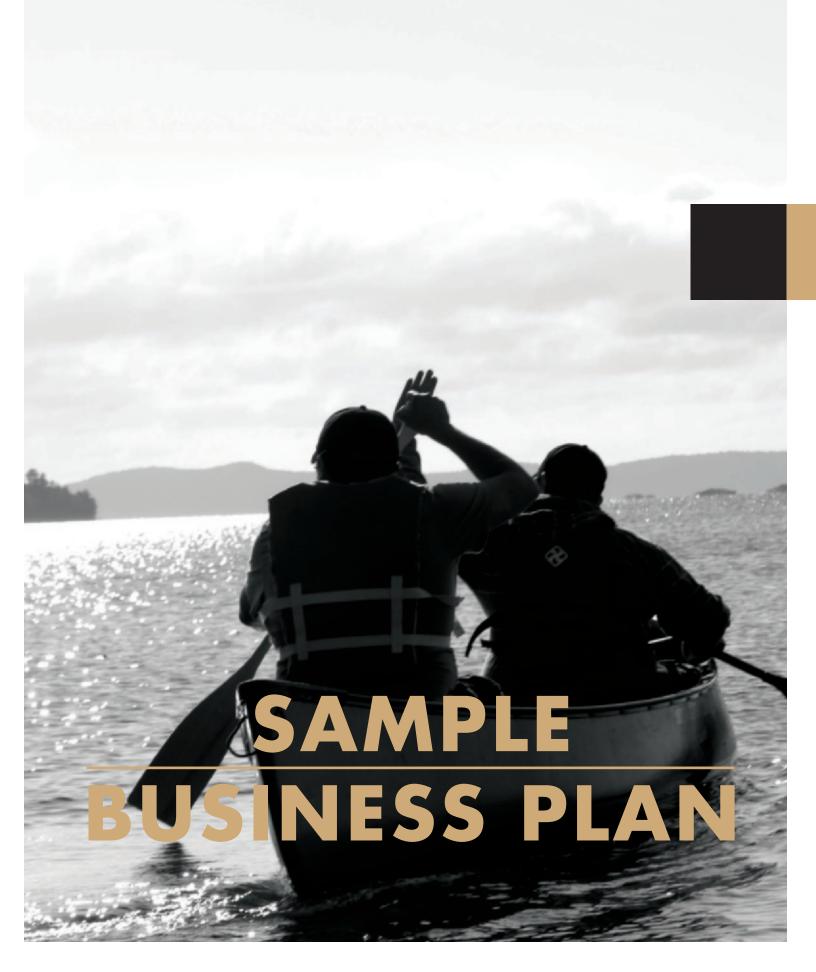
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#### Sample Business Plan

Business Plan for the period Starting May 2001

# **Executive Summary**

#### **Business Description**

YouCan Adventures has been offering canoe and kayak rentals, expedition tours and guiding services in Tripping Falls, Quebec since 1990. Joe Crow started the business 8 years ago and Tad Ishiyama has been the operations manager of the business for three years. They plan to diversify the business and expand the length of the operation schedule by adding mountain biking, dogsledding and ski touring activities to their product offering.

#### **Ownership and Management**

Joe and Tad have agreed to restructure the business as a new corporation. Joe Crow will roll the assets of his existing proprietorship into the newly created business and Tad Ishiyama will contribute \$100,000 in capital. Each will own 50% of the shares. Tad will have the option to buy out the other half at a later date. Joe Crow spent the first 10 years of his career prospecting for Eureka Gold Consortium. He moved on to work for Tundra Sport Outfitters in Northern Alberta as a guide then manager of operations. He left Tundra after 20 years to start YouCan Adventures and has built the business up over the past 8 years.

Tad Ishiyama has been the operations manager of the business for three years. He came to Tripping Falls from the Lake Louise, BC where he was the manager of a bicycle and clothing shop following his wife's career move to the Quebec Ministry of Environment. Tad has a Bachelor of Commerce in accounting and spent 4 years as an account manager at Big Bank in Nelson before moving to Lake Louise for the skiing. Tad has been an avid cyclist for many years and brings with him a numerous experiences as a customer on mountain biking trips in the United States and Canada.

### **Key Initiatives and Objectives**

The primary objective of the company is to expand the business to provide better utilization of assets. This will be achieved by lengthening the period of operations from 4 months to about 9 months of the year. On top of the \$100,000 investment by Mr. Ishiyama, the expansion will be financed by a \$50,000 term loan.

#### **Marketing Opportunities**

The Canadian Adventure Travel Industry grossed \$165 million in revenues in 1993. Within this market, the Quebec industry has grown at the rate of almost 20% per year since 1987 and revenues totaled \$5.74 million in 1995. Of the 118 adventure travel operators in Quebec in 1995, 21 provided guided canoe tours, 11 provided cycling tours, 13 provided dogsledding and 9 provided ski touring. Although the industry has come a long way in 10 years, there is still much room for expansion for well-run, professional tour organizations in this region.

#### **Competitive Advantages**

YouCan Adventures has been in operation for 8 years. Joe Crow has built a reputation for excellence in guiding services. He has a steady and growing stream of business, with over 20% of his customers returning for other trips. Our additional product line includes mountain biking, ski touring and dogsledding in some of the most beautiful terrain in Quebec. YouCan has negotiated a contract with a First Nations band to put shelter cabins on this land to service our adventure activities. Included in the contract are restrictions on similar tourism-oriented leases for a term of ten years. Having these exclusive rights to these structures on such ideal land will constitute a large benefit for the company.

#### **Marketing Strategy**

Our market is made up of a mixture of Americans, Canadians and off-shore visitors. Over half of the total is US citizens, divided equally between Alaskans and other Americans. The majority of Canadians are from BC or Ontario. Canoeists are generally from Ontario, Minnesota or Germany. Dogsledders come primarily from Japan and mountain-bikers come mainly from BC, Alaska and the West Coast. The promotional plan targets these geographical regions as well as sport-specific media. The Internet will be used as a effective promotional avenue and inclusion in key guides via association membership will be pursued.

#### **Summary of Financial Projections**

Revenue projections for 1998 total \$243,000. Canoe revenues are expected to decrease by about 5% to \$125,970, reflecting a diversion of resources toward developing the new products. Revenues from camping and lodge receipts will be roughly the same, bringing in \$9030. First year revenue projections for newly added activities include: \$42,000 for mountain biking; \$18,000 for ski touring; and \$48,000 for dogsledding. Projections for years two and three show a moderate but steady growth in revenue as they become established, resulting in \$317,556 in 1999, and \$347,498 in 2000. Net income is expected to increase from \$7,743 in 1998, to \$31,051 in 2000.

# **Confidentiality and Recognition of Risks**

#### **Confidentiality Clause**

The information included in this business plan is strictly confidential and is provided on the understanding that it will not be disclosed to third parties without the express written consent of Joe Crow and Tad Ishiyama.

#### **Recognition of Risk**

This business plan represents management's best estimate of the future potential of our business venture. It should be recognized that not all the major risks can be accurately predicted or otherwise avoided and that few business plans are free of errors of omission or commission. Therefore, investors should be aware that this business has inherent risks that should be evaluated prior to any investment.

### **Business Overview**

#### **Business History**

YouCan Adventures has been offering canoe and kayak rentals, expedition tours and guiding services in Tripping Falls, Quebec since 1990. Joe Crow is 55 years old and intends to retire in the next few years. He started the business as a single proprietorship 8 years ago after 20 years of working as a guide and manager for Tundra Sport Outfitters. Tad Ishiyama has been the operations manager of the business for three years.

Joe and Tad have agreed to restructure the business as a new corporation. Joe Crow will roll the assets of his existing proprietorship into the newly created business and Tad Ishiyama will contribute \$100,000 in capital. Each will own 50% of the shares. Tad will have the option to buy out the other half at a later date. They plan to diversify the business and expand the length of the operation schedule by adding mountain biking, dogsledding and ski touring activities to their product offering.

#### **Vision and Mission Statement**

YouCan Adventures Ltd. is dedicated to providing quality adventure services and accommodation to a selected range of customers.

#### **Objectives**

Our main objectives for the next year are to:

- 1. Increase existing rental and expedition revenues by 75%.
- 2. Obtain \$50,000 term loan for new equipment.
- 3. Expand product and service line to include mountain bike tours and rentals in the summer, and dogsledding and ski touring in the winter.
- 4. Expand and better target marketing effort.

#### **Ownership**

Joe Crow and Tad Ishiyama will each own 50% of the outstanding shares of the company.

#### **Location and Facilities**

YouCan Adventures is located near the confluence of two of the most beautiful rivers in Northwestern Quebec. Despite the proximity to the mountains, Tripping Falls also is at the edge of 2000 square miles of flat or moderately hilly terrain. It is also within easy driving distance of Montreal and is situated close to one of the major traffic routes between Ontario and Newfoundland.

Tripping Falls is an ideal base camp to start or end river canoe and kayak journeys. The nearby lake is suitable for landing floatplanes and is used for transport into more remote expedition sites. In addition to water access, the foothills and mountain plains are ideal for mountain bike excursions ranging from one day to two weeks. During winter months, this terrain is also suitable for dogsledding and ski touring activities.

YouCan Adventures currently offers lodging to its customers. The lodge has an expansive living room and four guest rooms. Two rooms havve queen-sized beds while the two other rooms each contain two bunk beds, sleeping four apiece. One room has an ensuite bathroom; the others share two common bathrooms.

There are also 10 campground spots set up on the property, 6 with electricity and water facilities.

#### **Products and Services**

#### **Description of Products and Services**

YouCan Adventures has offered canoe touring, rental and expedition services for 8 years. In addition, seeing an opportunity to offer complementary services, Joe Crow and his wife Pamela started offering camping and lodging services 5 years ago. This allowed the business to expand their revenue base by capturing a steady amount of pass-by overnight traffic. As a result, they developed a market for 1 to 2 day excursions and straight rentals from customers coming into camp for a night. Rental customers can either canoe the mild river conditions for up to 50 km downstream from Tripping Falls, or strap the equipment on their vehicle for a trip to one of ten suitable lakes within two hours of base camp. YouCan will also provide transportation services for an extra charge to and/or from a site. This service is included in any river trip from the lodge.

This season, the company plans to further offer mountain bike rentals and touring services. The nearbyy terrain allows for an ideal mix of levels of difficulty and endurance. Tours can range from a relatively low stress combination of local highway and mining roads, to more challenging animal tracks and rocky, mountainous terrain. Excellent opportunities exist for bikers who can afford fly-in expeditions as well. Two superb routes exist for tours such as these, lasting 7 and 10 days respectively. Food and supplies will be air dropped along the route near pre-defined camp spots so customers can limit the amount of extra baggage they need to transport on the expedition to personal articles

YouCan will begin offering dogsledding and ski touring activities starting next winter season. Dogsledding will include lodge-based day tours as well as multi-day expeditions. Ski touring will also be offered this coming season. The terrain near Tripping Falls is well suited for these activities and a number of preset routes are being developed.

#### **Key Features of the Products and Services**

All our adventure products come in pre-packaged and customizable form to provide as much flexibility to the customer as possible. Taking into account the diverse range of customers who come to Quebec, it is important to offer a wide selection of activities. The combination of products we offer is designed to attract both the pre-booked customer as well as transient traffic and customers already in Quebec looking for exciting activities to add to their travel experience.

We offer two tours that combine canoeing and mountain biking. This is a unique tour feature and will appeal to people who look for a varied routine in their adventure vacation. These tours are designed so that neither activity is overly taxing, making them accessible to a wider range of customers. Tour guides cater to a specific group's capabilities, making the route more lenient or rigorous as required. Winter activities also have the flexibility for combining both activities as well as varying the skill level.

For those customers who do not wish professional guiding services, we can provide rental equipment and/or access to our cabins at camp areas out in the field. There are four sites where we plan to build well insulated, basic, yet comfortable shelters for mountain-biking tours. This service option reduces the weight of equipment needed to be packed and increases the breadth of terrain that can be covered in each leg of the journey. They are placed in sites that are ideal for one or two day excursions. They can be used as base camps for excursions or can be linked together with two other existing cabins in a looped circuit, covering a diverse variety of terrain. This route and the equipment stashes would also be suitable for ski touring expeditions.

#### **Production of Products and Services**

Suitable transportation is required to move people, equipment and supplies from the various points of activity. The company owns a van and trailer that will hold up to 10 people and their respective gear. If additional capacity is required, a similar van is available for rental. A four-wheeler can be used to stock equipment storage sites and provide any an emergency services required during an expedition. Similarly a snowmobile is available for this purpose during the winter months.

Tours involving air travel usually require advanced notice due to a high demand during the summer months. Package tours needing the use of aircraft are pre-booked and require a three week cancellation notice to avoid paying penalties. In the case of last minute custom tours, availability is up to the luck of the draw. Any cost premium will be transferred to the client as this type of customer is relatively insensitive to price.

Experienced guides are required to offer the customers a safe and interesting experience. All of our guides are proficient in canoe and kayaking skills. Two of the four regular guides have their American Canoe Association (ACA) certifications. Our guides are also quite knowledgeable with respect to local history, native customs, geography and geology of the region. In addition, one guide speaks German and Tad speaks Japanese.

The addition of dogsledding will be achieved by a buy-out of an existing business 100 miles away. The owner, Jim Samson, will trade his dogs and equipment including three sleds in exchange for a guaranteed base salary and a percentage of the revenues resulting in dogsled activities. He will be responsible for any debt that exists in his name. His existing clientele will be retained and we will assume the marketing efforts.

#### **Future Products and Services**

We will continue to expand and diversify our editorial and magazine content according to the wishes of our readers. We also plan to introduce a new Internet website and e-mail "chat room" in order to solicit additional feedback from our customers.

#### **Comparative Advantages in Production**

Because of its road network, Quebec has excellent highway access to back-country wilderness areas. This level of access into pristine terrain can be a distinct advantage over Newfoundland operations.

Few local tour operators offer such a wide selection of activities. The wide range of activities allows us to make fuller use of our equipment and facilities, thereby achieving economies of scale. The length of our operating season helps us to retain staff year after year, which improves the quality of our product. Our guides have good personal skills and an in-depth knowledge of the area which can only be developed over many seasons. Secondary activities such as wildlife or bird watching attract some visitors and round out the experience of others.

# **Industry Overview**

#### **Market Research**

To analyze market for adventure tourism and the segments, we collected information from various sources. We talked to a number of mountain bike tour operators in BC and Utah while participating in similar tour to understand the business, its customers and the quality of service provided by other operators. We also reviewed literature and market research reports covering the adventure travel industry. Sources included: Statistics Canada, the Canadian Tourism Commission, The Professional League of Mountain Sports, Adventure Research Group, the Quebec Department of Tourism, Discover BC and the Quebec Bureau of Statistics.

#### Size of the Industry

The Canadian Adventure Travel Industry grossed \$165 million in revenues in 1993. Of this, \$21.5 million was spent on canoeing amongst 96 operators, \$4.4 million on cross-country skiing amongst 19 operators, \$3.0 million on cycling amongst 20 operators, and \$1.0 million on dogsledding amongst 19 operators.

According to the Quebec Visitor Exit Survey, total travel expenditures in Quebec in 1987 were \$37 million, accounting for 193,000 visitors. The 1986 Interim Tourism Highlights report indicated that adventure travel in Quebec had accounted for \$1.68 million in revenue. Tourism Canada's report Adventure Travel in Canada indicated that adventure travel revenues in Quebec totaled \$5.74 in 1993, reflecting a 20% growth rate each year between 1986 and 1993. It shows little sign of slowing down. This region represents 3.4% of Canada's total adventure tourism receipts and 6.9% of the total number of operators in the country.

It should be noted that the adventure activity in Quebec is understated since there are operators based in Toronto and Vancouver who plan and market tours that go to Quebec but are not included in the regional data.

#### **Key Product Segments**

Reflecting its past experience in the canoeing segment, YouCan Adventures will continue to offer a range of products. YouCan's bread and butter business stems from tours lasting 6 to 10 days and requiring a low to moderate degree of skill. Canoeing has wide appeal for consumers because of its accessibility to most everyone. Despite this, there are those who are looking for more challenging expeditions in class 3 waters or higher and are willing to pay a premium to get to these spots. We will continue to offer products tailored to this segment. Depending on previous commitments, schedules can be rearranged at a moment's notice.

Revenues from one or two day trips are not an insignificant source of revenue for YouCan Adventures, but they are unreliable. The majority of these are arranged on an ad-hoc basis, primarily from transient traffic. As such, these are an integral part of the business, but are available secondary to pre-packaged tour products.

The preceding philosophy will apply to mountain biking, ski touring and dogsledding segments. We will continue to offer a range of products that satisfy a range of ability and time frames.

#### **Key Market Segments**

Next to Alberta, Quebec has the highest number of foreign adventure travelers, accounting for 59% of the market. The majority of these travelers are from the US, which represents a large market for us. Roughly 40% of our canoe tour clients are American. An even larger proportion of all travelers in Quebec are American (80%), but a large number of these are simply passing through to get to Ontario so they spend little money here.

Nevertheless, this explains the fact that our transient guest count at the lodge and campsite accounts for 65% of this revenue segment. The other significant foreign segment for the canoe business is made up of Germans, which make up 30% of our business. Promotion in German guidebooks coupled with the strong interest of German's in this sport account for these numbers. The domestic market for canoe is split roughly equally between customers from BC, Ontario and Quebec.

We expect our market for dogsledding will coome primarily from the Japan. Forty-percent of customers in this category of adventure travel originate in Japan. Jim Samson has had some luck with this market segment; Tad Ishiyama plans on building a strong relationship with clientele through a focused marketing campaign using his language skills and knowledge of the culture.

The mountain biking crowd is developing into a definable market segment. Ten years ago, this was a very young market but it is now maturing and we see the main market aging. Sixty-seven percent of mountain biking clients are between 20 -44 years old, with a median age of 31. Twenty-seven percent partake as a couple but 32% participate with one or more friends. Although mountain biking is most prominent in the West, from which the majority of clientele is expected to originate, it is gaining popularity across North America.

Similarly for ski touring, the median age is about 33 and consists mostly of people traveling in groups with their friends.

### **Purchase Process and Buying Criteria**

Foreign visitors opt for higher-priced packages having a longer average duration (7 days) than those chosen by domestic adventure travelers (3.9 days). Foreign travelers prefer to stay in cabins or cottages (59%) in the wilderness, whereas domestic visitors prefer tents (32%). Despite the fact that foreign visitors in Canada prefer lodging, they realize that Quebec is a wilderness area. Most travelers here expect to be "roughing it" for at least part of the time. We ensure that tenting on our canoe trips is as comfortable as possible. Extra amenities such as gourmet meals and communal tent/areas provide a feeling of relative luxury.

The quality of the guides is very important. The guide must be technically competent while being knowledgeable, interesting and entertaining at different times. Cooking is also the guide's responsibility. These factors can contribute to the customer's decision to purchase if they are communicated properly in well designed marketing material. Word of mouth regarding past experiences often results in repeat customers or spurs family and friends to try our product.

Along with the quality of amenities and service, customers buy adventure tours based on the quality of wilderness, scenery and wildlife they expect to see. In addition to spectacular mountain views and varied water scenery, wildlife siting and bird watching are two very important secondary activities within the adventure market. There is often a person on a trip that needs to know if he saw a varied purple-throated thrush. The promise of a siting of a moose or grizzly is always a selling point in this region of the world.

#### **Description of Industry Participants**

As of 1993, there were 46 adventure tour operators in Quebec. Thirty-seven percent of these offer activities that are included in YouCan's offering. This represents 7% of Canada's 669 adventure tour operators. Within the North American perspective, Canada has 96 canoeing operations which represents 25% of the combined North American total of 386. Quebec represents 2.6% of the North American total with 10 canoeing operations.

#### **Key Industry Trends**

There has been a softening of adventure market as older segments of the population and more women begin to participate in the various activities. Environmentally friendly activities sports are growing steadily while certain activities such as hunting are leveling off or declining in popularity.

#### **Industry Outlook**

Increasing sophistication of tour operators and increasing awareness of Quebec as a destination has contributed to annual rate of growth in the industry of almost 20%. It is expected that this trend will continue for at least the next five years. Although the industry shows a fairly high turnover in companies, established businesses are becoming more sophisticated and larger as a result.

# **Marketing Strategy**

#### **Target Markets**

We will continue to target canoe enthusiasts throughout North America. Americans represent 60% of the market for adventure travel in Quebec. Of this, half come from Northeastern U.S. Minnesota, Michigan and Maine are known for high participation rates for canoeing. Germany is also an important target in this market. In Canada, the canoe market is concentrated in BC and Ontario.

We will concentrate on the Japanese and American markets with our promotions for dogsledding and ski touring activities. The majority of hard core participants for mountain biking will come from California, Washington, Utah, Colorado and BC but the sport's popularity is growing across North America.

#### **Description of Key Competitors**

Competition in the canoeing market in Canada comes from Ontario (28 operators), Manitoba, and Nova Scotia (both have 11 operators). Of the 96 operators in Canada in 1993, Quebec had 10. Of these 10, 4 are based on lakes and are rental businesses only. Four businesses are based out of Montreal and provide up to 6 package tours as well as custom trips. The remaining two, including YouCan Adventures, are based outside of Montreal and offer a full selection of tour packages.

There are two companies offering mountain biking tours in Quebec. One is based in Quebec City and the other in Montreal. The companies based outside of Quebec are fairly well established and offer the Quebec trip as part of a larger offering of tours throughout Northeastern Canada. The Montreal-based company provides three tours at this point in time. Judging from their success in the past three years, there appears to be room within this growing market to expand. Outside of Quebec, there are a number of areas that have a number of mountain biking operators including California, Colorado, Utah, Wyoming and BC.

There are 5 dogsled operators in Quebec and 2 ski touring concerns in Quebec representing 26% and 11% of the Canadian market respectively. There are 9 dogsledding operations in Quebec, accounting for roughly half of the Canadian total. Competition for ski touring comes mainly from BC where 47% of operators are situated.

#### **Analysis of Competitive Position**

In the canoe business, we feel that we are well established and have built a reputation for good service and value. Our tours are comparable or better than those oferred by other operators in Quebec and appeal to the person who likes the idea of having a base camp from which to centralize activities. We do not have a physical presence in Montreal, but still get many referrals from hotels, travel agents and the tourist bureau there.

The mountain biking industry is still small, especially in Quebec. Despite this, the terrain and possible routes in Quebec make the potential market look very good. We expect to see slow but steady growth in this sport and feel that now is the time to establish ourselves as the leader in this market. Two of the three competitors are not specifically committed to this area and the other is based out of Montreal. We believe that being based nearer to some of the best mountain biking spots in Quebec is a distinct advantage in this market.

#### **Pricing Strategy**

We price the our tours based on the market rates and our costs, targeting to achieve a gross margin equal to or exceeding the industry average. The industry average for canoeing was 19.4% in 1993. We have achieved an average gross margin of 24.3% over the past three years. Prices for our canoe trips have been slightly above the Canadian average of \$90.96 per day. Average prices per day and gross margins respectively for the other activities are: \$121.75 and 30.1% for mountain biking; \$202.30 and 24.8% for dogsledding; and \$115.01 and 10% for ski touring.

#### **Promotion Strategy**

Promotional tools must be designed with the following factors in mind: most adventure travelers come from the US, half of whom come from Northeastern U.S.; only 17% come with the express purpose of adventure travel, it is just a part of their vacation; three-quarters of the potential market visited attractions, half visited a museum, and one-quarter attended arts and cultural events. We will continue to advertise in various magazines targeted specifically to canoeing such as Canoe Magazine and Canoe and Kayaker's Monthly. For the new activities, we will continue this strategy in magazines such as Bike and Ski. More important than magazine ads is inclusion in travel guides and ensuring accurate updates. The most widely distributed example of this is the Quebec Vacation guide, published by the Department of Tourism. Similarly, inclusion in books such as The Ultimate Adventure Sourcebook is invaluable. Offering familiarization (fam) tours may be necessary to gain access to thesse types of books.

We have created brochures in the past and find them an effective marketing tool. We will create a new brochure for distribution at museums, tourist info centres, to travel agents and enquiring customers. A direct mail campaign will be undertaken, targeting past customers and an appropriately segmented list of prospective customers.

YouCan will develop a promotional website that displays the products and provides other information. Registration on all the major search engines with appropriate search terms is essential. We will continue to use relationships with tour opearators to promote our other products. We have joined the Canadasia Marketing Initiative. This association combines the financial contributions of a number of Canadian tour operators and leverages this with federal funding to co-market these products in the Japanese, Korean and Taiwanese markets.

#### **Distribution Strategy**

Customers will be able to book with us directly through a 1-800 service and website as well as through tour operators, wholesalers and travel agents. We provide a commission to wholesalers and agents.

# **Management and Staffing**

#### **Organizational Structure**

YouCan Adventures will be co-owned and operated by Joe Crow and Tad Ishiyama. Aside from Joe's wife Pamela, the company will have a seasonal staff ranging from four to six guides in the summer down to one or two guides in the winter months.

#### **Management Team**

Joe Crow spent the first 10 years of his career prospecting for Eureka Gold Consortium. He moved on to work for Tundra Sport Outfitters in Northern Alberta as a guide then manager of operations. He left Tundra after 20 years to start YouCan Adventures and has built the business up over the past 8 years.

Tad Ishiyama has been the operations manager of the business for three years. He came to Tripping Falls from the Lake Louise, BC where he was the manager of a bicycle and clothing shop following his wife's career move to the Quebec Ministry of Environment. Tad has a Bachelor of Commerce in accounting and spent 4 years as an account manager at Big Bank in Nelson before moving to Lake Louise for the skiing. Tad has been an avid cyclist for many years and brings with him a numerous experiences as a customer on mountain biking trips in the United States and Canada.

#### **Staffing**

The canoe business currently requires 2 guides plus Joe and Tad to run the operation during the four month season. It is expected that we will need one more guide to handle mountain biking operation in the first year. Idle time will be spent researching new routes and improving existing itineraries. Jim Samson will be employed to run the dogsled during the winter. He will also be used as a secondary guide during the summer on larger expeditions. He has some experience guiding in canoe trips and he is an excellent cook. Pamela Crow will continue to run the lodge accommodations and food services.

#### **Labour Market Issues**

It is difficult to find quality guides. There are not many trained guides available in North America which makes them a valuable commodity. As such, retention of staff is a priority, especially in a seasonal business such as this. Our ultimate aim is to extend the season for at least 2 months on each side of summer with ski touring and dogsledding activities. This would better enable us to retain staff and reduce turnover year to year.

# Regulatory Issues

#### **Intellectual Property Protection**

Trademarks, copyrights, or patents are not applicable to our business.

#### **Regulatory Issues**

There are no regulations at the moment for tour operators in our situation outside of our Quebec business license. We follow standard safety guidelines to ensure our customers are not put at unnecessary risk. Both of our guides are registered with the American Canoe Association.

YouCan has negotiated a preliminary agreement for the lease of First Nations land to be used for shelter cabin structures. Before construction is started on the shelter cabins, YouCan must get land lease approval under the Territorial Lands Act which is administered by the Department of Indian and Northern Affairs.

#### Risks

#### **Market Risks**

The number of competitors has increased steadily over the past 10 years. This competition for the adventure travel market is mitigated by two factors. First, the number of adventure tour participants has also steadily risen, allowing a growing number of operators to survive. YouCan has done well to survive in an industry that sees a high turnover in businesses. Secondly, YouCan believes that the development of the shelter cabins will provide the company with a unique product that will be a distinct competitive advantage in this market.

#### Other Risks

The Government of Quebec may regulate this industry in the future. If this occurs, adventure tour operators will be subject to meet standards set out in the legislated code of standards. YouCan has kept high standards of conduct and safety in the past. It fully intends to continue this practice in all activities it plans to offer.

# **Implementation Plan**

#### **Implementation Activities and Dates**

Feb 1997: New company will be incorporated and assets will be transferred. Tad Ishiyama will invest \$100,000 into the company.

March 1997: Lease arrangements will be finalized for the four shelter cabin locations with the local native band.

March 1997: Promotional plan put into motion. April-May 1997: Cabins will be built. New mountain biking and related equipment will be purchased

#### **Financial Plan**

#### **Discussion of Projected Net Income**

Revenue projections for 1998 total \$243,000. Canoe revenues are expected to decrease by about 5% to \$125,970, reflecting a diversion of resources toward developing the new products. Revenues from camping and lodge receipts will be roughly the same, bringing in \$9030. First year revenue projections for newly added activities include: \$42,000 for mountain biking; \$18,000 for ski touring; and \$48,000 for dogsledding. Projections for years two and three show a moderate but steady growth in revenue as they become established, resulting in \$317,556 in 1999, and \$347,498 in 2000.

Direct cost of sales averages 40%, leaving a gross margin of 60%. Roughly half of this direct cost goes to wages for the guides. The partners will be paid a monthly salary out of overhead, however, so their guiding activities are not included in the direct cost figures. Sales and marketing costs account for 7% of gross sales which is consistent with industry practice.

Operating expenses account for 2% of gross sales. This is lower than the industry average due to the low maintenance costs associated with canoes and bicycles.

Net income is projected to be \$7,743 in 1998 to \$31,051 in 2000. The increase in income is due to increased revenue generation and better use of resources. The term loan is payable over 3 years at an interest rate of 8%. Depreciation is calculated on a number of items including the lodge and shelter cabin structures, touring equipment, computers and vehicles at their respective rates. Combined provincial and federal taxes are calculated at 22.8% of net income before taxes.

#### **Discussion of Monthly Cash Flow Statement**

The \$50,000 term loan and Tad Ishiyama's contribution of \$100,000 will finance the purchase of equipment and the building of the shelter cabins. In contrast to previous years, YouCan will not rely on operating loans to finance activities in the off-season. The company strategy will spread out the revenue stream over the full year, providing a smoother cash flow in 1998 onwards.

#### **Discussion of Projected Annual Cash Flow**

Revenue streams will be adequate in 1999 and 2000 to ensure positive cash flows. The planned \$50,000 loan will be fully paid by the end of 2000.

#### **Discussion of Pro-Forma Balance Sheet**

The starting balance reflects the formation of the new corporation, with Tad contributing \$100,000 cash and Joe transferring assets from the existing business. Expansion plans in the first year, including the purchase of land and equipment and the building of new structures raise fixed assets to \$250,000. The business will continue to add \$25,000 of equipment each year in 1999 and 2000 to accommodate projected growth in customer volume.

#### **Discussion of Business Ratios**

We have compared our ratios to those compiled in a study by Tourism Canada of the adventure travel industry. YouCan's overall gross margin of 60% is high with respect to the industry average. However, if the partner's wages are worked into the cost of sales, the margin is 30%, which is comparable. Return on assets climbs from 4% in 1998 to 15.5% in 2000 as the new product lines become established and equipment is better utilized. Similarly, return on owner's equity rises from 4.8% in 1998 to 15.9% in 200. Times interest coverage climbs quickly in Year 3, reflecting climbing income versus dwindling term loan interest charges.

#### **Note 1: Revenue Assumptions**

a. Our Revenue projections by product and by month for the first year are:

Year 1	Canoe	Bike/Ski	Dogsled	Camp/Lodge	Total
Month 1				70	70
Month 2				70	70
Month 3				105	105
Month 4				350	350
Month 5	25,555			700	26,255
Month 6	32,395	12,000		1,575	45,970
Month 7	32,395	15,000		1,750	49,145
Month 8	25,555	15,000		1,750	42,305
Month 9	10,070			1,575	11,645
Month 10		6,000	16,000	700	22,700
Month 11		6,000	16,000	350	22,350
Month 12		6,000	16,000	35	22,035
Total	\$125,970	\$60,000	\$48,000	\$9,030	\$243,000

b. Our revenue projections by product for Years 2 and 3 are:

	Canoe	Bike/Ski	Dogsled	Camp/Lodge	Total
Year 2	132,269	90,000	84,000	11,288	317,557
Year 3	138,882	108,000	88,200	12,416	347,498

## Note 2: Assumptions Regarding the Collection of Sales Revenue

a. We assume that the percent of our sales which are collected: in the month they are made; in the month following; in two months; and in three months are:

Current Month	90%
In the Following Month	10%
In Two Months	0%
In Three Months	0%
Total	100%

b. Based on these assumptions we have projected how much we will collect from our sales in each month. The following table also identifies any adjustments we may have made to these figures.

Year 1	Projected Collections	Adjustment	Revised Estimate
Month 1	63		63
Month 2	70		70
Month 3	102		102
Month 4	326		326
Month 5	23,665		23,665
Month 6	43,999		43,999
Month 7	48,828		48,828
Month 8	42,989		42,989
Month 9	14,711		14,711
Month 10	21,595		21,595
Month 11	22,385		22,385
Month 12	22,067		22,067
Total	\$240,800	\$0	\$240,800

c. Not all of our sales in the first year will be collected during that year. Based on the assumptions shown above our Accounts Receivable at the end of Year 1 will be:

\$2,200

d. We assume that our Accounts Receivable at the end of Years 2 and 3 will be:

Year 2	\$3,000
Year 3	\$3,000