

**TASSIE TOURISM**

*masterclass*

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# TASSIE TOURISM

*masterclass*

## WEEK 2: TOURISM BUSINESS PLANNING

Presented by Rob Cameron  
Business planning, managing risk  
and business continuity



Where are  
you going  
next?



West Coast Wilderness Railway  
- Iron Bridge  
© Jason Futrill



## **Rob Cameron**

Business adviser, coach and consultant

- Strategic business planning
- Business coaching & advisory boards
- Business exit & succession

## **Collins SBA**

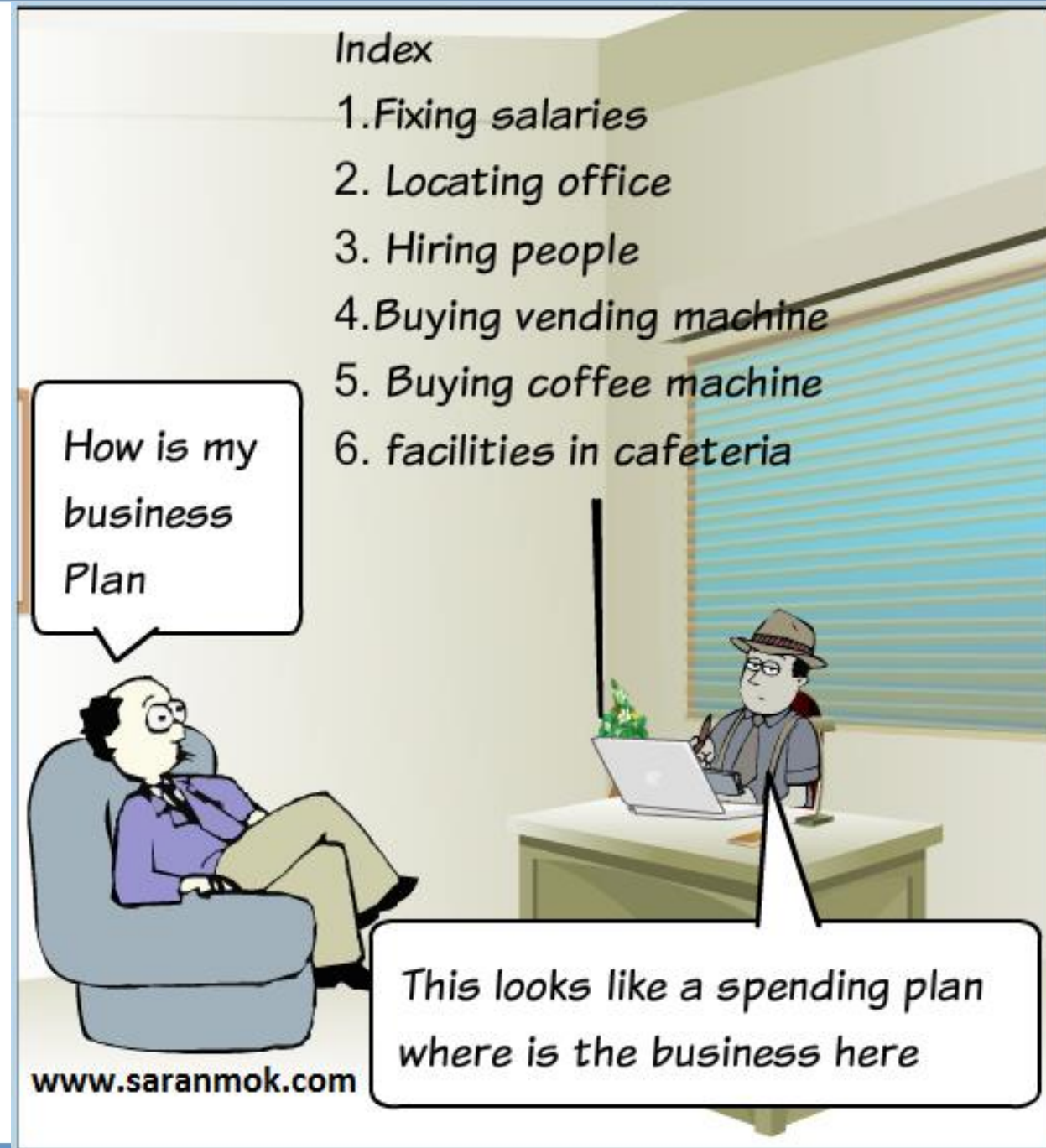
Empowering business owners with clarity, confidence & control to live their best life





## Agenda

1. Why have a business plan
2. What your business plan should cover
3. How to make a business plan work



# 1. Why have a business plan?



West Coast Wilderness Railway  
- Iron Bridge  
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## WHAT THE RESEARCH TELLS US?



1. Grow faster
2. Easier access funding
3. Are more likely to take action
4. Less likely the business will fail



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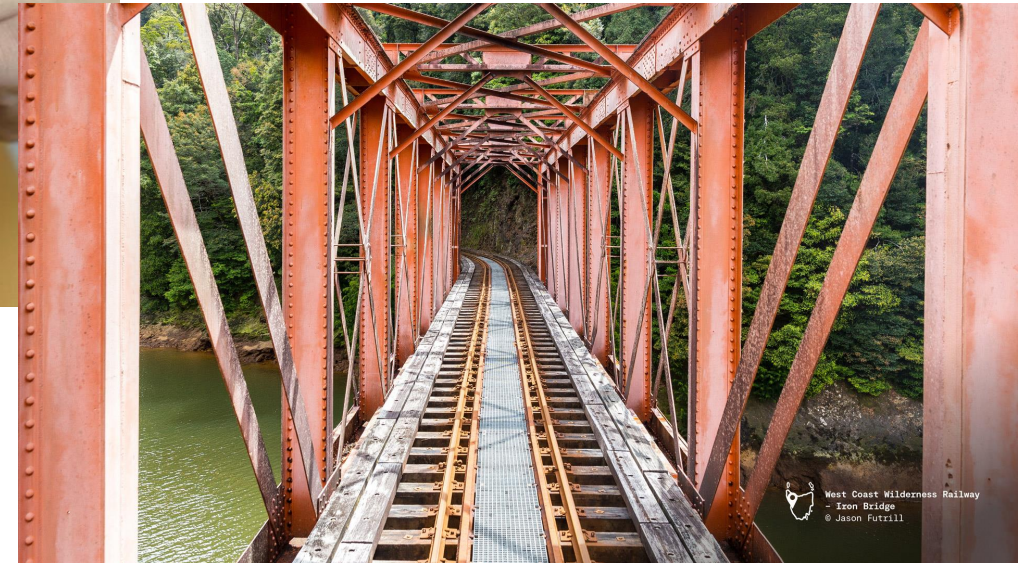
# WHO IS IT FOR?



Bank funding



Attract equity investment



Keep you on track





# 2. What to cover in your plan?



West Coast Wilderness Railway  
- Iron Bridge  
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Going here!



EXPLAIN HOW  
YOU'RE GOING  
TO GET THERE



Mt Anne  
Southwest National Park  
© Popp Hackner Photography

# WHAT THE BUSINESS PLAN WILL COVER?



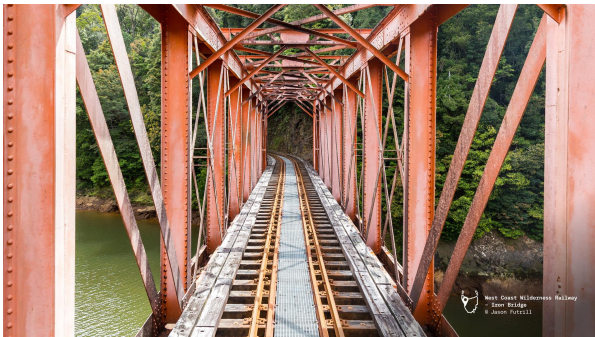
Have clear business logic as to how it will work



Checked your facts

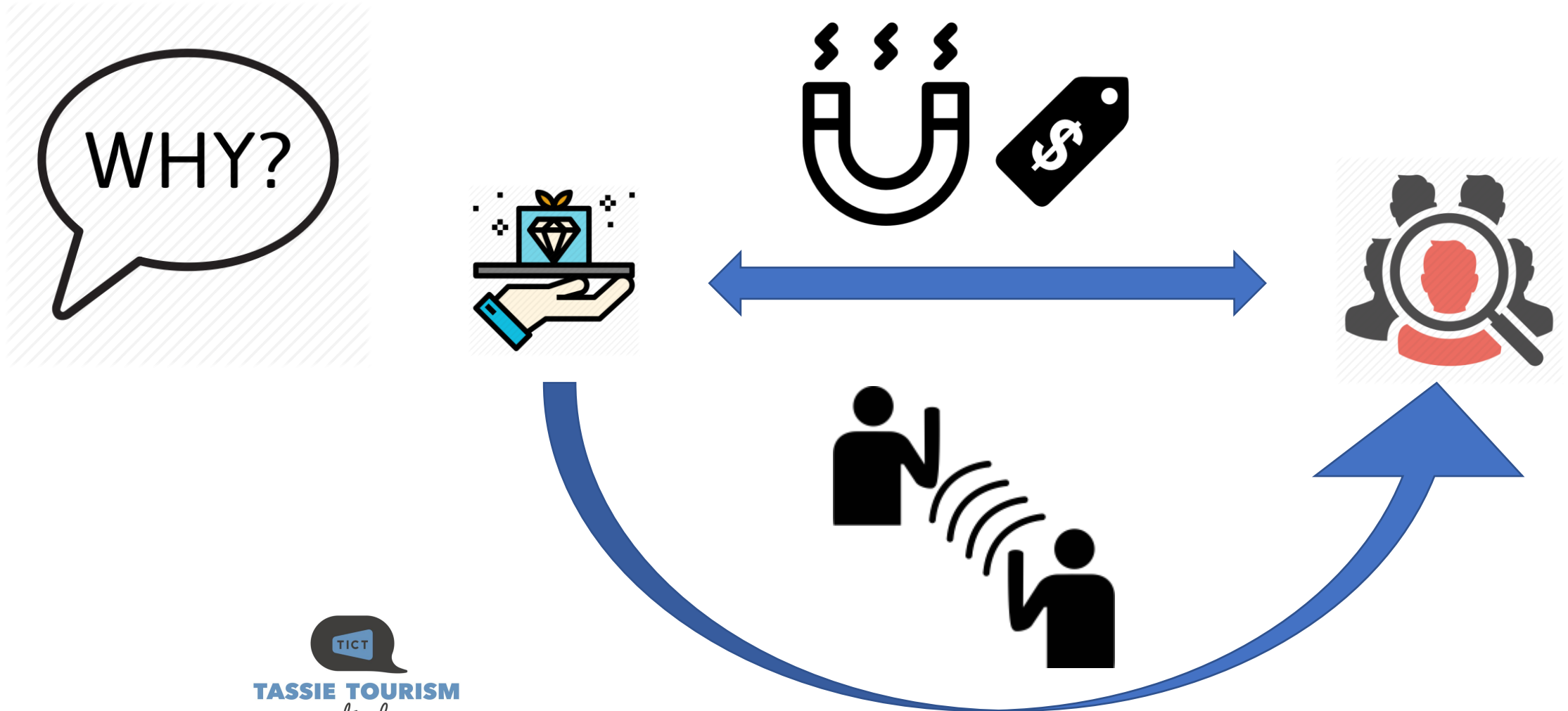


Got a clear plan of action



Considered the risks

# CRYSTAL CLEAR BUSINESS LOGIC

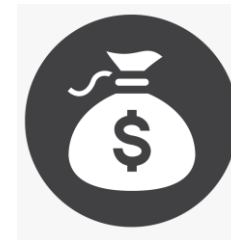


# SUPPORTING EVIDENCE

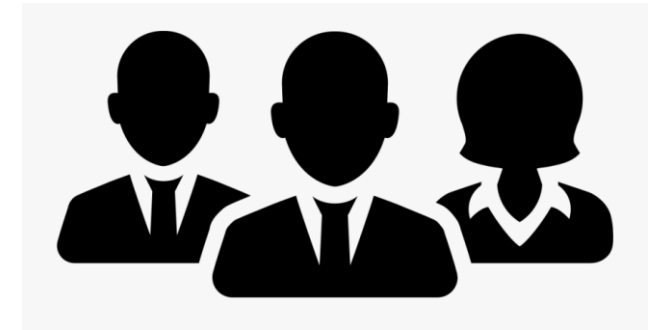
## Numbers



## Assets



## Team



3000 customers  
X \$500  
= \$1.5M

10 rooms  
X 70% occ  
X \$150/night  
= \$383k




# AN ACTION PLAN

What	Who	By when
Repackage experiences suitable for local visitor market	Jane	July
Secure additional overdraft facility	Mary	August
Employ marketing coordinator	Tom	September

# KEY RISKS?

What could go wrong?	How likely?	What could we do about it?
Marketing does not achieve conversion rate	Medium	Reduce expenditure by not increasing casual employees hours as planned



3. How to  
make a  
business plan  
work?



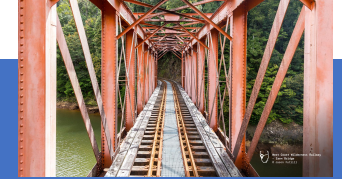


# TO MAKE YOUR PLAN SUCCESSFUL

- Quality matters
- Keep your plan short and usable
- Plan, then iterate
- Value proposition is key - *will people want what you have to offer?*
- Ensure accountability for action is clear
- Set goals, don't try and predict the future
- Best done BEFORE you think about marketing
- Get some external **help** to collect more good ideas, offer a fresh perspective and hold you accountable



# The style of plan will depend on who it is for



	<b>1. Business logic</b>	Medium		High		Medium	
	<b>2. Supporting evidence</b>	Medium		Medium		Low	
	<b>3. The action plan</b>	Low		Medium		High	
	<b>4. Risk management</b>	Medium		High		High	

# TYPICAL STRUCTURE FOR BANK OR INVESTOR...

## **Contents**

1. Executive summary
2. Company description
3. Service offer
4. Market analysis
5. Strategy and implementation plan
6. Management team and key partnerships
7. Financial plan and scenario projections



# WELL CONSIDERED FINANCIAL PROJECTIONS (INCLUDING CASH BALANCES)



## Revenue Projection Historical & Forecast




Income Statement	Historical Results				Forecast Period			
	2014	2015	2016	2017	2018	2019	2020	2021
Revenue	66,132	73,558	79,716	84,438	97,103	111,669	125,069	137,576
Cost Of Goods Sold (COGS)	26,884	27,511	29,488	31,760	40,783	45,784	50,028	55,030
Gross Profit	39,248	46,047	50,228	52,678	56,320	65,885	75,041	82,546
Expenses	-	-	-	-	-	-	-	-
Marketing, Advertising & Promotion	12,689	13,369	12,882	14,138	15,537	17,867	20,011	22,012
General & Administrative	5,670	5,649	6,172	6,391	7,000	7,000	7,000	7,000
Depreciation & Amortization	10,165	9,635	9,265	9,006	4,203	4,512	4,760	4,958
Interest	1,400	840	840	840	1,344	1,344	1,344	1,344
Total Expenses	29,924	29,494	29,159	30,375	28,083	30,723	33,115	35,314
Earnings Before Tax	9,324	16,554	21,069	22,303	28,237	35,161	41,927	47,232
Taxes	4,858	8,483	10,908	11,598	9,036	11,252	13,417	15,114
<b>Net Earnings</b>	<b>4,466</b>	<b>8,071</b>	<b>10,161</b>	<b>10,706</b>	<b>19,201</b>	<b>23,910</b>	<b>28,510</b>	<b>32,118</b>



# STRATEGIC BUSINESS PLAN 2020

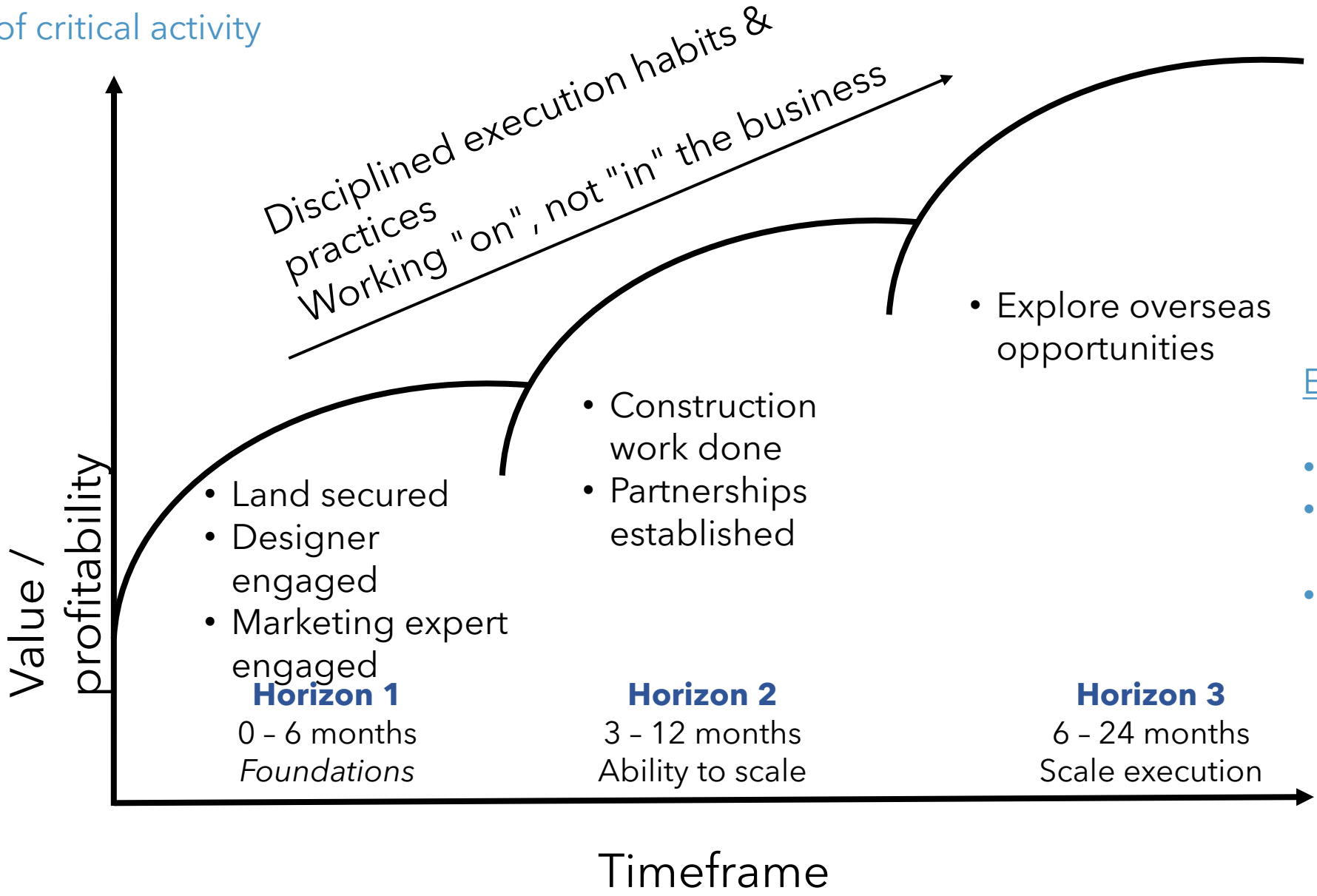
## Summary plan on a page

Overarching vision (what):	A low owner intensity business providing a unique experience with a sense of indigenous spirituality		
Central purpose (why):	<i>Providing a space for reconnection</i>		
Core values (how):	Real relationships	Giving back	Respect for place

<u>Strategic pillars</u>		<u>Focus points</u>	<u>Measures</u>	<u>Annual Priorities</u>
	<b>1. Expand capacity</b>	<ul style="list-style-type: none"><li>• Purchase additional land</li><li>• New DA application</li><li>• Construction</li><li>• Remove rubble in back block and repurpose space</li></ul>	<ul style="list-style-type: none"><li>• # rooms completed</li><li>• % adherence to project plan</li></ul>	<ul style="list-style-type: none"><li>• Secure capital</li><li>• Engage project manager</li><li>• ID potential professional partners</li><li>• Analytics</li></ul>
	<b>2. Invest in marketing</b>	<ul style="list-style-type: none"><li>• Update research</li><li>• Engage consultant</li><li>• Complete plan</li><li>• Invest in budgeted measures</li></ul>	<ul style="list-style-type: none"><li>• # inbound inquiries</li><li>• Conversion %</li><li>• \$ avg. price point</li></ul>	
	<b>3. Establish partnerships</b>	<ul style="list-style-type: none"><li>• Find new indigenous partners</li><li>• Discuss JV with nearby tourism operators</li><li>• Open communication with overseas target</li></ul>	<ul style="list-style-type: none"><li>• # partners engaged</li><li>• \$ sales from partners</li></ul>	

# STRATEGIC BUSINESS PLAN 2020

Staging of critical activity



End results

- Profits > \$150k p.a.
- Working Less than 40 hours/week
- Sellable business



# ACTION PLAN 2020

## Horizon 1 - foundations

<b>Q2 2020 - Action plan</b>	<b>Accountability</b>	<b>Timing</b>
Lock in ¼ meeting schedule for accountability & support	Rose	June
Development of ¼ reporting dashboard	Rose	June
Tightly define a narrow target market, draft "Avatar"	Tim	July
Design compelling standardised packages to fit the 80%	Mary	July
Clarify fit with future JV partner - rules around referrals	Rose	July
Plan to extract from	Rose	August
Start building targeted referral networks (Rob to support)	Clarissa	August

Next ¼ accountability meeting scheduled for 25th June 2020

# YOU HAVE TO ACT!!



"This plan will be much easier not to implement than the last plan we didn't implement."



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THANK YOU

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Rob Cameron - Business adviser, coach and consultant - Collins SBA



Tourism Industry Council Tasmania