Business Action Plan

**Week 2: Tourism Business Planning**

The masterclass for week two addressed the fundamentals of business planning and how to develop the right sort of plan to help your business get to where you want to go as a tourism operator.

The following 10 questions are designed to help you structure your business plan and address the key issues to ensure you thrive. For feedback, please complete and send to info@tict.com.au so one of our Industry Advisers can review.

**Q1. Who is your business plan for?**

What is the purpose of your business plan? Tick which best applies:

* Apply for bank funding?
* Apply for equity investment?
* For your own purposes and to keep you on track?

Remember, the answer to this will determine the amount of emphasis you will need to place on each section of your plan. For example, a bank will be interested to see what assets you can use as security for a loan and that your cash flow projections indicate you can comfortably pay back anything you need to borrow.

You may also change the format of your plan depending on the audience. A bank or investor will require you to more explicitly explain the assumptions behind your logic whereas a plan for internal use will have more emphasis on what actions are required and who is going to do them.

**Q2. Can you clearly explain what your goals are for your business?**

Clearly explaining “Why” this business is being built can help add context to your business plan.

1. Why is this business a good thing for your target customers?
2. Why is this business a good thing for the community?
3. And importantly, what are you hoping to achieve from investing your time and money into building this venture?

**Q3. Let’s see how well you can explain the business logic as to why your business plan will work.**

Write down as clearly as you can how your business model will work to generate a financial outcome including items such as:

1. What exactly is the “product” your business offers? What are the unique, exciting and compelling aspects to what you are offering that makes this stand out from competitors? What makes your product so appealing?
2. Who specifically is the ideal target customer? The narrower your target market is the better chance you have of being able to find them, communicate with them, and offer them a product that neatly fits what they are looking for. Give as much detail as you can regarding what you know about your target customers including where they might be found, how they make purchase decisions and what appeals to them?
3. What is your value proposition? Explain why your product is of interest to your target market, at the price point you’re asking? And why will they prefer your product over all the other options they have to choose from?
4. How do you plan to communicate to your target market? How will they find out about you? What information will they be able to access? How proactively can you keep in touch with them once they have shown some interest? How easy is it for them to purchase from you? Do you have a list of prospective customers and, if so, how do you keep in touch with them?

**Q4. Do you have any research data to back up your assumptions on your customers?**

Have you got any credible research data that may help to answer these questions?

* How many target customers might there be?
* Is there any statistical profiling of these types of customers?
* Is there any research on their tourism preferences?
* Have you got any historical statistics on their past tourism related activity?

Make a note of the customer research data you have access to:

**Q5. Have you done some financial projections?**

Can you explain how the financial aspect of your plan will work?

* Do you know how many customers you need to attract to break even?
* Have you projected out your “profit and loss” statement?
* Have you projected out how your cash flow will work including aspects such as what and when finance investment is required, any investment in capital equipment and/or timing of loan repayments?
* Have you considered a range of scenarios (e.g. good case, bad case, likely case)?

Depending on the purpose of your plan, it’s usually helpful to do some basic financial projections looking forward 12 months to 5 years. If you’re not confident doing this yourself, get some help from a qualified professional.

**Q6. Have you got the resources you need to make this happen?**

Some of the key resources include financial resources, physical assets and/or intellectual property / specialist knowledge?

* Yes
* No

List out the most important resources required to make your plan successful:

**Q7. Does your team have the credibility to make this plan happen?**

Note the key members of your team (both internal employees and/or external advisers) and the ways in which they will contribute to your plans success:

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| --- | --- | --- |
| Team member name | Their role in making the plan successful | Their skills and capabilities |
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**Q8. Action plan**

Note the key action steps that have to be accomplished to make your plan successful:

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| --- | --- | --- |
| Action | Who’s responsible | By when |
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**Q9. Key risks**

A great business plan will recognise we can’t predict the future. What might be some of the things that could go wrong and what can you do either before they happen or when they do to minimise the damage?

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| --- | --- | --- |
| What could go wrong | How likely is this? | What can we do about it? |
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**Q10. Is there anything Rob mentioned in his video that you would like to learn more about?**

Email your completed copy to info@tict.com.au for one of our helpful advisers to review.