



Tourism Business Startup Workbook



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Content creation
and workbook
development:



with



TABLE OF CONTENTS

1 INTRODUCTION	05
2 ARE YOU A TOURISM ENTREPRENEUR?	09
3 WHAT YOU NEED TO START A TOURISM BUSINESS	16
WHY DO YOU WANT TO START A TOURISM BUSINESS?	18
WHAT DO YOU WANT YOUR BUSINESS TO BE?	22
WHAT EXPERIENCE ARE YOU SELLING?	30
WHY WILL PEOPLE BUY YOUR EXPERIENCE (WHAT IS YOUR PITCH)?	35
WHO WILL BUY YOUR EXPERIENCE?	38
WHO ARE YOUR COMPETITORS?	44
WHAT IS YOUR COMPETITIVE ADVANTAGE?	48
HOW IS YOUR EXPERIENCE SOLD?	51
HOW ARE YOU GOING TO PROMOTE YOUR BUSINESS TO CUSTOMERS?	57
HOW WILL YOUR BUSINESS OPERATE?	63
WHAT IS THE OPERATING BUDGET OF YOUR BUSINESS?	71
WHAT ARE YOUR STARTUP COSTS?	75
HOW WILL YOU FINANCE YOUR BUSINESS?	78
HOW WILL YOU KNOW YOU ARE SUCCESSFUL?	89
4 NEXT STEPS TO STARTING YOUR TOURISM BUSINESS	91
APPENDICES	97
A. Workbook Summary Activity	98
B. Business Plan Template	104
C. Contacts and Resources for Tourism Entrepreneurs	107



1 INTRODUCTION

INTRODUCTION

BY THE END OF THIS SECTION YOU WILL:

1. Understand the purpose of the Workbook and how to use it.
2. Know the impact tourism has on Alberta's economy.

Who Should Use This Workbook?

The Tourism Business Startup Workbook is written for Albertans who want to join the province's vibrant tourism industry as entrepreneurs. Whether you already have an idea for a business or not, completing this workbook will help you explore opportunities in the tourism sector, understand what it takes to be a tourism entrepreneur, and know what you need to have ready prior to starting your own tourism business. The workbook can also be useful for those who already have a tourism business, but want to explore new ideas.

The workbook is designed to get you thinking about important questions that every tourism entrepreneur must ask themselves. After finishing the workbook, you will have simple, clear and compelling answers to all of the following questions, then you will be well on your way to starting your own tourism business!

1. Why do you want to start a tourism business?
2. What do you want your business to be?
3. What experience are you selling?
4. Why will people buy your experience (what is your pitch)?
5. Who will buy your experience?
6. Who are your competitors?
7. What is your competitive advantage?
8. How is your experience sold?
9. How are you going to promote your business to customers?
10. How will your business operate?
11. What is the operating budget of your business?
12. What are your startup costs?
13. How will you finance your business?
14. How will you know you are successful?

Important Notes:

- The workbook was developed (in part) by using information from the *Tourism Business Planning Guide* and the *Tourism Development Guide*. These free resources are referenced throughout the workbook, and can be accessed for more detailed information at www.culturetourism.alberta.ca/tourism.
- The workbook has activities, exercises and lots of room for notes. As you make your way through the workbook, you are encouraged to write directly in it.
- Completing this workbook will not give you a full business plan, but will put you in an excellent position to begin writing one.

Icons in the Workbook

Icons have been placed throughout the workbook to help you identify important information. The workbook utilizes the following icons:



TIP

The Tip icon identifies a useful piece of information that will help you when starting a tourism business.



WARNING

The Warning icon identifies a common problem tourism entrepreneurs face. Knowing these in advance will help you avoid pitfalls during startup.



IDEA

The Idea icon encourages you to write down your ideas in the space provided. Writing down your ideas will help you remember and build on your ideas later.



EXERCISE

The Exercise icon indicates an activity. Completing the activities in the workbook will help you develop your business idea.



MILESTONE

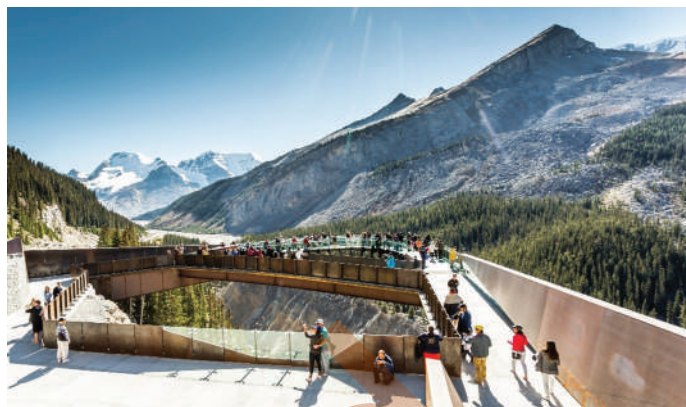
The Milestone icon indicates the end of a section in the workbook. When you reach a milestone, you are asked to summarize your answer to one of the main questions listed on the previous page.



Alberta's Tourism Industry

Since the first travellers visited the Banff Hot Springs in the railway era of tourism, Alberta has been a favorite destination of visitors from around the world. Over 100 years later, Alberta is an established four-season destination with much to offer: the iconic Canadian Rocky Mountains, the alluring Canadian Badlands, peaceful prairies, placid lakes, a diverse cultural history and vibrant urban and rural centres. Alberta's tourism industry delivers the "goosebump" moments that bring visitors back again and again.

Alberta is also part of an international tourism industry that is growing at rate of 4% annually, making it one of the fastest growing industries in the world. Tourism is an "industry of industries," meaning tourism is a collection of activities, services and industries that deliver a travel experience, including transportation, accommodations,



eating and drinking establishments, retail shops, entertainment businesses, activity facilities and other hospitality services provided to tourists.¹

Tourism has become a vital piece of the provincial economy, and is a leading industry in Alberta's economic growth.²

The Annual Economic Impact of Tourism in Alberta is:



\$8.3 billion



\$4.1 billion

- \$8.3 billion tourism expenditures
- \$4.1 billion in tax revenue (all levels of government)



34.1 million



19,000



127,000

- 34.1 million person-visits
- 19,000 tourism businesses
- 127,000 tourism jobs

¹ Northern Arizona University. (nd). Ecotourism Course Material.

² ATB Financial. (2017). Alberta Economic Outlook August 2017.

What is the Visitor Economy?³

The visitor economy refers to the widespread and often unseen benefits to Alberta by dollars spent by travellers. Tourism is more than just a business sector; it is an economic driver that crosses multiple industries and supports growth in multiple ways.

Here is an illustration:

A family from California comes to the Canadian Rockies to ski. They take a flight, rent a car, stay in a lodge and rent snowboards. This is the “direct” impact of the visitor economy: local businesses receive money from tourism spending.

As a result of this spending, the snowboard rental business is able to make a profit and hire more staff. This “indirect” impact of tourism spending produces a multiplying effect as an economic driver by increasing wages, salaries, profits and other business costs. Also, as more visitors come to the ski resort, more work is generated in the supply chain, as wholesalers, food and beverage suppliers, convention planners, retailers, manufacturers, etc., are called upon to meet customers’ demands.

The new employee hired by the snowboard rental company now has money to spend on clothes, food, transportation, etc., and to pay taxes. This is the “induced” impact of the visitor economy.

The ripple or spillover effects of this induced impact is felt as income and taxes are spent throughout the province on housing, education, transportation, infrastructure, energy, communication, health care and other personal costs.

The end result is that tourism dollars circulate throughout the economy, amplifying their impact along the way, and resulting in support for community building and economic well-being. The whole province benefits.

See the “Tourism Works for Alberta” video at the link below for a quick overview of Alberta’s Visitor Economy.

<https://www.youtube.com/watch?v=DYsCFrh6fAs>



³ Travel Alberta Website. (2017).



2 ARE YOU A TOURISM ENTREPRENEUR?

ARE YOU A TOURISM ENTREPRENEUR?

BY THE END OF THIS SECTION YOU WILL:

1. Understand the skill set required to be an entrepreneur.
2. Explore your own capabilities and capacities.
3. Know if your capabilities and capacities are a match for tourism entrepreneurship.

What is an Entrepreneur?

Entrepreneurs are individuals with their own unique strengths. They see opportunities and have the courage to go after them; they are willing to learn from their mistakes and are determined to try again; and they enjoy challenges and finding creative solutions to problems.⁴

There are many rewards to being a successful entrepreneur. You can run your business according to your values and beliefs. You can also make things happen in your community. There are opportunities for all Albertans to start their own business, but it is not the right choice for everyone. The following Tourism Entrepreneur Self-Assessment Tool will help you decide if entrepreneurship is right for you.

Entrepreneur Self-Assessment Tool

Successful entrepreneurs have many qualities including the following:

Drive: energy, commitment, willingness to work hard

Personality: confidence, leadership, optimism, comfort with risk, ability to make decisions

Skills: planning and organization, ability to innovate, communication skills

If you are interested in becoming an entrepreneur but do not have these key qualities, you might consider how you can acquire them through training, experience or modelling successful entrepreneurs that you know. The self-assessment quiz next may help you decide your readiness to become an entrepreneur.

⁴ Business Link: Indigenous Services. (2017). Is Running a Business For Me?



Activity 1. Entrepreneur Self-Assessment

The questions below will help you decide if you are a good candidate for starting your own business.

Check **Yes** or **No** for each statement.

Readiness	YES	NO
I understand the basics of running a business		
I am comfortable investing my money in the business		
I am comfortable borrowing money with an obligation to repay the loan		
I have researched my business idea and conclude it has a good chance of success		
Attitude/Motivation/Personal Skills	YES	NO
I have the confidence to run my own business		
I want the responsibility and potential rewards of running a business		
I am willing to work hard to make the business succeed		
I am well organized		
I am calm under pressure		
Management Skills	YES	NO
I am comfortable making business decisions and sticking by them		
I am open minded		
I enjoy solving problems		
I can manage people including hiring, directing, correcting and firing		
I am able to delegate tasks to others and use the skills of others		
People Skills	YES	NO
I get along with others		
I am comfortable selling my products or services		

If you answered **Yes** to most of these questions, then you are a good candidate to become an entrepreneur. If you answered **No** to any of these questions, it would be a good idea to work on improving those skills, or adjust your business idea to play more to your strengths. For example, if you are not comfortable managing people, you might decide to run a company where you are the only employee.



This workbook is designed to help you understand the skills you need to start a tourism business. After completing the workbook, we recommend coming back to this activity and seeing if any of your answers changed.



Some new businesses require entrepreneurs to work long hours with varying compensation levels, while others allow you to work less and maintain the lifestyle you want. When starting up a new venture, it is important to match your goals with the requirements of the business.

TOURISM SUCCESS STORY

Mahikan Trails – Advice for Tourism Entrepreneurs⁵

Mahikan Trails is a soft adventure company started by Brenda Holder in Canmore, Alberta. The business offers activities for visitors year-round, and specializes in hiking, snowshoeing, Canyon walks, Ice walks and Medicine walks. Mahikan Trails does both single and multi-day programs and has partnered with another Indigenous company called Painted Warriors and a caving company called Canmore Cave Tours to complement their programs. Brenda Holder has the following advice for aspiring entrepreneurs.

Why did you go into business?

I went into business because I came to a realization that I was never going to be happy working for someone else. I found that jobs I entered lost their charm very quickly for me and the challenges of the jobs were overcome quickly, and I grew bored and frustrated. So I made the decision to go into business for myself and I've never looked back!

What inspired you to run a tourism business?

Tourism was the only sensible thing for me to look at building as a business since that is where all my interests and skills were. I also realized that Aboriginal Tourism was one of the fastest growing segments in tourism.

What advice would you give to aspiring entrepreneurs?

I would say that aspiring entrepreneurs should never be afraid to reach into the community or other similar businesses and seek out advice. And always be confident, even if you don't feel like it sometimes – you have decided on being an entrepreneur for a reason and you have a gift – go for it!

What is the biggest lesson you've learned about being in business?

My biggest lesson learned was to never give up. Even when things seem like they can't get any worse, suddenly the whole world opens up if you stay with it and don't give up.



⁵ Business Link: Indigenous Services. (2017). Is Running a Business For Me?

MILESTONE 1



Milestone



Now that you have completed the Entrepreneur Self-Assessment Tool, write down your answers to why you are a fit with being an entrepreneur.

What skills and traits do you have that fit with being an entrepreneur?

What skills and traits do you need to work on in order to be a more successful entrepreneur?

How can these skill gaps be overcome?

Unique Opportunities and Challenges of Running a Tourism Business in Alberta

Opportunities

Working in Alberta's tourism industry has many opportunities including:

1. **Market Need:** There is currently a lack of certain types of tourism product to serve existing and new markets in Alberta.
2. **Trending Upward:** Renewed visitor interest in Canada and Alberta as a destination.
3. **Regional Visitation:** Strong local and regional markets (i.e. high incomes, young demographic).
4. **Support:** Excellent support systems exist in Alberta including programs offered by Alberta Culture and Tourism, Travel Alberta, and local Destination Management Organizations.
5. **Diversification:** Alberta has realized that economic diversification is needed to maintain quality of life and grow the economy. Tourism is a bright spot in the economy and there is strong interest from the public and private sector to invest. To new businesses this means more engaged investors, increased clustering of activities and increased awareness of tourism as an opportunity.
6. **Collaborative:** Opportunity to make an impact in your community and collaborate with local businesses.
7. **A Great Product:** The opportunity to participate in the promotion of the beautiful natural landscapes in the Province, our unique cultural history and our emerging urban centres.
8. **It's Fun!** The opportunity to leverage personal interests and passion into self-employment.

Challenges

Alberta's tourism industry is not without its challenges. Some of these are identified below:

1. **Seasonality:** Due to our cold climate and current visitation trends, many tourism businesses are over-reliant on visitation in July and August. For some businesses this may be acceptable, but others struggle to make ends meet. Seasonality must be strongly considered by every new tourism business owner.
2. **Reliance on Oil and Gas Sector:** Alberta's top industry is the Oil and Gas Sector. Although there are many positives to this, during periods where energy prices are high there can be high competition for business inputs including:
 - High competition for labour
 - High competition for available visitor accommodations
 - Higher material and equipment costs
 - High competition for suppliers and vendors
3. **Lack of Understanding of the Tourism Industry:** Although there are excellent examples of Alberta communities who have embraced tourism, there still are many that do not fully understand the industry. This can affect a new business owner as supports and collaborative opportunities may not be as available in all locations.
4. **Financing:** Some traditional lenders view tourism as high risk.



Activity 2. Is tourism the right industry for you?

The questions below will help you think about whether the tourism industry is a good fit for you. Feel free to jot down your answers directly in the workbook!

a) What opportunities unique to the tourism industry are most interesting to you?

b) What challenges unique to the tourism industry are most concerning to you?

c) Can you see ways to overcome these challenges or turn them into opportunities?

MILESTONE 2



Milestone

Now that you have completed the activities above, write down your answer to why starting a tourism business is a fit for you.

How are you a good fit for running a tourism business?



3 WHAT YOU NEED TO START A TOURISM BUSINESS

WHAT YOU NEED TO START A TOURISM BUSINESS

BY THE END OF THIS SECTION YOU WILL:

1. Understand the key components of a tourism business.
2. Have a “road map” for how to start a tourism business.
3. Have chosen and analyzed your idea for a tourism business.

Starting a new tourism business can seem like a daunting task. With so many factors to consider, how can entrepreneurs become confident enough in their idea to turn it into a business? The following 14 questions have been developed to help prospective entrepreneurs analyze their business idea. You are encouraged to complete all of the activities and summarize your ideas wherever a milestone icon appears.



QUESTION 1:

WHY DO YOU WANT
TO START A TOURISM
BUSINESS?

Question 1: Why do you want to start a tourism business?

In this section, we will explore *why you want to start a tourism business*. Is it to maintain a certain lifestyle? Grow your wealth? A combination of the two, or something different altogether? Working through the following questionnaire will help you explore the answer to this question.



Activity 3. Why do you want to start a tourism business?

The questions below will help you find out the answer as to why you want to start a tourism business. Feel free to jot down your answers directly in the workbook!

a) Why do I want to start my own business?

I want to be my own boss...

I want to capitalize on an opportunity...

b) What are the financial goals for the business?

I want to be financially independent...

I want to supplement income from other employment...

c) What personal goals do I want to achieve?

I want to have flexibility to achieve work-life balance...

I want to do more of what I am passionate about ...

d) What outcome(s) do I want to achieve?

I want to enjoy my work more...

I want to have a positive impact in my community...

TOURISM SUCCESS STORY

From Carpentry to Tourism: How an Entrepreneur Built His Dream

Nestled in a coniferous forest, along the banks of the Bow River in the traditional lands of the Blackfoot, rests Tipi accommodations and the River Ranche Lodge. It's where Dion Red Gun and his wife Cherylene Bullbear created the business of their dreams, River Ranche Tourism.

Here in the peaceful and serene territory, visitors can learn about the outdoors and the Blackfoot culture. Outdoor enthusiasts will enjoy the fly fishing, kayaking, birding and cross country skiing excursions. Those seeking cultural experiences will learn from Siksika Elders who share their knowledge of healing and wellness. Through the Majorville Medicine Wheel Journey through Siksika lands, Elders and members share the interpretation of the stones, dances, stories of the dancing regalia, and significant sites important to the Siksika. Sweat lodge experiences are also available upon request.

Dion believes that meeting with visitors and providing them with experiences is like a dream. His days are filled with "floating along the Bow River valley where time stands as if it were yesterday, ancient buffalo jumps and untouched beautiful places with peoples who are a living history, or travelling with tourists on wagon trails etched in the prairie." This is Dion's dream: to educate Albertans and all visitors about the culture of his people.



"Indigenous peoples now have the opportunity to share our past and present through our stories and ways of discovering new beginnings through tourism," says Dion. "We are very passionate about learning and sharing the great plains and outdoors with visitors from the global community."

The road to his dream hasn't always been easy, but it's been worth it.

MILESTONE 3



Milestone

Now that you have completed the activities above, re-examine why you want to start a tourism business and write your answer below. This is an important exercise and it is a personal one. Take the space you need to articulate your reasons for yourself.

Why do you want to start a tourism business? List your top three reasons.

1.

2.

3.



QUESTION 2:

WHAT DO YOU WANT
YOUR BUSINESS
TO BE?

Question 2: What do you want your business to be?

In this section, we will explore *what you want your business to be*. When starting up a new business, it is important to have an idea that you are passionate about and a vision to strive towards. Do you want your business to reach a certain size, continue growing, be sustainable in the long-term, or recognized as an exceptional experience that attracts international visitors? Working through the activities in this section will help you explore the answers to these questions.

Choosing Your Tourism Business Idea

Alberta's tourism industry has many opportunities for entrepreneurs to build businesses. These opportunities include:

- Accommodations (hotels, campgrounds, B&B's, resorts)
- Attractions (ski hills, golf courses, zip lines)
- Tours and Guiding (horseback riding tours, guided cultural tours)
- Hospitality (restaurants, catering)
- Transportation (shuttle services, vehicle/equipment rentals)
- Travel Agencies and Intermediaries (selling packaged tourism products)
- Tourism Related Retail (gift shops, equipment rentals)
- And many more!



Write down your idea(s) for a tourism business that you would like to start below.

1.

2.

3.

4.

5.

Market Research

When choosing your tourism business idea, it is a good idea to do some market research. Researching the market will help you understand the opportunity your tourism business might have. The tables below are helpful guides for conducting market research yourself.

Market Research		
	Ask or think about...	Look...
Size	<ul style="list-style-type: none"> How big (or small) is your market? 	Alberta demographics (Treasury Board and Finance) Tourism research and statistics (Alberta Culture and Tourism , Travel Alberta) National Household Survey Local library databases
Demographics	<ul style="list-style-type: none"> Who makes up your market – men, women, children, ages, location Is there a seasonal component? Summer? Winter? 	
Spending Habits/Trends	<ul style="list-style-type: none"> How much money does your market have to spend on your product/service? Discretionary or essential? 	
Local Trends	<ul style="list-style-type: none"> What is trending locally? Short or long term? Any link to your product/service? Opportunities? Threats? Where is your product/service in the life cycle? 	
Competitors	<ul style="list-style-type: none"> Who will you be competing against? How or can you make your product/service different? 	
Pricing	<ul style="list-style-type: none"> At what price are people willing to buy your product/service? Can you make a profit? 	

Consumer Research		
	Ask or think about...	Look...
Focus Groups	<ul style="list-style-type: none"> Gathering a group of friends that you think would be interested in your product/service and ask them questions Searching for previous focus group results 	Yelp Google Reviews Trip Advisor Twitter Facebook
Social Media	<ul style="list-style-type: none"> Following a similar product/service/company on Twitter or Facebook 	
Questionnaires	<ul style="list-style-type: none"> Developing a short survey on a tool like Survey Monkey 	
Advisory Groups	<ul style="list-style-type: none"> Putting together an advisory group that have an interest in your business 	

Industry		
	Ask or think about...	Look...
Environment	<ul style="list-style-type: none"> Are there any legal restrictions? Are there cultural or social implications? 	www.google.ca is a great place to test out search terms and discover more detail Alberta & Canada government sites, Statistics Canada, Industry Canada (SME Benchmarking Tool) Media – online newspapers or news sites Industry Associations
Trends	<ul style="list-style-type: none"> Is the product/service in a growth phase? Decline? Is it dependent on a good economy (or bad?) 	
Associations	<ul style="list-style-type: none"> Are there any associations that the product/service may fit into? 	
Averages	<ul style="list-style-type: none"> What are the financial averages? Employment averages? 	
Spending Trends	<ul style="list-style-type: none"> Can you find a spending trend? (i.e., spending on children has changed greatly over the last 20 years) 	



Activity 4. Self Market Research

Take some time to do self market research using the guides on the previous page.
What information can you find that supports your business idea?

- _____
- _____
- _____
- _____
- _____
- _____
- _____

MILESTONE 4



Milestone

Take a look at the list of tourism business ideas you wrote down and the market information you collected. Now pick the idea that excites and energizes you the most, and use it for the rest of the exercises in the workbook. You are encouraged to come back to this part of the workbook and try exploring your other ideas, as well!

Based on market research, refine your business idea.



Activity 5. What do you want your business to become?

The following activities will help you uncover what your vision of success is for the business.
Feel free to jot down your answers directly in the workbook!

What is the purpose of your business (why does it exist)?

What do you want your business to do?

Whom will your business serve?

What will success look like in 5 years?

- ---
- ---
- ---
- ---
- ---
- ---
- ---

How will you know you are successful?

- ---
- ---
- ---
- ---
- ---
- ---
- ---



When developing objectives for your business, it is helpful to set SMART goals. SMART goals are:

Specific – target a specific goal and is not too broad.

Measurable – can be quantified to show progress.

Attainable – are realistic and achievable.

Relevant – will make a positive change to your business.

Timely – have a set deadline and can be completed in a reasonable timeframe.

Imagine your business has been operating for 5 years and you are reading a news story describing the successes of your tourism business. Fill in the following statements that appear in the article.

1. (Your tourism business) is known for _____.
2. (Your tourism business) provides _____ to visitors from _____.
3. (Your tourism business) is _____ to the local economy.
4. (Your tourism business) is _____ to the community.
5. The legacy of (your tourism business) will be _____.

You are welcome to create your own statements too!

6. _____
7. _____
8. _____
9. _____
10. _____

TOURISM SUCCESS STORY

Eau Claire Distillery's Vision for Tourism

Most people would think it enough of an undertaking to open Alberta's first craft distillery, producing award-winning grain-to-glass artisanal spirits.

But David Farran of the Eau Claire Distillery in Turner Valley recognized the potential for more - a destination for visitors to learn about the storied history of moonshine stills on Whisky Row, revisit a time of pioneer farmers hand-harvesting the world's finest grains, and savour the flavours of unique small-batch gin, vodka and whiskey.

Thus was born a highly successful tourist attraction that within a year of opening has piqued the interest of international tour operators.

Farran says tourism was part of Eau Claire's vision from the start. "We always wanted people to come and see how we were making our products and how we were doing things differently."



MILESTONE 5



Milestone



Now that you have completed the activities above, develop a 5 year mission statement and a 5 year vision statement for your tourism business keeping in mind the definitions below.

A **mission statement** articulates the purpose of our business and describes why it exists, what it does and for whom. It should serve as an ongoing guide that spells out what the business is all about. The mission should focus on the here and now.

A **vision statement** outlines the goals and aspirations for the future. It creates a mental picture of a specific medium-term target and should be a source of inspiration. It is the description of how things will be different if you are successful in your work.

5 Year Mission

5 Year Vision



QUESTION 3:

WHAT EXPERIENCE
ARE YOU SELLING?

Question 3: What experience are you selling?

In this section, we will find out *what you are selling*. Tourism businesses primarily sell experiences. Even if you are selling a tangible product or service, it is really the experience created by the product/service that is motivating customers to make purchases. The demand for experiences has given rise to *experiential travel*, which is the basis of the modern tourism economy.



An experience is something that is personally encountered, lived through and affects the individual. It may involve observation or participation; be active or passive, planned or opportunistic, personal or shared.⁶



Experiential travel is travel that connects you with the essence of a place and its people by engaging visitors in a series of memorable travel activities revealed over time that are inherently personal, engage the senses and make connections on an emotional, physical, spiritual or intellectual level. It responds to the desire to venture beyond the beaten tourist paths, dive deeper into authentic, local culture, connect with people and enriches their lives.⁶

Difference Between Products/Services and Experiences

Tourists purchase products (souvenirs, meals) and services (transportation) during their trips, but their major purchases are that of experiences. With some creativity, products and services can be transformed into experiences, which can then be sold at a higher price. For example, purchasing meals at a restaurant is a common product that tourists need. This product can be enhanced into a tourism experience by adding experiential opportunities for customers, such as joining restaurant staff as they collect the local ingredients needed to make their meals, or offering the chance to meet the chef who made their meals.

Holistic Experiences

It is important to recognize that a visitor's experience begins from the moment they start researching their trip. The trip reviews they read, the ease of booking, arriving at your business, paying for the experience, and the actual experience itself will all contribute to their overall experience. If any one of these components is negative, it can impact their whole experience.



Imagine that a traveller is posting a favourable review of your experience on a travel site. What things would you want them to say?

⁶ Tourism Café. (2016).

Because a visitor's primary motivation is to acquire memorable experiences, it will help you to describe your product offering in terms of the experience you will provide.



Activity 6. What experience are you selling?

The questionnaire below will help you define and refine the experience that you are selling. Feel free to jot down your answers directly in the workbook!

a) What are the basic components of your experience (i.e. where will it take place, what activities will it include, when will it happen)?

b) How will these basic components be made into memorable experiences for customers (i.e. what emotional, physical, spiritual, and/or intellectual connections will be made)?

c) How will the experience be customized or personalized for customers?



Many tourism products are highly seasonal. This means that demand peaks during some seasons and drops off in others (e.g. river rafting, ski hills). Your business will need to consider how to manage the seasonality of its product offering.

TOURISM SUCCESS STORY

Mount Norquay: Ski Resort and Via Ferrata

Mount Norquay is a base for winter adventure with skiing, tubing, snow shoeing and an alpine restaurant just 5 minutes from Banff. Normally, a resort like this would shut down during the off-season. But Mount Norquay saw opportunity in the seasonality of their business.

Today, the resort continues to operate in the summer by offering visitors a chance to ride their sightseeing chairlift, hike trails with lookouts of the valley, and climb the via ferrata with suspension bridges and ladders hanging off the side of the mountain!



MILESTONE 6



Milestone

Summarize your findings from Activity 6 in one or two sentences below. This concise description should clearly describe what your experience is.

What experience are you selling?



QUESTION 4:

WHY WILL PEOPLE BUY
YOUR EXPERIENCE
(WHAT IS YOUR PITCH)?

Question 4: Why will people buy your experience (what is your pitch)?

In this section, we will discover *why people will buy your experience*. What is valuable about your experience? How is it different from other similar experiences? This is often referred to as a *value proposition*. For the purposes of this document, the value proposition refers to the visitor's perception of the experience your business will offer. The three questions below will help you identify your value proposition.

1. What is unique and valuable about your experience?

2. What tourism-related needs are satisfied by your experience (e.g. novelty, risk, adventure, convenience, etc.)?

3. How is your experience different from other similar experiences (e.g. higher value, more experiential, more authentic, etc.)?



An elevator pitch is a succinct and persuasive sales pitch. It should take no longer than 30 seconds to deliver and should convince listeners of the value your offering has.

MILESTONE 7



Milestone

Now that you have answered the questions above, write down your “elevator pitch” explaining why people will buy your experience. Your answer should be short, clear and compelling.

Why will people buy your experience (what is your pitch)?



QUESTION 5:

WHO WILL BUY
YOUR EXPERIENCE?

Question 5: Who will buy your experience?

In this section, we will find out *who will buy your experience*. We have already figured out what your business will offer and why people will buy it. The next step is to understand who will actually take advantage on your offering. This is known as identifying your *target markets*.



Travel Alberta has identified Free Spirit Millennials as Alberta's primary target market outside the province. Within the province, Cultural Explorers represent another strong market. There are a number of Explorer Quotient traveller types including Cultural Explorers, who are attracted to the types of experiences available in the province. It will be important for you to identify who your business identifies with. Free Spirits and Cultural Explorers may or may not be the right target market for your business. Take some time to become familiar with the various profiles, which are available at <https://www.destinationcanada.com/en/tools#explorerquotient>.

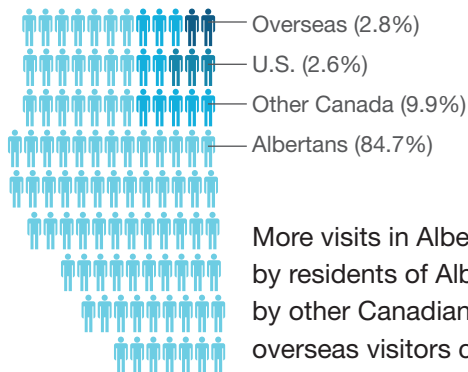
Free Spirits represent 13 percent of global travel markets and come from all demographic groups (age, income education). They are youthful adventurers that come from all over the world, and they are also represented in Alberta's domestic and regional markets. They research their travel destinations, seek trustworthy marketing sources, and plan trip itineraries around Top 10 or "best of" lists. They are significantly more likely to visit many locations in a single trip, and share their travel experiences, both online and offline.

Cultural Explorers represent 12 percent of global markets. They are always planning for their next trip and are likely to travel with friends and family. They want to immerse themselves in the culture, people and settings of the places they visit. They enjoy the history, but also look to experience modern culture. Prior to every trip, they research their destination to better understand it, and once they are there, they prefer to let things unfold spontaneously. They want their trips to go beyond just seeing the tourist sites, so they strive to leave the beaten path and explore out-of-the-way places. As such, they are considered most likely to visit a rural location in Alberta.

Market Characteristics of Alberta's Tourism Sector

Alberta's tourism industry has many unique market characteristics. Having a keen understanding of Alberta's market characteristics can help your tourism business succeed. When making business decisions, consider how these characteristics might impact or change how you do business.⁷

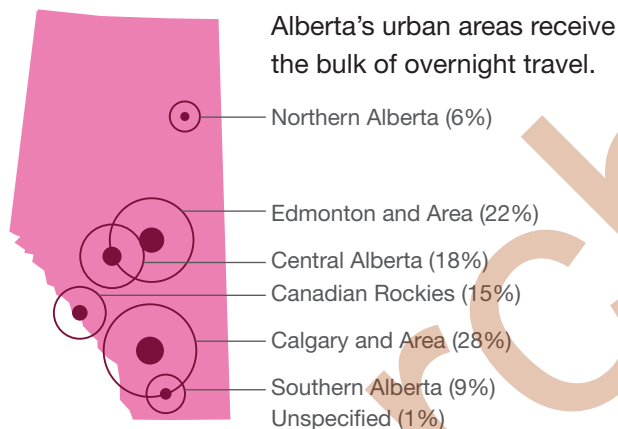
Unique Tourism Market Characteristics in Alberta:



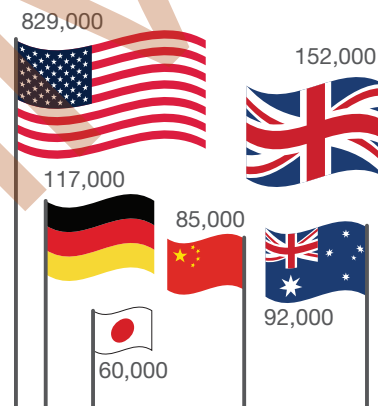
More visits in Alberta are made by residents of Alberta than by other Canadians, U.S. and overseas visitors combined.



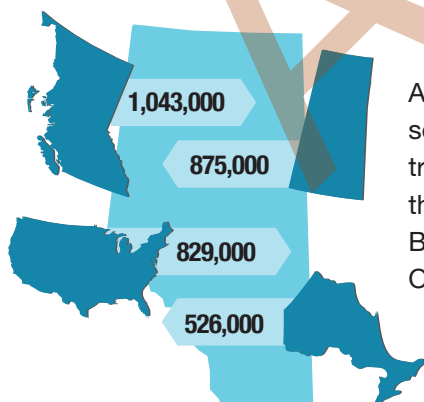
Visiting friends and relatives (VFR) is the primary motivation of overnight travel in Alberta across all tourism markets.



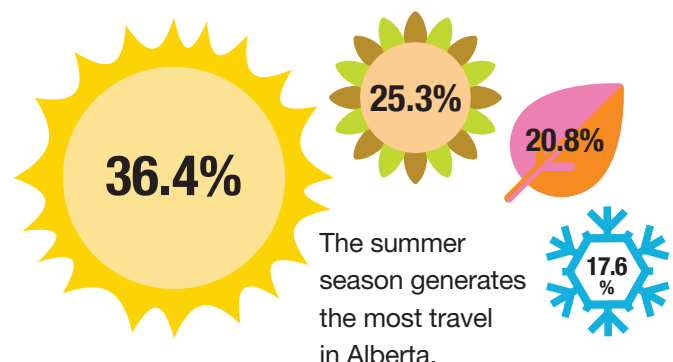
Alberta's urban areas receive the bulk of overnight travel.



Alberta's key international tourism markets include the U.S., U.K., Germany, Australia, China, and Japan.



Alberta's main sources of overnight travel from outside the province include BC, SK, U.S. and Ontario.



The summer season generates the most travel in Alberta.

⁷ Alberta Culture and Tourism. (2017). A Summary of 2015 Visitor Numbers and Expenditures.



Alberta Culture and Tourism, Travel Alberta, and Statistics Canada provide detailed research and up-to-date data on tourism markets for free on their websites. You can use this information to help identify who will buy your experiences.

Alberta Culture and Tourism Market Research:

<https://www.culturetourism.alberta.ca/tourism/research-and-statistics/>

Travel Alberta Market Research: <https://industry.travelalberta.com/resources/research>

Statistics Canada Research: https://www.statcan.gc.ca/eng/subjects/travel_and_tourism

Visitors are at the core of tourism businesses. Without enough visitors, your business cannot survive. Therefore, it is vital to understand who your visitors are and what makes them tick (i.e. their wants, needs, motivations, and willingness to pay). Knowing who your visitors are will allow you to gauge market demand, tailor your experiences and engage with the right people. Completing Activity 7 below will help you think about who will buy your experience.



Activity 7. Who will buy your experience?

The market identification table below will help you identify visitors that are attracted to your experience (examples of suitable answers have been provided in *italics*). Feel free to jot down your own answers directly in the workbook!

Market Identification Table	
Demographics	Gender: _____ Age: _____ Education: _____ Income: _____
Where do they live?	
How do they travel (e.g. in a group or on their own)?	
What are their interests (e.g. family friendly activities, wildlife viewing, adventure, etc.)?	<ul style="list-style-type: none">•••••
How will your experience satisfy their interests?	
What is their willingness to pay (e.g. \$10, \$100, \$1000)?	



Many new tourism businesses in Alberta start by attracting visitors from within their own region. As tourism businesses grow, there is opportunity to begin attracting interprovincial and international visitors.

Demand for Tourism Experiences – Aspen Crossing

Nestled in the small hamlet of Mossleigh, Alberta is a train-themed destination that is on track to become a true rural gem in the Canadian Badlands.

“We looked at the railway in Stettler that was seeing 20,000 riders a year from a population of 450,000 within 150 kilometres. But within 150 kilometres of our location in Mossleigh, there is a population of 1.8 million. Now, that’s potential!”
– Jason Thornhill, Operator, Aspen Crossing

Aspen Crossing started as a tree nursery and garden centre. While studying horticulture in University, owner Jason Thornhill realized the pivotal role the railways and horticulture played in drawing settlers to the western prairies. From there, it was an easy decision tying in the railway theme to the garden centre.

Over the years, Aspen Crossing has continued to evolve. Visitors come from around the world to experience their offerings that change with each season. Aspen Crossing now includes dining, theatre, a gift shop and a touring railway with over 11 different themed excursions. They also expanded their campground to 120 sites and three unique caboose cabins. In 2017, Aspen Crossing completed their renovations of a century-old farmhouse, the Bergquist House, which features a tavern and two escape rooms.





Primary Target Market: A primary target market is a segment of a marketplace that is most likely to buy a business' product or service. Members of a primary target market are a business' best customers, and make up most of the customer base.



Secondary Target Market: A secondary target market is a segment of a marketplace that is likely to buy a business' product or service, but has less demand for the product or service than the primary target market. Members of a secondary target market are still important to the business' bottom line, and may have growth potential in the future.

1 MILESTONE 8



Milestone

Now that you have thought about your who your customers are, you should identify primary and secondary target markets for your business. The description of your target markets should be a brief summary of who your customers are, where they come from and why they are attracted to your experience.

Primary Target Market

Secondary Target Market



QUESTION 6:

WHO ARE YOUR
COMPETITORS?

Question 6: Who are your competitors?

In this section, we will identify *who your competitors are*. The existence of competitors signals that there is existing demand for your experience. Having a sound understanding of your competition will help you make key business decisions, such as what your experience will offer and how much you should charge. You will need to consider *direct* and *indirect* competitors in order to identify who your competition is.

Direct Competitors

Direct competitors include businesses that offer experiences that are essentially the same as what your business offers.

Indirect Competitors

Indirect competitors include businesses that offer different experiences that could satisfy the same visitor needs as your experience (see tip below for an example).



In tourism, your competitors are any business that attracts your primary and/or secondary target markets. This means that they may not even offer the same experiences that you do. For example, horse-drawn sleigh rides and dog sled tours both attract visitors who want to be transported around a destination in a unique way, so they can take in the sights and sounds. These are different experiences, but they both attract similar markets. Take this into consideration when identifying your competition.

Activity 8 on the next page shows you what kind of information you should gather on your competition.



Activity 8. Who are your competitors?

The competitor identification table below will help you identify your competition. Feel free to jot down your answers directly in the workbook!

Competitor Identification Table

Name	Direct or Indirect Competitor?	What do they offer their visitors (describe their experiences)?	What are their strengths?	What are their weaknesses?
1.		Experience 1:		
		Experience 2:		
		Experience 3:		

Name	Direct or Indirect Competitor?	What do they offer their visitors (describe their experiences)?	What are their strengths?	What are their weaknesses?
2.		Experience 1:		
		Experience 2:		
		Experience 3:		

Name	Direct or Indirect Competitor?	What do they offer their visitors (describe their experiences)?	What are their strengths?	What are their weaknesses?
3.		Experience 1:		
		Experience 2:		
		Experience 3:		



Tourism is a highly collaborative industry, especially at the local level. Whenever a competitor is identified, it is worthwhile to think about how you can work co-operatively for the benefit of both businesses. For example, when similar experiences are clustered together, that place can become known as a location to do that activity (e.g. skiing in the Rocky Mountains). Clustering experiences can be an excellent way to attract additional visitation to a destination.



Take some time to think about how you can work together with your direct and indirect competitors. You can write your ideas down in the space below.

Archived



QUESTION 7:

WHAT IS YOUR
COMPETITIVE
ADVANTAGE?

Question 7: What is your competitive advantage(s)?

In this section, we will *identify what your competitive advantage(s) is*. Your competitive advantage is what sets you apart from the competition and differentiates your offering in the eyes of visitors. It can be one thing, or a combination of things, that gives your business an edge over the competition and makes your business more attractive to visitors (e.g. more value for money, best location, high quality customer service, etc.).



Activity 9. What is your competitive advantage?

Answer the questions below to find out what your competitive advantage will be. Think back to your answers in Question 4 (pg. 36) and Question 6 (pg. 46) to help you think about how your offering will be unique. Feel free to jot down your answers directly in the workbook!

1. What will your customers see as the main value your business provides?

2. What is unique about your business that makes you stand out from your competition?

3. What about your business is hard or impossible for your competition to copy?

Brainstorm some other key words that describe what your competitive advantage will be in the space below.



Unforeseen events – such as changes in visitor preferences, a downturn in the economy, government policy changes, major currency fluctuations or new competitors entering the market – can affect the startup of your business. You should keep close tabs on the latest market and industry research in order to maintain your competitive advantage.



Successful entrepreneurs minimize and manage risk through proper business planning and assessment of their venture's prospects for success. Consider common issues and problems that may arise in your business, such as poor weather, equipment malfunction, etc.

1 MILESTONE 9

Milestone

Now that you have brainstormed some ideas, summarize your competitive advantage below. Your answer should be short, clear and compelling.

What is your competitive advantage?



QUESTION 8:

HOW IS YOUR
EXPERIENCE SOLD?

Question 8: How is your experience sold?

In this section, we will figure out *how your experience is sold*. Every business must have a strong understanding of how their products are sold, but this is often overlooked by many new businesses. In general, tourism businesses have two ways to sell their experiences.

1. Sell experiences directly to visitors.
2. Sell experiences through third-party distributors (e.g. travel agencies, tour operators).

If you are going to sell experiences directly to visitors, you will need to set up a system to receive payments. Travellers use all kinds of payment methods including cash, credit, debit, e-transfer, etc. The more payment methods you can accept, the more your business will appeal to visitors. Selling directly to visitors allows you to control the visitor interaction, and avoid sales commissions. However, directly selling to visitors increases operating responsibility and could limit your market reach in comparison to working with a third party distributor.

Selling through third-party distributors is typically reserved for established businesses who have many years of experience offering high quality experiences and/or services. Third-party distributors can be a powerful method to grow your business because distributors can open up large new markets, increase awareness of your offering, and ultimately increase your sales. If your vision is to grow your tourism business and sell to international markets, building relationships with third-party distributors should be a priority.



If you plan to market your experiences internationally, your business must be able to meet international travellers' diverse needs and expectations, in addition to being aware of subtle cultural nuances. Travel Alberta has developed an Export Ready Checklist to help tourism businesses determine if they are ready to take that step. The checklist can be found at <https://industry.travelalberta.com/marketing/selling-internationally/export-ready-checklist>.



Directly selling your experiences to visitors generates the maximum profit for your business because there are no commissions for third-party distributors.



The simplest and most cost-effective way to take bookings on your website is to sell via an online booking engine. This keeps your business open 24/7 and allows you to generate sales while you sleep.



Activity 10. How is your experience sold?

Describe how your experience will be sold in the space below.

Revenue Streams

As a tourism business, your main revenue stream may be the sale of your experiences. However, it is best for businesses (of all kinds) to have multiple streams of revenue. Having multiple revenue streams can increase your total revenues, and insulate your business to seasonality, economic shocks and other unforeseen events.



Take some time to think about what your business' main sources of revenue will be. If you can think of other revenue streams your business could have, be sure to write your ideas in the space below. The tourism story on the next page provides an example of how tourism businesses can diversify their revenue streams.

Main Revenue Sources:

- _____
- _____
- _____
- _____
- _____

Other Revenue Sources:

- _____
- _____
- _____
- _____
- _____

TOURISM SUCCESS STORY

Diversifying Revenue Streams in Tourism – River Valley Adventure Company

Visitors to the River Valley Adventure Company can glide through Edmonton's scenic River Valley on guided Segway tours. While selling this experience is an important money-maker for his business, owner/operator Chris Szydlowski took the initiative to diversify his business' revenue streams by delivering other recreational activities in the River Valley and selling rental equipment for leisure activities.

"When I moved my Segway tours to Louise McKinney Park in Edmonton, it became all about showcasing our beautiful river valley. So we rented out bikes, bocci, croquet, frisbee, and even snow shoes in the winter. We've added a café. We're looking now at ways to get people onto the water... One fellow, after his tour, got choked up. He said he had lived here 70 years, couldn't walk that much anymore, and had never seen the valley like this."



– Chris Szydlowski, Operator, River Valley Adventure Company

Price Strategy

The price of your product or service should reflect the assumptions you make about your ideal visitor. Some visitors look at price as an important indicator of quality (i.e. “you get what you pay for”). Your offerings must be priced consistently, accurately and competitively to be successful in the marketplace. Here are some important considerations when setting your price points.

- Prices must be high enough to cover expenses and generate an adequate rate of return.
- Prices must align with what visitors are prepared to pay.
- Prices must be reassessed regularly, as the marketplace is continually changing.

Generally, pricing strategies include the following:⁸

1. Cost-Plus Pricing – simply calculating your costs and adding a mark-up.
2. Competitive Pricing – setting a price based on what the competition charges.
3. Price Skimming – setting a high price and lowering it as the market evolves.
4. Penetration Pricing – setting a price low to enter a competitive market and raising it later.
5. Price Bundling – combining product and/or services to increase value, and therefore price.



Activity 11. What pricing strategy will you use?

Choose a pricing strategy from the list above and explain why it will work best for your tourism business in the space below.

Archived

⁸ Business Development Bank of Canada. (2017). How to price your product.

MILESTONE 10



Milestone

Now that you have thought about your how your business is going to sell and deliver experiences, take some time to summarize how this will happen by finishing the sentences below.

My business will sell experiences to customers by...

My business will receive payment through...

My business's revenue streams will be...

My business's pricing strategy will be _____, because...



QUESTION 9:

HOW ARE YOU GOING TO
PROMOTE YOUR BUSINESS
TO CUSTOMERS?

Question 9: How are you going to promote your business to customers?

In this section, we are going to explore *how are you going to promote your business to customers*. Every business needs to reach their customers and promote their offering. Tourism businesses reach their customers through *promotional channels*. These channels are where operators make first (and ongoing) contact with their visitors.

There are many promotional channels to choose from, and more are being added every year. Here is a summary of potential promotional channels for your business:

- Advertising (e.g. visitor magazines, paid media such as print advertising, online advertising, paid broadcasting)
- Public Relations (e.g. news stories, social networks)
- Networking (e.g. tradeshow, referrals, familiarization tours)
- Sales (e.g. converting potential customers into paying customers)
- Website (your own or travel sites)
- Word of Mouth



Word of Mouth advertising (or Word of Mouse on the Internet) continues to be the most effective and cost-efficient way to reach customers.⁹ This includes word of mouth from visitors, and also locals. Make sure your business gives them both something good to talk about!

⁹ Alberta Culture and Tourism. (2015). Tourism Business Planning Guide.



Activity 12. How are you going to promote your business to customers?

The questions below will help you think about how you are going to promote your business to customers. Feel free to jot down your thoughts directly in the workbook!

a) Which promotional channel(s) is your business going to use to reach customers?

b) Why are these the best channels to reach customers?



Based on your answers to Activity 12, take some time to estimate a promotional budget for your business. The line items below are examples only, so feel free to add your own. You can use this information again in Activity 17 later on in the workbook.

Promotional Budget	Amount
Website	\$
Social Media	\$
Advertising (e.g. business cards, flyers, brochures, etc.)	\$
	\$
	\$
	\$
	\$
	\$
Total	\$



It is worthwhile for new businesses to have a well-thought out and strategic marketing plan in place before startup. Promotion is just one aspect of a complete marketing plan. Activities that are typically included in marketing plans include detailed situational analyses, setting objectives, outlining a marketing strategy, describing the marketing mix (product, place, promotion, pricing), and developing a plan for implementation and evaluation. Further information on developing a marketing plan is available in the *Tourism Business Planning Guide*.



Travel Alberta provides marketing assistance to Alberta's tourism entrepreneurs, including the Building a Basic Marketing Plan workshop.

See <https://industry.travelalberta.com/resources/industry-development/tourism-training-academy> for a list of free workshops.



Whether you develop one for yourself, or have your visitors develop it for you, every business has a brand. Put simply, your brand is visitor perceptions of your business – positive, negative, or indifferent. Take some time to think about what you want your business to be known for.

I want my business to be known by visitors as...

- _____
- _____
- _____
- _____
- _____
- _____



You can build a brand for your business by setting a standard, and then consistently achieving that standard in all forms of engagement and communication with your visitors. Having a consistent look, feel and experience that reflects your business' mission, vision and values is a good place to start building your brand.

Partnering for Success: Marketing Partnerships

Partnering helps both parties, so the Rocking R Guest Ranch (50 kilometres east of Calgary) does a lot of it: “We are marketing to the high-end adventure traveller. Many come to experience the mountain parks, but we believe it is important to create new experiences for returning visitors, so we are working hard with other tour operators in the Canadian Badlands to create a new iconic Alberta destination.”

One of the businesses Rocking R Guest Ranch partners with is the Rosebud Theatre, 58 kilometres away. Patrons of the theatre can enjoy the ranch's accommodations and spa services, as well as first-class entertainment.

– Terri Kinsman, Operator, Rocking R Guest Ranch



Rocking R Guest Ranch, Strathmore (AB)



Rosebud Theatre Gift Shop, Rosebud (AB)



An important tourism concept is *packaging*. Packaging is where your experience is combined with other experiences and visitor services to create a vacation “package” that visitors can buy. Packages often include a combination of experiences, accommodations, food and beverage, and transportation. Packaging allows tourism businesses to enhance their experiences and provide further value to visitors. This makes their offerings more attractive and can increase sales.



Partnerships are often instrumental to the successful operation of tourism businesses. Take some time and think about what partnerships you can leverage or develop to help your new tourism business succeed. Some examples have been provided in *italics* below.

Partner	Nature of Partnership	How the Partnership Will Help Your Business Succeed
<i>Local hotel/motel</i>	<i>My business will package its experience together with one night of accommodation at a local hotel.</i>	<i>By packaging my experience, I will be able to offer enhanced value to customers and increase sales.</i>
<i>Local tourism operator</i>	<i>My business will split the costs of storage space for equipment with another tourism operator.</i>	<i>Splitting the costs for storage space will reduce the operating costs of the business.</i>

MILESTONE 11



Milestone

Now that you have thought about the different ways you can promote your business to customers, take a moment to answer the questions below.

My business will communicate with customers by...

I want the brand of my business to be ...

I will develop partnerships with...

These partnerships will help my business succeed by...



QUESTION 10:

HOW WILL YOUR
BUSINESS OPERATE?

Question 10: How will your business operate?

In this section, we will explore *how your business will operate*. Do you know how your business will be structured? How will your experiences be delivered? What will your role(s) be in the business? Do you need staff? What kind of approvals/permissions do you need? Having a clear understanding of how your business will operate prior to startup will allow you to focus on delivering experiences once your business is up and running, as opposed to fixing operational problems. This will save you a significant amount of time and headache in the long run. The activities in this section will help you think through these important business components.

Business Structure

You will need to determine how your tourism business will be structured for tax and legal purposes. There are four options to structure your business:

	Description	Pros	Cons
Sole Proprietorship	Owned and operated by one person with no legal distinction between the owner and the business.	<ul style="list-style-type: none">• All profits are yours• Easiest to set up• Inexpensive to set up• Possible tax benefit	<ul style="list-style-type: none">• You carry all the risks• Personally responsible for debts
Partnership	Two or more persons in a business in which the risks, profits and losses are shared proportionally.	<ul style="list-style-type: none">• Easy to set up• Very flexible• Partners contribute knowledge, energy and capital	<ul style="list-style-type: none">• Partners share responsibilities for debt• Legal counsel advised• Disagreements between partners can cause problems
Cooperative	A jointly owned enterprise engaging in the supply of services, operated by its members for their mutual benefit.	<ul style="list-style-type: none">• Members contribute knowledge, energy and capital	<ul style="list-style-type: none">• The democratic nature of a Cooperative can slow decision making.
Limited (or Incorporated) Company	An individual or group of people authorized to act as a single corporate entity and recognized as such in law.	<ul style="list-style-type: none">• Limited exposure to personal liability if the business fails or is sued.• May reduce taxation	<ul style="list-style-type: none">• More expensive and complicated• More regulations (paperwork) to run



Setting up a structure for your business can be a complex task. See the *Tourism Business Planning Guide* to learn more about business structures. You may also want to get assistance from a lawyer or accountant.



Business Link is a non-profit organization that helps connect Alberta's small businesses with support and resources to help them succeed. Their services include one-on-one startup guidance, market research assistance, advice from experts like lawyers and accountants and much more! Visit their website to learn more: <http://businesslink.ca/>.



To find information on registering a business, contact Service Alberta: <http://www.servicealberta.ca/>



Activity 13. Choosing a Business Structure

After reviewing the pros and cons of the different types of business structures, you should choose how you will structure your business by answering the question below.

My business structure will be a _____, because...

Operating a Tourism Business

Next, you will need to figure out how your tourism business will operate. The activity below will assist you in thinking through how your business will deliver experiences.



Activity 14. How will your business operate?

The questionnaire below will help you think through how your tourism business will operate. Feel free to jot down your answers directly in the workbook!

a) How is your experience going to be delivered?

- Who will deliver it: _____
- Where will it be delivered: _____
- When will it be delivered: _____

b) What facilities and/or resources must you own or control to deliver your experience?

c) Do you need permits, approvals or special permissions to deliver your experience?



Tourism businesses often operate in less accessible locations that take advantage of unique attractions and beautiful scenery (e.g. provincial lands). Such locations often have special access permissions or servicing requirements that require approvals. See the *Tourism Development Guide* to find out what approvals your business is likely going to need and how to get them.

TOURISM SUCCESS STORY

Canmore Cave Tours

Under Grotto Mountain in Canmore, one can find a four-kilometre cave that hosts a record of our ancient history. Rat's Nest Cave is home to pictographs, copious mineral formations, and bones that are up to 7000 years old, representing 75 per cent of Alberta's mammals and birds, including the extinct passenger pigeon – leftovers from an ancient Alberta culture.

The site comprised an amazing tourism opportunity, but one that faced two complications: improper use by random recreational visitors and the possibility of it being mined in the future. The site was on quarry land owned by Graymont, North America's second largest supplier of lime.

The solution? Canmore Cave Tours successfully applied to the Alberta Historical Resources Foundation for protected status as a natural history site. They received the second protected status for natural history given by the Foundation.

It turned out that Graymont was appreciative of the application for protected status because it controlled entry into the cave system, eliminating their risk of liability for random visitors. The site is now maintained as a three-way partnership between Canmore Cave Tours, Graymont and the Alberta Historical Resources Foundation. "We've

built good relationships and trust over the years. We've just renewed a five-year agreement."

Canmore Cave Tours is one of the top-rated attractions in Alberta. It appeals to the FIT segment – Free Independent Travellers. About 6,000 people visit annually, 75 per cent from Alberta. The company follows the caver's motto: take nothing but pictures; leave nothing but footprints; and kill nothing but time.

"We now have the tools to protect the cave – the provincial designation and a private property component," says owner/operator Adam Walker.



Staffing Plan

Some tourism businesses can be successfully run with the only staff member being the owner. However, tourism businesses will often require additional staff to deliver their experiences (e.g. guides, customer service staff, labourers, managers, etc.). If your tourism business will need employees other than yourself, you will need to develop a plan to hire, train and retain employees.



Tourism businesses can have seasonal workforces, meaning their employees are only hired for certain seasons throughout the year (e.g. fishing guides in the summer). Attracting, training and retaining quality employees can be an ongoing challenge for seasonal tourism businesses.



Activity 15. How will your business be staffed?

Based on your answers to Activity 14, what operational roles will need to be filled and how many employees (if any) will you need to operate the business? Don't forget to include yourself!

Employee Type	Operational Roles (list main job tasks)	# of Employees
Owner(s)		



Alberta has employment standard laws that protect employers and employees. These laws ensure work sites are fair and equitable, and most employers and employees must comply with them. See <https://work.alberta.ca/employment-standards.html> for more information.

Assessing the Risks

Every new tourism business will be faced with risks, such as labour shortages, increased competition, seasonality, etc. Identifying risks early on will allow your business to reduce, prevent, control, eliminate or transfer these risks, which increases your chances of success. Activity 16 below will help you assess the risks your business may face and develop strategies to overcome them.



Activity 16. Risk Assessment

Identify risks to your business in the Risk Assessment Table below. For each risk that you identify, estimate the probability of it occurring and describe ways you can reduce the negative impacts should it occur.

Risk Assessment Table		
Potential Risk	Probability (high-medium-low)	Ways to Reduce Impacts
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

MILESTONE 12



Milestone



Now that you have thought about your how your business is going to operate upon startup, take some time to summarize how this will happen by finishing the following sentences.

My business' structure will be a...

My business is going to deliver experiences (whom, where, when)...

My business will need facilities and resources to deliver experiences, including...

My business will need permits/approvals/permissions from...

My role(s) in the business will be...

My business will need staff to assist with...

The main risks to my business are...

Archived



QUESTION 11:

WHAT IS THE
OPERATING BUDGET
OF YOUR BUSINESS?

Question 11: What is the operating budget of your business?

In this section, we will examine *what the operating budget of your business will be*. Having an understanding of the ongoing costs to operate your business, and how much money your business will need to make to cover these costs is crucial to success.



When starting up a new tourism business you will need to have an understanding of the startup costs, operating costs, and how your business is going to pay for these costs. Developing financial projections to estimate these will help give you confidence, and convince potential investors of the soundness of your business idea.

Operating Costs

Every business needs to have a solid understanding of their operating costs. These expenses are often categorized into *fixed costs* and *variable costs*. Fixed costs are expenses that will occur regardless of the amount of sales generated (e.g. rent, debt servicing, property taxes). Variable costs are expenses that vary with the amount of sales generated (e.g. food and beverage, materials and supplies for the experience). Some costs, like utilities and salaries have both a fixed and variable component.



Activity 17. Estimating your operating costs.

The template below can be used to help you estimate the operating costs for your business. If you can think of any costs that are not included in the template below, be sure to add them to the list. Thinking back to your answers to Question 10 may help you identify other costs.

Operating Costs	Amount
Labour (owner's salary and employee wages)	\$
Equipment and Supplies (food and beverage, fuel, cleaning supplies)	\$
Marketing (advertising and promotions)	\$
Utilities (electricity, gas, water, sewer, Internet)	\$
Rent (land, buildings, vehicles, equipment)	\$
Insurance (liability)	\$
Professional Fees and Charges (accountant, lawyer, bank fees)	\$
Taxes (local, provincial, federal taxes)	\$
Borrowing Costs (loan payments)	\$
Other Costs:	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
Total	\$

Operating Revenue

One of the many rewarding things about starting a business can be generating sales. The feeling a new business owner gets when the first sale is made is one that will not soon be forgotten. This section will help you think about the main sources of income for your business.



Activity 18. Estimating your operating revenue.

Use the chart below to identify the sources of revenue for your business.

Operating Revenue	Amount
Sales (experience, products, services)	\$
Rentals	\$
Other Sources:	\$
	\$
	\$
	\$
	\$
	\$
Total	\$



Seasonality can have a significant impact on the cash flow of your business. For example, some summer businesses incur costs well in advance of the summer season, but will not generate revenue until well into the summer season.



A *break-even point* occurs when the total operating revenues are exactly equal to the total operating costs. Above this point a profit is generated, and below this point a loss is incurred.



Make sure you can back up your financial projections with reliable data, wherever possible. It is often helpful to keep detailed notes and comments on a line-by-line basis to help yourself and others understand the logic in your projections.

MILESTONE 13



Milestone

Now that you have calculated your costs, revenue, and break-even point please identify these below.

The annual operating costs of my business are \$_____.

The annual operating revenues of my business are \$_____.

The estimated annual profit of my business is \$_____.

The break-even point of my business is \$_____.

Archived



QUESTION 12:

WHAT ARE YOUR
STARTUP COSTS?

Question 12: What are your startup costs?

Figuring out your startup costs will allow you to know how much funding you will need to set up your business. Startup costs for tourism businesses typically include one-time, major purchases such as construction, deposits, land improvements and more: registering the business; purchasing property or leasing space; purchasing computers, mobile phones, and business-related software; refining the product or service; paying suppliers; and paying staff salaries. Initial marketing costs related to items like signage and website development must also be considered.



Activity 19. Estimating your startup costs.

The template below can be used to help you estimate startup costs for your business. If you can think of any costs that are not included in the template below, be sure to add them to the list. Thinking back to your answers to Question 10 may help you identify other costs.

Startup Costs (pre-opening)	Amount
Land	\$
Building	\$
Equipment	\$
Renovations	\$
Furniture/Fixtures	\$
Vehicles	\$
Utility Hook-up	\$
Inventory	\$
Phone/Cell	\$
Marketing (exterior/road signs, website)	\$
Operating (insurance and utility deposits)	\$
Professional Fees (accountant/lawyer)	\$
Working Capital (see tip below)	\$
Other Costs:	\$
	\$
	\$
	\$
Contingency (see tip below)	\$
Total	\$



Working Capital: When starting a business, you will need funds to cover your day to day business expenses until you generate enough revenue to cover these costs. To estimate the cash you will need, you will first need to realistically gauge how long it will be to make your first sales. You will then need to determine how quickly you can turn sales into cash and how many days your vendors will give you to pay them. Working capital can be estimated using your answers to Activity 17 (operating costs) in the previous section.



Contingency: Startup costs have a tendency to be larger than initial estimates. That is why it is always a good idea to budget an extra 5-10% for contingency. If you don't end up spending this contingency, then you will have more money to invest back into your business!

MILESTONE 14



Milestone

Now that you have identified your startup costs, identify them below

The annual operating costs of my business are \$_____.

Archived



QUESTION 13:

HOW WILL YOU
FINANCE YOUR
BUSINESS?

Question 13: How will you finance your business?

In this section, we will look at *how you will finance your business*. Do you know how much money you will need to set up your business? Will you need extra money to begin operations? Where will you get it? What are pro forma statements and why do you need them? Finding out the answer to each of these questions prior to startup is essential.

Financing New Tourism Businesses

Starting up a new tourism business requires investment in the form of financing. Depending on the scale and scope of your tourism business idea, you may need additional financing beyond the funding that you currently have on hand. There are many options for financing new tourism businesses, the most common of which are provided below:

1. Personal Sources – includes readily accessible financing that the entrepreneur can provide themselves (e.g. cash savings, credit).
2. Family and Friends – includes the personal sources of your family and friends.
3. Investors – includes private investment from business angels and venture capital seeking a return on their investment.
4. Bank Loans – includes money that banks lend to entrepreneurs with the requirement that the amount (plus interest) be paid back at some point in the future.
5. Opportunity Development Cooperatives – includes debt or equity financing from Opportunity Development Cooperatives.
6. Crowdfunding – includes money that is raised by collecting small amounts of money from a large number of people. Typically, this is done through crowdfunding platforms on the Internet (e.g. ATB BoostR – see Appendix C).
7. Developmental Lenders – provide loans to businesses who cannot get financing at a bank or credit union (e.g. Community Futures, Business Development Bank of Canada, Futurepreneur).



Relying too heavily on personal sources, such as credit cards or lines of credit, to start a business can be risky. The interest on credit debt can accumulate quickly and hurt your credit rating – reducing your ability to secure bank financing in the future. Additionally, depleting your savings can leave you exposed.



If you have an existing business and you are developing a new line of business, you may have retained earnings built up that can help finance the new venture. Alternatively, you may have assets that can be used as collateral to obtain new funding.



The federal and provincial governments also offer funding opportunities for tourism enterprises through grants, tax incentives, loans and other programs (see pg. 88 – 111 in the *Tourism Business Planning Guide*).



Activity 20. Financing your startup costs.

Now that you have an estimate for how much it will cost to startup your business, you need to figure out how you will pay for these costs. Use the chart below to help you understand how your startup costs will be paid for.

Operating Revenue	Amount
Personal Sources	\$
Family and Friends	\$
Investors	\$
Bank Loans	\$
Opportunity Development Cooperatives	\$
Crowdfunding	\$
Other Sources:	\$
	\$
	\$
	\$
	\$
Total*	\$

*The total startup costs from Activity 19 should be equal to the total amount of financing above.



Banks often expect owners to be investing in their businesses before they will approve financing, such as loans. Investments of at least 20% of the startup costs will encourage private lenders. This is commonly called “skin in the game.”



Activity 21. Comparing Startup Costs to Financing Sources.

Lenders will want to see how your business' startups costs will be covered by your financing sources. Filling out the chart below is a helpful way to show this. You can use your answers to Activity 19 and 20 to fill in the chart.

Startup Costs		Financing Sources		
Land	\$	Personal Sources	\$	(%)
Building	\$	Family and Friends	\$	(%)
Equipment	\$	Investors	\$	(%)
Renovations	\$	Bank Loans	\$	(%)
Furniture/Fixtures	\$	Opportunity Development Cooperatives	\$	(%)
Vehicles	\$	Crowdfunding	\$	(%)
Utility Hookup	\$	Other Sources:	\$	(%)
Inventory	\$		\$	(%)
Phone/Cell	\$		\$	(%)
Marketing	\$		\$	(%)
Operating	\$		\$	(%)
Professional Fees	\$		\$	(%)
Working Capital	\$		\$	(%)
Other Costs:	\$		\$	(%)
	\$		\$	(%)
	\$		\$	(%)
	\$		\$	(%)
Contingency	\$		\$	(%)
Total	\$	Total	\$	100%

MILESTONE 15



Milestone



Now that you have learned about financing tourism businesses and the funding options available to you, take some time to answer the questions below.

The startup of my business will be financed through the following sources ...

Archived

Pro Forma Financial Planning Templates

This section describes in detail the financial tools utilized in planning for the financial health of your business. Defensible pro forma statements are important to have when securing financing from lenders. Most businesses seek assistance from an accountant to complete these statements.

Many new business owners feel overwhelmed with the idea of creating financial statements, but it really is as simple as tracking the money that comes in and out of your business to monitor performance. Creating financial statements for your company is a necessary task that will help you know if your company is growing, shrinking or staying flat. Examining the numbers can also help you grow your revenue by highlighting areas for improvement.

There are three basic financial statements: Cashflow Statement, Income Statement, and Balance Sheet. Each will be explained in the sections below.



Examples of completed financial statements are available at the Business Development Bank of Canada's website:

<https://www.bdc.ca/en/articles-tools/entrepreneur-toolkit/templates-business-guides/pages/default.aspx>



If you think that you will need help with financial projections, monitoring, analysis and management, then be sure to employ the services of a qualified accountant or other financial expert. They will be able to help you develop Cash Flow Statements, Income Statements, and Balance Sheets.

Cash Flow Statement

The cash flow statement is the most important forecast for a new business because it demonstrates whether or not you have the actual cash on hand needed to meet your financial obligations when they come due. A cash flow statement records the actual timing of *cash receipts* and *cash disbursements*:

- Cash Receipts are cash inflow from cash sales, collections of accounts receivable, loan advances, owner's contributions and sales of fixed assets.
- Cash Disbursements are cash outflows for operating expenses, payments to suppliers for inventory purchases, repayment of loans and the acquisition of fixed assets.

A cash flow statement is not based on accrual accounting and does not include non-cash items (e.g. depreciation, amortization). See the chart on the next page for a cash flow template that you can use.

How to create your cash flow statement:

- Select a time period for the cash flow statement.
- In the first column (pre-opening) list the value of things you put into your business and cash you spent on your business before you opened.
- In the *Cash Receipts* section, list how much cash you will receive from revenue, rentals, loan proceeds and any other sources for each month. Note that if you are providing credit terms for your customers that a cash sale is when you collect from your customer.
- In the *Cash Disbursements* section, list how much money you estimate you will be spending each month. (Some categories are given. Can you think of others?)
- If your *Ending Cash* is less than \$0 then you must have a plan to deal with it by either investing more, securing an operating loan, collecting receivables, etc.

Cash Flow Statement

Item	pre-opening	jan	feb	mar	apr	may	jun	jul	aug	sep	oct	nov	dec	total
Opening Cash Balance(a)	\$													\$
Cash Receipts:														
Sales	\$													\$
Rentals	\$													\$
Loan Proceeds	\$													\$
	\$													\$
	\$													\$
Total cash receipts (b)	\$													\$
Cash Disbursements:														
Salaries & Benefits	\$													\$
Owner's Salaries	\$													\$
Marketing	\$													\$
Office Supplies	\$													\$
Insurance	\$													\$
Bank Charges	\$													\$
Utilities	\$													\$
Property Taxes	\$													\$
Professional Fees	\$													\$
Repairs/ Maintenance	\$													\$
Land Improvements	\$													\$
Vehicles	\$													\$
Inventory/Supplies	\$													\$
Phone/Cell	\$													\$
Loan Interest	\$													\$
Loan Principal	\$													\$
	\$													\$
	\$													\$
Total Cash Disbursements (c)	\$													\$
Ending Cash (a + b - c)	\$													\$

Income Statement

An income statement shows the revenues and expenses of a business given a certain time period. Income statements use *accrual accounting* to best represent the current state, which means:

- a) Revenues are recorded at the time that the sale is made, even though payment of cash for these sales may occur earlier or later.
- b) Expenses are recorded at the time that their corresponding revenue was recorded, regardless of when the actual outlay of cash was made.

Revenues and expenses are projected based on data from your research and reasonable assumptions. Income, expenses and profits are categorized in the income statement as shown in the list below. See the Projected Income Statement on the next page for an income statement template that you can use.

- Operating Income – income generated from the sale of the company's products or services.
- Other Income – income earned from other activities (e.g. interest earned on bank deposits).
- Cost of Goods Sold – expenses directly related to the production of goods and services (e.g. purchase of materials, freight and labour).
- Gross Profit – revenue (i.e. operating income + other income) minus cost of goods sold.
- Operating Expenses – all selling, administrative and depreciation expenses.
- Operating Profit – gross profit minus operating expenses.
- Interest Expense – expenses resulting from debt financing.
- Net Profit Before Tax – operating profit minus interest expense.

How to create your income statement:

- Select a time period for the income statement.
- List how much you think you will sell each year.
- List how much you think your expenses will be each year (some categories are given - can you think of others?)
- Calculate the net profit using the formula in the template. (Revenue minus expenses = profit or loss)

Projected Income Statement

Item	Year 1	Year 2	Year 3
Sales:			
Sale of Products/Experiences	\$		
Rental Income	\$		
	\$		
	\$		
	\$		
Gross Profit (a)	\$		
Expenses:			
Salaries & Benefits	\$		
Owner's Salaries	\$		
Marketing	\$		
Office Supplies	\$		
Insurance	\$		
Bank Charges	\$		
Utilities	\$		
Property Taxes	\$		
Professional Fees	\$		
Repairs/Maintenance	\$		
Land Improvements	\$		
Vehicles	\$		
Inventory/Supplies	\$		
Phone/Cell	\$		
Loan Interest	\$		
	\$		
	\$		
	\$		
	\$		
Total Expenses (b)	\$		
Depreciation (C) (see tip below)	\$		
Net Profit (a - (b + c))	\$		



Depreciation: Depreciation recognizes that the value of most assets will decrease over time. It allows a business to reduce its taxable income by the amount of the depreciation of the asset. For example, if a business purchases a tour bus for \$100,000 and expects to use it for 5 years, the business might have a depreciation expense of \$20,000 in each of the five years.

Balance Sheet

A balance sheet is a snapshot of the financial condition of a business at a fixed point in time. It shows what the business owns (assets), what it owes (liabilities), and the owners' equity. Assets represent the total resources the business has, stated in dollar terms. Liabilities and equity are claims against these assets. The excess of assets over liabilities represents the net worth of the business.

Assets are listed in order of *liquidity*, which is the ease of converting the asset into cash. This means that cash will be listed first because it is the most liquid. Fixed assets, such as land or buildings, can take a long time to be converted into cash so they are listed last.

Liabilities are listed in a similar fashion. Current liabilities, such as accounts payable or wages, are listed first. Long term liabilities, such as debt, are listed last. See the chart on the next page for a balance sheet template that you can use.

How to create your balance sheet:

- Select a time period for the balance sheet. Because a balance sheet is a snapshot of your company at a given time, start the balance sheet at the end of your first year period.
- Current Assets
 - o Include the value of any assets that you will likely sell in the next year (accounts receivable, inventory - can you think of others?)
- Long Term Assets
 - o Include the value of any assets that you will not likely sell in the next year (property, vehicles, equipment, deposits and prepaid expenses - can you think of others?)
- Current Liabilities
 - o Include the amount of your liabilities you anticipate paying out in the next year.
- Long Term Liabilities
 - o Include the value of any liabilities you are not likely to pay off in the next year.
- Owner's Equity
 - o This is the owner's value in the company (not the amount invested). If you sold all your assets and paid off all your liabilities, this is the amount you would have left over.

Balance Sheet Template

Current Assets	Opening Balance	Closing Balance
Cash		
Prepays	\$	
Inventory	\$	
Other Current Assets	\$	
	\$	
	\$	
Total Current Assets (a)	\$	
Fixed Assets		
Land		
Building	\$	
Equipment	\$	
Vehicles	\$	
Furniture/Fixtures	\$	
Other Fixed Assets	\$	
	\$	
	\$	
Total Fixed assets (b)	\$	
Less Depreciation (C)	\$	
Net Fixed Assets (d = b - c)	\$	
Total Assets (a + b + d)	\$	
Current Liabilities	\$	
Accounts Payable	\$	
Current Portion of Long Term Debt	\$	
Total Current Liabilities (e)	\$	
Long Term Liabilities	\$	
Mortgage	\$	
Shareholder Loans	\$	
Long Term Debt	\$	
Total long Term Liabilities (f)	\$	
Owner's Equity	\$	
Share Capital	\$	
Retained Earnings	\$	
Total Owner's Equity (g)	\$	
Total Liabilities & Owner's Equity (e + f + g)	\$	



Some banks may require three year balance sheets in order to approve financing. You can work with your specific lender to find out their requirements.



QUESTION 14:

HOW WILL YOU
KNOW YOU ARE
SUCCESSFUL?

Question 14: How will you know you are successful?

In this section, we will figure out *how you will know you are successful*. Starting-up a successful tourism business is an important factor, but it is not the only measure you should consider. It will be worth your while to evaluate your successes after the first year of operation and on a regular basis after that.



Activity 22. How will you know you are successful?

The checklist below can be used to help you gauge your success in the first year of operation. You are encouraged to add your own measures that are not included in the list below.

Success Checklist for Tourism Business Startups

- My new tourism business began operations ☐
- Revenues are above costs and the business is generating a profit at target levels ☐
- The business' value proposition is resonating with visitors ☐
- The business has generated a customer base. ☐
- The business is on track to achieve its 5 year mission and vision ☐
- The business has established a competitive advantage ☐
- I am on track to achieve my financial goals through the business ☐
- I am on track to achieve my personal goals through the business ☐
- I have already achieved, or are on track to achieve, the outcomes desired ☐
- My business continues to align with my core values ☐
- (add your own measures below)
- ☐
- ☐
- ☐



4 NEXT STEPS TO STARTING YOUR TOURISM BUSINESS

NEXT STEPS TO STARTING YOUR TOURISM BUSINESS

BY THE END OF THIS SECTION YOU WILL:

1. Know the next steps to starting your tourism business.
2. Know where to go and who to talk to for help starting your tourism business.
3. Know how to access free resources, services and research to support your tourism business.

Next Steps

Having completed this workbook, you are well on your way to starting your own tourism business. However, there is more work to be done before you take the leap into tourism entrepreneurship. Following these next five steps will help set you up for success as you continue to explore your idea.

1. Take some time for self-reflection. Is starting a tourism business right for you? Are you willing to explore your idea further? Do you need more information to make a decision?
2. If you decide to move forward with starting your own tourism business, consult the *Tourism Business Planning Guide* and the *Tourism Development Guide* for further information.
3. Write a business plan for your idea. All of the exercises you completed in this workbook can be used to help develop a business plan!*
4. Determine the feasibility of starting up a tourism business (see page 60 of the *Tourism Business Planning Guide*).
5. Make the decision on whether or not to move forward with starting your own tourism business.

* In Appendix A there is a blank Workbook Summary Activity. Filling this out and referring back to it will help keep you on track as you write a business plan for your idea. Also, Appendix B has a business planning template that you can use to organize your business plan.



A business plan is an essential tool that every business should have. It acts as a road map to keep the business on track, and is the basis of any funding request to lenders or investors. It is well worth your time to develop a comprehensive and thorough business plan.



Think about the steps that you need to accomplish to start your tourism business (e.g. develop a business plan, acquire financing, secure permits, etc.). Take some time to write down the key achievements in the timeline charts below.

Year 1	
Quarter	Key Achievements
Quarter 1 (1 – 3 months)	- - -
Quarter 2 (4 – 6 months)	- - -
Quarter 3 (7 – 9 months)	- - -
Quarter 4 (10 – 12 months)	- - -

Year 2	
Quarter	Key Achievements
Quarter 1 (1 – 3 months)	- - -
Quarter 2 (4 – 6 months)	- - -
Quarter 3 (7 – 9 months)	- - -
Quarter 4 (10 – 12 months)	- - -

Where to Get Help Starting Your Tourism Business

Starting your own tourism business can be a lot of work, but you are not alone. There are many private, not-for-profit and governmental organizations that can help you start your tourism business. A summary of these organizations is provided in Figure 1 below. For an expanded list of organizations and the supports and resources they offer, please see Appendix C.



A business plan is an essential tool that every business should have. It acts as a road map to keep the business on track, and is the basis of any funding request to lenders or investors. It is well worth your time to develop a comprehensive and thorough business plan.

Figure 1. Who Can Help You Start a Tourism Business

Organization Name	Description
Alberta Culture and Tourism	<p>The tourism division has many supports and free resources for Alberta's tourism entrepreneurs, including business advisory services (e.g. coaching and planning assistance), tourism research and statistics, and business development programs (e.g. Tourism Entrepreneurship Startup Seminar).</p> <p>Contact: Tel: 780.422.4991 Email: tourism.entrepreneurship@gov.ab.ca Website: www.culturetourism.alberta.ca/tourism</p>
Travel Alberta	<p>Travel Alberta is the province's tourism marketing agency, showcasing Alberta's tourism experiences to potential travellers in Canada and internationally. Travel Alberta provides marketing expertise and destination development support to Alberta-based tourism businesses, creating compelling reasons for travellers to explore Alberta.</p> <p>Contact: Tel: 403.648.1000 Email: info@travelalberta.ca Website: www.industry.travelalberta.com</p>
Destination Marketing Organizations	<p>Many regions throughout Alberta have destination marketing organizations that provide marketing services and other forms of assistance for tourism businesses in their jurisdiction. Check the website below to locate your local destination marketing organization.</p> <p>https://industry.travelalberta.com/about-us/about-albertas-tourism-industry/tourism-organizations</p>
Community Futures Alberta	<p>The Community Futures Alberta Association works to foster sustainable small businesses and rural communities. See the website below to locate your local Community Futures office.</p> <p>http://albertacf.com/location-finder</p>
Business Development Bank of Canada	<p>The Business Development Bank of Canada provides financing and consulting services to small and medium-sized enterprises at every stage of growth. For services in Alberta, please contact one of the offices listed here:</p> <p>www.bdc.ca/en/business-centres/alberta/</p>

Business Link	<p>Business Link is a non-profit organization that helps entrepreneurs start their own business.</p> <p>Contact: Tel: 1.800.272.9675 (toll free) Email: askus@businesslink.ca Website: www.businesslink.ca</p>
Alberta Environment and Parks	<p>Environment and Parks manages the province's land and natural resources through the Land-use Framework. All land-based activities are considered through this Framework, including tourism. Operators can work with this ministry to acquire any necessary land-use approvals.</p> <p>Contact: Tel: 780.644.7972 Email: LUF@gov.ab.ca Website: www.aep.alberta.ca</p>
Service Alberta	<p>Service Alberta provides licenses and permits for starting a business, as well as help with incorporating a business and registering a business name.</p> <p>Contact: Tel: 780.427.7013 Email: cr@gov.ab.ca Website: http://www.servicealberta.gov.ab.ca/businesses.cfm</p>

The Pursuit of Alberta Adventures

With stops at the Abraham Lake ice bubbles, guided hikes, a ride on a ski bus to the mountain, or a float on the Red Deer river followed by a food tour, Pursuit Adventures offers many year-round escapades for visitors to central Alberta. For JP Fortin, the owner and CEO of Pursuit Adventures, being the source of exciting journeys makes for a rewarding venture.

“The best part is getting people playing outside and exploring the area. Red Deer and the David Thompson Highway have a lot to offer without the crowds of the mountain parks. Many of our guests have driven through the area before but haven't stopped to experience the trails, local food and activities available. It's always a lot of fun to show them how much there is to do,” says JP.

To help the company through growing pains, seeking guidance and information about the tourism industry has made a difference for establishing and expanding Pursuit Adventures.

“The tourism development officers at Alberta Culture and Tourism, along with the Travel Alberta experience

development team, have been great at helping us think about new experience ideas and ways to refine our current tours. Operating at the regional level means dealing with many government departments and the tourism division has been very helpful in getting us in touch with the right people along the way.”



CONCLUSION

The Tourism Business Startup Workbook provides a high-level introduction to starting a tourism business. We hope the information and exercises in this workbook have motivated you to take the next steps in turning your tourism business idea into a reality!





APPENDICES



A. Workbook Summary Activity

This is an optional activity that summarizes all of the Milestones you achieved by completing this workbook. These Milestones can be used to help you write a business plan (see Appendix B for a business plan template).

Are you a tourism entrepreneur?

What skills and traits do you have that fit with being an entrepreneur?

What skills and traits do you need to work on in order to be a more successful entrepreneur?

How can these skill gaps be overcome?

How are you a good fit for running a tourism business?

Question 1: Why do you want to start a tourism business? List your top three reasons.

1.

2.

3.

Question 2: What do you want your business to be?

Based on market research, refine your business idea.

5 Year Mission

5 Year Vision

Question 3: What experience are you selling?

Question 4: Why will people buy your experience (what is your pitch)?

Question 5: Who will buy your experience?

Primary Target Market

Secondary Target Market

Question 6: Who are your competitors?

List your competitors

- ---
- ---
- ---
- ---
- ---

Question 7: What is your competitive advantage?

Question 8: How is your experience sold?

My business will sell experiences to customers by...

My business will receive payment through...

My business's revenue streams will be...

My business's pricing strategy will be _____, because...

Question 9: How are you going to promote your business to customers?

My business will communicate with customers by...

I want the brand of my business to be...

I will develop partnerships with...

These partnerships will help my business succeed by...

Question 10: How will your business operate?

My business's structure will be a...

My business is going to deliver experiences (whom, where, when)...

My business will need facilities and resources to deliver experiences, including...

My business will need permits/approvals/permissions from...

My role(s) in the business will be...

My business will need staff to assist with...

The main risks to my business are...

Question 11: What is the operating budget of your business?

The annual operating costs of my business are \$_____.

The annual operating revenues of my business are \$_____.

The estimated annual profit of my business is \$_____.

The break-even point of my business is \$_____.

Question 12: What are your startup costs?

The total costs to startup my business will be \$_____.

Question 13: How will you finance your business?

The startup of my business will be financed through the following sources...

Question 14: How will you know you are successful?

B. Business Plan Template

The following template can be used to help you organize your business plan and review it for clarity and content based on the following four factors:

Clear - thorough and understandable

Concise - expressing much in brief form

Complete - lacking nothing

Comprehensive - large in scope and content

Business Plan Template		
Business Plan Section	Contents	Assessment
Letter of Transmittal	<ul style="list-style-type: none"> • Introduce your business plan to the reader • Outline the major features that may be of interest 	Clear: Concise: Complete: Comprehensive: Total Points:___/1
Title Page	<ul style="list-style-type: none"> • Provide identifying information about you and your proposed business. Name, address and contact numbers for the business as well as key company contacts 	Clear: Concise: Complete: Comprehensive: Total Points:___/1
Table of Contents	<ul style="list-style-type: none"> • A list of the major headings and subheadings contained in your plan 	Clear: Concise: Complete: Comprehensive: Total Points:___/1
Executive Summary and Fact Sheet	<ul style="list-style-type: none"> • A 1-2 page summary of the important points in your plan • May be the most important part of your business plan • Your fact sheet summarizes the basic information that relates to the venture 	Clear: Concise: Complete: Comprehensive: Total Points:___/2
Company and Industry	<ul style="list-style-type: none"> • History and current situation of your company • Goals and objectives for the business • Principal characteristics and trends in the industry 	Clear: Concise: Complete: Comprehensive: Total Points:___/10

Product and Service Offering	<ul style="list-style-type: none"> Detailed description of your product or service Outline stage of development and proprietary position 	Clear: Concise: Complete: Comprehensive: Total Points:___/10
Market Analysis	<ul style="list-style-type: none"> Describe the profile of your principal target customer Indicate current market size, trends and seasonal patterns Assess the nature of your competition Estimate your expected sales and market share 	Clear: Concise: Complete: Comprehensive: Total Points:___/10
Your Marketing Plan	<ul style="list-style-type: none"> Detail the marketing strategy you plan to use Describe your marketing plan with respect to your sales strategy, advertising and promotion plans, pricing policy, and channels of distribution 	Clear: Concise: Complete: Comprehensive: Total Points:___/10
Your Development Plan	<ul style="list-style-type: none"> Outline the development status of your product and what is still required to get it to a market-ready state Are there regulatory, testing, or other requirements that still have to be met? 	Clear: Concise: Complete: Comprehensive: Total Points:___/3
Your Production /Operations Plan	<ul style="list-style-type: none"> Outline the operating side of your business Describe your location, kind of facilities, space requirements, capital equipment needs, and labour requirements 	Clear: Concise: Complete: Comprehensive: Total Points:___/10
Your Management Team	<ul style="list-style-type: none"> Identify your key management people, their responsibilities, and their qualifications Indicate the principal shareholders of the business, principal advisors, and the members of your board of directors 	Clear: Concise: Complete: Comprehensive: Total Points:___/10
Your Implementation Schedule	<ul style="list-style-type: none"> Present an overall schedule indicating what needs to be done to launch your business and the timing required to bring it about Discuss the major problems and risks that you will have to deal with 	Clear: Concise: Complete: Comprehensive: Total Points:___/5

Your Financial Plan	<ul style="list-style-type: none"> • Indicate the type and amount of financing you are looking for and how the funds will be used • Outline your proposed terms of investment, the potential return to the investor, and what benefit is being provided • Provide an overview of the current financial structure of your business • Prepare realistic financial projections that reflect the effect of the financing; include: <ul style="list-style-type: none"> o Cash flow forecasts o Pro forma profit and loss statements o Proforma balance sheet o Break-even analysis o Startup costs o Personal net-worth statement 	Clear: Concise: Complete: Comprehensive: Total Points:___/22
Appendices	<ul style="list-style-type: none"> • Supporting material for your plan including: • Detailed resumes of the management team • Product literature and photographs • Names of possible customers and suppliers • Consulting reports and market surveys • Copies of legal documents • Publicity material • Letters of reference 	Clear: Concise: Complete: Comprehensive: Total Points:___/10
Business Plan Evaluation	Total Available Points: 105	Total Points:___/105

C. Contacts and Resources for Tourism Entrepreneurs

The following are key contacts and resources that you can access to help you startup a tourism business.

Government of Alberta

For all inquiries about the Government of Alberta programs and services, contact the telephone call centre at:

Tel: 310-0000 (toll-free anywhere in Alberta) (780) 427-2711 (outside of Alberta) www.servicealberta.ca/contact.cfm

Alberta Culture and Tourism – Tourism Division

The Government of Alberta provides information and advisory services on tourism business development and regulatory approvals, as well as path-finding assistance to financing resources and investment through the Tourism Division:

Alberta Culture and Tourism
Tourism Division
6th Floor, Commerce place
10155 - 102 Street
Edmonton, Alberta T5J 4I6
Tel: (780) 422-4991
Fax: (780) 422-1759
email: tourism.entrepreneurship@gov.ab.ca
www.culture.alberta.ca/tourism

Travel Alberta

Travel Alberta is the tourism marketing agency of the Government of Alberta. Industry-related information can be found here:

<http://industry.travelalberta.com> (for industry)
www.travelalberta.com (for consumers)

Calgary Office
Travel Alberta
400, 1601 - 9 Avenue SE
Calgary, Alberta T2G 0H4
Tel: (403) 648-1000
Fax: (403) 648-1111
email: info@travelalberta.com

Alberta Culture and Tourism and Travel Alberta provide the following programs, services and resource to assist tourism businesses in startup.

Startup Supports

- Indigenous Tourism: Offers programs that assist Indigenous tourism entrepreneurs. Contact 780.641.9326 or tourism.entrepreneurship@gov.ab.ca
- Investment: Offers tourism investment services and information for entrepreneurs and organizations seeking to invest or develop tourism projects in Alberta. Contact 780.641.9326 or tourism.entrepreneurship@gov.ab.ca
- Land Use Planning: Provides advisory services, conducts land use planning assessments, and assists entrepreneurs seeking access to public land. Contact tourism.policy@gov.ab.ca
- Product Development: Helps tourism partners and stakeholders develop, deliver, evaluate and grow authentic experiences. Contact Destination.Development@gov.ab.ca
- Highway Signage: Ensures a high-quality, consistent highway signage system throughout the province. Contact 1.866.560.7446 or inquire@albertatraffic.com
- Tourism Entrepreneurship Program: Provides tools and services to help entrepreneurs start new tourism businesses and help existing tourism entrepreneurs innovate, expand or refresh their operations. Contact 780.641.9326 or tourism.entrepreneurship@gov.ab.ca
- Research and Statistics: Provides the latest tourism trends, data and research. Contact tourism.research@gov.ab.ca
- Get to Know your Best Customer: Get to know your target market, experiences they're looking for and how to create targeted marketing messages. Contact Travel Alberta at info@travelalberta.com
- Build a Basic Marketing Plan: Learn how to develop a plan for your business to help you make important marketing decisions. Contact Travel Alberta at info@travelalberta.com

A full list of destination marketing organizations and other national/provincial/regional associations and marketing groups can be found here: <http://industry.travelalberta.com/about-us/about-albertas-tourism-industry/tourism-organizations>

Alberta Environment and Parks

Operators can work with this ministry to acquire any necessary land-use approvals.

Tel: 780.644.7972

Email: LUF@gov.ab.ca

Website: www.aep.alberta.ca

Service Alberta

Provides licenses and permits for starting a business.

Tel: 780.427.7013

Email: cr@gov.ab.ca

Website: <http://www.servicealberta.gov.ab.ca/businesses.cfm>

Agriculture Financial Services Corporation

Tel: 1-877-899-2372

Fax: 1-855-700-2372

For a full list of regional offices:

www.afsc.ca/Default.aspx?cid=6-68

Alberta Agriculture and Forestry

For information related to rural economic development:

<http://www.agriculture.alberta.ca/app21/>

Alberta Economic Development and Trade

For information related to provincial and regional economic development:

Tel: (780) 422-5400

<http://economic.alberta.ca/>

Alberta Office of Statistics and Information

2nd floor, 10808 - 99 Avenue

Edmonton, Alberta T5K 0G5

Tel: (780) 427-2071

Fax: (780) 638-1191

email: osi.support@gov.ab.ca

www.osi.alberta.ca

Community Futures Alberta

The Community Futures Alberta Association works to foster sustainable small businesses and rural communities.

Community Futures Alberta

#3209, 2nd Floor, Building B 101 Sunset Drive
Cochrane, Alberta T4C 0b4

Tel: (403) 851-9995

Toll-free: 1-855-857-1846

Fax: (403) 851-9905

www.albertacf.com

Alberta Communities

For individual community profiles:

<http://albertacommunityprofiles.com>

Business in Alberta

For information and resources about doing business in Alberta and moving to Alberta:

www.albertacanada.com

Government of Canada

All Government of Canada programs and services can be contacted toll-free anywhere in Canada by calling 1-800-O-Canada (1-800-622-6232) or by linking to www.canada.ca.

Business Development Bank of Canada

The business Development bank of Canada provides financing and consulting services to small and medium-sized enterprises. For services in Alberta, please contact one of the offices listed here:

www.bdc.ca/en/business-centres/alberta/

Industry Canada

Industry Canada focuses on improving conditions for investment and innovation, and nurtures an efficient marketplace. www.ic.gc.ca

Calgary Office

Industry Canada
Suite 400, 639 - 5 avenue SW
Calgary, Alberta T2P 0M9
Toll-free: 1-877-376-9902
Fax: (403) 292-5188

Edmonton Office

Industry Canada
Suite 725, 9700 Jasper Avenue
Edmonton, Alberta T5J 4C3
Toll-free: 1-877-376-9902
Fax: (780) 495-2466

Statistics Canada

Statistics Canada provides statistical information and analysis about Canada's economic and social structure to develop and evaluate public policies and programs, and to improve public and private decision-making for the benefit of all Canadians.

Statistics Canada

Western Region and Northern Territories Office
820, 9700 Jasper Avenue
Edmonton, Alberta T5S 4C3
Toll-free: 1-800-263-1136
Fax: (780) 495-3026
email: infostats@statcan.ca
www.statcan.gc.ca

Transport Canada

Civil Aviation Branch
Prairie and Northern Region
344 Edmonton Street
Winnipeg, Manitoba R3C 0P6
Tel: (204) 983-3152
Fax: (204) 984-8125
email: casprn-sacrpn@tc.gc.ca
www.tc.gc.ca/eng/civilaviation/opssvs/regions-139.htm

Other Key Business Development Resources

Alberta Women Entrepreneurs

Alberta Women Entrepreneurs supports women to build successful businesses.
www.awebusiness.com

Calgary Office

Alberta Women Entrepreneurs
370, 105 - 12 avenue SE
Calgary, Alberta T2G 1A1
Toll-free: 1-800-713-3558
Fax: (403) 777-4258
email: info@awebusiness.com

Edmonton Office

Alberta Women Entrepreneurs
308, 10310 Jasper Avenue
Edmonton, Alberta T5J 2W4
Toll-free: 1-800-713-3558
Fax: (780) 422-0756
email: info@awebusiness.com

Business Link

Business Link is a non-profit organization that helps entrepreneurs start their own business.

Business Link

10160 - 103 Street

Edmonton, Alberta T5J 0X6

Tel: (780) 422-7722

Toll-free: 1-800-272-9675

email: askus@businesslink.ca

www.businesslink.ca

aboriginal business

Development Services: 1-800-272-9675

Futurpreneur

Futurpreneur is the only national, non-profit organization that provides financing, mentoring and support tools to aspiring business owners aged 18 to 39.

Alberta Regional Office

Futurpreneur

Suite 418 Willow Park Centre

10325 Bonaventure Drive SE

Calgary, Alberta T2J 7E4

Tel: (403) 265-2923

Toll-free: 1-800-464-2923

www.futurpreneur.ca

ATB Financial

ATB Financial provides financial services to Albertans, and has more than 300 locations throughout Alberta. The ATB BoostR program is a rewards-based crowdfunding platform designed for entrepreneurs and small businesses in Alberta. Through ATB BoostR, businesses can raise money, test ideas, and gain exposure and market insights from the “crowd” in exchange for a reward – a product, service, or even a fun or unique experience. To learn more about ATB BoostR, see the following link: <https://get.atb.com/Business/Borrow/Loans/ATB-BoostR/p/3362>

To locate your nearest branch, please use the following link: <https://www.atb.com/contact-us/Pages/default.aspx>

Other Important Contacts

Alberta Bed and Breakfast Association

www.bbalberta.com

Alberta Chambers of Commerce

1808, 1025 – 102a Avenue

Edmonton, Alberta T5J 2Z2

Tel: (780) 425-4180

Toll-free: 1-800-272-8854

Fax: (780) 429-1061

www.abchamber.ca

Alberta Hotel and Lodging Association

2707 Elwood Drive SW

Edmonton, Alberta T6X 0P7

Tel: (780) 436-6112

Toll-free: 1-888-436-6112

Fax: (780) 436-5404

www.ahla.ca

Alberta Museums Association

404, 10408 - 124 Street NW
Edmonton, Alberta T5N 1R5
Tel: (780) 424-2626
Fax: (780) 425-1679
email: info@museums.ab.ca
www.museums.ab.ca

Alberta Outfitters Association

Box 277
Caroline, Alberta T0M 0M0
Tel: (403) 722-2692
Toll-free: 1-800-742-5548
email: aoa@albertaoutfitters.com
www.albertaoutfitters.com

Alberta Professional Outfitters Society

#103, 6030 - 88 Street
Edmonton, Alberta T6E 6G4
Tel: (780) 414-0249
Fax: (780) 465-6801
email: info@apos.ab.ca
www.apos.ab.ca

Alberta Local and Regional Airports

An inventory of Alberta local and regional airports can be found here:

[www.transportation.alberta.ca/
Content/docType54/production/
aSagassessmentofFacilitiesFinalReportFeb0803.pdf](http://www.transportation.alberta.ca/Content/docType54/production/aSagassessmentofFacilitiesFinalReportFeb0803.pdf)

Calgary Airport Authority
2000 Airport Road NE
Calgary, Alberta T2E 6W5
Tel: (403) 735-1200
Toll-free: 1-877-254-7427
Fax: (403) 735-1281
email: calgaryairport@yyc.com
www.yyc.com

Edmonton Regional Airport Authority

Edmonton International Airport
#1, 1000 Airport Road
Edmonton, Alberta T9E 0V3
Tel: (780) 890-8900
Fax: (780) 890-8520
email: info@flyeia.com
www.flyeia.com

Fort McMurray International Airport

300 - 100 Snowbird Way
Fort McMurray, Alberta T9H 0G3
Tel: (780) 793-8979
Toll-free: 1-855-435-9966
email: info@flyymm.com
www.flyymm.com

Canadian Tourism Research Institute

c/o Conference Board of Canada
255 Smyth Road
Ottawa, Ontario K1H 8M7
Tel: (613) 526-3280
Toll-free: 1-866-711-2262
Fax: (613) 526-4857
email: contactcboc@conferenceboard.ca
[http://www.conferenceboard.ca/topics/economics/CTRI/
default.aspx](http://www.conferenceboard.ca/topics/economics/CTRI/default.aspx)

Destination Canada

(formerly Canadian Tourism Commission)
Suite 1400, Four Bentall Centre
1055 Dunsmuir Street
Box 49230
Vancouver, British Columbia V7X 1I2
Tel: (604) 638-8300
<http://en.destinationcanada.com>

Recreational Vehicle Dealers Association of Alberta

(represents private campground operators)
10561 - 172 Street NW
Edmonton, Alberta T5S 1P1
Toll-free: 1-888-858-8787
email: rvda@rvda-alberta.org
www.rvda-alberta.org



