

## 2.1 Start with a plan

### Good places to start

A convenient source of tourism information with links to other useful sites is the on-line Tourism Industry Resource Centre at [www.tc.gov.yk.ca](http://www.tc.gov.yk.ca). Another resource is the Canada-Yukon Business Service Centre at 307 Jarvis Street, Suite 101, Whitehorse, or [www.cbcs.org](http://www.cbcs.org). This is a joint initiative of the Yukon Chamber of Commerce and the federal and territorial governments. It is specifically aimed at helping entrepreneurs to start or expand their businesses. The Centre has a resource library, information and access to various programs and initiatives, Internet access, and searchable databases and directories.

### More resources

From there, stops at industry associations like the Tourism Industry Association of Yukon, the Wilderness Tourism Association of Yukon and other regional groups, (see Fact Sheet #1.3) would be in order. The Business Development Bank of Canada, *dāna Nāye Ventures* (a Yukon-based Aboriginal-controlled institution that encourages business development by providing developmental finance and business training to entrepreneurs), your local chambers of commerce and the Yukon Entrepreneurship Centre Society (for ages high school to 30), are also sources of information.

### The public library

If you are unsure where to go as a first step in your research, or are starting your research outside of Whitehorse, then go to your local public library. Any librarian will be happy to answer your questions. Besides the resources of their own catalogues, libraries also have a cooperative catalogue which lists publications from the libraries at Yukon College and government departments. All can be accessed with your public library card. If you require a publication that is not listed in any of these catalogues, the library can usually acquire it from outside the territory through their inter-library loan program with the provinces. In addition, all 14 Yukon public libraries now offer free Internet access, as well as word-processing computer facilities.

### What about primary data?

The foregoing are all sources of what is known as secondary data – that is, information that you did not produce yourself. Sometimes, the information you need can only come from primary data. This can be gleaned from questionnaires, polls, surveys and product samplings. These techniques require a fair amount of time, energy and skill if you are to achieve reliable results. If you think your business idea requires this sort of primary data, then by all means research this avenue. The Self-Counsel Press book *Market Research Made Easy* contains several chapters on developing and conducting surveys. Alternatively, you can seek professional help from a strategic business planning consultant or research firm.

### FOR MORE INFORMATION

#### Bizpal

[www.bizpal.gov.yk.ca](http://www.bizpal.gov.yk.ca)

#### Business Development Bank of Canada

(867) 633-7511 or toll free 1-800-463-6232  
[www.bdc.ca](http://www.bdc.ca)

#### dāna Nāye Ventures

(867) 668-6925 or toll free 1-800-661-0448  
[www.danaye.yk.net](http://www.danaye.yk.net)

#### Tourism Industry Association of Yukon

(867) 668-3331  
[www.tiayukon.com](http://www.tiayukon.com)

#### Tourism Industry Resource Centre

(867) 667-3053  
[www.tc.gov.yk.ca](http://www.tc.gov.yk.ca)

#### Whitehorse Public Library

(867) 667-3668  
[www.community.gov.yk.ca/libraries](http://www.community.gov.yk.ca/libraries)

#### Yukon-Canada Business Service Centre

(867) 633-6257 or toll free 1-800-661-0543  
[www.cbcs.org/yukon](http://www.cbcs.org/yukon)

#### Yukon College

(867) 668-8800 or toll free 1-800-661-0504  
Library: (867) 668-8870  
[www.yukoncollege.yk.ca](http://www.yukoncollege.yk.ca)

#### Yukon Entrepreneurship Centre Society

(867) 393-3574  
[www.yesc.ca](http://www.yesc.ca)

## 2.1 Start with a plan

### The role of planning

Every business starts with an idea, a dream or a vision. What must you, the entrepreneur, do with the idea to bring it to implementation? If you're serious about the success of your venture, a lot of work. There is no need for you to be intimidated by this work, but you also don't want to do more than you have to. And that's where planning comes in. The process of planning will show you what you can expect of your business and if it is likely to be successful. Most importantly, it can help you to decide whether or not to proceed with your business idea before you have made major commitments in time and money.

### What a good plan will do

A good plan identifies opportunities, outlines ways to capitalize on them, and develops an implementation strategy for the best alternatives. A good plan is always written out. The more you write, the more you clarify your ideas – both good and bad – in your own mind. You will come to see where the planning is weak and where it is strong.

### The elements of research

One kind of work that you will be doing again and again in planning is research, whether it is preliminary, basic, marketing or other research. Don't be put off by the scientific sound of this term. Research is nothing more than making a diligent effort to find answers to your questions. You can break most research down into these four elements:

1. Clearly state your business idea.
2. Formulate questions – or state the problem – to test your idea.
3. Choose the sources that will best provide answers.
4. Analyze the most relevant answers.

### Start with an idea

Begin your research by writing down your business idea. Your written statement should be specific and go to the heart of your business idea. It might be something like this: "My bed and breakfast (B&B) will cater largely to older couples who like to be pampered but are fit and active and will be drawn to the day-hiking and bird-watching opportunities at my location."

### Test your idea

Now determine the kinds of questions you need to ask to test the truth of your statement. When formulating your questions, be as specific as possible. Ask what age group is most likely to use your bed and breakfast, what will they be willing to pay, what are other B&Bs charging, how many bird-watchers fall into this group, is this really your market, and how can you reach them?

### Choose your sources

Your research sources can be quite broad and could include friends and other business people. Other sources include your local public library, the business department and other resources of Yukon College, Yukon government departments and agencies, the Business Development Bank of Canada, Canada Business Service Centre, the Internet, trade publications, statistical reviews, industry associations, and chambers of commerce.

### Analyze relevant answers

When you have assembled your information (the data), go back to your original questions and assess whether or not you can answer them all. If not, dig some more. If you do have enough, examine it to decide how good it is. Few of us are expert enough to determine which statistics or studies are reliable and which are not. So, your best bet is to gather as much data as possible, from a variety of sources. This is especially true of the data that answers your most important questions. Then, using your own common sense, look at it critically. Does it sound too good to be true? If this were so, why isn't somebody else already capitalizing on it? Does the information come from only one source? Does the source have a vested interest? Finally, draw your conclusions. These are the answers to your questions, and will either support or not support your business idea.

## 1. Define your idea

- Prepare a clear, written definition of your business idea.
- Make it as precise as possible and no more than a few sentences long – this will be your Mission Statement that states what you do, how you do it, who you do it for and why you do it.

### **An example of a Mission Statement:**

*Riverside Bed and Breakfast will provide superb accommodations for older but active North American travellers. Our appointments will be up-scale, the décor rugged but very comfortable and the food of four-star quality. Our pristine setting overlooking a bird sanctuary offers exceptional bird watching and walking opportunities that will leave our customers with experiences and memories far beyond the B&B norm.*

## PRELIMINARY EVALUATIONS

## 2. Evaluate your idea, capabilities, and business environment

(refer to Fact Sheets: 2.2, 2.3)

- Identify your strengths and weaknesses and the opportunities and threats to your business idea – be honest about weaknesses and outline plans to correct them.
- Do a resource inventory for your area of the tourist attractions, services and infrastructure that can help support your business – or hinder it.
- Analyze the competition, listing their products, customer base, strengths and weaknesses – learn something from their strengths and look for opportunities for your own business.
- Examine your land/site requirements. Do your plans require federal, territorial or First Nations settlement land? Do a preliminary investigation of the process you may have to go through to acquire land.
- Identify and list buildings, equipment or other facilities and assets your idea will require.
- Determine which government policies, regulations and processes will have an impact on your idea, which permits you will require, and what time frame you will need to consider for approvals.

## 3. Conduct preliminary market research

(refer to Fact Sheets: 3.8, 3.9, 3.10)

- Acquire an overview of your market by talking to industry and tourism officials, and reviewing available studies and reports.
- Identify the types or groups of people – your market segment – who will be interested in your product or business.
- Think about your ideal customer.
- Write up a simple profile based on your thoughts and gather basic statistical information about your ideal customer such as origin, income levels, numbers, sex and age, interests and spending patterns.
- Answer the question: Does a market exist for my idea?

## 7. Start up your business

(refer to Fact Sheets: 3.3, 3.4, 3.7, 3.8, 3.8a)

This is what happens when you do the work outlined in your business plan. It includes:

- raising capital
- acquiring approvals and permits
- setting up your accounting systems
- acquiring or developing location and equipment
- developing your product and engaging in your marketing activities
- hiring and training staff
- managing your business

## THE REAL WORK BEGINS

## 6. Write a business plan

(refer to Fact Sheets: 3.1, 3.2, 3.4, 3.5)

Developing your business plan is where real commitment starts. This is a written statement of your goals, objectives, business strategy and action plans for carrying out that strategy. It shows the steps involved in starting and operating your business, an outline of your proposed activities and plans. It is a document you will use to raise capital.

The business plan is a collection of your marketing plan, financial plan and implementation plan. You will need to know some fundamental marketing concepts, research your market, develop your product, consider channels of distribution, and write a marketing plan. In addition, you will need to revisit your estimates and reformulate them into a full-fledged financial plan. All these are addressed in the remaining Fact Sheets in this series.

## THE PLANNING PROCESS

**This is an overview of the major planning steps involved in developing your business idea. It can function as both a guide and a reality check. Ask yourself if you're really prepared to take all the steps that are required for success. If so, roll up your sleeves and grab a pencil.**

## 5. Do a feasibility and viability analysis

In light of everything you have learned so far, answer these two questions:

### **1. Is it feasible?**

- Can you do everything that is needed to launch your business – raise the finances, acquire the permits, raise the infrastructure, market the product, meet the time frames, manage the business and do the work?

### **2. Is it viable?**

- Will this business develop, grow and make money? When you apply your broad estimate of costs and sales, are sales greater than your operating costs? Is there a profit?

When you've done your assessment, decide on one of the following:

**A:** Proceed with your idea (you answered yes to both questions).

**B:** Forget about your idea (you answered no to both questions).

**C:** Change your idea (you answered with one yes and one no).

If you decide on "A," it is time for you to make a commitment both personally and financially.

If you decide on "B," congratulate yourself for not making a commitment prematurely.

If you decide on "C," go back to #1 and start the planning process again with your new and improved idea.

## CRITICAL DECISIONS

## 4. Calculate your costs, sales and income

(refer to Fact Sheets: 3.5, 3.6, 3.11, 3.12)

- Identify the product/service you are able to offer in light of what your customers are likely to buy.
- Write down every activity, product and service that you will be offering.
- Cost out each component to arrive at a rough cost and selling price.
- Estimate your sales for the first three years.
- Make a calculation of how much capital you will need to raise.