

UNIT 4.4

BUSINESS PLAN FOR RURAL TOURISM ENTREPRENEURS

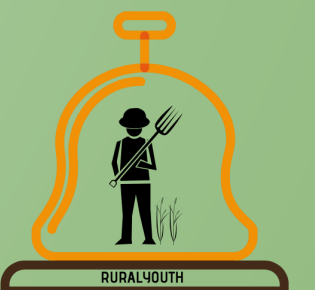
MODULE 4: RURAL TOURISM ENTREPRENEURSHIP AND BUSINESS MODELS

OBJECTIVES

In Unit 4.4 you will learn about how to develop a business plan and important notes for rural tourism entrepreneurship

Keywords:

- Entrepreneurship
- Rural Tourism Entrepreneurship
- Business Plan
- Rural Entrepreneurship



AT THE END OF THIS UNIT, YOU WILL BE ABLE TO...



Develop a business plan



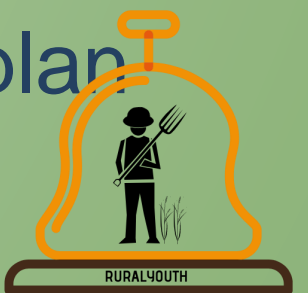
Understand the milestones of
business plan



Understand the importance of
business plan



Understand differences and
importances of rural tourims
entreprneurship business plan





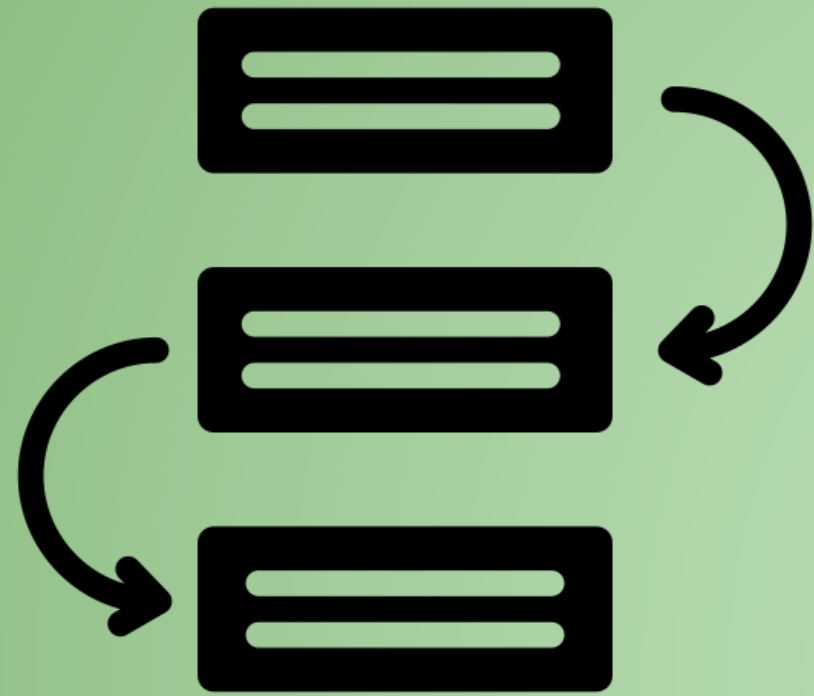
TOPICS

1. Business Plan
2. Developing a Business Plan
3. Business Plan for Rural Tourism Entrepreneurship

What is Business Plan?

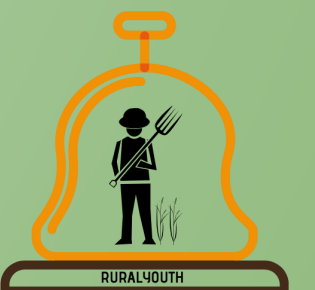


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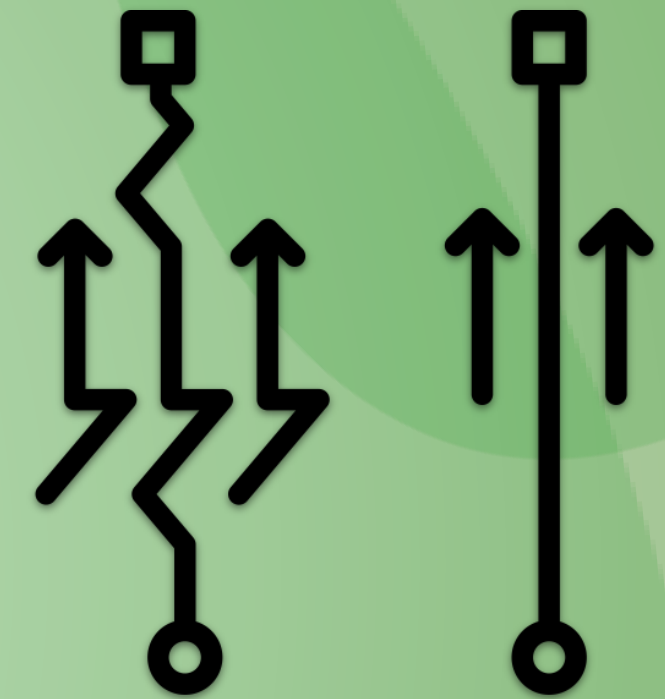


The business plan covers the entrepreneur's information, predictions and dreams about the business and its content, goals, management, customers, process. A business plan is work done to inform entrepreneurs about the workflow.

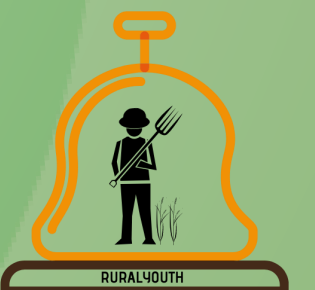
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A business plan is a written plan. The content of the plan should include a complete, understandable and simple description of the work. It should be prepared in a simple way that everyone can understand.



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Business plans are basically useful for an entrepreneur to reach different people, find financial resources and review the idea.

Business plans can actually be seen as the most important and first control stage for the success of the business.

Thanks to the business plan, the entrepreneur is taken into account by investors to raise the necessary capital.

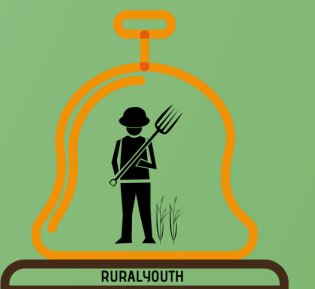
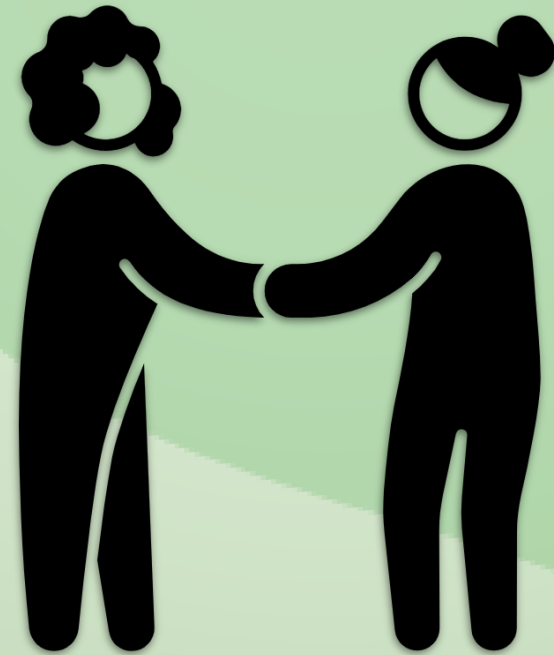
THE IMPORTANCE OF BUSINESS PLAN

The business plan increases the probability of success of the business.

With the business plan, the strategies necessary for the new company to be established can be developed.

The business plan is important for revealing the financing, management and marketing needs of businesses.

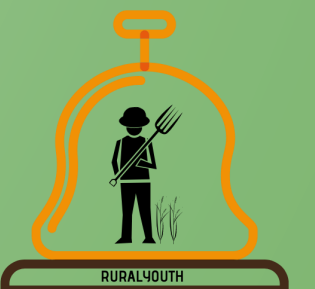
A business plan is a report that presents the business idea, reveals the differences of the business and ensures that everyone can understand the business. In the business plan, besides the advantages of the business idea, how the business will be managed and human resources and their strengths should be mentioned. Furthermore, detailed information about the service or product offered, detailing the resources currently available in the business model will provide the necessary information to the parties examining the business.





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All the researches and prepared strategies for the business plan will help the business idea to be understood more easily. Thanks to the business plan, you can meet with the necessary investors and provide the necessary financial support. The preparation of a good business plan will be of great help in the realization of your business idea. If you can't find enough data and information in your research while preparing a business plan, it would be beneficial to consult experts on the subject.



How to Develop a Business Plan?



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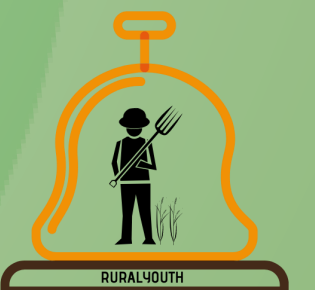
The business plan reflects your business idea on paper and is a document. In order to prepare a good business plan, the headings in the business plan file should be well known and should be prepared based on plain, understandable and real data.

The business plan file usually consists of ten parts. These sections are:

1. Introduction
2. Description of the Business
3. Marketing Plan
4. Activity / Production Plan
5. Management Plan
6. Finance Plan
7. Research and Development
8. Risk Management
9. Timeline
10. Appendices

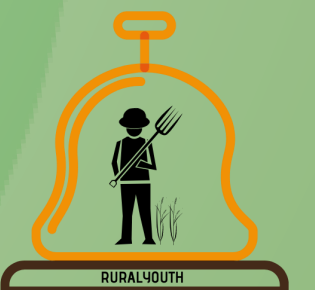


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1. The introduction is the section that shows how the business emerged, how the idea developed, and gives general information about the business. In this section, people who will examine the idea can access general information about the structure of the business. The introduction should be understandable. Generally, the introduction sections should be designed with a maximum of 3 pages and should not exceed 3 pages. In the introduction section;

- Name and address of the business,
- Entrepreneur's name and phone number,
- Brief description of the business,
- Structure of the business and industry,
- The amount of financial needs and the composition of the financial structure should be included.



2. Description of the Business

In this section, information should be given about the definition of the business, the structure of the industry, its mission, the main goals and objectives, the services or products to be offered, the strengths of the business, the features that will provide a competitive advantage, the capabilities and the strategies to be used.

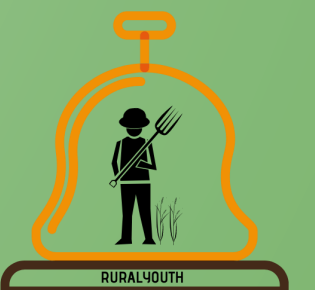
DESCRIPTION OF THE BUSINESS

General description of the business (Vision and Mission)

Industry structure

Goals and objectives

The difference of the product or service to be offered (How is it different from competitors?)



3. Marketing Plan

This section covers topics related to the company's marketing strategy. All marketing strategies should be determined, including access to the potential market, marketing strategies, the use of communication channels for potential customers, and the methods to be followed after - sales.

MARKETING PLAN AND MARKETING STRATEGY

Target market (consumers)

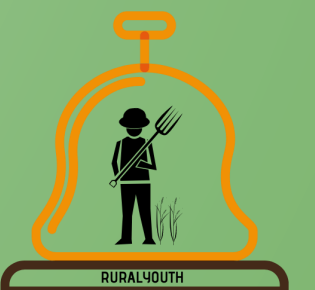
Market size and trends

Competition structure

Estimated market share

Advertising and promotion

Distribution channels



4. Activity/ Production Plan

In this section, you should provide information about where and how the service or product to be produced by your business will be made. You should specify the selection, criteria and features of your business, production center or location needed, and give information about why this location was chosen. You should also explain what the raw materials, tools, equipment or labor required for the product or service are and how you will obtain them. You should write what your supply chain is, what product or tool you will get, where and how.

ACTIVITY/ PRODUCTION PLAN

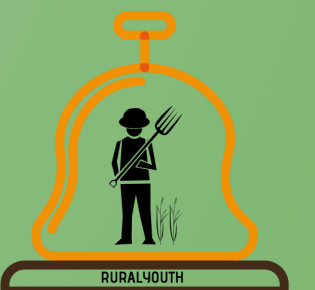
Establishment location analysis

Production needs (machines, buildings and vehicles)

Supply chain

Labor

Information on production costs



5. Management Plan

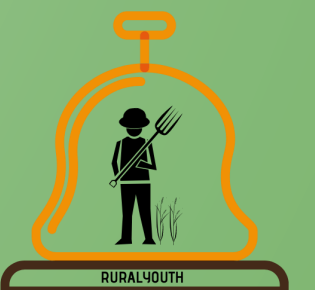
Information about the management of the enterprise, the management process, the structure of the internal order is extremely important. In this section, you should specify your business management structure, the people in this structure, and your consultants (if any). You should also mention the legal structure of your business, the ownership structure, and the contracts you have with suppliers and employees.

MANAGEMENT PLAN

Management team (key personnel)

Management and consultants

Contracts





6. Finance Plan

In order for a business idea to be realized, it must have the necessary financing. Establishing a business brings with it a financial challenge and it is important to have a certain financing source not only during the establishment of the business, but also in order to maintain the business. You must specify financing information in the business plan you will create for your business. In the financial plan, you need to specify your current financial structure, the amount of funds you need, your investment and working capital needs, your income statement, balance sheet or financial resource structure for your future forecasts. The simple tables you will create for these will be important in order to understand the subject.

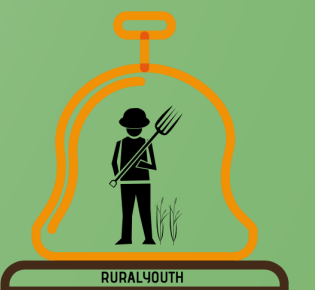
FINANCE PLAN

Financial Structure

Statements (income statement, balance sheet, cash flow statement)

Funding sources and uses

Investment and working capital needs



7. Research and Development

Although a business idea is important for the emergence of the business, it should need continuous development for the continuity of the business and for it to be successful. Both product development, managerial needs, development of technology and globalization and change are inevitable for businesses. In order to keep up with both product/service development and the changing world, businesses should also give importance to Research and Development activities. In this section, you can talk about the research and development strategies that your company will carry out in the future or now, your needs analysis and the cost of the R&D activities you will do.

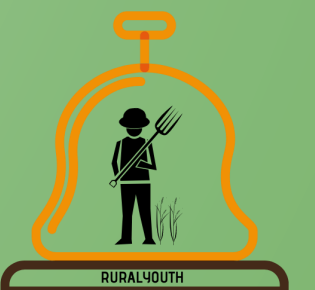
RESEARCH AND DEVELOPMENT

Development and design plans

Technical research results

Technical and other support needed

Cost structure of R&D activities



8. Risk Management

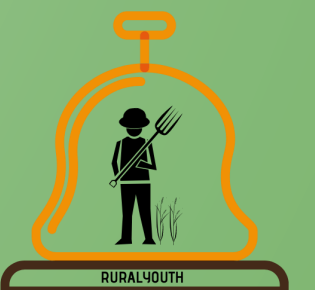
Businesses are faced with different risks every day. Risks can occur in almost every area in the establishment and execution of the business. Businesses may encounter risks in their own fields such as production, management, marketing or research, as well as risks at the international or national level. Companies that can turn these risks and crises into opportunities and manage them well can be successful. In this part of the business plan, we should explain the possible risks of your business idea, how you will solve or minimize these risks, and what your alternative risk action plans are.

RISK MANAGEMENT

Possible Problems

Risks

Risk Action Plan





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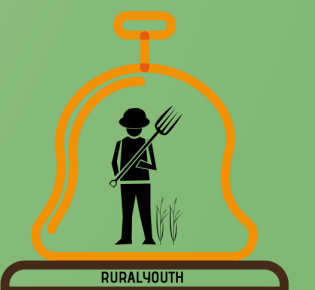
9. Timetable

In this section, the time required for your company to start operating, the planning of your activities and the deadlines for all activities to be carried out should be specified. The Time Table can be prepared weekly, monthly, quarterly, every 6 months or annually.



10. Appendices

In the Appendix section, you can add many documents related to your business such as contracts, analyzes, tables, biographies for employees in the management, your market analysis, your logo or important information texts.

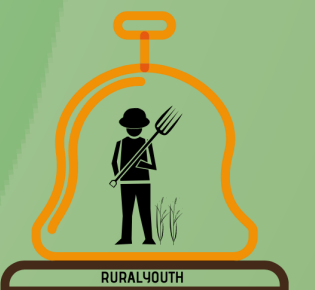


What Should Be Considered in the Business Plan in Rural Tourism Entrepreneurship?



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Rural Tourism Entrepreneurship has been contributing to the development of rural areas, increasing employment opportunities and slowing down migration activities to the city. Now governments support entrepreneurs for the development of tourism activities in rural areas. Tourism is an important point for these entrepreneurial activities in rural areas and increases the demand for many small settlements. However, rural initiatives and tourism activities do not always give good results.





In order to make rural tourism initiatives and open a business in the rural area, we need to pay attention to some important issues. These are;

1. Capacity

2. Sustainability

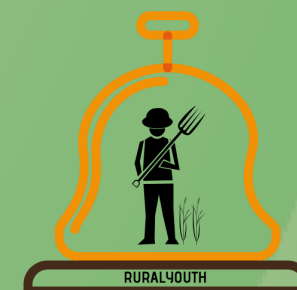
3. Accessibility

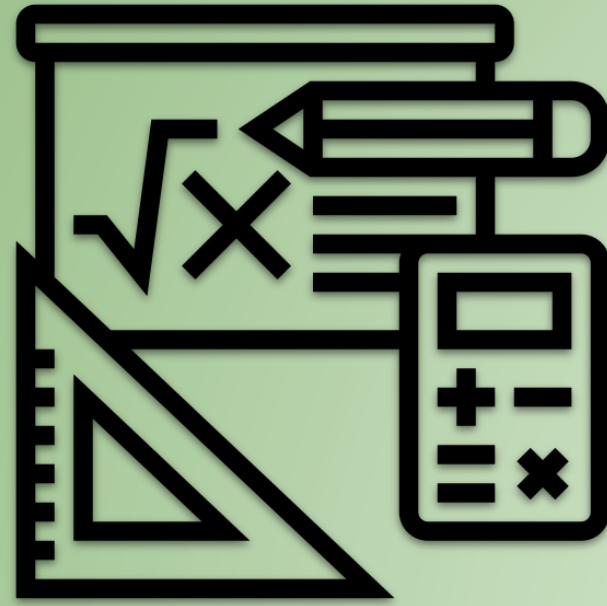
4. Culture

5. Locality



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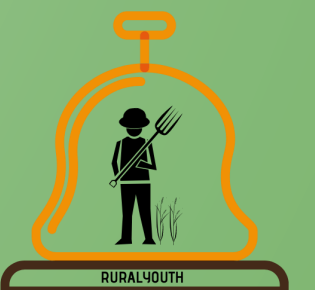
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1.Capacity: Rural areas create tourist attractions with their nature, culture and living spaces. In order not to deteriorate the natural structure of rural areas, it is necessary to know the number of tourists and to calculate the carrying capacity of the area. The arrival of too many tourists and crowding will lead to both the deterioration of the natural structure and inefficiency. For this reason, when determining your target audience, you should know the area well and determine the number of people who will come.



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2.Sustainability. It is extremely important to ensure the sustainability of nature, culture, economy and social structure. It is important that the activities to be carried out should be in a structure that is environmentally friendly, inclusive, planned, uses products efficiently, has a regular economic flow, and protects cultural assets without disturbing the social structure.



3. Accessibility

It is extremely important that tourism activities in rural areas are inclusive. Because among the participating tourists, many people such as people in the disadvantaged group, the elderly and pregnant women also participate. Although it is known that there are more inclusive and accessible areas in cities, it can be difficult to find inclusive areas in rural areas. It is important that the activities to be carried out in order to increase accessibility, areas and tools are inclusive.



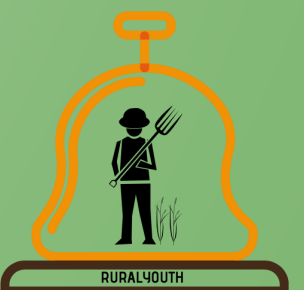
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4. Culture

Culture includes all concrete or intangible elements that reflect a region. Both the structure of the buildings, cultural heritage items, structures and the dances, songs and foods of that region are all values of the culture. It is extremely important to protect, maintain and transfer these values to future generations. For this reason, you should pay attention to the cultural structure of your business.



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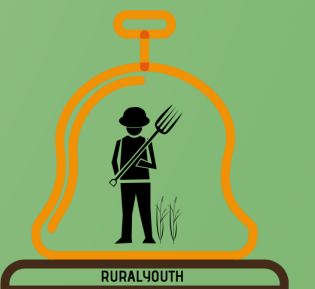


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5. Locality

The success of a business in rural areas depends on its communication with local people. It is important to ensure rural development that local people support your business and your business provides opportunities to local people. Rural Tourism Entrepreneurship also supports local participation in all activities to be carried out locally. Examples include using locally purchased products in businesses, works by local people, promoting cultural items and supporting handicrafts.

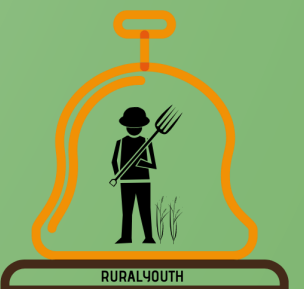
Paying attention to these five criteria will make entrepreneurial activities in rural areas successful.





Plan for what is difficult while it is easy, do what is great while it is small.

– Sun Tzu





Watch the TED talk to understand “The single biggest reason why start-ups succeed” by Bill Gross!



One of the best podcasts out there for startup founders, Masters of Scale is perfect for anyone who is trying to succeed in building a high-growth business.



It's important to come up with a good business idea, but it's even more important to come up with a winning business plan! If you want to learn how to write a winning business plan, be sure to read this article from Harvard Business Review!

TEST YOUR KNOWLEDGE!



Which of the statements about the Business Plan is false?

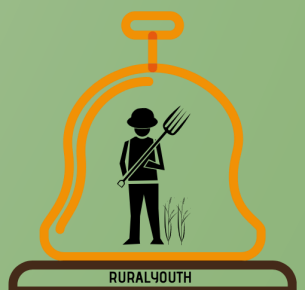
- a) It is the developed version of the business idea
- b) It is a written document
- c) It is the worksheet**
- d) Contains information about the business

What should a good business plan look like?

- a) It should be written as a summary
- b) It should be written clear and understandable**
- c) No scientific basis is needed
- d) Preliminary studies are not needed

Which of the following is not included in the business plan?

- a) Management Plan
- b) Risk Plan
- c) Time Table
- d) Results section**



Which of the following is included in the marketing plan?

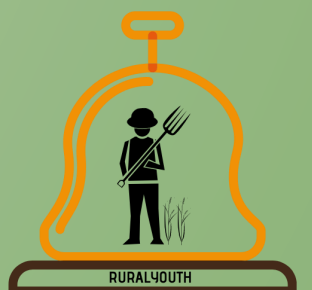
- a) **Target Group**
- b) Location
- c) Management Plan
- d) Possible Risks

What information is not included in the Management Plan?

- a) Management strategy
- b) **Competitors**
- c) Key Persons
- d) Consultants

What part should a company create in order to keep up with the changes?

- a) Management
- b) Finance
- c) Strategy
- d) **Research and Development**





Which of the following criteria is important for Entrepreneurship Activities in Rural Areas?

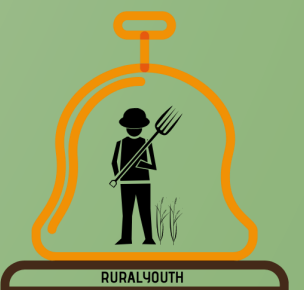
- a) **Sustainability**
- b) Globalization
- c) Deterioration of Local Culture
- d) Overtourism

For rural development...

- a) Companies should be opened in cities
- b) Urban activities should be given importance
- c) Investments should be made in international companies
- d) **Localization should be given importance.**

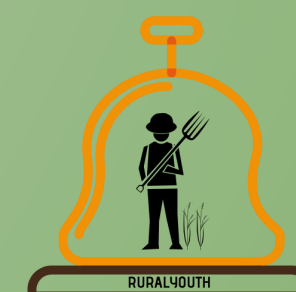
Which of the following is not one of the sustainability areas in Rural Tourism Entrepreneurship?

- a) Nature
- b) Culture
- c) **Capital**
- d) Economy



DISCUSSION

1. There are five criteria that are important for the development of tourism activities and the opening of new businesses in rural areas. These criteria are capacity, sustainability, accessibility, culture and locality. Prepare a business plan that includes these criteria!



SUMMARY

- In Unit 4.4 you discovered that creating a business plan helps entrepreneurs develop their business idea, the business plan consists of 10 parts and that it contains all the information about the business idea. You have learned that there are five criteria that are important for the development of tourism activities and the opening of new businesses in rural areas. These criteria are capacity, sustainability, accessibility, culture and locality. You have also learned that locality is important for ensuring rural development and that scientific data and analysis are used in the business plan.
- Think of your own business plan! How would you create it? What would you focus on and what would you not focus on at all?
- In Unit 5.1 you will learn about marketing strategy and its relation to rural tourism.

