

BMIH5001

Entrepreneurship

HOSPITALITY
AND
TOURISM
MANAGEMENT

Man Geni Addysg Uwch yng Nghymru
Where Higher Education Began in Wales



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

Before we start

As there are quite a few of us here, please ensure that your microphone is muted during all teaching until you are asked a question or there is a group discussion to prevent background noise.

Your camera must be always on during lectures please.
use the Teams university background to protect your privacy.

YOU must join via a laptop or PC/MAC

You will be removed and logged as absent if you fail to adhere to these

This and all sessions will be recorded so that you can watch it again

Why is this important?

- You should be using a **desktop or laptop device** with video, speakers and a microphone.
- You will need to be able to access documents, write assignments and create presentations.
- You will be asked to share your screen and “present” your work
- **These are all things that are either not possible or incredibly difficult to do on a phone.**

Aims for today

- Business plan .3 & .4
- Vision
- Marketing

Recap

We discussed SMART, what does it stand for?

S.M.A.R.T.

Specific Attainable Timely
Measurable Realistic

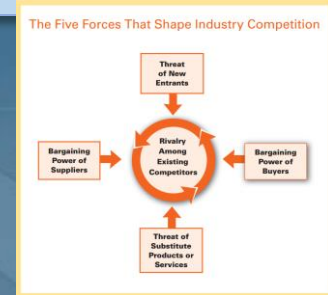
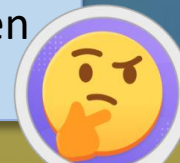


Last week gave an overview of..

We looked at porters five forces what were they?



What is the difference between Features and benefits?



FEATURES	BENEFITS
	

Assessment 2 - 2000 words -/+ 10%

Due: 20th November

Group Business Plan and presentation/Viva - **Presentations the week commencing the 20th November time slots for groups will be assigned next week!**

In groups you will write and present your Business Plan of a viable hospitality business using the template provided based upon one of your group members business model canvas BMC from assessment 1.

Your group will be required to:

Write and present a hospitality based sustainable and viable business Plan.

Develop a persuasive hospitality business and identify realistic and accurate funding sources.

Explore the opportunities and support available to you to undertake this venture.

Evaluate the market potential and outline the business decisions to minimise the risk of failure and boost early success.

Include accurate financial information relating to 'start-up' funding and/or support.

Show evidence that you have researched your concept and present it in a persuasive and professional report.

Potential stakeholders and investors will need to be convinced that your proposal offers a return on their investment (financial or otherwise).

Present your business plan in a 10 min Presentation/Viva with a reference list and in-text citations.



Group working requirements

Teams will be assigned by your lecturer based upon your individual skills audit outcomes (you will not be permitted to form your own groups) this is a group assessment and will not be allowed to complete the assessment individually.

In the world of professional hospitality work you will often be faced with working in teams in a distanced capacity (online) or with people you have not worked with before and with those that do not share a common first language/culture/beliefs etc and as such group changes will not be permitted and you will be expected to perform to the best of your abilities towards the group task.

It is the responsibility of each student to ensure their contribution to the task and not up to any other member to chase you so please be respectful to you team and classmates and contribute

All group members must contribute equally to the business plan and viva, failing to contribute or engage in the assessment may lead to failure of the module.

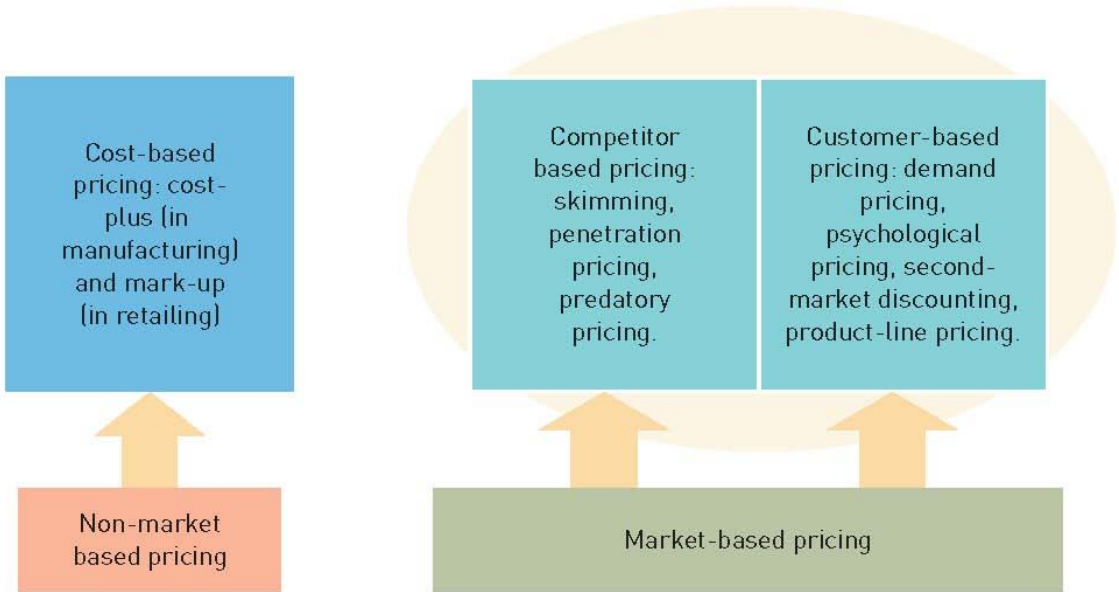
The Business Plan Format

- Executive summary (save this for last!) –Overview business details and personnel
- Vision – the concept in detail, Goals, what you do?, what is unique, legal requirements.
- Marketing research, customer profiles, competitor profiles, marketing risk management, pricing promotion/ads
- Running the business – key positions and staff, premises, suppliers, equipment, operational risks
- Finance – Start up costs, profit and loss ,sourcing finance, managing financial risk, cash flow forecast for 1 year.

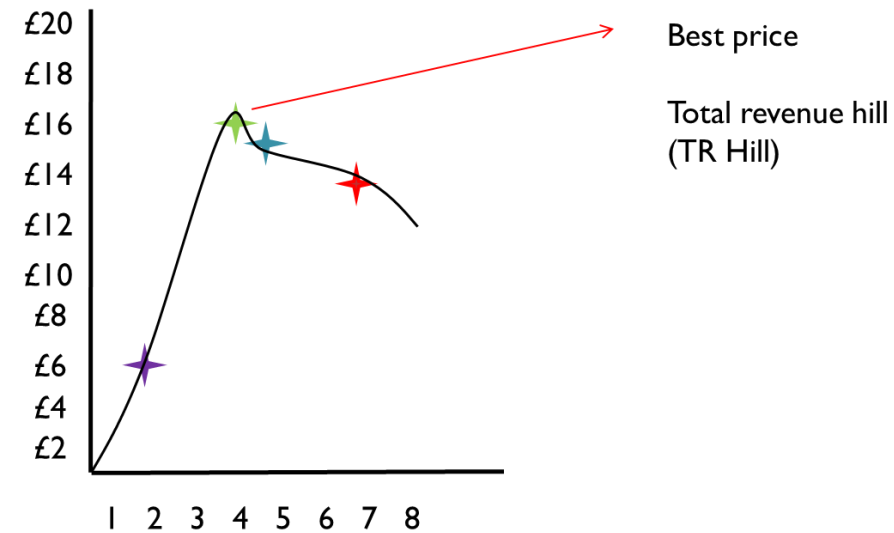
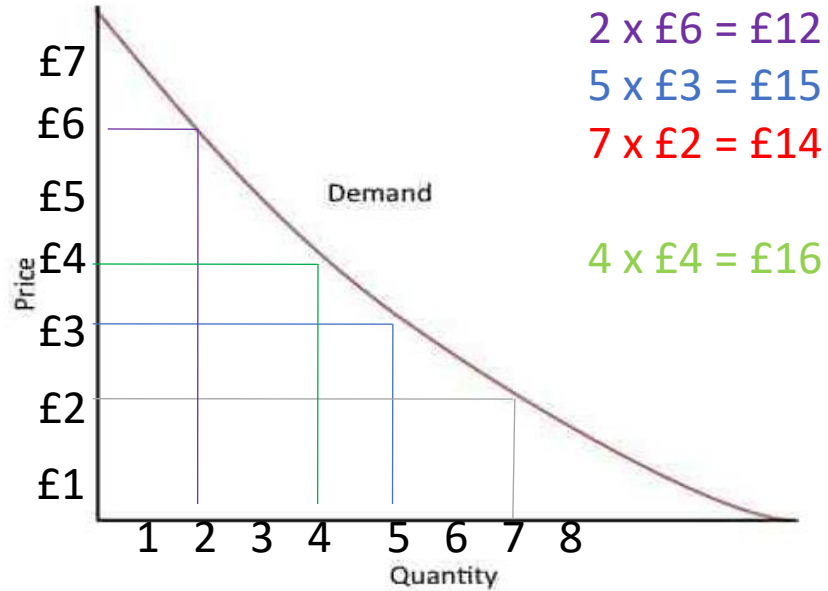
13 Pricing: Objectives

Objective	Measures
Profitability	Total Dollar Profit
	Return on Investment
	Percentage Increase From Previous Year
	Contribution to Overhead
Market Share	Product Market Share
	Product Line or Brand Share
	Company Market Share
Enticing New Customers	Number of New Customers
	Percentage of Total Company Customers
Retaining Current Customers	Repurchase Rates
Counter Competitive Actions	Market Share Statistics During a Specific Campaign
	Number of New Competitors Entering the Market
Attract Competitor's Customers	Purchases by New Customers

Figure 9.4: Pricing Objectives



Calculating your prices with demand.



How your prices compare with the competition:

Product/service	Your price(s)	Range of competitor prices (per unit)
	£	£
	£	£
	£	£
	£	£
	£	£
	£	£
	£	£

Research! Research! Research!



Reasons for the difference between your price(s) and your competitors’ price(s):

1.

- **Economics:** Percentage of total expense, Type of consumer, Level of involvement
- **Search and Usage:** Cost of information search, Ease of comparing competitive alternatives, Switching costs
- **Competition:** Differentiation, Perception of Price

Objective	Measures
Profitability	Total Dollar Profit
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Figure 9.4: Pricing Objectives

Promotion and advertising

Marketing recap...



A company's overall marketing communication strategy is called the "Communications" or "Promotional" mix.

"The specific blend of advertising, public relations, personal selling, and direct-marketing tools that the company uses to persuasively communicate customer value and build customer relationships." (Kotler & Armstrong, 2018)

In the era of mass communications and emerging mobile technologies, an organization must build an adequate mix of marketing communications (Todorova, 2015)

Scan the QR code and scroll through answer the quiz at the end (15 mins)

(30 mins) discuss in your groups how you will promote/advertise your business





We are going to take a 15 min break...

See you soon!

Running the business:

15 Staff

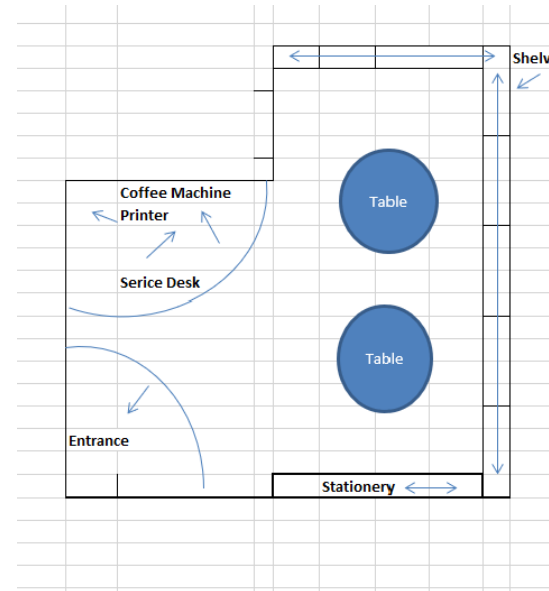
Role	Total cost	Necessary experience	Specialist skills and/or qualifications
•	£	•	•
•	£	•	•
•	£	•	•
•	£	•	•
•	£	•	•

- You have already included information of your team in the key personal section list yourselves and any additional staff – be honest of skills as we are looking for realism and you will identify skills gaps in the conclusion.

16 Premises

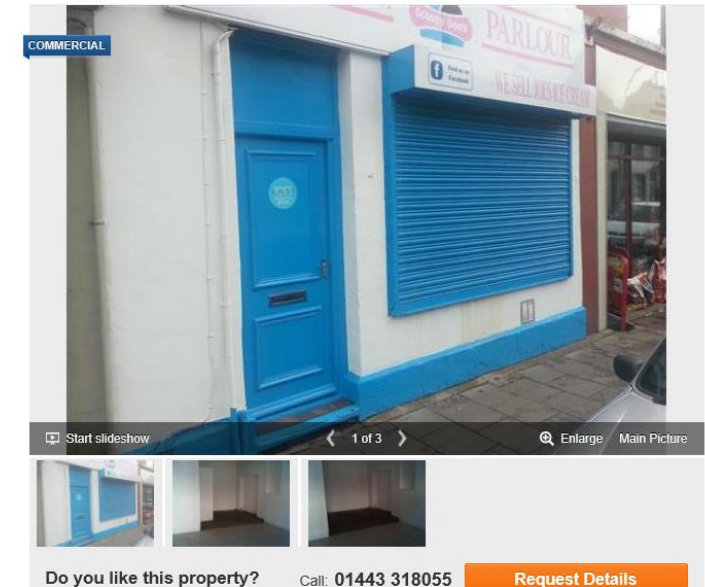
	Cost £
Premises required at start-up:	£
Premises required in the future (if different):	£

- Find a real location and pricings!

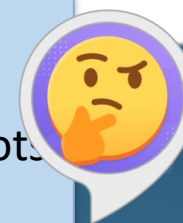


Commercial property to rent
Park Street, Pontypridd

Offers in Region of
£425 pcm



Spend 30 mins in your groups finding your premises and gathering evidence (screen shots of sales listings floor plans etc)



Suppliers/Equipment

- As with the premises you will need to gather screen shots of the products/Resources from websites for your appendix and consider how the purchases will be funded - Credit, Startup capital, later addition with profits etc..

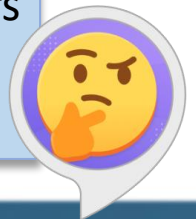
Managing operational risks

- Staff and Suppliers- what risks might be at play?

A key member of your staff has called in sick for your busiest day of the year what is a likely solution?



Food prices are rising and your suppliers are putting pressure for you to pay more, what are your options?



Finance

- Start up costs
- Profit and loss
- Finance sources
- Managing risk
- Cash flow forecast



Start up costs

Equipment	0
Stock	0
Tools	0
Vehicles	0
Professional fees	0
Insurance	0
Rent/rent deposit	0
Stationery	0
Marketing	0
Consumables	0
Licences	0
Training	0
Association fees	0
Wages/recruitment	0
Security/health and safety equipment	0
Market research costs	0
Other (please specify)	0
	0
	0
	0
	0
	0
	0
TOTAL £	0



- Simply cost for what you need for startup (Assume for a month's worth of operations in terms of stock and consumables).

Less variable costs	0	0	0
Gross profit (sales less variable costs) =	0	0	0
Calculate your gross profit margin % (gross profit divided by total sales x 100) (A)	0	0	0
Salaries/wages (survival income + any staff)	0	0	0
Premises (including rent, rates, utilities)	0	0	0
Telephone and broadband	0	0	0
Printing, post and stationery	0	0	0
Advertising and promotion	0	0	0
Bank charges	0	0	0
Professional fees	0	0	0
Insurances	0	0	0
Bank/HP/Interest (payable to your bank)	0	0	0
Stock	0	0	0
Consumables	0	0	0
Equipment and vehicle leasing	0	0	0
Depreciation	0	0	0
Other (please specify)	0	0	0
Other	0	0	0
Other	0	0	0
Total fixed costs	0	0	0
Net profit (gross profit less fixed cost)	0	0	0
Calculate your net profit margin (net profit divided by total sales x 100)	0	0	0
Calculate your break even	Year 1 (£)	Year 2 (£)	Year 3 (£)
Total variable costs + total fixed costs (B)	0	0	0
Break even (B) divided by (A)	0	0	0

Profit and loss

- Here you make your predictions what is realistic in terms of fixed costs for year one two and three. (You will have many of these from your previous tables –salaries and wages/premises total these for the year)

The breakeven and other sums will auto fill.



- You will use your totals in order to match your cashflow forecast.

	Q1		Q2		Q3		Q4		Y1 Total	
	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual
INCOME										
Cash from sales (incl. VAT)	0	0	0	0	0	0	0	0	0	0
Cash received from debtors	0	0	0	0	0	0	0	0	0	0
Capital/loans received	0	0	0	0	0	0	0	0	0	0
Other Payments	0	0	0	0	0	0	0	0	0	0
TOTAL E	0	0	0	0	0	0	0	0	0	0
EXPENDITURE										
Wages to staff (incl. PAYE & NI)	0	0	0	0	0	0	0	0	0	0
Premises (rent, rates & utilities)	0	0	0	0	0	0	0	0	0	0
Telephone & Broadband	0	0	0	0	0	0	0	0	0	0
Printing, post & stationery	0	0	0	0	0	0	0	0	0	0
Advertising & promotion	0	0	0	0	0	0	0	0	0	0
Bank charges	0	0	0	0	0	0	0	0	0	0
Professional fees	0	0	0	0	0	0	0	0	0	0
Insurances	0	0	0	0	0	0	0	0	0	0
Bank/HP	0	0	0	0	0	0	0	0	0	0
Equipment & vehicle leasing	0	0	0	0	0	0	0	0	0	0
Payments relating to variable costs	0	0	0	0	0	0	0	0	0	0
Capital Expenditure	0	0	0	0	0	0	0	0	0	0
Other Payments	0	0	0	0	0	0	0	0	0	0
VAT	0	0	0	0	0	0	0	0	0	0
Owner's wages/salary	0	0	0	0	0	0	0	0	0	0
Owner's National Insurance	0	0	0	0	0	0	0	0	0	0
Loan repayments (incl. interest)	0	0	0	0	0	0	0	0	0	0
Stock	0	0	0	0	0	0	0	0	0	0
Consumables	0	0	0	0	0	0	0	0	0	0
Other (please specify)	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
TOTAL E	0	0	0	0	0	0	0	0	0	0

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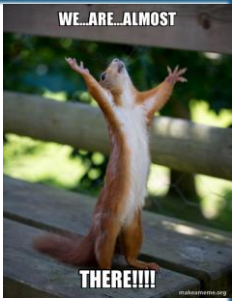


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Sourcing finance

- Your total start up costs, personal/groups capital investment (be realistic)
- Other start up contributions (any other sources Salary from other work, personal loans etc..)
- Any other assets cars properties that could be used to call upon if needed – Banks and lenders like to see that there are assets associated with the business to secure loans. (you do not need to list your real asset values here but a hypothetically realistic list can be included)

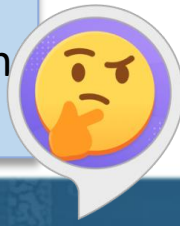
	£
Start-up costs	0
Personal start-up contributions	0
Other start-up contributions	0
Total required	0
The assets you have available as security	0



Managing financial risk

- As with managing Staff and Suppliers risks - what risks might be at play?

What variables might affect your financial forecast? What did you have in your PESTLE for financial?



How might you combat these risks?



Cash flow

	Q1		Q2		Q3		Q4		Y1 Total	
	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual
INCOME										
Cash from sales (Incl. VAT)	0	0	0	0	0	0	0	0	0	0
Cash received from debtors	0	0	0	0	0	0	0	0	0	0
Capital/loans received	0	0	0	0	0	0	0	0	0	0
Other Payments	0	0	0	0	0	0	0	0	0	0
TOTAL £	0	0	0	0	0	0	0	0	0	0
EXPENDITURE										
Wages to staff (Incl. PAYE & NI)	0	0	0	0	0	0	0	0	0	0
Premises (rent, rates & utilities)	0	0	0	0	0	0	0	0	0	0
Telephone & Broadband	0	0	0	0	0	0	0	0	0	0
Printing, post & stationery	0	0	0	0	0	0	0	0	0	0
Advertising & promotion	0	0	0	0	0	0	0	0	0	0
Bank charges	0	0	0	0	0	0	0	0	0	0
Professional fees	0	0	0	0	0	0	0	0	0	0
Insurances	0	0	0	0	0	0	0	0	0	0
Bank/HP	0	0	0	0	0	0	0	0	0	0
Equipment & vehicle leasing	0	0	0	0	0	0	0	0	0	0
Payments relating to variable costs	0	0	0	0	0	0	0	0	0	0
Capital Expenditure	0	0	0	0	0	0	0	0	0	0
Other Payments	0	0	0	0	0	0	0	0	0	0
VAT	0	0	0	0	0	0	0	0	0	0
Owner's wages/salary	0	0	0	0	0	0	0	0	0	0
Owner's National Insurance	0	0	0	0	0	0	0	0	0	0
Loan repayments (Incl. Interest)	0	0	0	0	0	0	0	0	0	0
Stock	0	0	0	0	0	0	0	0	0	0
Consumables	0	0	0	0	0	0	0	0	0	0
Other (please specify)	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
TOTAL £	0	0	0	0	0	0	0	0	0	0

- The cash flow breaks down your yearly total from the profit and loss year 1 (divide the year total across the year under each quarter remember each quarter will be different for your business depending on the busy seasons and events for your industry)
- You do not need to fill in the “actual” sections, this is a real business plan which can be used to manage your business finances as you operate and begin trading

Conclusion

- Here summarise your business and what you have found from your plan, is the business viable? If it is explain the key figures and expected profits and any proposals for development for the future.
- If the business will fail from the outcome of the plan explain the failure point, what is the problem, what would be needed to fix? How would you do it different if you could do it again?
- Remember most businesses fail 1 in 5 succeed so don't fret you are not scored on the business success but your analysis and depth of research.

Appendix



Things you will want in your Appendix!

PESTLE table – You can refer to this for your main points and arguments rather than listing in the main body to save your word count (you will still need to reference the information in the PESTLE table/Poster!)

Similarweb graphs – Put screen shots of your tables and graphs as evidence for your analysis and refer to these in the main body.

Screen shots of stock and equipment/premises

Marketing examples—advertisements and social media examples to highlight promotions

Brands logo?

Next Week!

Assessment tips / Assessment drop ins

This is your only opportunity to have a draft read so please bring with you for feedback!.

Presentations the week commencing the 20th November

**NEXT
TIME ON...**

Entrepreneurship



***I look forward to seeing you
next week.***

***If you have any questions in the
meantime, please send an email
from your student account***

C.wilkin@UWTSD.AC.UK



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