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

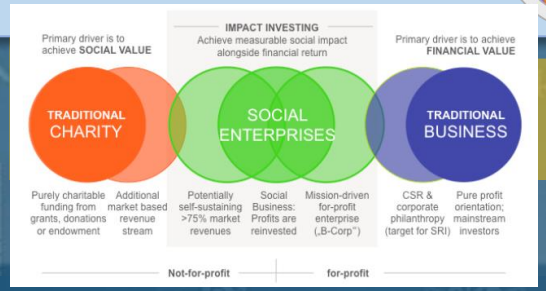
Recap

Last week gave an overview of..

We discussed types of business start up configurations, how many can you remember?

You were asked to complete a SWOT and PEST for your business to get the ball rolling for your business plans

We looked at considerations for business vision, what is a 'B' Corp?



Assessment 2
Due: 20th November
Group Business Plan and presentation/Viva
(You have been assigned your group members - No changes will be permitted)
2000 words -/+ 10%

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.

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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 mut 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.

Where do we intend going?

The Business idea:

An outline of the key elements of the business concept, this should include:

-BMC elements outline

-Discussion of why this business idea, the type of business it will be (charity/ social enterprise/ for profit)

-Mission statement

-Type of legal entity

-Detailed company SWOT (did you complete last week?)

Business Goals:

Last week we talked about the importance of planning and setting goals-

No plan = no direction, so how will the business achieve the objectives?

"There is no greater weapon in battle than a good plan!

(Napoleon Bonaparte, 1798)

"…But if all plans went to plan, then both sides would win?"

(Chris Wilkin, Last Wednesday at around lunch time) – The importance of correct referencing!

S.M.A.R.T. Goals are…

Specific - Specific goals answer the following questions:

Who:	Who is involved?
What:	What do I want to accomplish?
Where:	Identify a location.
When:	Establish a time frame.
Which:	Identify requirements/constraints.
Why:	Specific reasons, purpose or benefits of accomplishing the goal.

Measurable - To determine if your goal is measurable, ask questions such as

- How much?
- How many?
- How will I know when it is accomplished?

Attainable

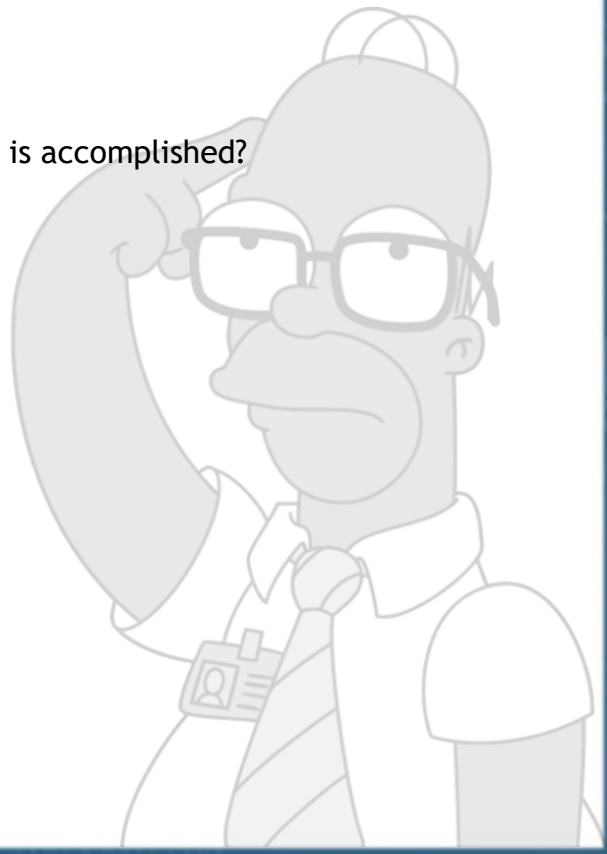
- The goal is "do-able"
- It is action-oriented
- It is "within reach"

Realistic

- The goal must be an objective toward which you are both willing and able to work.
- Again, it must be "do-able"
- People must believe it can be accomplished

Timely

- You should establish a timeframe
- The timeframe ***must*** be realistic
- Everyone needs to know the timeframe…make it public



S.M.A.R.T.

Launching a business is a huge undertaking on its own, but you can adopt the SMART method right away.

Business plans work on a schedule where every action follows another, for example, let's say that a start-up has their first order to deliver by September 1. By that time, they'll need to have ordered the machines, hired staff, received the machines, trained staff to work with the machines, started testing and begun production to be able to deliver the first order in time."

It's best to err on the side of caution and give yourself an extra few days or weeks before the delivery date to be able to handle any delays that might come up.

"Working with SMART objectives doesn't mean that they'll be easy to achieve, but at least it'll be easier to see everything that needs to be done, what setbacks occur, the impact they have on other actions and how to adapt to limit any resulting mess,"

Example...

Specific: from our market research we have found there is a demand for ……. Due to ….. responses which doesn't currently exist in our area ……..,. we want to source ……. funding over x amount of time and …… resources to launch the company …….. and website by the end of Q2 20...

•**Measurable:** Creating a company and website will require a lot of resources. To make it worthwhile, I'd like to have 20,000 visitors to the business and 50,000 views of the website within six months of launch. I'd also like to show a 5% conversion rate from customers using the website.

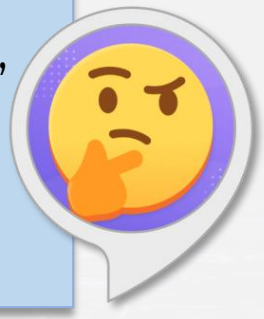
•**Achievable:** The departments and third parties …… that will be involved have signed-off and provided quotes. The venture will need to be managed by ….. and set milestones to keep everyone motivated and on target.

•**Relevant:** Improving the customer access and experience and to our unique product is a core initiative for my company for this year.

•**Time-Bound:** In order to achieve 20,000 customers and 50,000 web visits with a 5% conversion rate by the end of the fiscal year, the business will need to be launched by Q2 with a robust marketing campaign that should continue through the end of the year.

In your groups…

Write the key elements of your business goals: your 'Vision' statement and 'SMART' Target for your new venture!
(You can use these later to develop the business goals section of the business plan assessment)
(45 mins)



A mission statement and a vision statement are both important for businesses, but they serve different objectives. A mission statement is a brief description of the company's purpose and what it does, whereas a vision statement is a more aspirational document that describes its long-term goals.

A good way to put it is that a mission statement describes the business in the present, whereas a vision statement describes the business in the future, giving employees and customers a sense of what the company is working towards. A good vision statement answers questions like "What do we want to achieve in the future?" "What kind of impact do we want to have on the world?" and "What are our long-term goals?"

Our mission is to provide authentic hospitality by making a difference in the lives of the people we touch every day.

To provide quality, affordable hotels for our guests to help them to live and work well and to positively impact the world around us

S.M.A.R.T.

Specific Attainable Timely
Measurable Realistic

Other sections of Vision

What the business does – Here you will want to list all the products and services you will offer and describe their features and benefits.

What makes the business different - what is the value proposition what solution do you offer to what problem? What is unique/ innovative/different from the competition? (Discuss the competition and how you measure up in this section)

Legal requirements

How will you achieve?

what costs?

Insurances?

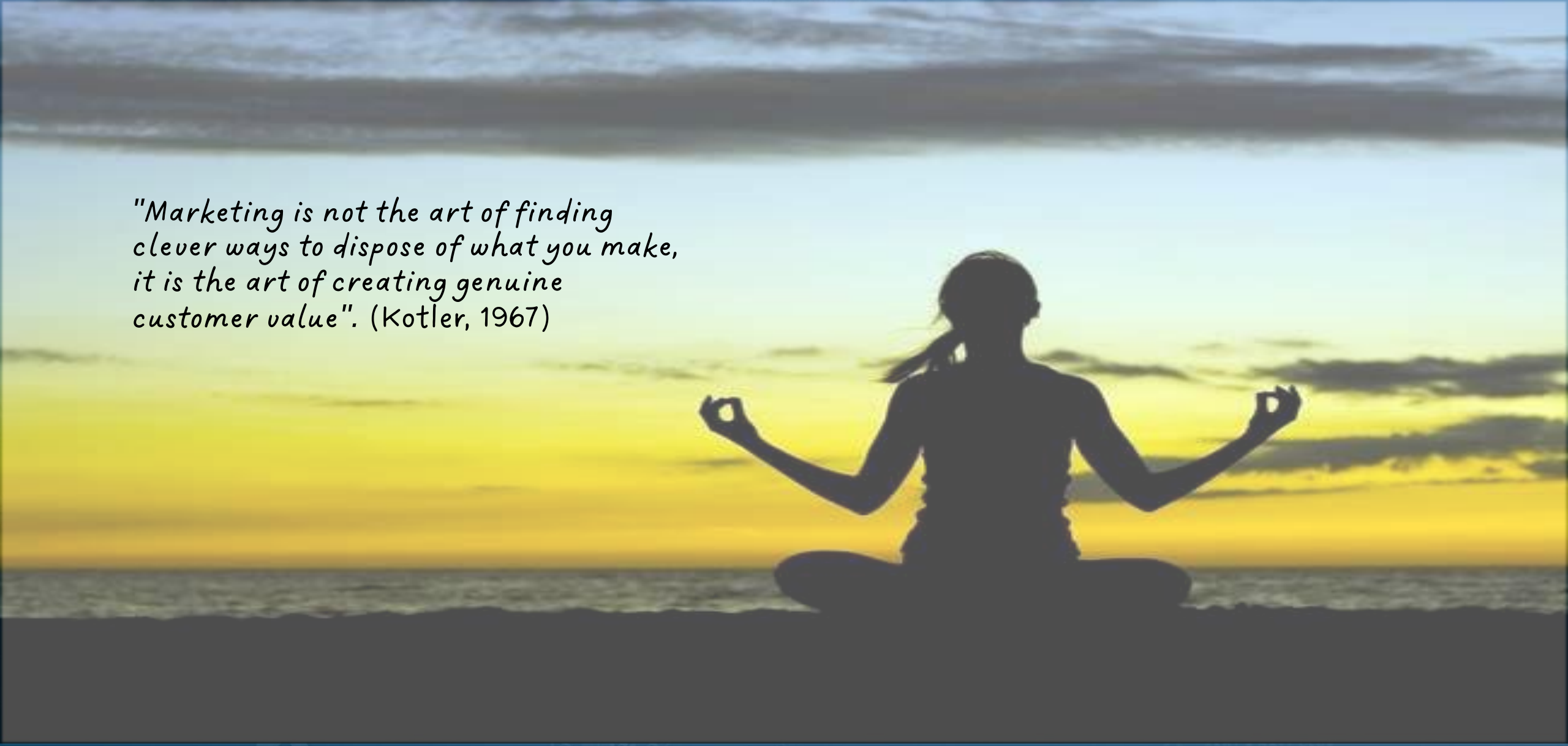
(rates & excess for finance section later)

Feature	Benefit
Features are often technical in nature, describing what the product or service does.	Benefits describe how the product or service will change the consumers life in some way.

FEATURES	BENEFITS
32 megapixel camera	Crisp, clear and professional photos
Wireless charging capabilities	Easy charging - no plugging and unplugging of cables
8GB RAM, 1.8 GHz processor	No freezing or lagging when playing games or watching videos
Fingerprint sensor	Unlock your phone fast

We are going to take a 15 min break…

See you soon!



"Marketing is not the art of finding clever ways to dispose of what you make, it is the art of creating genuine customer value". (Kotler, 1967)

Market trends

- What is the next investment trend? To spot trends some investors follow the PESTEL model when considering factors that may impact a company.

- PESTEL stands for:

- Political: including expected tax changes or trade issues
- Economic: factors such as interest rates, inflation and unemployment
- Social: health and population trends, for example
- Technological: including automation of jobs and remote working
- Environmental: climate change and extreme weather events such as flooding
- Legal: regulations and legal reforms, such as changes to employment laws

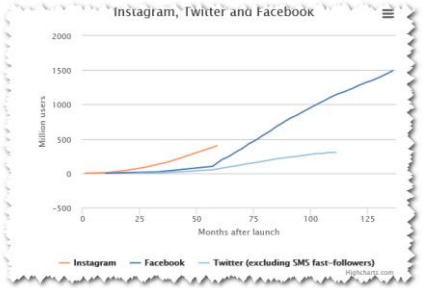
Market trends

Gives the organisation something to focus their analysis

Provides a checklist

Identifies the long term **DRIVERS OF CHANGE**

Can be the starting point for further competitor and impact analysis



PESTLE Analysis

POLITICS
- Bureaucracy
- Corruption
- Freedom of the Press
- Government Type
- Government Stability
- Social/Employment Legislation
- Trade Restrictions

ECONOMICS
- Interest rates
- Taxes
- Exchange rate
- Economic growth – GDP, FDI
- Employment rate
- Likely Economic Change
- Big Mac Index

SOCIAL
- Health
- Population Growth Rate
- Age Distribution
- Career Attitudes
- Educational Infrastructure
- Social Mobility
- Employment Patterns
- Cultural Taboos
- Core Ethics

TECHNOLOGICAL
- Degree of Automation
- Emerging Technologies
- Rate of Technological Change
- R&D Activity

LEGAL
- Antitrust Law
- Consumer Law
- Discrimination Law
- Employment Law
- Health and Safety Laws

ENVIRONMENTAL
- Weather
- Climate
- Geography
- Disaster Quotient
- Infrastructure
- Legal

Political factor

Increase in minimum wage The National Living Wage (NLW) will rise to £10.42 from 1 April 2023, an increase of 92 pence or 9.7 per cent. (YouGov, 2023)

Impact on Company

Could be a cost increase within a company 'staffing cost.'

OR

Could mean that a company is in a better position than competitors as it already pays above living wage and competitors don't.

(Chartered Institute of Personnel and Development 2021; www.cipd.co.uk)

-Database Search - MarketLine Advantage (uwtsd.ac.uk)

-News

-Library

Customer Profiles

DEMOGRAPHICS
- Early 40s
- Two children in school
- Suburban
- Income $55,000
- College degree

INTERESTS/ATTITUDES
- Family-focused
- Active
- Community-oriented
- Often spontaneous

BEHAVIORAL
- Heavy social media user
- Browses before buying
- Seeks out special promo

PREFERRED CONTENT
- Healthy lifestyle
- Family values
- Recreational

DEMOGRAPHICS
- Late 20s
- Never been married, no children
- Not a homeowner
- Income $40,000
- College degree

INTERESTS/ATTITUDES
- Active
- Well-traveled
- Music lover

BEHAVIORAL
- Heavy social media user
- Does research before buying
- Not a casual browser

PREFERRED CONTENT
- Travel
- Recreational
- Health and fitness

DEMOGRAPHICS
- 19
- College student
- Unmarried
- Income <$14,000
- Part-time employment

INTERESTS/ATTITUDES
- Active
- Pressed for time
- Music lover, moviegoer
- Spontaneous
- Experiences stress

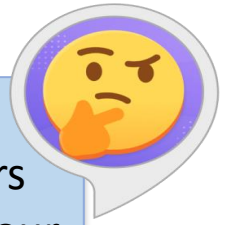
BEHAVIORAL
- Heavy social media user
- Heavy cell phone user
- Not very brand-conscious
- Does little research before buying

PREFERRED CONTENT
- Recreational
- Pop culture
- Humor

Carol Coffee-Drinker

- **Background:**
  - Executive in communications field
  - Head of team of account associates
  - Has a Master's Degree
  - Married with 1 child (5, in school)
- **Demographics:**
  - Female and male, female skewed
  - Ages 25-40 (50% of Starbucks customers)
  - Avg HH income: $100,000
  - Urbanites
- **Identifiers:**
  - Buzzwords: professional, client, account
  - Responds best to emails
  - Keeps working at home after leaving office

- **Goals:**
  - Gain and maintain client relationships
  - Support associates on team and family (balancing them)
- **Challenges:**
  - Finishing every task for every client during the work day
  - Keeping up the energy for work and home life
- **How we help:**
  - Giving a caffeine boost when it's most needed
  - Providing a calming, familiar and consistent atmosphere in a hectic day
- **Marketing Messaging:**
  - Take some "me" time while you prep for your day.
- **Elevator Pitch**
  - Starbucks is more than coffee. It's a friendly barista. It's soothing music. We give you a chance to relax while we personally hand-craft the drink that will keep you at your best and brightest all day long.



Make 3 different marketing messages designed to catch the attention of 3 different types of customers for your business (highlight different elements of your business that appeal to the customer type e.g seeking Relaxation/Luxury/Child friendly/Fast/ etc…

20 mins

Competitor profiling

What do they sell?

USP?

How do we differ from competitors?

What are our sources of competitive advantage?

Are we meeting customer needs?

Competitor name	Strengths	Weaknesses
•	•	•
•	•	•
•	•	•
•	•	•
•	•	•

- Strengths
- Weaknesses

Managing (Market) risk

Opportunities
Threats

Identify risks posed by competitors and through your PESTLE analysis. E.g new competitor

Plan how you will manage these risks (what steps/Preparations can you make to mitigate risks)
Perform a five forces analysis.

Research the market

- Web research - competitor websites / market information / industry information, etc.
- Desk research – directories / other literature
- Talk to potential customers / suppliers / competitors / ex-employees of competitors / distributors / advisors
- Test your product or service

- Is the market growing? Stagnant? Declining?

- Market Research (primary and secondary) is crucial to developing a concept.
- For your assessment, your primary research will be limited, but your secondary research should be extensive in order to support your plan and evidence the viability of your business.

PORTER'S FIVE FORCES

New entrants:

New entrants bring new capacity and desire for market share- Pressure on prices, costs, rate of investment

Power of suppliers:

capture more value for themselves, Higher prices, limited service etc.Includes suppliers of labour (i.e. unions)

Power of Buyers:

Flipside of powerful suppliers, Can capture more value by Forcing down prices, Demanding better quality and more service

Threat of substitutes:

Always present-Sometimes easy to overlook if they seem different two products existing in an industry
Pepsi vs Coke/Train vs flying vs driverless cars vs videoconferencing etc..

Rivalry among competitors:

Takes many forms-Price discounting (i.e. price wars)
Reduces profitability of industry, Limited profit margins due to need for very low prices

For the remainder of the session-

You will be placed back in your breakout rooms in your groups to continue developing your business plans.

Next Week!

Business plan format and sections.

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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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