

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

BMIH5001

Entrepreneurship

Your Team

Resources and Finances

Business Formats

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

Assessment 2

DEADLINE: Mon 18th November 2024(23:59pm)
2000 word group report & 10-min group pitch

In groups you will write and present your **Business Plan** of a small, viable hospitality related business using the template provided

Your group will be required to:

- Write and present a viable and realistic hospitality based business 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 Business Pitch with a reference list and in-text citations.



Your Team

- Who will be working in or on in the business?
- What necessary skills or benefits will they be bringing to the business?
- **Will they help with any 'human resource' weaknesses you have identified, and how?**

Experience

Skills

The Right 'Fit'

Importantly, Where Are Your Weaknesses? Where Are Your Skills Gaps?

- Business plans are about ‘showing off’ and demonstrating that you are the right ‘Team’ to make this idea work.

However, investors know everyone has weaknesses/gaps (nothing is perfect). They will want to see you have identified possible solutions to reduce the risk.





Skills Gaps – The Solutions

- **You and Your Team**
 - Who will be working in the business? Will you be employing extra staff (employees)
 - What skills or benefits will they be bringing to the business?
 - What gaps are they filling?
- **Outsource** (freelancers, consultants, agencies, etc)
 - Flexibility and expert support, but expensive
- **Training & Development**
 - **Can you upskill your existing team and fill gaps?**
 - Can this skill be shared through in-house training?
 - Do your business sector require you to constantly update skills or knowledge through training?

Your Support Network in Real-Life: who would be in your support network?

- *Friends & Family*
- *Business owners*
- *Academics*
- *Uni Enterprise advisers (Scale)*
- *Business Wales*
- *Business advisers*
- *Accountants*
- *Solicitors*
- *Industry employees*
- *Fellow students*
- *Big Ideas Wales*
- *Funders*
- *Freelance agencies*
- *Suppliers*
- *Buyers/customers*
- *Journalists*
- *Business networks*
- *LinkedIn*
- *Social media*
- *Mentors*
- *Careers Advisers*
- *Third sector specialists*
- *Banks*
- *Competitors*
- *Complimentary services*
- *Memberships/Unions.*
- *Anyone else...*



The Team

Key Personnel

Briefly tell us about the members of the group, about your relevant skills and experience, and your roles and responsibilities in the business.

Skills Gaps & Key Partners

Identify the skills shortages your business has and what you're going to do about it (staff, training or outsource).

- **Additional Staff Requirements (Roles and Responsibilities):**
(What roles will you recruit for, why and what skills gap will it fill?)
- **Training and Development:**
(What training, provided by who, to fill which gap, how much – provide references)
- **Outsourced Support / Key Partners:**
(Who will you use and why, which specialist service will this provide your business, how much – provide references)



Any questions?



Consider your business key activities

Actual tasks and activities required that make up your operations and allow you to create and deliver the business offering to the customer.

What key activities are needed for:

- Value proposition
- Production and fulfillment
- Marketing and sales
- To generate revenue



“The most important actions a company must take to operate successfully”

- Making/creating
- Delivering
- Research
- Development
- Informing / marketing / sales
- Communication / after sales support / relationship building

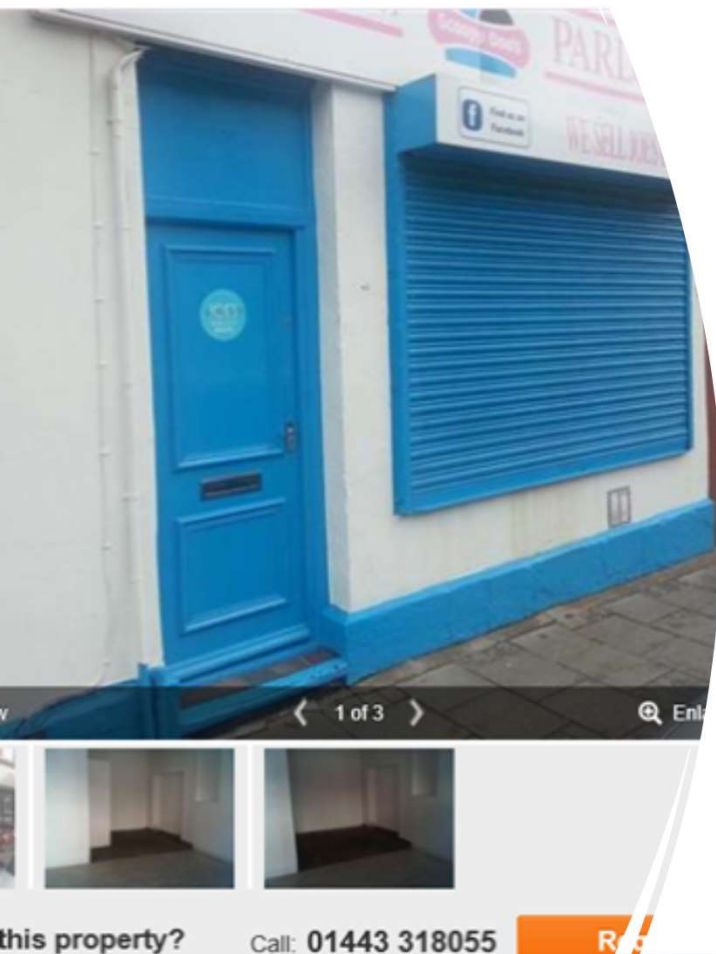


*Now, you know your key activities, you can priorities the **key resources** you need.*

What key resources does your business need?

- What key resources are needed for, including:
 - Premises and space
 - Physical equipment
 - Partnerships and alliances

l property to rent
ntypriidd



Premises

What physical space do you need for your business and team?

- Research real locations and costs.
- Look up commercial estate agents (*rent, service fees, insurance costs*)
- Consider business rates - <https://www.gov.uk/introduction-to-business-rates>



Physical Resources & Equipment



Telephone,
computers and
other tech



Specialist
equipment
(buy / lease)



Raw materials

- *What do you really need, what can you wait for?*
- *How much does it all cost?*
- *How often do you need to purchase the resources?*
- *Where are you going to store these resources?*



Key Suppliers

Who will provide you with the critical ingredients, material, equipment, or functions for you to operate your activities effectively?

- Suppliers
- Banks
- Delivery company
- Web hosting company
- Supplier of IT solutions / software, etc
- Online sales channels
- Outsourced, specialist agency support
- And more.....



Understand how to develop partnerships for success

Some activities and resources in your business may need outsourcing. You should identify these as early as possible and clarify how reliant your business is on these partnerships.

What are your motivators for this partnership?

- Acquisition of resources
- Reduction of risk and uncertainty
- Optimisation and economies to scale

ACTIVITY

Consider in your groups (20mins)

- **What key resources does your business idea need to operate and function?**
 - Start making a list of requirements in terms of physical premises, equipment, supplies, etc.
 - Share any ideas on who might support you with acquiring and supplying these resources.
- **Ensure you also thought about how you will complete The Team section**



Key Resources

Describe the key physical resources your business requires to start-up and operate.

Premises

What physical space do you need for your business? For production, sales, administrative work, etc. Where will this be located ideally and what are the costs for rent and business rates approximately?

Equipment

What are the most important things you will need to do your key business activities? What equipment, tools, technology, fixtures/fittings, etc do you need to operate effectively and competitively?

Key Suppliers

What key suppliers do you need for your business to operate effectively that will provide you with the ingredients, materials or functions to operate and sell to customers on a day-to-day basis?



Any questions?



Take a break!

HOSPITALITY
AND
TOURISM
MANAGEMENT

ACCOR
Arora
GROUP

St BRIDES
spa hotel

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

Institute
ality

EAT SLEEP & DRINK
WHITBR



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Have you considered the money?

- Have you considered the financials of your business? Money in and money out.
- How much will it cost to start this business? And where will that money come from?
- How clear are you this business will make enough money to make it viable long-term?



Consider your Costs

What are the costs involved in starting, running, and sustaining your business?

- Cost of your resources, operations and activities
- Cost of your team and partners
- Cost of materials
- Cost of start-up and borrowing
- Costs of marketing and sales
- Other support costs

Look online for rough ideas of cost, call or make enquiries to suppliers, make 'evidence-based' assumptions.

Company Registration
Rent/Rates
Staff Wages
Indirect Wages
Repairs/Maintenance
Employers NI
Travel/Accommodation
Telephone (mobile)
Broadband
Utilities
Marketing and materials
Postage
Insurance
Loan Repayments
Capital Expenditure
Training & Development
Accounting/Legal
Outside Services
Stock/Materials Purchases
Bank Charges
Office Consumables

More money needs to be coming in than going out to make a **PROFIT!**

How will you bring money into the business (income)?

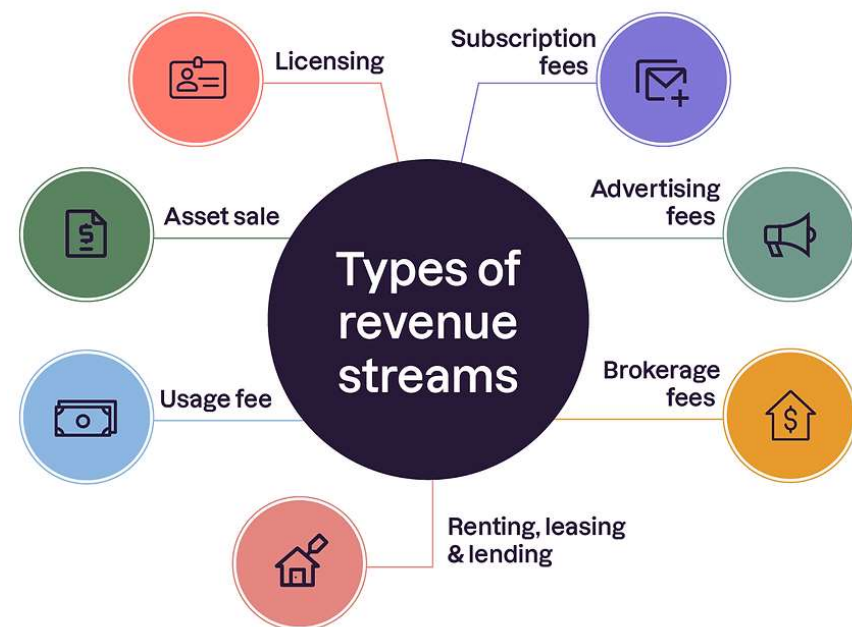
1. **Revenue (or sales)**
2. **Funding**



Revenue Streams

Revenue is the amount of money generated from the sale of products or services.

Revenue streams are the various income sources that channel this money into a business or bank account.



Funding

Does your business need any start-up support or funding? **YES!!!**

- Business finance or loans
- Grants or bursaries
- Self-funding (or friends/family)
- Angel/Capital Investors (e.g. Dragons Den)
- Crowd-funding



Finding Grants and Loans

Business finance:

- Banks, Start-up Loans (Government Schemes), Funding Circle (P2P Lending), Regional Business Development Organisations (e.g. Development Banc of Wales)
- <https://www.gov.uk/business-finance-support>

Grants/Bursaries:

- *Again*, check out <https://www.gov.uk/business-finance-support>
- **Local Councils** will often offer support for business including Levelling Up grants and regeneration support
- **Third Sector Sources** for not-for-profits and social enterprises (Unltd, National Lottery, Community Chests, Corporate Community Funds, etc)





Making Assumptions

To forecast your cashflow and work out your Profit/Loss, you will need to make assumptions...
but this should be based on good research.

Your understanding of the market (customers, suppliers, economics, competition, etc) will allow you to make assumptions on the volume you expect to sell on a daily, weekly, monthly and/or annual basis. Only with that information can you figure out your estimated costs, and ultimately decide on a profitable price to charge.

THE FINANCE SECTION

You should make a financial projection of your first year of trading. How you think, and hope, the business will do financially over that first year?

- You must have an idea of the number of sales you will make over the year, and the price you will charge for each of those sales. You should also include the funding you will look to receive and invest into the business. Together these will give you your first year's **INCOME**.
- Then you must add together all the costs that will be incurred to start-up and run that business for that year. This is your **EXPENDITURE/COSTS**.
- Your INCOME should be more than your COSTS, and the difference will be your first year's operating **PROFIT!**



THE FINANCE SECTION

First year financial figures - a basic table showing total figures for one year.

EXPENDITURE	£
Company Registration	100
Rent/Rates	9000
Staff Wages	50000
Travel/Accommodation	300
Telephone (mobile)	150
Broadband	250
Utilities	2500
Marketing and materials	2000
Insurance	400
Capital Expenditure/Equipment	5000
Training & Development	300
Accounting/Legal	2000
Outside Services	200
Stock/Materials Purchases	12250
Bank Charges	350
Office Consumables	300
Loans Repayments	1200
Total Expenditure	£86,300

INCOME	£
Sales 1 (Type 1)	70000
Sales 2 (Type 2)	20000
Sales 3 (Type 3)	6000
Capital Introduced	0
Funding	3000
Loans/Borrowing	10000
Total Income	109000

YEAR ONE	£
Total Income	109000
Total Expenditure	86300
Profit/Loss	£22,700

THE FINANCE SECTION

Financial Summary

Brief written summary, giving details on key points, main assumptions and expectations for future growth.

- **MUST INCLUDE** information on the support you will be getting to start-up. Where is your funding coming from? And under what terms?
- How have you estimated your sales?
- What are your revenue streams?
- Provide breakdowns of main cost areas.



Finances & Start-Up Support

A basic understanding of the level of income needed to outweigh costs should be demonstrated in this section for your first year of operations. A summary of figures should be shown in table/chart format. It should detail expected annual costs and annual income, and a summary of overall profit/loss.

Financial Summary

Explain how you have arrived at the figures in the previous chart. Provide detail for the main costs and areas of income shown (this should link to other sections in the business plan, including The Team, Marketing Plan and Key Resources). Without this section and explanation then your figures are meaningless – attention should be given to providing realistic, well-researched figures.

You should also detail the start-up support you have found that is suitable/applicable for your business and industry. This should be included in the previous chart within Income.

ACTIVITY

Consider in your groups (20mins)

- **Start thinking about the financial requirements of your business?**
 - Have you found any forms of funding?
 - How do you think your sales will look in the first year?
 - What revenue streams can you come up with for your business? How can you diversity income?





Any questions?



Running a business – what do I need to know?

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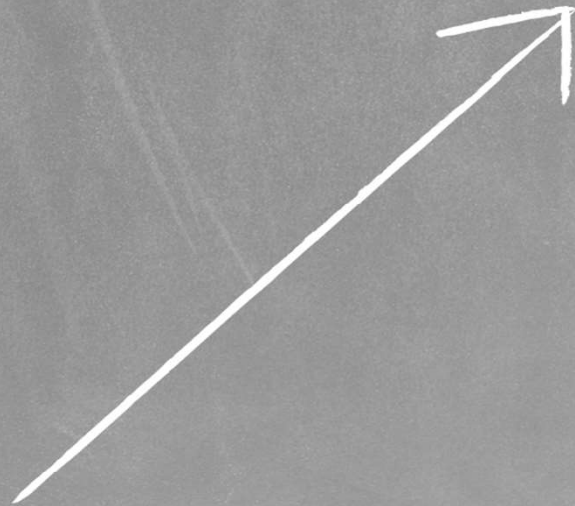


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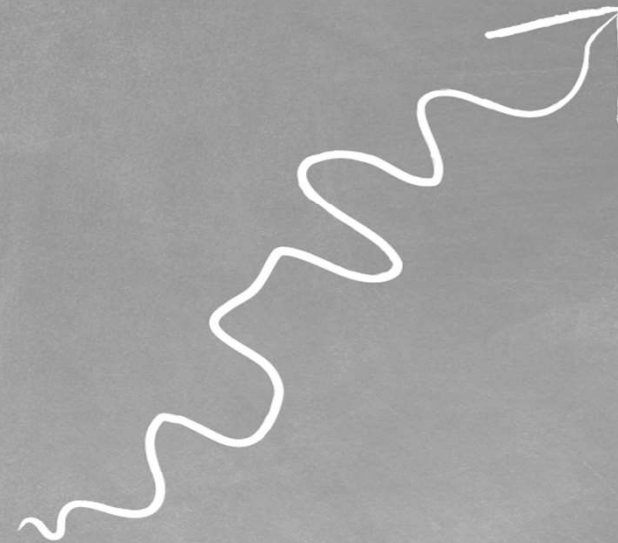
*“I want to be the
next Elon Musk”*



What people think
success looks like:



What success really
looks like:



“FAILURE IS ESSENTIAL TO BEING A SUCCESSFUL ENTREPRENEUR”

Failure and Pain

What can you do to protect yourselves?!

1. Make a business plan
2. Understand business structure





What legal business structures are there in the UK?

- **Sole Trader**
- **Partnership**
- **Private Limited Company (Ltd)**
- **Social Enterprise / Community Interest Co.**
- **Limited Liability Partnership**
- **Public Limited Company**
- **Charities or Clubs**

How should you set-up?

What's the
difference between
a sole trader and a
limited company?

Partnerships

Legally the same as the sole trader
(individuals are the business)

- You can combine individual skills
- Increased capital potential
- Moral support in decision-making
- ***But...***
- Less control of business
- Arguments happen
- Profits split



Get legal advice from the start!



Consider setting up a
'not-for-profit' company?

It might be more appealing than you think!



Social enterprises, and in particular Community Interest Companies (CIC's), are a special type of limited company which exists to benefit the community rather than private shareholders.

- 'not-for-profit' businesses still aim to be commercially profitable! **Profits are simply reinvested.**
- include a 'community interest statement', explaining what your business plans do for the public good.
- create an 'asset lock'- a legal promise stating that the company's assets will only be used for its social objectives,

Benefits are:-

- **Do something you love for little risk? Be creative!**
- **Access to significant levels of funding.**
- **Can pay yourself and others a 'reasonable' salary.**
- **Far easier service/product to sell - 'Social responsibility'**

The Social Entrepreneur



The H.M.R.C

When are you self-employed?

When do you need to tell the HMRC?

(when you've earned more than £1,000 from self-employment between 6 April and 5 April the following year)

www.hmrc.gov.uk
'the self-employment guide'

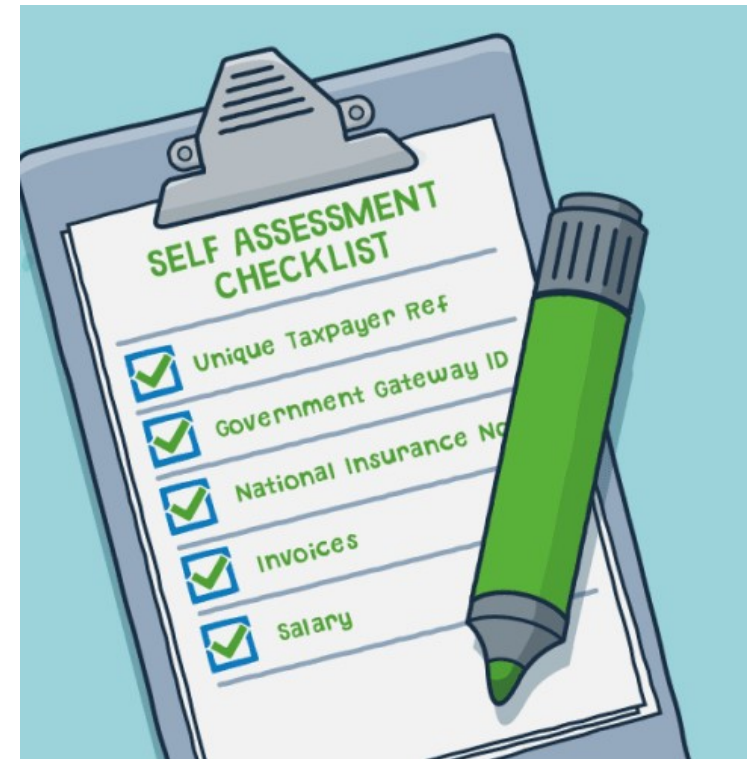
They are interested in tax, VAT, PAYE, credits and national insurance.



Registering for Self-Assessment

If you work or earn money through your own venture then you are self-employed.

- Your tax system is known as “self assessment” which must be registered for on the HMRC website and completed every year
- It relies on you keeping your own records of profits... and “allowable” expenses (**keep receipts**)
- You will pay income tax on any profits you make over £12,570 (**personal annual allowance in 2024/25**)
(plus national insurance contributions – few quid a week)





What else do I need to know?

If you're serious about starting up then seek free support:

- Business Support Agencies**
- Legal Advice**
- Accountants**
- Local Council**

www.hmrc.gov.uk/startingup

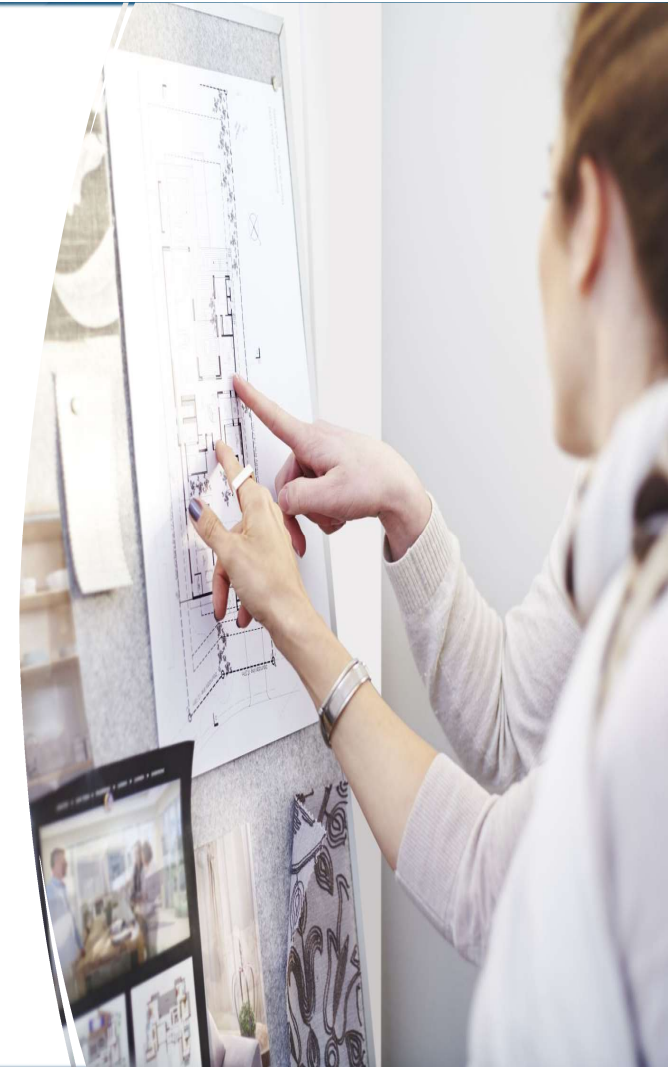


Any questions?

NEXT WEEK...

Business Pitch: Hints and Tips ...and, Assessment 2 Recap!

- *Continue working on your Business Plan sections, ensuring you are reviewing the whole document together.*
- *Prepare a draft version of your business plan that can be shared immediately after your presentation, where I can give 'live' in-person feedback for you.*
- *Practice your Business Pitch ensuring all members contribute equally and you are within your 10-minute time allowance. PRACTICE, PRACTICE, PRACTICE!*
- *Your time slot for your group's presentation will be sent out ASAP, but will take place during normal lecture hours (if you don't attend, you will fail Assessment 2).*
- *Pitches do not need to be submitted or emailed! Any materials created can be put into Appendix C of the Business Plan*



Thank you!

I look forward to seeing you next week, if you have any questions in the meantime please send me an email...

...(from your student email account ALWAYS!).

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