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Business Plan for: The Newcastle Cultural Haven Hotel

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Date:	03/03/2024
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1 Executive summary

The Newcastle Cultural Haven Hotel is a business idea that will be established at the key location where tourists visit. The hotel will be established in the strategic location of Warwickshire, England. The hotel is unique from other businesses in many ways. The most significant difference is that it brings various cultures of the local communities for shaping the theme of the hotel. Guests can experience immersive hospitality from the business. It also has eco-friendly initiatives to contribute to the environment positively. The startup can get success by managing various functions effectively. First, it should manage the staff and assign them various roles to support the business activities. The business's short-term goal is to create a position in the market by attracting the customers. It will become a destination for the customers within 5 years. The hotel offers luxury accommodation, food, and transportation services to make the guest stay memorable. The hotel will need £350,000 as a startup fund and it can generate net profit from the start of the business. The forecast data suggests that the Newcastle Cultural Haven Hotel requires strong and effective management to make the business profitable.

2 Business details

Company name:

The Newcastle Cultural Haven Hotel

Address:

Warwickshire, England (specific address to be determined)

Primary contact method

www.newcastleculturalhavenhotel.com

The business will: (Provide a brief description of what your business will do)

The Newcastle Cultural Haven Hotel is located in the heart of Warwickshire, England. The hotel offers dedicated and unique customer services and guest experience which is exceptional in the region (Barringer and Ireland, 2019). The hotel provides an immersive hospitality experience to the guests by infusing local cultures and heritage. The hotel rooms are themed with diversified cultures that enable the guests to explore the history of the area. Guests can experience the rich cultural traditions and cuisine of the area by purchasing from the hotel. They can connect with diverse cultures and engage with the people for fostering meaningful relationships. Moreover, the eco-friendly and sustainable practices of the business ensure guilt free hospitality experience for the guests.

3 Key personnel

Details of owner(s):

Name: Mohammed Ali Hayder

Position/main responsibilities: Management Head

Experience and knowledge of our industry: 2 years of experience working in the UK hospitality industry and having knowledge of hotel management, leadership, customer service, OWNER CHENNAI CENTRAL

Previous employment: Front Staff at The Grand Hotel in London and receptionist at The Cotswold Manor Resort in Oxfordshire, OWNER CHENNAI CENTRAL.

Key skills brought to the business: Strong leadership abilities, strategic vision, and a passion for ensuring exceptional customer experiences, and immense knowledge about hotel management

Business experience and any training undertaken: Advanced training program in hospitality management, participated workshops and seminars related to the hospitality management

Academic/professional qualifications: DIPLOMA IN HOTEL MANAGEMENT.

Salary expectations £ £45,000 per year

Name: Md jaglu uddin

Position/main responsibilities: Operations Manager

Experience and knowledge of our industry: Specialisation in operations management and customer service, owner ujala take away.

Previous employment: Operations Manager at The Lakeside Resort in Windermere and as the Front Office Manager at The Edinburgh Grand Hotel, owner of Ujala take away

Key skills brought to the business: Organisational skills, process optimisation, team leadership, attention to detail, and a commitment to provide better service.

Business experience and any training undertaken: Extensive training on hotel operations and leadership

Academic/professional qualifications: BA (hons) diploma in hotel management

Salary expectations £ £45,000

Name: Mourana YANSANE

Position/main responsibilities: Culinary Director and Associate Manager

Experience and knowledge of our industry: Possesses knowledge of modern British cuisine and regional delicacies.

Previous employment: Manager of Y4 Hotel,

Key skills brought to the business: Creativity, innovative ideas, and a profound understanding of local cuisine and flavours.

Business experience and any training undertaken: Received formal training in culinary, training for the new manager.

Academic/professional qualifications: BA in Hotel Management

Salary expectations £ 45,000

Name: Md Oliur Rahman

Position/main responsibilities: Marketing Manager

Experience and knowledge of our industry: Marketing management knowledge in the UK hospitality industry

Previous employment: Owner bayleafs takeaway.

Key skills brought to the business: Strategic Planning abilities, creative thinking, and organisational skills

Business experience and any training undertaken: Attended training programs in marketing strategy, digital marketing, and brand management

Academic/professional qualifications: BA (hons) diploma in hotel management.

Salary expectations £ 45,000

4 The business idea

Sum up your business idea:

- The overall business plan can be summarised by using the business model canvas (Osterwalder and Pigneur, 2010). The business model canvas has the following aspects:
- Key Partnership: The business will collaborate with other local businesses to make fun and other interesting cultural activities. It will make agreements with the local suppliers to get fresh and quality ingredients and inventories. It may consider working with travel agencies to offer travel packages to the nearest cultural attractions.
- Key Activities: The hotel will offer an exceptional customer experience through its different rooms and exceptional services. It will organise cultural events and programmes. The hotel will promote its unique selling points through partnerships and cultural events (Pless, 2012).
- Value Propositions: It provides a distinctive experience to the guests by integrating regional cultures into every facet of the hotel's operations. The rooms are well decorated and comfortable and guests can get an enhanced experience (Burns, 2022). It brings diversified cultures into a single place through events and cuisine.
- Customer Relationship: The customer relationship will be maintained by offering better services and quality offerings. The hotel will engage with them and make clear communications. Sometimes, the customers should be rewarded or given incentives to make them loyal to the business (Ries, 2023).
- Customer Segments: The business identifies the profitable customer segments. The customer segments are tourists, visitors, local communities, and business travellers.
- Key Resources: The hotel's key resources are its extensive collection of cultural monuments, arts, and exhibitions. Its meticulously curved furniture and designs give the hotel an exceptional view that guests are attracted to. Its other resources are the establishments, workforce, and key locations that are providing it with a competitive advantage (Madhani, 2010).
- Channels: The business will utilise its website to communicate with the customers and stakeholders. It will also use the marketing channels for effective brand communication.

- **Cost Structure:** A significant portion of the costs will be incurred in designing and developing culturally appropriate interiors. The cost structure includes operating costs such as the cost of marketing.
- **Revenue:** The hotel's revenue will be generated from room reservations, restaurants, event hosting, cultural programs, and others.

5 Business goals

1. What do you want to achieve in your first year of business?
 - The business will gain a strong brand awareness by conducting target marketing (Burns, 2022). It will establish financial stability and ensure break-even in the year. The hotel will also establish its market presence in the target location.

2. Where do you see your business in 3-5 years' time?

- The Newcastle Cultural Haven Hotel will expand its business in the key cultural destinations in the UK within 5 years. It aims to be the leading innovator in the hospitality industry and achieve a competitive advantage (Nielsen and Lassen, 2011).

6 What the business does

Product/service	Features	Benefits
• Luxury Accommodations	• Modern equipment and premium amenities	• Immersive guest experience
• Culinary Experiences	• Dishes from diversified cultures	• It provides a unique and memorable dining experience (Jackson, 2018).
• Cultural Workshops	• Expert-led workshops	• It ensures that participants can receive a deep understanding

		about the culture
• Eco-Friendly Initiatives	• Energy efficiency • Waste reduction initiatives	• These will ensure positive impacts on the environment • Responsible hospitality practices
• Personalized Services	• Tailored experiences	• It provides a memorable stay for the guests (Dyshkantiuk et al., 2020)
• Event Spaces	• State-of-the-art facilities	• Exceptional event hosting
• Transportation Services	• Chauffeur services	• Convenient and hassle free travel for the guests

7 What makes the business different (Value Proposition)

Your product/service is unique or different compared with the competition because:

- The hotel's offerings are differentiated from competitors because guests can experience the local cultural heritage and explore unique tastes through the variety of dining options (Ries, 2023).

8 Legal requirements (including regulations and licences particular to your business)

The legal and insurance requirements that apply in your business are:

1. The Newcastle Cultural Haven Hotel has to maintain the legal requirements while starting its business operations. Compliance with the legal aspects is helpful for business management as the management can operate the business smoothly. The hotel has to comply with the hospitality regulations. The hospitality regulations are the set of laws and regulations that must be followed (Sutherland, 2023). They are the food hygiene regulations, licensing requirements, employment laws, health and safety standards.

You will meet your legal and insurance requirements by:

1. The legal requirements of the business should be fulfilled. The hotel has to obtain the necessary permits and licenses from the local authorities to start its operations. The hotel has to implement safety protocols that will ensure that guests and employees are safe within the business. The business has to regularly monitor the compliance of the legal requirements (Tesse Fox, 2019). All the important assets of the business should be brought under the comprehensive insurance coverage.

9 Market research

Trends in your chosen market are:

- There is a growing trend in the cultural tourism market. Approximately, nearly 40% of the tourists worldwide can be counted as cultural tourists. For European tourists, cultures play a crucial role in attracting them and motivating them towards the destinations (CBI, 2023). The cultural tourism market will reach over 22 billion at the end of 2033. There is also a growing trend among the tourists and visitors that they are being more conscious of protecting the environment (Mkono and Hughes, 2020). Hence, eco-friendly practices have gained immense attention in recent years.

How you know this:

- The trends are identified from the report "The European market potential for cultural tourism" (CBI, 2023). The trends are also collected from the research articles and academic journals. These secondary sources provide important insights into the target market of cultural tourism.

10 Profiling customers

The customer groups you will be selling to are: (4 x Customer profiles minimum)

1. Cultural enthusiasts are highly motivated to explore new cultures and heritage
2. Cultural explorers are not highly motivated but they like to explore new cultures
3. Cultural relaxers are not concerned about the cultures. They only travel for relaxation and leisure.
4. Cultural avoiders are the ones who avoid cultural aspects and they have other purposes such as business, and families.

Your customer research has shown what your customers want is:

1. The customers want a memorable stay at the hotel.
2. They want high quality services and comfortable rooms.
3. The customers want to explore immersive cultural heritage.
4. They want high quality dishes that are ethically sourced.
5. Customers want eco-friendly practices.

(What research did you undertake and what were the results?)

How you know this:

- The customer preferences are identified from the secondary research that required academic journals, research articles, and online reviews. (What evidence can you offer)

Number of customers you expect to win in each group and what they might pay:

Group	Number of customers	Price they might pay per unit
Cultural enthusiasts	5000	£ 150
Cultural explorers	8000	£ 100
Cultural relaxers	3000	£ 80
Cultural avoiders	1000	£ 60

11 Profiling competitors

Competitor name	Strengths	Weaknesses
• The Old Fourpenny Hotel	• Cosy and beautiful pub and restaurant	• Small hotel • Limited capacity • No cultural events (UK Hotels, 2024)
• The Burnside Hotel	• Elegant rooms • Located at historic site	• Expensive rate • No cultural theme
• The White Swan Hotel	• Modern amenities • Beautiful rooms	• No unique selling points

How you can improve on their offer and/or price(s) unique offerings:

- The Newcastle Cultural Haven Hotel will ensure that its cultural themes are unique and exceptional. It also should provide enhanced customer service (Mary George et al., 2014).

12 Managing market risks

Write down the risks you have identified:

1. Data security and cyberattack
2. Economic crisis
3. Brand reputation

How will you manage these risks so that they become less of a threat:

1. The risk of data breaches and cyberattacks can be addressed by implementing robust security measures such as establishing firewalls, data encryption methods, authentication, and so on (Saura and Ribeiro-Soriano, 2021).
2. The risk of economic crisis can be minimised by diversifying the business offerings, utilising the digital media and innovating new services (Mary George et al., 2014).
3. The risk that brand reputation would be affected should be managed by establishing effective customer relationship management (CRM).

13 Pricing

How you can calculate your prices:

- The business will use cost-based pricing (Barringer and Ireland, 2019).

How your prices compare with the competition:

Product/service	Your price(s)	Range of competitor prices (per unit)
Standard room	£ 62.5	£ 60 - 80
Deluxe room	£ 80	£ 80 - 100
Suite	£ 100	£ 100 - 150
Breakfast	£ 10	£ 5 - 15
Cultural event	£ 20	£ 10 - 30
Cultural workshop	£ 30	£ 20 - 40
Cultural tour	£ 40	£ 30 - 50

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

- The prices are different from the competitors because of the higher quality and enhanced services of the hotel.

14 Promotion and advertising

How and where will you promote your product/service?

- The business will use different approaches for promoting its market offerings. The hotel will use digital marketing such as SEO, targeted online advertising, social media marketing, and content marketing (Kumar, 2021). It will also use email marketing for sending promotions and continuous customer engagement. The hotel should also partner with other businesses to promote its offerings to the existing customers of those businesses (Baines, Fill and Rosengren, 2017).

15 Staff

Role	Total cost	Necessary experience	Specialist skills and/or qualifications
General Manager	£ 50,000/year	5+ years in hotel management	Strong leadership, strategic planning, and financial management (Indeed, 2023)
Front Desk Supervisor	£ 25,000/year	2+ years in hospitality industry	Excellent customer service, communication, and organisational skills
Head Chef	£ 40,000/year	5+ years in culinary industry	Culinary expertise, menu development
Sous Chef	£ 30,000/year	3+ years in professional kitchen	Culinary skills, teamwork
Housekeeping Manager	£ 35,000/year	3+ years in housekeeping management	Attention to detail, staff supervision

16 Premises

	Cost £
Premises required at start-up:	£ 120,000
Premises required in the future (if different):	£ 50,000

17 Suppliers

Your key suppliers and their credit terms

Supplier	What you'll buy from them	Number of days' credit
• Food Distributor	• Fresh produce, pantry staples	• 30
• Beverage Supplier	• Alcoholic and non-alcoholic drinks	• 30
• Linen Supplier	• Bed linens, towels	• 25
• Cleaning Supplier	• Cleaning products, supplies	• 20
• Furniture Supplier	• Hotel furniture, fixtures	• 60

18 Equipment

Resource	When	How funded	Cost £ per unit
• Kitchen Equipment	• Start-up	• Owner's Equity	£ 20,000

• Front Desk	• Start up	• Bank Loan	£ 1,500
• Event Venue	• Start up	• Owner's Equity	£ 10,000
• Maintenance Tools	• Ongoing	• Cash Flow	£ 1,000
• Laundry Machine	• Start up	• Bank Loan	£ 5,000
• Office Furniture	• Start up	• Owner's Equity	£ 3,000
• Fitness	• Start up	• Bank	£ 15,000

19 Managing operational risks

Risk	Solution
Staff High staff turnover	The staff turnover can be reduced by providing them with the necessary benefits and motivation. The hotel should have a positive workplace environment (Barringer and Ireland, 2019). Employees must be recognised for the contributions they make for the business.

Suppliers	
• Supplier reliability	• The risk is that suppliers may fail to deliver the ingredients on time. To overcome such issues, the business should diversify and make suppliers from various locations and regions (Harrison et al., 2019).

20 Start-up costs

Calculate how much money you need before you start trading

	£
IT and computers	15,000
Telephones and broadband	10,000
Equipment	55,500
Vehicles	25,000
Professional fees	10,000
Insurance	4,000
Rent/rent deposit	25,000
Marketing	30,000
Licences	16,000
Wages/recruitment	139,500
Market research costs	20,000
TOTAL £	350,000

21 Profit and loss forecast

	Year 1 (£)	Year 2 (£)	Year 3 (£)
Total expected sales	500,000	523,000	530,000
Less variable costs	300,000	320,000	327,000
Gross profit (sales less variable costs) =	200,000	203,000	203,000
Calculate your gross profit margin % (gross profit divided by total sales x 100) (A)	40.00%	38.81%	38.30%

Salaries/wages (survival income + any staff	135,000	137,000	138,000
Premises (including rent, rates, utilities)	20,000	21,000	20,000
Telephone and broadband	3,000	3,000	3,000
Printing, post and stationery	1,000	1,000	1,000
Advertising and promotion	25,000	25,000	25,000
Bank charges	5,000	5,000	5,000
Professional fees	4,000	4,000	4,000
Insurances	1,000	1,000	1,000
Total fixed costs	194,000	197,000	197,000

Net profit (gross profit less fixed cost)	6,000	6,000	6,000
Calculate your net profit margin (net profit divided by total sales x 100)	1.200%	1.147	1.132

Calculate your break even	Year 1 (£)	Year 2 (£)	Year 3 (£)
Total variable costs + total fixed costs (B)	494,000	517,000	524,000
Break even (B) divided by (A)	1,235,000	1,331,975	1,368,079

22 Sourcing finance

Total borrowing requirement for the business

		£
Start-up costs		350,000
Personal start-up contributions	-	150,000
Other start-up contributions	-	0
Total required	=	200,000
The assets you have available as security		
	=	0

23 Managing financial risks

The risks that you have identified for your financial forecast are:

1. A revenue Shortfall can occur when the actual revenue is less than expected.
2. Cost overrun can occur when the business has more costs than budgeted estimates.
3. Liquidity shortage can disrupt the business operations (Burns, 2022).

How you will minimise their impact:

1. Revenue shortfall can be minimised by forecasting accurate revenue using accurate market information.
2. The cost estimation in the budget must be realistic and accurate to address the cost overrun risk (Burns, 2022).
3. To minimise liquidity risk, the hotel will seek bank loans.

24 Cash flow forecast (Click on the tabs within the Microsoft Excel sheet to view the second 6 months and summary)

[illegible]

25 Conclusion

The Newcastle Cultural Haven Hotel is a profitable startup that has immense potential. The business can achieve higher growth and expansion by offering distinctive services and value propositions. It has to assess the market factors such as economic conditions of the country, shifts in customer preferences and adjust in the approaches to remain relevant to the market. The business must maintain a good relationship with the customers and provide them with personalised services to become a leading hotel in the region. The investors can consider investing in the business as it will bring a positive return to their investments.

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