

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

- Your team roles.
- From Business model to Business plan!

Assessment 2

Due: **4th March**

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.



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.

Team Roles

40 mins to complete your Team Roles questionnaire
And post your role(s) in the chatbox



Team Roles Test (psychologytoday.com)

Although you may have a preferred role, you should be developing other roles to increase your flexibility. You may need to adopt another role if you discover that there is too much overlap of roles in your group.

This will help with your group coordination and management and identify roles in your business plan.



WHY CREATE A BUSINESS PLAN?

Who for?



The bank manager: May show that the entrepreneur is capable of managing the firm in a market environment.



Investors: To gain capital you will need to show the viability of a business and potential for ROI



The owner-manager: Helps develop the vision for the business and helps ensure that the aims are clearly set out. It also helps to ensure that business data is recorded and analysed correctly, thus minimising potential error.



Entrepreneur to be aware of issues that might effect their **future** survival (i.e. customer opinion, technological change) and take steps to anticipate and deal with any problems



A roadmap and guide for financing, the plan is like a yardstick against which to measure performance and develop plans for the future.

Business Plan

The plan should include the following:

- The story of what the business is and will be,
- All costs and a marketing plan,
- Description of how the business will be financed, and
- An estimate of projected earnings.

The Importance of Planning

- Poor planning is the biggest cause of new business failure
- We plan our holidays well and yet plan businesses poorly
- 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)



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How can a plan help a business?

The process involved in producing the plan is as valuable, ***if not more so***, as the document it creates.

It forces you to **distil your ideas**, rank your priorities and clarify your objectives.

It stops you kidding yourself – **gives perspective**.

You ask questions you might otherwise ignore.

It gets you **focused** on the important issues.

*It does not guarantee success, but it does **significantly increase the chances of NOT failing***



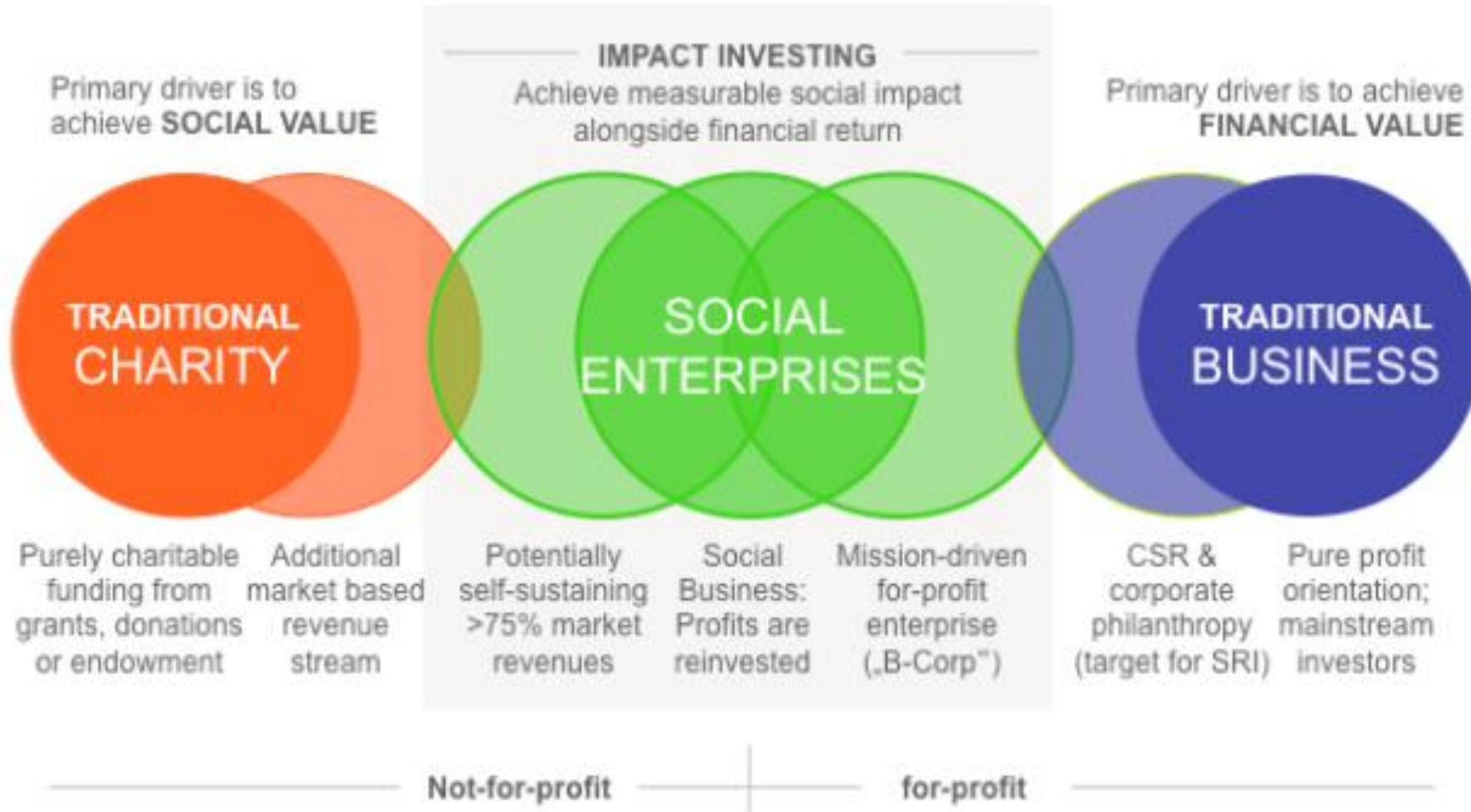
We are going to take a 15 min break...

See you soon!

Business vision

"Business must run at a profit else it will die. But when anyone tries to run a business solely for profit... then also the business must die, for it no longer has a reason for existence". (Henry Ford, 1940)

What reasons can you think of other than profit for an organisation



Mission Statement

The Mission Statement encapsulates in a few sentences why you are going into business and what you want to achieve. You may think this is obvious, but not so.

People start businesses for many reasons and their aims are just as varied.

1.Brand Purpose: What does your product or service do, or aim to offer and for whom?

2.Brand Values: What does your company stand for? For example, are you environmentally conscious and provide a more sustainable solution to solve a problem? Values are what make your company unique.

3.Brand Goals: What does your company accomplish for customers? Why should they purchase from you instead of other competitors?

Guess which hotel brand matches the mission statement?



1. To provide quality, affordable hotels for our guests to help them to live and work well and to positively impact the world around us
2. To fill the earth with the light and warmth of hospitality –by delivering exceptional experiences – every hotel, every guest, every time.
3. Our mission is to provide authentic hospitality by making a difference in the lives of the people we touch every day.



Sole Trader



- (or 'Owner-manager' business)
- No protection against personal assets
- In legal terms, the person **IS** the business
- 'Own boss'
- Minimum bureaucracy
- Easy to set up business

Partnerships



- Legally the same as the sole trader (**IS** the business)
 - Combine individual skills
 - Increased capital potential
 - Moral support in decision-making
- BUT ...**
- Less control of business
 - Arguments happen
 - Profits split

Setting up as a sole trader (or a partnership)

Ring the HMRC. There's no charge and you'll be asked a few simple questions about yourself and your new business. Alternatively, you can register online.

(sage.co.uk/discover)

BUSINESS PLAN



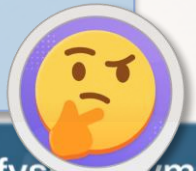
Limited Liability Company (Ltd)

- Personal assets protected ... BUT ...
banks often negotiate against the liability clause

(limits the amount of exposure a company faces in the event a lawsuit is filed or another claim is made)

- Complex to set up
- Legally, the business and its 'owner' are separate entities – this person works **for** the business (as a director).
- Accounts to be submitted annually to Companies House
- The 'Ltd' postfix must by law be added to all references to the company (e.g. website, letterheads, signs, correspondence, etc.).
- This warns possible suppliers (creditors) that if the company goes bust, the company might not settle outstanding credit.

With this in mind.. what do you think 'LLP' means?



The Public Limited Company (PLC)

- The 'public' are the shareholders and are hence the owners
- The directors run the business
- Annual meetings (AGM) of shareholders allow these owners to vote off members of the Board

Public Limited Companies (Plcs)



Franchising

A 'franchise' allows a business to operate under an established brand name. The franchisee has to pay the franchisor for this privilege and has to abide by the rules of the franchisor.





BUSINESS PLAN

Forming a company

Forming a company removes personal liability, but there'll be strict reporting and management responsibilities.

If your business is likely to turnover more than £77,000 a year, you must become VAT-registered (contact HMRC).



Visit the Companies House website to register online. It costs around £20 to set up a company using this method. Normally, Companies House will inform HMRC automatically.

(sage.co.uk/discover)

Starting a new business

- Normally the riskiest option
- Can offer biggest challenge
- Potentially low revenue during start-up phase
- Owner has control of the business

Buying an existing business

- Business up and running very quickly – revenue from day 1
- Little inconvenience, e.g. seeking premises, equipment, suppliers, customers, etc.
- A sound base to expand existing business has track record
- Like buying 2nd hand car there might be hidden faults

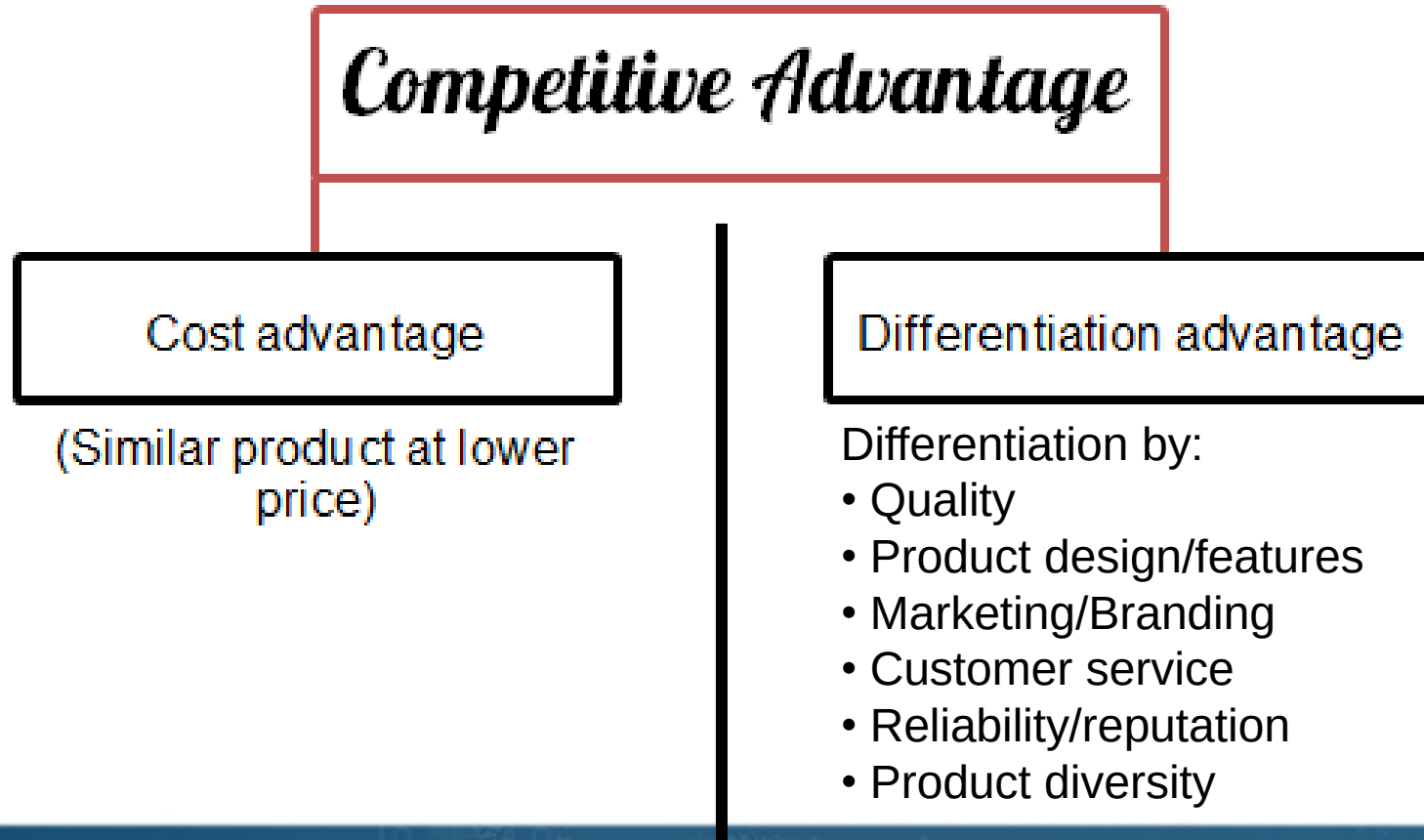
Research the market

- 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.



Competitive Advantage

Price or differentiation:



Scanning our Environment

PESTEL or PEST Analysis

What factors from our environment (the world around us) will have an impact on our product/service? For good (opportunity) or bad (threat)?



*...to frame your
idea or Product...*



*...to illuminate the
environmental
factors...*



*...to predict your
competitors' likely
course of action ...*



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

See you soon!

In your groups, discuss:

- Spend 1 hour in your teams examining and choosing which one of your teams BMC's you will turn into a business plan and decide..
- The business will likely not be perfect as it is brainstorm together and iron out the issues Perform A SWOT analysis of your business concept, what potential issues there may be and how will you overcome the obstacles?.
- Decide what will be the format for your business? (e.g. Sole Trader, Partnership, Limited Company)
- Will it be a luxury, high quality business of expensive products or a low quality, cheap products?

1 hour to discuss!



Online SWOT
Untitled | Visual Paradigm
[Online \(visual-paradigm.com\)](https://visual-paradigm.com)

PEST Factors

All businesses need to consider PEST factors that will inevitably have some influence on a business. PEST factors are essentially out of our control as they are determined by the environment:

P = Political

E = Economic

S = Social

T = Technological

By next session In your groups -
Complete a PEST analysis of factors that
may affect your business concept. !



[Online PEST Analysis Software \(visual-paradigm.com\)](https://visual-paradigm.com)

Next Week!

Business plan format and sections.

**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***

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Choose one of two envelopes. One envelope contains a cheque for £10m.
The other contains a 1p coin but the value will double every day for a month.

Which do you choose?



Exponential growth

• Day 1 = 1p	• Day 8 = £1.28	• Day 15 = £163.84	• Day 22 = £20,971.52	• Day 29 = £2,684,354.56
• Day 2 = 2p	• Day 9 = £2.56	• Day 16 = £327.68	• Day 23 = £41,943.04	• Day 30 = £5,368,709.12
• Day 3 = 4p	• Day 10 = £5.12	• Day 17 = £655.36	• Day 24 = £83,886.08	• Day 31 = £10,737,418.24
• Day 4 = 8p	• Day 11 = £10.24	• Day 18 = £1,310.72	• Day 25 = £167,772.16	
• Day 5 = 16p	• Day 12 = £20.48	• Day 19 = £2,621.44	• Day 26 = £335,544.32	
• Day 6 = 32p	• Day 13 = £40.96	• Day 20 = £5,242.88	• Day 27 = £671,088.64	
• Day 7 = 64p	• Day 14 = £81.92	• Day 21 = £10,485.76	• Day 28 = £1,342,177.28	



The instinct is to go for the 10 million, but after planning and calculation you realise 1p the more profitable route..