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Canada 

COMPETE CARIBBEAN'S REGIONAL BUSINESS PLAN COMPETITION

HOW TO WRITE A BUSINESS PLAN USING THE COMMUNITY-BASED TOURISM (CBT) TOOLKIT

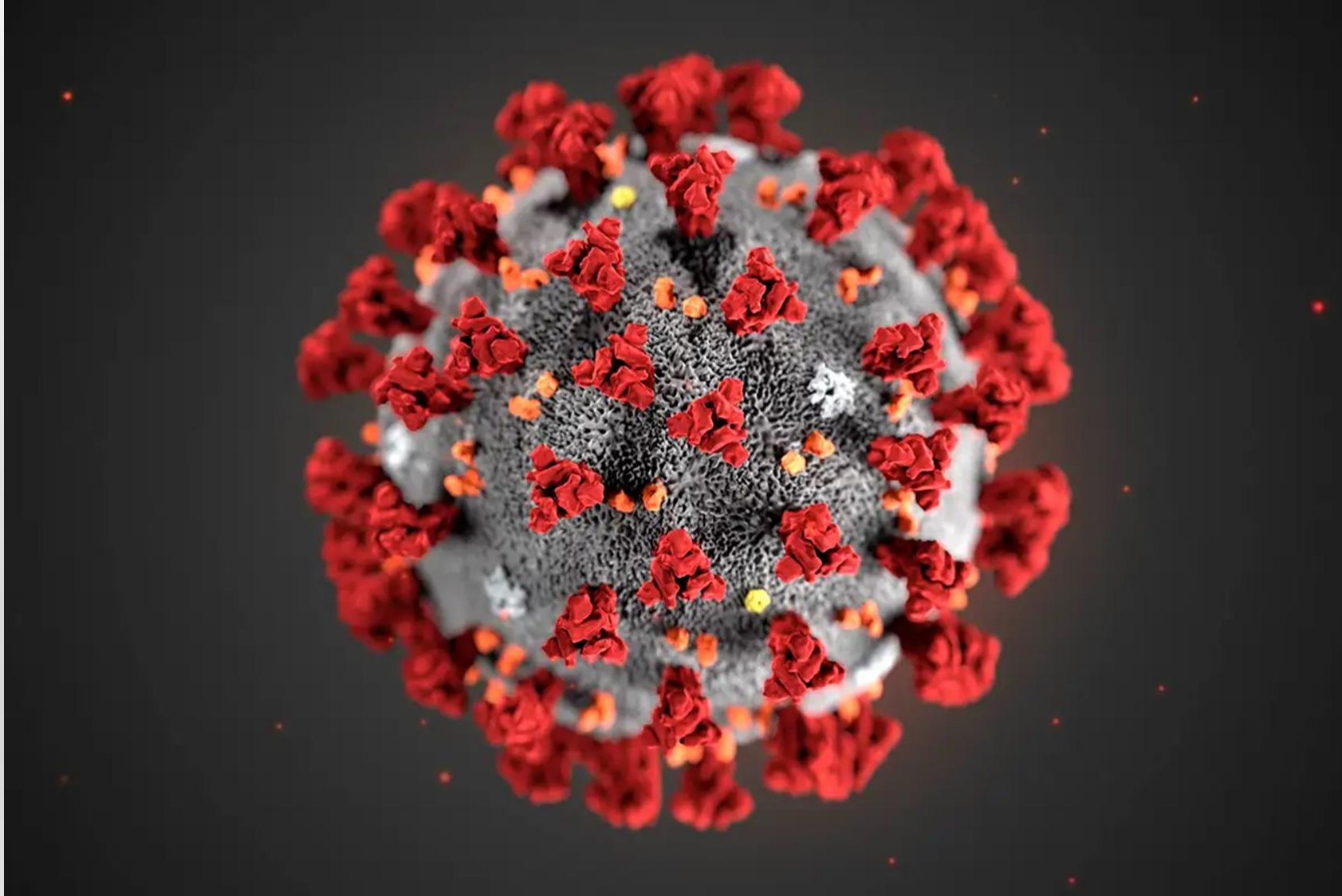
Presenter: Brian D. Frontin, Regional CBT Technical Consultant (CTO) 

February 8th, 2021

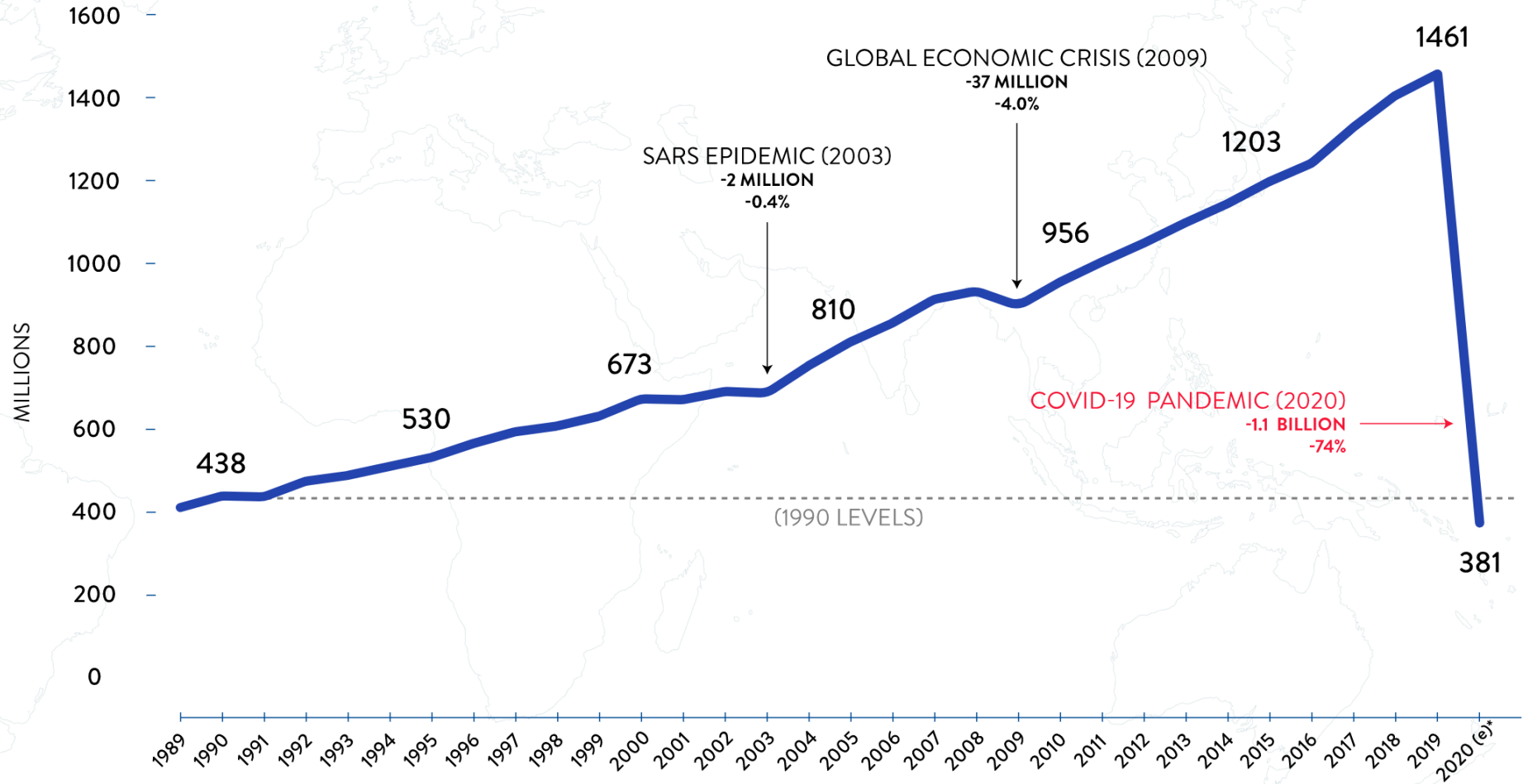
WORKSHOP APPROACH:

- Impact of COVID-19 on Global Tourism industry and Traveller Demand Shifts – A case for Community-Based Tourism
- What goes into a Business Plan? Exploring the Elements
- Summary review of Financial Statements Templates
- Outline review of the Business Plan Competition – Judging Criteria
- Question & Answer Session

HOW DOES A GLOBAL PANDEMIC AFFECT THE GLOBAL TOURISM INDUSTRY?



INTERNATIONAL TOURIST ARRIVALS (MILLIONS)



(e) Estimate

* Data for 2020 is preliminary and based on estimates for countries which have not yet reported results.



SOURCE:
SOURCE: VARIOUS (SEE INDICATOR)
JANUARY 2021

INTERNATIONAL TOURISM BACK TO LEVELS OF 30 YEARS AGO



-74%

Loss of international tourist arrivals



Loss in international tourism receipts

US\$ 1.3 trillion



International tourism could plunge to levels of

1990s



Estimated loss in global GDP

over US\$ 2 trillion



Loss of international tourist arrivals

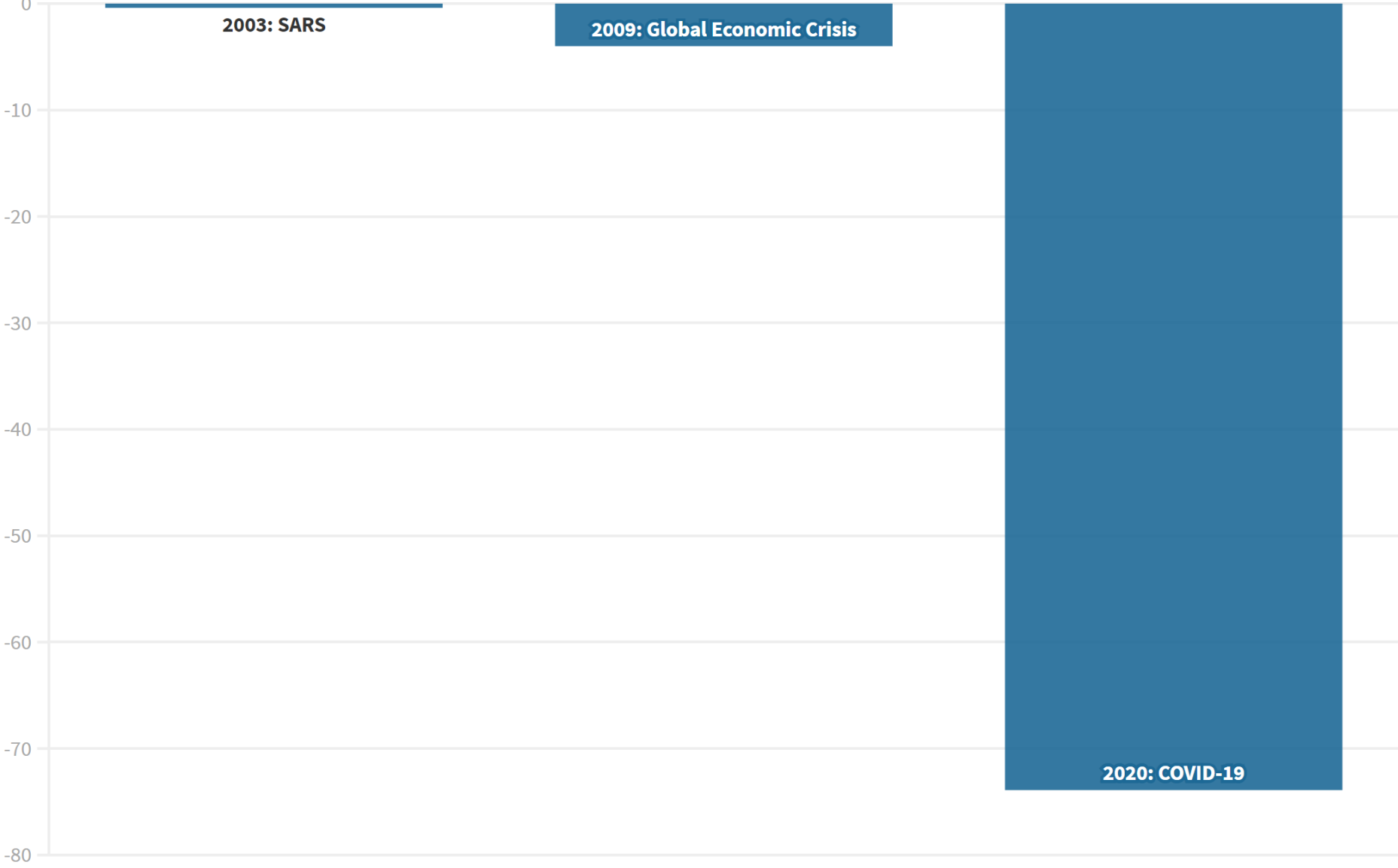
1 billion



100-120 million

direct tourism jobs at risk

UNPRECEDENTED FALL OF INTERNATIONAL TOURISM



2020 INTERNATIONAL TOURIST ARRIVALS

JANUARY-DECEMBER

WORLD

2019: 1.5 BILLION (+4%)
2020: 381 MILLION (-74%)

AMERICAS

2019
219 MN (+1%)

2020:
69 MN (-69%)

EUROPE

2019
746 MN (+4%)

2020:
221 MN (-70%)

AFRICA

2019
70 MN (+2%)

2020:
18 MN (-75%)

MIDDLE EAST

2019
65 MN (+8%)

2020:
16 MN (-75%)

ASIA & THE PACIFIC

2019
360 MN (+4%)

2020:
57 MN (-84%)



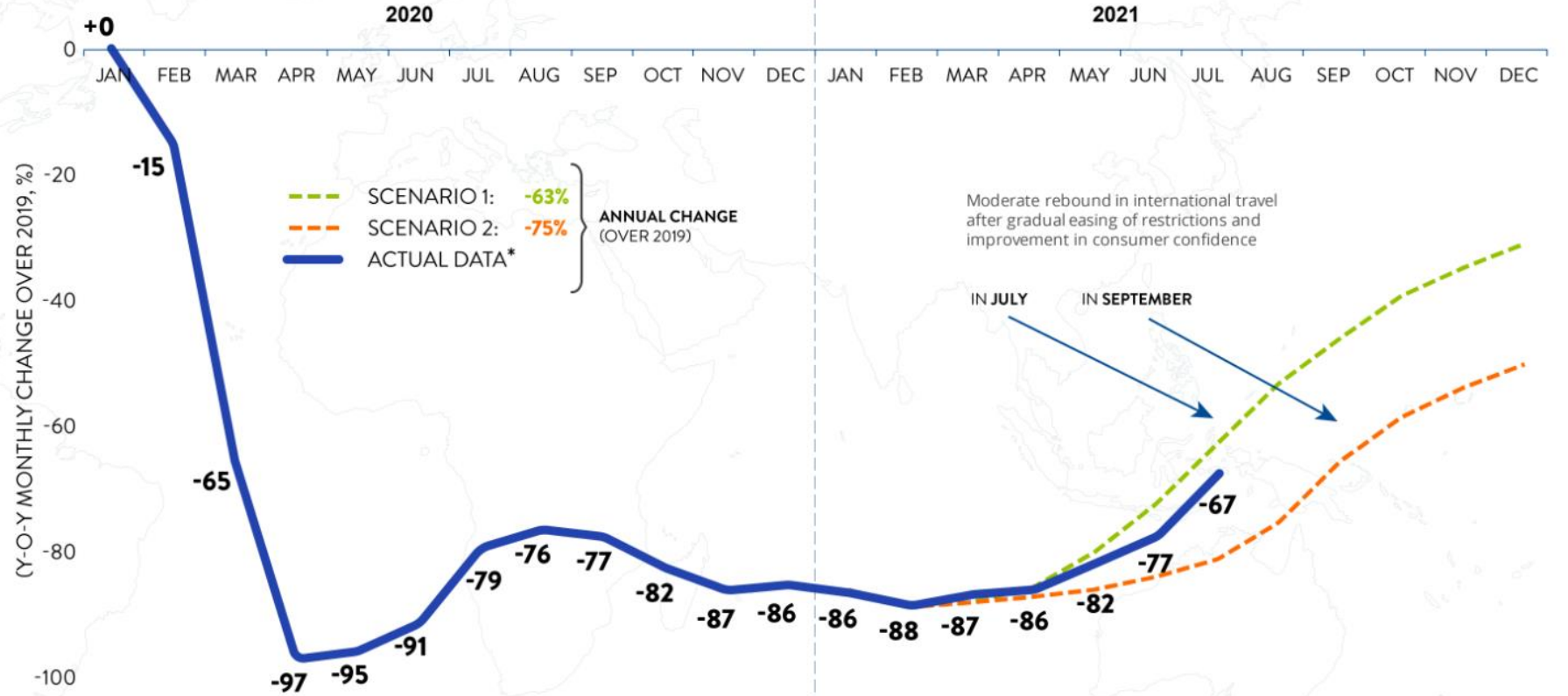
INTERNATIONAL TOURIST ARRIVALS: SCENARIOS FOR 2021

(Y-O-Y MONTHLY CHANGE OVER 2019, %)

* Actual data for 2021 is preliminary and based on estimates for destinations which have not yet reported monthly results.



SOURCE: UNWTO (DATA AS OF SEPT 2021)



Moderate rebound in international travel after gradual easing of restrictions and improvement in consumer confidence

IN JULY

IN SEPTEMBER

ANNUAL CHANGE (OVER 2019)
 SCENARIO 1: -63%
 SCENARIO 2: -75%
 ACTUAL DATA*

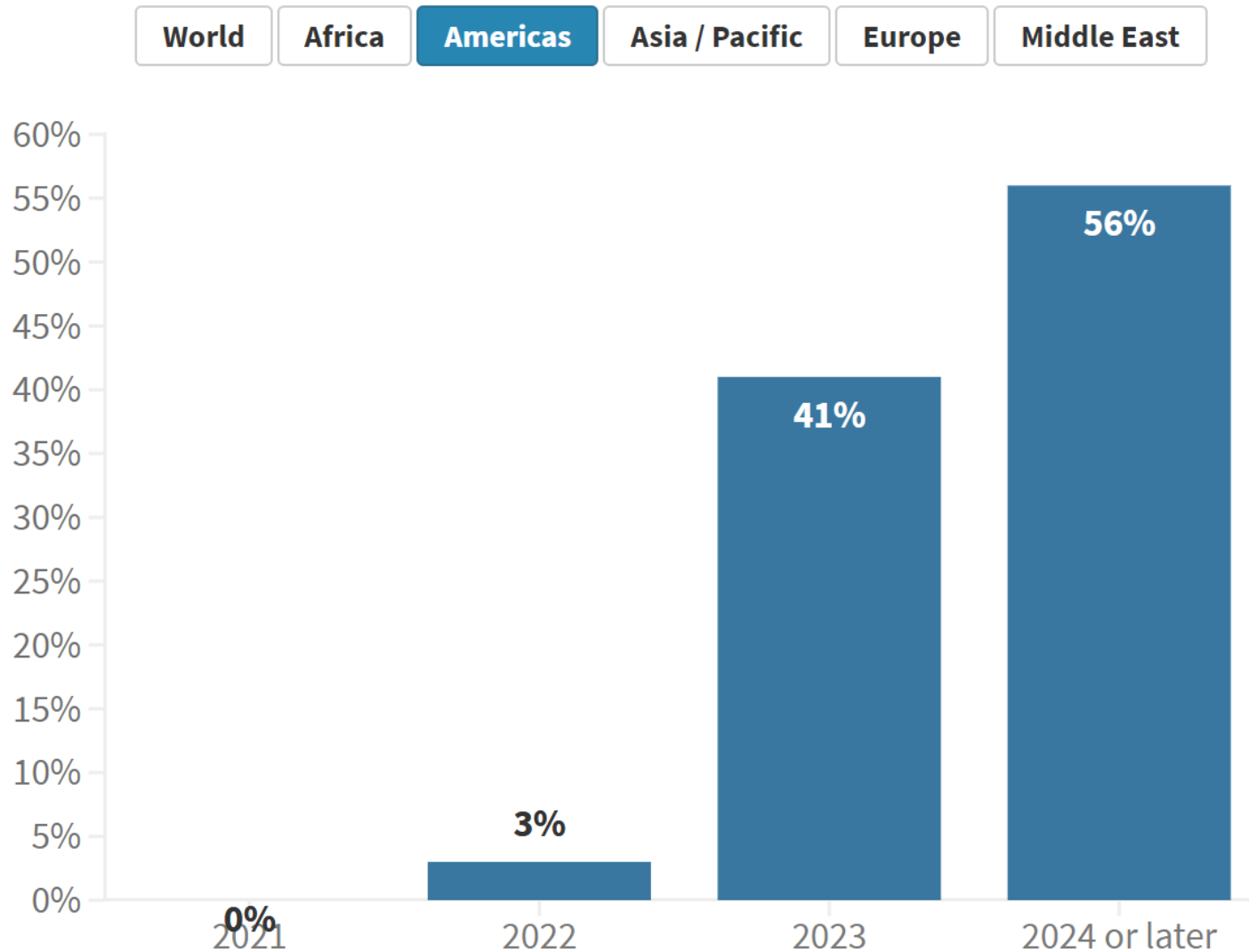
COMMENTARY FROM UN WORLD TOURISM ORGANIZATION

- **Rebuild trust to restart tourism**

“Accelerating the **pace of vaccination** worldwide, working on **effective coordination and communication** on ever changing travel restrictions while **advancing digital tools to facilitate mobility** will be **critical** to rebuild **trust** in travel and restart tourism”

- By subregions, **the Caribbean (-60%) recorded the best relative performance through May 2021**. Growing travel from the United States has benefitted destinations in the Caribbean and Central America, as well as Mexico.

When do you expect international tourism to return to pre-pandemic 2019 levels in your country?



UNWTO conducted a global survey among its UNWTO Panel of Tourism Experts on the impact of COVID-19 on tourism and the expected time of recovery. Data as collected by UNWTO, May 2021. Published: 31/05/2021

WHAT HAS CHANGED?

CHANGES IN TRAVELLER BEHAVIOUR IN TIMES OF COVID-19

-short-lived trends or here to stay?-

Closer

Domestic tourism has shown positive signs in many markets since people tend to travel closer. Travellers go for '*staycations*' or vacations close to home.

Get away

Nature, Rural Tourism and Road Trips have emerged as popular travel choices due to travel limitations and the quest for open-air experiences.

Younger travellers most resilient

Change in demographics:

travel recovery has been stronger among younger segments. 'Mature' travellers and retirees will be the most impacted segments.

New concerns

Health & Safety measures and cancellation policies are consumers' main concerns.

Last minute

Last-minute bookings have increased due to volatility of pandemic-related events and the travel restrictions.

More responsible

Sustainability, authenticity and localhood:

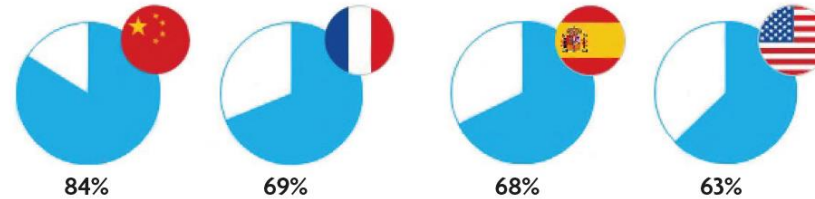
travellers have been giving more importance to creating a positive impact on local communities, increasing looking for authenticity

1. DEMAND EVOLUTION

COVID-19 is transforming traveller inclinations and behaviours toward the familiar, predictable, trusted, and even low risk. Domestic and regional vacations, extensive research and planning, and the outdoors will reign in the short-term, with tourism businesses and destinations already adapting accordingly. Proactive communication will be key to spur demand. Though the longevity of these shifts is still unknown, the Travel & Tourism sector has a unique opportunity to rethink and refresh prevailing business models, in partnership with local communities and with consideration for its most valuable asset, its people.

Domestic travel preferred

Next leisure trip likely to be domestic
% of country's respondents



Abundant support to local communities



Emerging trends among travellers

40%
of US travellers are re-thinking destinations, often in favour of beaches & small towns/rural areas

8.5 - 9
Average length of stay for short-term accommodations, up from previous average of 3.5 - 5 days

70%
of North American leisure travellers say they would book during COVID-19 if changes were fee-free

BUSINESS PLAN

A spiral-bound notebook with a black metal spiral binding is open to a white page with light blue horizontal lines. The words "BUSINESS PLAN" are written in a bold, black, sans-serif font across the top of the page. A thick black horizontal line is drawn underneath the text. A black pen with a silver tip is positioned diagonally in the lower right corner of the page. The notebook is placed on a dark brown, textured wooden surface.

COMMUNITY-BASED TOURISM ENTERPRISE HANDBOOK

- This can be used as a **main resource guide** and manual to assist in launching or expanding a CBT business
- The CBT Enterprise Handbook is available for download via:
<https://www.competecaribbean.org/community-based-tourism-toolkit/>
or
<http://ourtourism.onecaribbean.org/cbt-toolkit/>
- There are accompanying Financial Statements Templates which are a comprehensive guide to documenting your financial position



Community-Based Tourism (CBT) Enterprise Handbook

How to start, operate and promote a CBT
business in the Caribbean

 prepared by
Small Planet Consulting inc.



COMMUNITY-BASED TOURISM ENTERPRISE HANDBOOK

The CBT Enterprise Handbook is designed to:

- Help improve your understanding of the tourism industry and the community-based tourism market niche.
- Offer guidance to help you ensure your business operates in a way that is respectful of the local culture and community.
- Help you to understand what it takes to be a 'market ready' business.
- Provide you with practical information and tips for starting a community-based tourism business and developing a business plan.
- Guide you on how to do market-driven research so you can understand your target markets.

COMMUNITY-BASED TOURISM ENTERPRISE HANDBOOK

The CBT Enterprise Handbook is designed to:

- Give you the steps to develop your product in a way that meets the needs and preferences of your target markets.
- Help you to understand the travel distribution system, pricing vocabulary, and how to price your products for different sale channels.
- Encourage genuine visitor hosting that is values-based and balances the needs of the CBT business owner and employees, the place where the business is located, and the guest.
- Give you practical information and tips for marketing your business, including Internet or digital marketing, which offers many new opportunities for small tourism businesses.

COMMUNITY-BASED TOURISM ENTERPRISE HANDBOOK

The CBT Enterprise Handbook is designed to:

- Provide you with the basics of financial management so that you know how to keep business finances in order and have a more successful business.
- Provide information on how to build financial, business operations and emotional networks to support the success of your business.

THE IMPORTANCE OF A BUSINESS PLAN

A business plan is an essential tool for any CBT business owner, whether you are at the start-up stage or have an existing business. It will help you to:

- Ensure your business idea is feasible (which means it has a reasonable chance of success).
- Get clear on your goals and objectives.
- Teach you about the business details necessary for success.
- Identify and more deeply understand your market.
- Develop products and services that meet the demands of your market.
- Obtain funding from banks, government funding sources, partners, and others.
- Be able to get help and advice to ensure your CBT business is successful.

1. EXECUTIVE SUMMARY

This is the most important part of your plan. It gives a brief one (1) to two (2) page summary of your entire business plan.

You will write this section **after** all the other parts of the plan have been completed.



2. GOALS

Defines the main objectives of your business.

Imagine what your business will look like in 3 to 5 years (e.g., how many customers you will have, how much money you will make, the benefits you will give to your community, etc).

Your Goals **must** be S.M.A.R.T



3. DESCRIPTION OF PRODUCT OR SERVICE

Provide a clear description of the visitor experience you want to offer.

What makes it different and unique? This is known as your Unique Selling Proposition (USP).

How is this offering (product or service), a CBT business?



UNIQUE SELLING PROPOSITION (EXAMPLES)

Winning USP Examples

- **Example #1: Package Shipping Industry**
 - **Pain:** I have to get this package delivered quick!
 - **USP:** "When it absolutely, positively has to be there overnight." (Federal Express)
- **Example #2: Food Industry**
 - **Pain:** The kids are starving, but Mom and Dad are too tired to cook!
 - **USP:** "Pizza delivered in 30 minutes or it's free!" (Dominos Pizza)

4. MARKET OVERVIEW

An assessment of the tourism industry and trends in your destination (which may sometimes differ from country trends).

Which markets will you target? Why?


What have you learned about your potential customers?



IDEAL GUEST PROFILE TEMPLATE

CBT Enterprise Handbook | 65

IDEAL GUEST PROFILE



CBT Business Name

Ideal Profile Name

Demographics

Preferences

Travel Profile

Continues on the next page

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Travel Preferences

Goals and Dreams

Challenges

Common Objections

Sources of Information

Booking

Source: Small Planet Consulting Inc.

5. PARTNERS

A list of businesses with which you will partners for product development and marketing (e.g. other community-based tourism providers, mainstream tourism providers)



6. PRODUCT AND MARKETING STRATEGY

A description of how you plan to develop and offer the visitor experience you will provide.

Providing details on the ways you will promote your business.

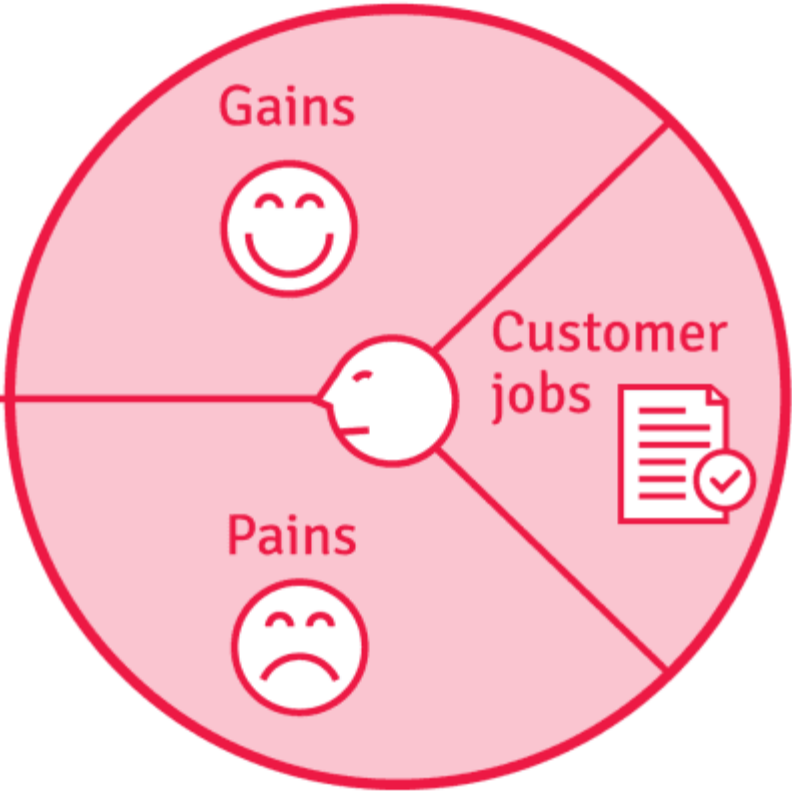


VALUE PROPOSITION

Value Proposition



Customer Profile



PRODUCT AND MARKETING STRATEGY



7. CAPITAL / ASSET LISTING

A listing of your cash, facilities, infrastructure, and equipment needs.



8. COMMUNITY CONTRIBUTION

Details about how the business will involve and benefit the community.

Any cultural, social, health & safety, security, or other measures you will take to help protect the community.



9. ENVIRONMENTAL PLAN

The actions your business will take to care for the environment and address any environmental sustainability issues.



11. FINANCIAL OVERVIEW

Estimates of expenses and revenues and the operating budget.

How will you finance your business and the systems used for managing your finances?



Competition Judging Criteria

#	Criteria	Description	Points Allocated
1	Impact	Initiatives must be able to demonstrate a positive social, financial and/or environmental impact in the community-based tourism sector.	20
2	Innovation	The initiatives present an innovative way of approaching existing solutions, or the applications to new contexts.	30
3	Financial and Operational Viability	Participants should present realistic plans on how to sustain business operations, by demonstrating how they would mobilize financial, human resources, the public/private sector or support networks. Participants should not only describe how they plan to seek funding, but also their plan for sustainability.	20
4	Growth and Leadership Potential	The initiatives must be feasible and include growth projections from a marketing and financial perspective. Participants should demonstrate leadership and commitment to influence the community-based tourism sector.	15
5	Business Elevator Pitch	<p>Evaluated based on:</p> <ul style="list-style-type: none"> • Substance: clarity and persuasiveness of the argument presented • Delivery: attention to tone, volume, pronunciation and pace • Non-verbal communication, presentation of self and virtual background • Timing: Minimum 3 minutes; pitches will be cut off after 5 minutes. <p>The Panel's judgment will be expressed in a scale of 1 to 5, for each criterion, as follows:</p> <ul style="list-style-type: none"> • 5 = Excellent presentation on all counts = A • 4 = Very good presentation with minor issues in one or more evaluation areas = B • 3 = Pitch can be significantly improved but is satisfactory overall = C • 2 = Pitch is incomplete and severely lacking in one or more evaluation aspects = D • 1 = Candidate does not even try = F 	10
6	CBT Toolkit	Evidence of use of CBT Toolkit in the preparation of the business plan	5
Total Score			100

THANK YOU

QUESTIONS?