



Arctic Development
Library

***Banks Island Big Game Hunts - Business
Plan - 1993 - 1996 Tourism, Tourism - Inuvik
Region***

Date of Report: 1993

Author: Lutra Associates Ltd.

Catalogue Number: 11-52-3

**BANKSLAND BIG GAME
HUNTS-BUSINESS
PLAN 1993-1996**

**(Sachs Harbour-Banksland Tourism
Strategy, 1993-1996 -Part 2)**

Prepared by:
Lutra Associates Ltd.
April, 1993

BANKSLAND BIG GAME HUNTS BUSINESS PLAN 1993-1996

TABLE OF CONTENTS

1.0 INTRODUCTION

- 1.1 Opportunity Summary
- 1.2 Corporate History

2.0 FINANCIAL INFORMATION

- 2.1 Source and Application of Funds
- 2.2 Pro Forma Statements and Business Viability
- 2.3 Disclosure of Gov't Assistance in Last 3 Years
- 2.4 Loan Security, Bank Financing, and Net Worth of Owners

3.0 MARKET AND PRODUCT DEVELOPMENT

- 3.1 Current Market
- 3.2 Market Potential and Product Development
- 3.3 Competition and Forecast of Market Share

4.0 OPERATIONS

- 4.1 Management and Staffing
- 4.2 Licensing, Professional Services and Affiliations

5.0 BENEFITS

- 5.1 Environmental Considerations
- 5.2 Economic and Social Benefits

APPENDICES

- Appendix A: Lease and Licenses (not included)
- Appendix B: Quotations for Equipment (not included)
- Appendix C: Financial and Pro Forma Statements
- Appendix D: Resumes of Owners (not included)

1.0 INTRODUCTION

This business plan is prepared as an outline and maybe adopted by the licensed big game outfitter in Sachs Harbour, the Hunters and Trappers committee. The business plan is designed to improve business profits, and long term employment and labour income benefits to the community. Planning activities are scheduled for a three year period. Because this is a public document, there is no specific historical or corporate information regarding existing operations. However, since there is an active licensed big game outfitter in Sachs Harbour there is a historical context or "track record" for polar bear and muskox big game hunts on Banksland. We do make broad reference to recent trends for the big game hunt product, while respecting the confidentiality of the licensed outfitter and tour operators.

The business plan follows the format prescribed in the guidelines to the Business Development Fund (BDF) of the Department of Economic Development and, Tourism. Adjusted for the big game outfitter's operation, it may accompany an application for funding to the BDF or other banking institution. The business plan focuses on the planned activity, it's cost, how the business will pay those costs and the long term effect on the profits of the business. The plan details:

- Opportunity Summary
- Corporate Status and History
- Financial Information about the Business and the Planning Opportunity
- The Effects of the Opportunity on Market and Product Development
- Operations
- Benefits

For many businesses, business planning often occurs periodically when a longer term strategic need is identified requiring significant investment. Preparing an annual business plan may help a business operator focus on a range of funding resources which may be available for supporting ongoing business development.

1.1 Opportunity Summary

This plan is in keeping with the community's goals to increase tourism revenues and improve control over and access to tourism resources on Banksland. This business plan identifies steps which the sport hunt outfitter (Sachs Harbour Hunters' and Trappers' Committee) and booking agency (Banks Island Big

Game Hunt) may implement to improve market share **for the big game sport hunting sector of the Banksland tourism industry.** Human resource needs and training, market planning and implementation, and infrastructure development requirements are identified for a three year timeframe.

Since 1990, Banks Island Big Game Hunts(BIBGH) has provided booking and business administration to the Hunters' and Trappers' Committee for big game hunts, Prior to 1990, sport hunts were booked through Guided Arctic an Inuvialuit agency based in Inuvik. On behalf of the licensed outfitter, Guided Arctic offered a range of big game hunts including individual sport hunts for polar bear, muskox and Peary caribou, and hunts combining each of the above big game species. Since 1990, the selection of sport hunting options has been streamlined eliminating Peary caribou (due to hunting restrictions) and including polar bear and muskox hunts, an optional dog sled hunt for muskox, and a polar bear sport hunt "companion trip".

Since BIBGH took over the booking and administration there has been a considerably higher volume of muskox sport hunts than polar bear sport hunts sold for Banksland. (For example in 1993-14 muskox hunts, and one polar bear hunt were sold) .There are 16 tags for polar sport bear hunts, but the number of hunts delivered annually depends on easily accessible trophy bears, and a high quality guided hunt. Although success is not guaranteed, **a high success rate and satisfied customers are very important marketing tools.** Currently Banksland muskox and polar bear hunts are **capturing only a small share of the big game market for big game species in the NWT.**

This business plan addresses the competitiveness of the Banksland sport hunt industry and identifies opportunities to improve market share and operating efficiencies. investment activities should take place over three years and include:

1. market planning and implementation;
2. product development - tour guide training and renewal of aging hunter equipment; and
3. human resource training primarily in marketing, outfitter administration, booking and board of director.

Local accommodation is not sold with the sport hunt package. Sport hunters may stay at one of the two licensed bed and breakfast establishments or with their guide, and pay the market rate. **To enhance sport hunts, improvements and expansion to the existing accommodation should be planned and implemented within the next three years.**

1.2 Corporate History or Suggested Ownership

For the past five years, the Sachs Harbour Hunters' and Trappers' Committee has been the licensed outfitter for big game sport hunting on Banksland. The outfitter is entitled to a tag allocation for big game species (i.e. polar bear, muskox, Peary caribou) from the Department of Renewable Resources via the Department's agent, the Hunter's and Trapper's Committee. The HTC's membership is made up of local hunters and trappers. The HTC Board of Directors is elected from the membership. The HTC is planning to incorporation of its' sport hunt business.

If the sport hunt outfitter chooses to implement this business plan, it should provide the following detail to a funding/financial institution regarding the business:

- who owns the business; how long it has been in operation; the level of experience and skills offered to the business by the owner/s; and tourism trade memberships and affiliations,
- status of outfitting licenses and any significant changes in licensing including location of activities, and capacity,
- status as a sole proprietorship, limited company, co-operative or partnership (as the business expands the owner should seek a legal opinion regarding the appropriate business structure to cover all liabilities to the owner),
- a summary of the infrastructure/equipment owned by the business and a review of how the business was able to purchase the equipment, and
- the profitability of the existing outfitting business,

Updated resumes of business owners should be appended to the business plan.

2.0 FINANCIAL INFORMATION

2.1 Source and Application of Funds

To increase the number of bookings and improve services for big game sport hunts, the following application and source of funds is suggested.

Application of Funds

1. Market Planning and Implementation (see 3.4 Market Planning)

Totals: Year 1 \$17,000 Year 2 \$21,500 Year 3 \$15,000

2. Product Development - Equipment

Equipment (sleeping bags and winter clothing) currently in the outfitter's possession is reportedly to be at least 10 years old. Equipment replacement should improve customer satisfaction with the sport hunt.

14 sets of winter clothing	\$11,200.
145 star sleeping bags and mattress	\$9, 100,
Misc. first aid kits, maps etc.	\$ 400.
Total Year 1	\$20,700.

Guide Training (see 4.1 Management, Staffing and Training)

3. Human Resource Training - Marketing, outfitter administration, and booking

Source of Funds

An investment scenario for the above **capital (equipment and start-up) and marketing costs:**

Business Investment Program (BDF) = 70% of \$ = \$14,500

Minimum owner equity investment = 10% of \$ = \$2,100

(The outfitter may consider a proposal to the regional **CEDO** for equity investment assistance if required.)

Bank Financing = \$4,100

Marketing for Year 1 \$17,000, Year 2 \$21,500, Year 3 \$15,000

The Market and Product Development (Business Development Fund\GNWT) is based on a 90% contribution to a maximum of \$15,000 per year for three years.

BDF Investment (90%)	Year 1 \$15,000	Year 2 \$15,000	Year 3 \$13,500
Operating Capital	\$2,000	\$6,500	\$1,500

2.2 Pro Forma Statements and Business Viability

If the Hunter's and Trapper's Committee implements this business plan, the profile of the Banksland Big Game sport hunts will be improved in the marketplace. Implementing the marketing plan will increase product exposure, result in more inquiries, and increase the opportunity for BIBGH or its' agents to increase sales. On-going guide training and refresher programs will enhance guiding skills, product delivery, and customer satisfaction. Human resource training particularly in marketing should, in the long term, allow BIBGH to control the planning, selling and administrative management of the hunt product.

The three year pro forma statements (three year forecast of income and expenditures presented in Appendix C) indicate that **the** business can **be** viable. A quota of 16 polar bear and 500 muskox tags are available to sport hunters. With active marketing over the next three years, BIBGH should target increased occupancy levels for muskox hunts (estimated at 20-25 annually) and polar bear hunts (estimated at 3-5 annually).

Because the business plan is designed for an active licensed outfitter, a lending institution will require the past two or three years of financial statements. Forecasts of sales, expenses, assets and liabilities should be adjusted to reflect the business performance during the two or three year period. Historical financial statements should be appended to the business plan.

2.3 Disclosure of Gov't Assistance in Last 3 Years

Some government funding agencies have limitations on available funding based on previous government assistance. The notes to financial statements for an active licensed outfitting business will detail some of this information, however the active business should include a list of all government assistance received in the past three years.

2.4 Loan Security, Bank Financing, and Statements of Net Worth of Owners

Government and banking institutions will require an active licensed business to summarize bank financing, security against those loans (personal guarantees and collateral) and updated statements of personal net worth of the owners or main financial investors of the outfitting business. Most banking institutions will supply personal net worth forms.

3.0 MARKET AND PRODUCT DEVELOPMENT

3.1 Current Market

The Sachs Harbour HTC sells polar bear and muskox big game sport hunts. Polar bear hunters are accompanied by a guide and helper. On these hunts, 10-14 days of travel may be required by dog team in pursuit of a trophy animal. The polar bear hunt costs \$13,050 U. S.(plus 3.5% GST). Muskox hunters are accompanied by a guide and helper and travel by ATV or snowmobile. The four day muskox sport hunt costs \$2,650 U.S. (plus 3.5% GST). The sport hunter must arrange and pay for transportation to and from Inuvik, accommodation while in Inuvik or Sachs Harbour, trophy fees, and export permits. The HTC also offers companion trips at 50% of the hunt price for those wishing to accompany the sport hunter. In addition, there is a guided (with helper) seven day muskox hunt by dog team. Muskox hunts are offered from August to November and February to April, while polar bear hunts are from October to May.

The Sachs Harbour HTC allocates 16 polar bear tags and 500 muskox tags to sport hunting. Over the past three years, occupancy levels have been low and in 1993, 14 muskox hunters and one polar bear hunter were booked for Banksland big game hunts. Muskox hunts are increasingly difficult to book and are on the decline in the Northwest Territories. The muskox hunt is a lower priced hunt and is sought by "species" sport hunters wanting to complete their species for a special record category such as the "Super Slam". Boone and Crockett (a major record book) confirms that there is little activity in the "Super Slam" category. In contrast, polar bear sport hunts are exclusive hunts and are not impacted by "species hunters". Polar bear hunts are "holding their own" in the market place.

The promotion and bookings for Banksland sport hunts are undertaken by BIBGH and seven other agents throughout the world. In 1993, the fourteen muskox hunters were a block booking from one agent. A "familiarization hunt" will be offered to the agent who delivered the group booking this year, however the other agents have not been familiarized on a hunt.

3.2 Competition

NWT Class C licensed outfitters primarily compete for muskox and polar bear hunts. 16 Class "C" licensed outfitters offer hunts from a variety of communities in the Baffin, Arctic Coast, Western Arctic and Keewatin regions. Outfitters in

Gjoa Haven, Holman Island, Coppermine, Cambridge Bay, Resolute Bay, Paulatuk, Tuktoyaktuk, Clyde River, Lake Harbour, Iqaluit, and Sachs Harbour are the most active hunt communities.

In the NWT, licensed outfitters generally use booking agents to book their hunters. Some agents seek exclusive agreements for an outfitter's hunt product. Agents seeking exclusive agreements may be concerned about quality sport hunts and above all, their own good reputation in the marketplace. As such, some agents may be willing to spend development time with the sport hunt outfitter. Sport hunting agents do not require licenses.

The Sachs Harbour HTC competes with three well established agents booking hunts for outfitters in the above mentioned communities. The HTC has chosen not to have an exclusive booking agreement with one agent and uses its' own booking arm, BIBGH and the seven agents. In 1993, agents and BIBGH had a price advantage over competing outfitters in the NWT. The costs of Banksland muskox and polar bear sport hunts are 32% and 11% lower respectively, than those offered in other hunt destinations in the NWT.

3.3 Market Potential and Share

Target markets for muskox and polar bear hunts are primarily in the United States and Europe. Germany, Spain, and Italy are prime geographic targets in Europe. Some hunts are sold in Canada (but clients are usually looking for a deal) and Mexico. Annually, there are approximately 60 polar bear hunts sold and fulfilled by outfitters in the NWT, and around 100 muskox hunts.

A number of factors may affect the market potential of muskox and polar bear sport hunting in the NWT. For example, changes to the Marine Mammals protection Act and removal of restrictions on exporting polar bear hides to the United States, may increase the potential size of the U.S. market. To counter a declining market potential for muskox sport hunts, other outfitters and booking agents operating in the NWT may reduce their prices in the short term, thereby lowering the price advantage enjoyed by the Sachs Harbour HTC. Polar bear hunts are however, considered to be the top hunt in the NWT and markets are showing no signs of decline and in fact, can capture as much as \$14,500.

Sport hunters are well connected through local or regional clubs and associations. Sport hunters are likely to contact other hunters to seek references and usually ask the agent for success rates of different species before placing a

deposit. Price may be less significant to a potential customer than guaranteed satisfaction.

The Sachs Harbour HTC can improve its' market share over the next three years primarily in the polar bear market, if it allows hunt pricing to increase and, hunt quality to be maintained at a very high level. The HTC should also implement a marketing plan which increases the exposure of the hunts in the marketplace.

3.4 Market Planning

In order to increase market share and annual revenues, the business must **develop and implement a marketing plan. The marketing plan may provide a mix of advertising, media relations/travel trade, direct mail, consumer show and other marketing aids.** A suggested marketing plan to include (If a plan exists it should be attached in an appendix to the business plan):

A. Advertising

An **annual print advertising campaign** should include advertising in various big game sport hunting publications. Examples include: North American Hunter, Safari, Peterson's Hunting Hunt, and Gray's Hunting Journal. The Cooperative Advertising Campaign sponsored by the Department of Economic Development and Tourism may be able to assist the operator to choose magazines with a distribution and ratings suited to the hunt product. Magazine advertising has traditionally been a good way to generate inquiries in the hunting sector of the industry, It is however becoming very expensive. Other hunting agents and outfitters selling hunts in NWT communities are cooperating in the placement of a single advertisement (cooperative advertising) thereby reducing the direct costs to the individual business, Similarly, cooperative advertising may be arranged with the NWT Cooperative Advertising Campaign for a group of outfitters or agents to place advertisements in the above magazines. In 1993, cooperative hunting partners paid \$1,500 each and were part of full page advertisements in selected hunting magazines. The advertisement included the partner's listing. In addition, the hunting partners were included in an information package mail out to 8,000 potential American hunters (mailing list purchased from the Wyoming Fish and Game Association).

The annual sport hunt listing should appear under Class C outfitters in the Northwest Territories Explorers' Guide. The Explorers' Guide has a wide distribution and is the main information source provided to Arctic Hotline inquiries. Advertising is also available in this publication but may have minimal impact on the sport hunt market.

The outfitter should budget for advertising in the fall as most advertising should be placed in the late summer or fall.

Total Budget: Year 1\$4,000 Year 2\$4,000 Year 3\$4,000

B. Media Relations/Travel Trade

For the media and travel trade **familiarization tours are a very practice marketing tool. Over a three year period, the outfitter should host "fare tours" with hunt agents, and freelance travel writers.** If the outfitter is dealing with overseas or US agents or writers, the Canadian consulate in the nearest city will assist in checking credentials and possibly offer some financial support. It is recommended that at least one "fam tour" is conducted hosting an agent and/or a writer each year. (Assistance for media relations/travel trade can be obtained from airlines - airline passes, the Western Arctic Travel Zone, and the Department of Economic Development.)

Some agents may wish to package air travel and accommodation outside of Sachs Harbour with the tour. There should be a written agreement between the booking agent and the outfitter. A sales commission of 15% is standard for hunting booking agents.

"Media relations/travel trade fam tours" can be taken when there are guests for part or all of a hunt. Paying customers should be informed of the "fare tour" participants and for economy "fare tour" participants may be booked on a "space available" basis or "back-to-back" with paying guests. The advertising budget should include enough to cover the costs of an advertisement in a publication where a story about the Banksland hunts may occur.

Total Budget: Year 1\$4,000 Year 2\$4,000 Year 3\$4,000

It is essential that the outfitter **generate a photo library, The photos** should focus on the natural features of the area but also document guests, guides and trophies, the outfitter and gear, conditions on the land and other features, These photos can be duplicated and used to support booking agents, for use at consumer shows, in the development of an outfitter brochure, or in a newsletter, For the best effect the professional photographer should be on a tour with other paying guests. The outfitter should have a list of photo opportunities which he and the photographer agree on. The outfitter must seek a release from the photographer and for that matter from guests who shoot pictures for ownership

of the photographic materials, A photo shoot should feature the muskox and polar bear hunts.

Total Budget: Year 1 \$2,000 Year 2 N\C Year 3 N\C

C. Marketing Aids

A product brochure will be useful to the outfitter for selling the tour directly to customers, and attracting wholesalers and agents. An information package including a brochure should go to each inquiry. Three fold ,8.5" x 11", or four fold 8.5" x 14" black and white brochures are the most economical but full colour 6" x 9" with price insert, is more effective. The outfitter should begin the brochure after the photo shoot and it will take two to three months for copy, layout and printing delivering. Typically higher volumes (an inventory of 3,000-5,000 copies should last 3 years) will be more economical. A black and white rate card printed annually will allow the outfitter to change rates, and/or the pricing/deposit policy.

Rather than BIBGH printing a brochure or newsletter, an agent might incorporate the Banksland hunts into an existing brochure, This cooperative arrangement would require that BIBGH contribute only to layout and printing costs.

Total Budget: Year 1 N\C Year 2 \$4000 Year 3 \$500

If the outfitter is interested in attending consumer shows, a **portable display will be required. The display** should be easy to put up and enable photos and information to be changed, The display may include additional photoboards, maps, videos (if machine available) and photo binders. The outfitter should use professional photographs taken and released by guests. (Portable display frames may be rented for use at consumer shows. Outcrop Ltd. is one company in Yellowknife which rents displays for \$75 per show day.)

Total Budget: Year 1 N\C Year 2 \$3000 Year 3 N\C

4. Direct Mail

Direct mail marketing involves the preparation and maintenance of a mailing list, and an information package, and the cost of handling and postage. A mailing list or customer inquiry list can be developed from former customers, direct inquiries, the Department of Economic Development and Tourism (Sales Leads Program), or purchased from a fish and game club.in the long term, it may be

advantageous to maintain an electronic mailing list on a computer software program such as WordPerfect 5.1 in order to easily print out addressed labels. The information package for the mail out may be as simple as a Christmas card or the hunt brochure. Some booking agents featuring a wide range of hunts, prefer the black and white newsletter as part of their marketing aid package. The information package should also contain standardized letters and information sheets required for booking a hunter.

Total Budget: Year 1 \$2,000 Year 2 \$1,500 Year 3 \$1,500

5. Consumer Shows

Attendance at consumer shows and slide presentations at chapters of local or regional hunting clubs is a most effective way of selling to hunters. Safari Club, North American Foundation for Wild Sheep and Wild Elk Foundation shows held annually are excellent shows for accessing the North American market, while hunting shows in Europe (Germany) will be effective for the European market. **Consumer shows are an expensive but necessary method of selling sport hunts.** The outfitter must be well prepared to sell and close deals, and travel the consumer show circuit annually. Consumer shows begin in the late fall and continue until March/April. The HTC may choose to have their own trained representative, attend shows. Alternatively the HTC may send a qualified booking agent. In either case, the HTC may seek travel assistance from air carriers. The Department of Economic Development and Tourism (The North Group) may provide resource information from its' Consumer Show Program.

The Hunter's and Trapper's Committee may choose to budget for travel, food and accommodation, and show expenses for at least one major show annually.

Total Budget: Year 1 \$5,000 Year 2 \$5,000 Year 3 \$5,000

During the first three operating years the total budget for marketing should be:

Year 1 \$17,000 Year 2 \$21,500 Year 3 \$15,000

4.0 OPERATIONS

4.1 Management, Staffing and Training

Staff and the management of staff are very important to the success of a small business. Guiding is the critical element in delivering a quality sport hunt package. The outfitter should clearly inform potential hunters in promotional materials and correspondence, about the level of guiding service available in the community. Good testimonials and references from previous guests can improve the potential for bookings. The outfitter should have an agreement with guides to undertake a set of duties in the delivery of the hunt. If the tour is well organized, everyone is informed, there are contingencies in place for weather conditions or natural viewing, the customer should be satisfied. **A satisfied customer can be an outfitter's best marketing agent.**

Level 1 Guide training will be delivered in Sachs Harbour in 1993. The outfitter should develop a hiring policy that all guides will have a minimum level of guide training. As a tourism zone or community tourism association member, the outfitter may continue to lobby for refresher guide training sessions to be held in the region. The outfitter may acquire funding assistance through EIC to attend guide training programs.

The outfitter must be able to manage and make changes in operations. Feedback from guests is essential and can be done formally with the use of a questionnaire, or through outfitter interaction with guests. The outfitter should always try to spend time with each of guest. The outfitter must also be in control of the administration of the business. An office or administrative system should be in place for the outfitting business. It should not be complicated but should include clear staffing and training policies; market planning, marketing and booking procedures; expediting, communications and travel logistics; and financial administration/bookkeeping systems. The outfitter may acquire these skills and services by:

- 1. attending the 10 month Tourism Training Program in Yellowknife or requesting that specific courses of the program be delivered in Sachs Harbour. The outfitter should contact either the Tourism Training Group in Yellowknife or the Yellowknife Campus of Arctic College for more details
- 2. purchasing these services, or
- 3. making an agreement with a professional to provide on-the-job training.

Office staff have been hired by Sachs Harbour HTC to work with BIBG. An assessment of skills would skill shortages and provide the basis for a training plan.

Canadian Executive Service Organization (CESO) will supply professionals, usually on a short term basis, at no cost to a Canadian aboriginal business. The agency may be accessed through the Department of Economic Development and Tourism. It would be expedient for the Hunters' and Trappers' Committee and possibly other tourism outfitters to cooperate and have a CESO professional come into the community for 4-6 weeks. Considering the remoteness of Sachs Harbour, there may be some accommodation and travel costs, however assistance should be available from either the GNWT, the Pathways Board or the Hamlet. (Communities may apply to the Economic Development Cooperation Agreement category 3.0 Community Sponsored Development/3.2 Business Services for assistance to conduct training and business counseling sessions, and facilitate business access to community financial services).

In April 1993, the GNWT announced the NWT Workers Training Fund. This program is for one year only ending March 31, 1994 and may be used to pay for work projects in the community. The Hamlet Council approves and administers the \$29,000 community allocation. The HTC may consider approaching the hamlet with a proposal to be a sponsor providing practical on-the-job training for new sport hunt guides. For application information contact Municipal and Community Affairs or the Department Responsible for Education, Culture and Employment Programs.

As the outfitting business is directed by the HTC Board of Directors level, board development assistance can be accessed from Economic Development Cooperation Agreement, EDA funds can assist Boards and NWT Businesses in to carry out their duties. Funds may be used for identifying training needs, scheduling training sessions and cover training costs for participants.

4.2 Licensing, Professional Services and Affiliations

The Class C outfitting license is issued by the Department of Renewable Resources. Should the outfitter regularly use a permanent camp for sleeping accommodation while on-the-land, a tourism establishment license may be required from the Department of Economic Development and Tourism, Annual renewal of the outfitter license is necessary, and approval will be based on good standing with the companies registrar (if incorporated), compliance with Worker's Compensation, and sufficient liability insurance (\$1,000,000) to cover

any legal action resulting from a negligent mishap. A copy of the actual outfitting license should be included in an appendix to the business plan.

A growing outfitting operation may wish to incorporate to offer some limited liability for the outfitter, Retaining the services of a lawyer, and accountant and establishing a relationship with a bank will help with financial and legal matters undertaken by the business. The business plan should identify professionals serving the business.

Affiliation with the Western Arctic Tourism Zone may offer some benefits to the outfitter. Membership may offer cooperative marketing, business networking, and human resource development opportunities.

5.0 BENEFITS

5.1 Environmental Considerations

Bankers and government funding agencies are increasingly concerned about potential environmental impacts from business operations and the costs of cleaning-up or mitigating the impacts. The outfitter should develop and implement a policy indicating how the business will cope with solid and human wastes. The outfitter may contact the Environmental Health Officer at the Inuvik Regional Health Board, or alternatively contact the nurse at the Sachs Harbour community health centre for assistance. The policy might also demonstrate how the outfitter uses the land and its resources in an environmentally conscious manner.

5.2 Economic, and Social Benefits

Some funding programs are directly linked to employment creation. An outfitter applying for this type of funding will be required to demonstrate how many jobs there are in the business, and how many more might be created due to the opportunity identified in the business plan. Correspondingly, labour income for these jobs should be documented.

APPENDIX C: FINANCIAL AND PRO FORMA STATEMENTS

NOTES TO PRO FORMA STATEMENTS:

1. Sales are based on one polar bear hunt in year one increasing to three in year 3, and 14 muskox hunts in year one increasing marginally to 15 by year three. The price is allowed to increase by 10% for both hunts and is presented in Canadian funds. Other income included in the first three operating years are grant contributions from BDF to offset marketing costs (90%).

2. Wages are assumed to be \$250 per day for guide and dog team or snomobile and \$100 per day for a helper. The wage package is derived from the total number of muskox hunters and polar bear hunters, assuming a maximum 4 and 14 days for each of muskox and polar bear hunts and a guide and helper accompanying each hunter on the hunts. Office administration is assumed to be 10% of sales.

3. Although return transportation from Inuvik may not be a direct expense to the outfitter now, it is costed for the polar bear hunts only in this scenario to make that package more saleable. It is assumed that the air carrier may provide a 15% discount off the scheduled rate.

4. Marketing expenses are listed in the marketing campaign 3.4.

5. Commissions are based on agents selling 100% of the tours in year one reducing to 80% of the tours by year 3.

6. Assuming country foods (muskox, and Arctic char are used liberally) supplies, food, and fuel is based on 10% of sales.

7. Office expenses include telephone and office supplies @ \$250 per month.

8. Professional fees include legal fees for incorporation, registration of loan debentures, preparation of minutes of board of directors annual general meeting (if incorporated), and preparation of annual financial statements.

9. Insurance policy for \$1 million liability and a broad policy to cover damage to equipment.

10. Interest charges on a small bank loan of \$4,100 for a three year term at 9.75% plus additional bank charges at \$40 per month,

11. Depreciation is calculated on the new equipment purchased at 20% of the purchase value.

12. Income taxes at 22% applicable in each year where there is a profit.

13. The cash reserve is the total amount of actual cash which may build up in the business between year one and year three.

Big Game Sport Hunting
 Proforma Income Statements
 Three Years of Operations

Sales	Yr.1	Yr.2	Yr.3
Sales	62775	88371	105884
Marketing & Product Dev. -BDF	15000	15000	13500
Net Sales	77775	103371	119384
Expenses			
Wages	30778	39637	43288
Transportation	574	1148	1721
Marketing	17000	21500	13500
Booking Commission	9416	11930	12706
Supplies, Food, Fuel	5095	6778	8259
Office (phone, supplies)	3000	3150	3308
Prof. Fees Legal/Acct	1500	1575	1575
Licenses, Memberships	500	500	500
Insurance	1500	1575	1654
Int. (9.75% 3 yr. term/\$4100)	819	696	560
Depreciation (20% of Equipment)	4318	4318	4318
Operating Expenses	74499	92807	91389
Net Income Before Tax	3276	10564	27994
Income Taxes @ 22%	721	2324	6159
Net Income	2555	8240	21836
Add Depreciation	4318	4318	4318
Less Principal Payments	1233	1356	1492
CASH RESERVE	5640	11202	24662