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**Boat Tours, A Business Plan: Fort Simpson
Tourism, Tourism - Deh Cho Region
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BOAT TOURS

A BUSINESS PLAN: FORT SIMPSON, NT

May 1994

(Volume H)

BUSINESS PLAN #1 BOAT TOURS

INTRODUCTION

The development of this business plan could bring substantial economic and other benefits to Fort Simpson. In addition to direct employment, spin off economic benefits may include purchases at the stores, gas station, air charter companies, craft shop, hotel, motel and bar.

Other benefits from development of this business may include:

- pride of accomplishment
- setting a positive example for other businesses in the community;
- training and experience of owners and staff which can be **transferred to other businesses;**
- **exposure to visitors... a learning experience;**

THIS BUSINESS PLAN IS DETAILED UNDER THE FOLLOWING HEADINGS:

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We suggest that before this Business Plan is read, that the companion document "Tourism Strategy - Fort Simpson" be reviewed.

In our detailing of the selected business plans we have attempted to strengthen the viability of each project through cooperation with one or more projects.

Projected marketing budgets may have a minimum and maximum. Money **actually** spent on capital and operating expenses will depend on the applicants own

resources, his/her seriousness and available assistance. For forecasting purposes projected revenue and expenses are based on minimums.

At the completion of this Business Plan a “ To Do” list suggests tasks to be completed in order of priority. The owner/manager should use this as an initial guideline only. Time frames to complete each task will depend on the applicants available time, enthusiasm and support/assistance. We recommend the Business “Year End Review” Appendix #1 and guest questionnaire Appendix #2 **be implemented once in operation.**

IS THIS BUSINESS FOR ME?

Before entering into this business opportunities we must ask:

- Am I prepared to dedicate the time and effort to make it work?
- Do I have, or can I obtain the resources needed?
- Would I enjoy this type of business?
- Is this the type of business I want?
- Would I gain more benefit and satisfaction from working as an employee... without the hardship and headaches involved with ownership?
- Am I qualified?
- Do I have the financial resources to provide equity?
- Will it compliment my lifestyle and other work activities?
- Do I have family and community support?

EXECUTIVE SUMMARY

BOAT TOURS

There are a number of boat tour packages which have potential. In order of preference we suggest.

- (A) Short duration Fort Simpson and area trips a mix of 4 hour, full 8 hour day trips and 2 day overnight trips. Itinerary may include trips up or down the Mackenzie, up into the mouth of the North **Nahanni**, up the **Liard**, visiting the community of Jean Marie River and including camps, and local points of interest.

- (B) North **Nahanni** River Tours The North **Nahanni** flowing into the Mackenzie 30 miles from the ferry crossing on the new Wrigley highway system provides water access to the upper **Nahanni** and Ram Plateau area.
Two different types of packages could be offered on the North **Nahanni**
(A) propeller then jet powered boat up the river to the “gorge” and access to the Ram Plateau area (B) canoe, and raft from the source down river to the Mackenzie.

- (C) South **Nahanni** River Tours There are 4 established outfitters on the South **Nahanni** and one outstanding license available for a community based group. We suggest that a joint venture between a Fort Simpson based group and one of the licensed **outfitters** has good potential in the longer term.

Local boat tours by **power(propeller)** boat on the Mackenzie, **Liard** or lower reaches of the North **Nahanni** up to about 40 miles in high water, have the best short term potential. A minimum capital outlay is required as some experienced local guides have their own equipment. Local boat tours would provide part-time and seasonal employment activity only.

“North **Nahanni** River Tours” could be developed independently or in a joint venture with an established “South **Nahanni** River Outfitting operation”. This investment would provide employment, experience and expansion opportunities.

The first two opportunities could be developed independently or by 1 corporate body and as such we have included both capital costs and financial forecasts. Both business opportunities would compliment other Fort Simpson businesses such as accommodation, taxi, air charter companies, hotel, motel and craft shop.

As we suggest that the “South **Nahanni** River Tours, option (C) has a longer term potential via a joint venture, we have not provided financial forecasts.

PROJECT DESCRIPTION

A. Short Duration Trips. These cater primarily to the new Wrigley highway traffic, Mackenzie/Liard existing highway tourist traffic, and "**Norweta**" and "Arctic Star" Boat Tours market, Licensed guides with good equipment and river knowledge could operate on a part-time seasonal basis to offer pre-packaged short duration power boat tours. Locally made river scows or 18' aluminum boats with 20-90 hp outboards and equipment, would be used. Jet boats are not required until one ventures further up the North **Nahanni** River.

Packaged tour options may include a 1/2 day (4 hour) tour with snacks, A day tour (8 hours), and a 2 day, 1 overnight package. Points of interest such as the Harris Creek, Burnt Island, **Camsell** Bend, junction of the North **Nahanni**, community of Jean Marie River, I.P.L. pipeline crossing (an outstanding construction feat), Rabbit Skin River where the Norwegian family of Simpson homesteaded and numerous old cabins along the Mackenzie; Green and Hanson Island for picnics and fishing; "**Dechinta**" summer cultural camp at Spence Creek below Jean Marie River where local students learn traditional bush camp living, and family camps, can be included in addition to interpretation of the history and culture of the area by the guide. Side trips such as a hiking trip to Mount **Camsell** or **Nahanni** Mountain and visiting archeological sites would add to the appeal of overnight boat tours.

The season would begin shortly after breakup in early June and last until late September/ early October. Most business we suggest would occur from Mid-June to mid-August, coinciding with the Liard and Mackenzie highway summer traffic.

B. North **Nahanni** River Tours. The North **Nahanni** flows into the Mackenzie 70 miles downstream from Simpson, or about 3 boat hours one way. The North **Nahanni** junction is about 30 miles from the Mackenzie highway (to Wrigley) ferry crossing or about 1.25 boat hours one way.

The North **Nahanni** watershed adjacent to **Nahanni** National Park, offers access to unique areas such as the Ram Plateau and offers accessibility by hiking into picturesque areas such as the **Sundog** Basin.

The Ram Plateau is intersected with deep canyons. Many of these canyons are two to three thousand feet in depth and are visually spectacular. "**Hoodoo** rock formations" are found along many canyon walls. The flatness of the plateau and the fact that it is barren allows for easy walking and provides the visitor with many viewing opportunities down the different canyons. On the limestone plateau there are a variety of intricate **Karst** features, fossils and glacial erratic. Elevations along the dome of the plateau average in the 3,500 to 4,000 ft. ranges.

The **Sundog** Basin is located between the Ram Plateau and the South **Nahanni** Plateau. All three of these areas are closely associated because of their unique **landforms**, such as the **Karst** topography that is comprised of **Nahanni** limestone. This assemblage of **Karst** features is reputed to be the most concentrated and unique

range in a northern environment in the world. Unique features in the **Karst** belt include limestone pavements, sinkholes, cenotes, caves, dry valleys and **polje's** with mogotes (which are residual limestone towers in the **poljes**). The area also has unique **Karst** features such as limestone arches.

The main attraction of the **North Nahanni** is accessibility to these scenic upper canyons, Ram Plateau, the Ram and **Tetcela** Rivers, hiking, **grayling** fishing, water falls, wildlife, **Cli** and Little Doctor Lakes.

As highway transport from Simpson to the Wrigley ferry crossing is cheaper and more convenient by road than water we suggest a small base of operations on the Simpson side of the ferry. A 12' X 14' tent frame with radio, signage and information on river tours, and boat tie up may be all that's needed.

A jet boat or jet prop on an outboard, can provide access 90 km up the North **Nahanni** to the gorge and limited access up the **Tetcela** and Ram Rivers. A regular propeller - outboard can only access the lower reaches of the North **Nahanni**.

Because of the distance all tours to the canyons have to be at least one overnight. Day tours of 8 hours from the ferry crossing could include Burnt Island, **Camsell** Bend, Mount **Camsell**, **Nahanni** Mountain and scenic views of the **Nahanni** and **Camsell** ranges.

Overnight tours from the ferry could include all the above plus the upper canyons of the North **Nahanni**; creeks flowing into the North **Nahanni** offering good hiking and **grayling** fishing, Battlement Creek flowing from a cave, water falls. Hikes up to the Ram Plateau or to the lodge at Little Doctor Lake and potential lodge at **Cli** Lake will require more than 1 overnight. Potential for hiking in the area is excellent but some trail development will be required before it is promoted.

River tours in the North **Nahanni** could logically be part of a **Cli** lake lodge or Little Doctor Lake lodge development. Flying guests one way by air charter and one way by jet boat would provide an excellent variety of activities for guests.

Canoe/raft trips down the North **Nahanni** appear to have limited potential as the river is very "technical" and water levels change dramatically with rainfall. A joint venture with an established South **Nahanni** River outfitter [see(C)] would prove to be more efficient than starting fresh in the competitive canoe/raft market.

C. South **Nahanni** River Tours: Although applying for the 5th **outfitting licence** for the South **Nahanni** River is possible we suggest that the purchase of shares in one of the 4 established and reputable outfitters would be the better option.

Through our community consultation process, we found there is substantial interest in development of water based activities in close proximity to Fort Simpson. There are however very few Fort Simpson residents familiar with the South **Nahanni** River area. As there are 4 well established river outfitters on the **Nahanni**, in a World Heritage

Site Park, we suggest that becoming involved with one of those established outfitters can have far reaching and very positive results for the people of Fort Simpson.

There are a number of advantages to becoming involved in an existing South **Nahanni River licence** as opposed to applying for the remaining 5th **licence**.

1. The 4 established outfitters are doing, in our estimation, a credible job, and have developed individual market “niches”.
2. **With** 4 active **outfitters** promoting to the world market, we may be close to market saturation, especially in a recessed economy making it more difficult for any 5th operator to become successful.
3. Potential seasonal employment for additional residents.
4. Excellent “training on the job” experience and justification for further training.
5. Participation now can lead to longer term purchase of majority shares and control of company.
6. Provides Simpson residents who are employed with the outfitter to gain access to the area and an opportunity to be aware of what’s happening on a daily basis ...a form of community control.
7. Parks Canada and the Department of Economic Development and Tourism require that applying for the fifth South **Nahanni River licence** must involve consultation; a potentially extensive and frustrating process that also includes agreement from the communities of **Nahanni Butte** and **Fort Liard**.
8. Potential other benefits to Fort Simpson with share participation in a South **Nahanni River** outfitter include continuing to encouraging the outfitter, to use Fort Simpson and not Blackstone, Lindbergs Landing or Fort **Liard** as a summer base. **Outfitter** benefits would then remain with the accommodation facilities, craft shop, air charter, restaurant and taxi companies in Fort Simpson.
9. If Fort Simpson interests did purchase equity in 1 of the active **Nahanni River** outfitters there would likely be ongoing advantages over the other 3 **outfitters** who do not have **N.W.T.** participation.

COMPETITIVE FACILITIES AND SERVICES

A local resident has up until 1992 operated a part-time boat tour business out of Fort Simpson. Some local and regional advertising was initiated and tours were offered in response to local demand.

The operator was unlicensed in 1993 and cited frustrations with licensing, **paperwork** involved and required disclosures of financial information.

There is presently no water based licensed outfitter out of Fort Simpson for either the Mackenzie, **Liard** or North **Nahanni** Rivers. One new operator has expressed interest and is in the process of applying for an outfitting license.

There are 4 outfitters licensed by the Department of Economic Development and Tourism and Parks Canada to outfit non-consumptive, non-motorized trips on the South **Nahanni** River. All **outfitters** are based outside of the **N.W.T.** but have to date used Fort Simpson as an operational summer base.

The South **Nahanni** River outfitters are not considered direct competition as they do not operate on the North **Nahanni**, Mackenzie or **Liard**. The considerable marketing efforts in the International market place by these **outfitters**, Parks Canada, Department of Economic Development and Tourism, Nahanni-Ram Tourism Association and Tourism Canada provides an already Internationally recognized name in "**Nahanni**".

The closest other licensed river outfitters operate in Norman Wells, Hay River and **Yellowknife**. Both the "**Norweta**" based in **Yellowknife** and the "Arctic Star" based in Hay River operate Boat Tours down the Mackenzie. Any "small" prop or jet boat tours in Fort Simpson or up the North **Nahanni** may compliment their packages.

MARKET ANALYSIS/ MARKET CONSIDERATIONS

The potential markets for Boat Tours are:

BOAT TOURS

Category of Visitors	Short Duration Fort Simpson Tours	North Nahanni River Tours	South Nahanni River Tours
Itinerant road traffic	✓	✓	
Bus Tours	✓	✓	
Fort Simpson hotel guests	✓	✓	
Fort Simpson campground guests	✓	✓	
Air Charter Company Guests	✓	✓	
South Nahanni outfitter guests	✓		
Visiting friends and relatives	✓	✓	
North Nahanni Naturalist Lodge & Nahanni Mountain Lodge	✓	✓	
Norweta & Arctic Star guests	✓	✓	
Package Tour wholesalers	✓	✓	✓
NWT residents in Yellowknife, Hay River, Fort Smith & Fort Simpson	✓	✓	
National Adventure Travelers		✓	✓
International Adventure Travelers			✓

In other areas of N.W.T., such as Yellowknife, Norman Wells, Hay River or **Inuvik**, where road traffic is a major market, water based products are in demand. Boat Tours are normally **very** economical, of short duration and may entail a variety of components such as fishing, historical site viewing, and wildlife viewing. Information on boat tours must be readily available to the **traveller** and the tour easy to book.

Much of the itinerant Mackenzie/Liard Highway traffic are not likely to book activities, such as a boat tour, in advance. Information on boat tour details should be readily available at all tourist information **centres** on the highway to maximize potential for booking. Operators must be ready to host a trip on short notice.

“Native Heritage and Culture”: are high on the list of interests of Northern travelers and must be emphasized in packaging and promoting the boat tours. The outfitter and guides can themselves be an important component of the tour.... Northern characters telling interesting stories, legends, demonstrating bush skills, crafts and cooking.

Prime markets for South **Nahanni** River Trips as recognized by established **outfitters** are national and international adventure travelers. Competition is fierce with a growing number of **outfitters** in many countries offering wilderness trips on little known, but exciting rivers. It has taken considerable effort over many years for the 4 outfitters to maintain, and in some cases expand their businesses.

From discussions with these established South **Nahanni** River outfitters we find that although the name "**Nahanni**" is internationally recognized - very few know of the "North Nahanni" as a potential canoe or raft route. Water levels rise and drop dramatically and the level of technical difficulty can be very high eliminating a good percentage of the adventure canoe market.

With excellent scenery and wildlife viewing opportunities the North **Nahanni** may have more appeal for the hiking/naturalist and "soft" adventure market than for the canoe market.

OWNERSHIP/MANAGEMENT/ HUMAN RESOURCES AND TRAINING

A very small business can operate as a sole proprietorship, but as business grows and with the possibility of outside financing and increased liability, we suggest a limited company or joint venture be formed. Partnerships are not recommended.

We recommend the owner/manager travel to Northern BC, Southern Yukon, **Inuvik**, Whitehorse or **Yellowknife** to experience from a "tourist" and/or "training on the job" perspective similar operations. **N.W.T.** boat tour operators include: "Blue Fish Services", "**Naocha** Enterprises" and "North Arm Adventurers" in **Yellowknife**, "Arctic Tour Company" (tour boat) in **Inuvik**, or "Mountain River" **outfitters** in Norman Wells.

Any training on the job or similar work experience with the above or with Mackenzie Mountain Big Game outfitters, sport fishing lodges, Nahanni River outfitters or Parks Canada would provide a broader understanding of the tourism business and is strongly recommended.

We suggest owners management and staff consider the Tourism Training Group's Level 1, II, & III guide training programs, the longer "Tourism Entry Program" as well as the St. Johns Ambulance First Aid courses.

Two new programs being offered for 94/95 are the Arctic College and "Tourism Training Groups" 10 month certificate program in Tourism management and Simon Fraser Universities 15 day course "Foundations in Tourism Management."

Any Tourism "Hospitality", "Awareness Programs", "Interpretation Canada" or short small business programs sponsored by F. B.D.B. or the Chamber of Commerce would also be beneficial.

Various skills not usually mastered by "on the land" oriented people may include bookkeeping, accounting, marketing, public relations these tasks may be handled by an experienced person already employed with another business in Fort Simpson, and invoiced back on an hourly basis.

OPERATIONS

An outfitting **licence** issued by the Department of Economic Development and Tourism and liability insurance is required. The outfitters application should include a geographic area including sections of the Mackenzie, Liard and/or North **Nahanni**.

Until the business is further developed (year #2 or #3) one owner operator can run most of the operation hiring additional guides with equipment on an "as needed basis." Some efficiencies of operation may occur with another established business answering inquiries, and completing bookings, scheduling guests, hiring and coordinating additional staff when required.

A guide or group of guides might form a company to develop the operation. The local boat tours operation may be a component of other existing business opportunities in the community or may be completely independent.

An experienced elder guide may wish to bring along an interested youth more comfortable with English to relay information to the guests and to help out with boat operation/ food preparation.

Regular communication with the guides on the river should be maintained with a base in Fort Simpson via SBX-I 1 Radios.

Outfitting licenses could be multi-seasonal and in the long term include other opportunities, such as cross country skiing or snowmobile trips either independently or with a lodge or camp. We suggest keeping short term efforts as a summer only boat operation.

We do not recommend investing heavily in equipment (boats, motors, etc.). If the service becomes popular and more than 4-6 guests do confirm at one time, we suggest a list of qualified and interested guides be developed. The owner/manager would sub-contract, on a daily basis, business to these qualified and properly equipped local guides. Guides must have a minimum amount and quality of well maintained basic equipment as listed. This approach minimizes capital requirements for the owner while at the same time maximizing benefits to community guides who own their own equipment.

Equipment for short term boat tours should include a 25-30' river scow or 18 ft. aluminum boat, 1 main and 1 back-up motor, and other basic outfitting equipment (see capital cost listing for details) for one guide and up to 4-6 guests. This equipment provides for river travel and overnight camp capacity.

More expensive jet boat equipment would be required for North **Nahanni** trips Option (B), while Option (C) South **Nahanni** River Tours would require a substantial investment dependent on the percentage of total operation purchased.

If option (B) is selected or depending on the extent of option (A) tours we recommend a 12' X 14' tent frame be temporarily erected adjacent to the Wrigley ferry crossing on the Simpson side of the River. This would serve as an advertising and communication point and docking base. Visitors interested in the North **Nahanni** are more economically transported by road to this point and then by jet boat.

MARKETING

With a number of target market groups we suggest a “marketing mix” to include some or all of the following:

- Fam Tours
- Brochure, info kit;
- Professional Photographs
- Booking Agents (on a Commission Basis)
- Advertising

The small, local resident and (V. F. R.)_Visiting Friends and Relatives Market, Tour Wholesaler (fly or fly/ drive or fly/bus) and bus tour markets are best marketed in close conjunction with an established in bound Tour Operator as found in Yellowknife or Inuvik, or direct with wholesalers. They will expect “fare trips” for themselves and writers, and financial assistance on marketing aids which they might produce in conjunction with the operator.

The Fort Simpson Visitors Information **Centre** would refer inquires while information can be distributed at many points on the road system and through other operators such as Nahanni River outfitters, hotels, etc.

We recommend building in a **15% to 20%** commission to agents as part of marketing expense. Agents may for example be paid a 15% commission for the first 25 guests booked and 20% for those booked over that number. Deposits should be paid on confirmed bookings with balance from the guest or agent prior to departure. Prior to signing an agreement with an agent, the agents promotional program should be discussed and agreed upon.

For an agreement to work the operator and the agent must have a trusting, communicative and well understood agreement. The operator must insure a quality product!

Tourists are not likely to book a short duration trip as a major holiday, but rather as a component of a larger multi-purpose or multi-destination holiday!

A suggested marketing plan **for Option (A) or (B) for Year 1, 2 and 3 with an initial budget of \$5,150.00 and a longer term, expanded plan includes:**

ITEM

BUDGET

YEAR 1-2 YEAR 3-4

Fort Simpson Visitor Information Centre
and In bound Tour Operator/Travel Agent
support:

copies of slides, B&W photos, blowups

<u>ITEM</u>	<u>BUDGET</u>	
	<u>YEAR 1-2</u>	<u>YEAR 3-4</u>
of select tour photos, limited run of brochure with space for booking agent's name and address: \$500.00		\$250.00
A written " <u>Booking Agent Agreement</u> : should be put in place with selected agents.	N/A	N/A
During the first season of operation (summer 1994 or 95) quality targeted and proven <u>SPORTS/TRAVEL WRITERS, WHOLESALERS, BUS TOUR OPERATORS AND AGENTS</u> be hosted to review the product, and in turn to promote and/or write about the product. We recommend hosting two professional writers and two other agents/selected wholesalers based on input from established booking agents, Travel Arctic, Nahanni Ram Tourism Association. Writers for local papers, NWT., Yukon, Uphere, Northwest Explorer. Costs to cover actual hosting expenses on the boat tour.	\$750.00	\$750.00
<u>Information brochure</u> design and production. Basic B&W 8.5 x 11 folded with separate price insert on one page flyer aimed primarily at the highway traffic market, existing Fort Simpson visitors and in-Bound Tour operator Market;	\$750.00	N/A
Dependant on success of the business, and number and quality of photographs taken during the first and second season of operation a <u>colour brochure</u> is recommended for the year three; estimated at \$3-4000.00	N/A	\$3,000.00
Pop up Portable mini-display for use at local consumer trade shows, travel festivals, events, highway, information displays	N/A	\$500.00
<u>Road Signs</u> 4 X 8;	\$500.00	\$500.00
<u>Signage and Brochure stand</u> for prominent Highway locations: Check Point Services; Fort Nelson and Ft. Simpson, Visitors		

<u>ITEM</u>	<u>BUDGET</u>	
	<u>YEAR 1-2</u>	<u>YEAR 3-4</u>
Centres, Parks Canada Offices Liard, Tourist Info centres and craft shops, Hay River, 60th Parallel; Dawson, all ferry Crossings, campgrounds, motels in Ft. Nelson, Liard, Simpson, and Hay River	\$500.00	N/A
That a <u>Guest Questionnaire</u> (see Appendix 2) be completed by all guests this season and that a summary of the comments be tabulated Action should then be taken, based on the reasonable comments received.	N/A	N/A
That on an on-going basis, photos, slides, and prints and guest testimonials be gathered from guests, booking agents, writers, and photographers.	N/A	N/A
Advertising primarily regionally to Ft. Providence, Fort Nelson, Fort Simpson, Hay River, Yellowknife market via Travel Guides, newspapers and in road information	\$250.00	\$500.00
Cooperative Marketing with established Ft. Simpson Tourism business - hotel and motel.		
Air Charter Companies, etc.	\$500.00	\$500.00
<u>Familiarization trips</u> for Fort Simpson "Travel generators", ie: Staff of Visitors Centre, E. D.& T., travel agents, Hotel & Restaurant staff	\$800.00	N/A
<u>Professional photographer</u> For specific photos of outfitter and equipment guests with outfitter; shore lunch; camp; attractions; staff; community attractions. Nahanni Ram may assist with photography or the Govt photographer via the "Dept. of Culture and Communications" may be requested to provide photography services Photos used for brochure, display	<u>\$850.00</u>	<u>\$565.00</u>
TOTAL	<u>\$5,150.00</u>	<u>\$6,815.00</u>

With a "Nahanni River outfitter" Joint venture or share investment, marketing and overall management would continue to be the responsibility of the management/ majority share holders.

Fort Simpson Tourism Business Opportunity			
Boat Tours			
		Option A	Option B
		Short trips	North Nahanni
CAPITAL COSTS			
One 18' boat with Jet outboard (105 hp)			18000
One tent frame		2500	2500
One 25'-30' river scow or homemade or			
One 18' Unobor Alumamarine boat		4000	
One 9.9 outboard(back-up)		1800	1800
One 90 hp outboard		8730	
Two SBX-11 radio and antenna		4600	4600
Two tents 12x14		620	620
Six life jackets @65.		390	390
Three paddles @35		105	105
Spare parts, props etc		400	600
Tools		300	500
Six foam mattresses @ 40		240	240
Misc fish nets/fire extinguisher/maps			
lanterns/first aid kit/ craft supplies		5001	5001
Boat box with emergency & kitchen utensils etc		750	750
		24935	30605
	Rounded off to	25000	31000
Grant		15000	18000
Amount of capital required to borrow :		10000	13000

Fort Simpson Tourism Business Opportunity					
Local Boat Tours					
Statement of Revenue and Expenses and Cash Flow					
			Year 1	Year 2	Year 3
Guest trips			80	120	160
Average price per trip			196	196	196
REVENUE					
Guest sales			15680	23520	31360
GNVVT marketing assistance			2575	2963	3408
			18255	26483	34768
EXPENSES					
Commissions			1176	1764	2352
Food			1568	2352	3136
Oil and gas			750	900	1080
Repairs and maintenance			600	660	726
Telephone, fax and office			500	600	720
Insurance			400	440	484
Licenses			400	440	484
Marketing			5150	5925	6815
Professional			750	825	908
Camp supplies			800	960	1152
Wages and benefits			6000	7000	8000
Sub-contracted services			500	1000	1500
Misc			500	550	600
Interest on long term debt			950	760	570
Depreciation			2000	1600	1280
			22044	25776	29807
Net Income(Loss)			-37891	707	4961
CASH FLOW STATEMENT					
Add: Non cash items					
Depreciation			2000	1600	1280
Deduct: Repayment of long term debt			-2000	-2000	-2000
Cash Flow!			-3789	307	4241

Fort Simpson Toursim Business Opportunity					
North Nahanni Tour					
Statement of Revenue and Expenses and Cash Flow					
			Year 1	Year 2	Year 3
Guest trips			70	1101	150
Average price per trip			245	245	245
REVENUE;					
Guest sales			17150	26950	36750
GNWT marketing assistance			2575	29631	3408
			19725	29913	40158
EXPENSES					
Commissions			1286	2021	2756
Food			1715	2695	3675
Oil and gas			1500	20001	2500
Repairs and maintenance			12001	1800	2200
Telephone, fax and office			500	6001	720
Insurance			400	4401	484
Licenses			400	440	484
Marketing			5150	5925	6815
Professional			750	825	908
Camp supplies			800	960	1152
Wages and benefits			6000	7000	8000
Sub-contracted services			1000	1000	1000
Misc			500	550	600
Interest on long term debt			1235	988	741
Depreciation			2600	2080	1664
			25036	29324	33699
Net Income(Loss)			-5311	5881	6458
CASH FLOW STATEMENT					
Add: Non cash items					
Depreciation			2600	2080	1664
Deduct: Repayment of long term debt			-2600	-2600	-2600
Cash Flow			-5311	68	5522

NOTES TO FINANCIAL FORECAST

The projections are based upon the assumptions that this is an one person /owner/guide/operator and that the business starts at zero. As a number of residents who are capable and have knowledge of guiding on the river, may have much of the required equipment (scow, out-board motors, paddles, tents) the capital costs could be much lower than outlined. For the North **Nahanni** operation a jet boat would have to be purchased.

Individual guides should be encouraged to upgrade their own equipment, or possibly cooperatively share with a companion guide. Capital items such as 1 main motor and 1 spare, life jackets and spare parts are included in a minimum list of equipment each guide/ outfitter should own.

Estimated guests are based on a “ test pilot” first summer with substantial marketing leading up to the second summer (Year I on statement of revenue). We suggest slightly more potential in local, and less expensive local boat tours catering primarily to an expanding highway market.

Efficiencies **of scale would occur** if both options **A** and **B**, operated as one business. We recommend “ local boat tours” be developed to at least a break even before initiating North **Nahanni** Tours.

A new owner may get assistance for capital expenditures through one or more available Federal or Territorial programs. **With** Fort Simpson being a level II community up to a **50%** contribution may be available. According to Economic Development and Tourism’s “ Business Expansion Program”, a contribution of up to a maximum of **50%** of capital and start up costs or the equivalent of \$12,000 per person year employment created, to a maximum of \$25,000 per project is available.

For option ‘A’, using a projected capital expense figure of \$25,000 and assuming approval of contribution of \$15,000 the balance of \$10,000 could be in the form of a 5 year loan at 9.5% interest. For option ‘B’ using a projected capital expense figure of \$31,000 and assuming approval of a contribution of \$18,000, the balance of \$13, 000 could be in a 5 year loan at **9.5%**. It is assumed that marketing assistance via Department of Economic Development and Tourism (up to \$10,000) could be available on a yearly basis for up to 3 years. We projected **50%** of \$5,150 or \$2,575 in Year 1 increasing to \$3,408 contribution in Year 3 for both option A and B.

1. GUEST REVENUE

The first full year of operation, **after** an initial test pilot season including marketing may generate up to 80 guest trips for local boat tours and up to 70 guest trips for the North **Nahanni** Tour. We have based the fee on the following assumptions:

OPTION A: Local Boat Tours

OPTION B: North Nahanni Tour

50% 4 hr trip @ \$100/person

25% 8 hr trip @ \$165/person

25% 16 hr trip(overnight) @ \$325/person

50% 8 hr trip @ \$165/person

50% 16 hr trip @ \$325/person

2. COMMISSIONS

Based on the assumption that 50% of the guest revenue will be subject to commissions.

3. FOOD

Based on the length of the trips, the following assumptions have been made:

4 hr trip \$ 5/person

8 hr trip \$ 30/person

16 hr trip \$75/person

4. WAGES AND BENEFITS

Expected number of days of active guiding is 15-20. Hiring part time guides withboat and equipment would occasionally be needed. This assumes a mixture of 1/2 to 1 day and overnight trips with various group sizes utilizing an aggressive marketing campaign. Wages based on \$150 per day per guide and \$80 per day for assistant (required only if more than 3 guests to a boat.)

5. INTEREST ON LONG TERM DEBT

Assume that the money can be borrowed at 9.5% and will be repaid over a five year period.

6. DEPRECIATION

This is based on the estimated costs of the assets less any contributions received under the Business Expansion Program.

Substantial efficiency of operation can occur through working with an established corporate body or expeditor with office space and staff already in place.

LEGAL/ LICENSING/ INSURANCE

The licensed outfitter/owner/operator, primarily for legal, and liability purposes should be a Ltd. Company. A minimum of one million dollars liability and comprehensive insurance is required for licensing.

Development on the river has some potential to include a permanent tent frame, buildings and land leases, **ie:** at the Wrigley Ferry Crossing. Tourism establishment requirements should be kept in mind. With an outfitting **licence**, available after approval by the Department of Economic Development and Tourism, only temporary facilities, **ie:** tent's, can be set up.

To obtain insurance at least two insurance agencies should be contacted as well as the **Nahanni Ram Tourism Association**.

SOCIAL/CULTURAL IMPACT

The outfitter can control most of the potential impact through proper management, planning, and presentation of the product. With a "quality product" visitors should have a very positive feeling of the boat tour experience.

The outfitter should keep in mind the community concerns of "outside" jet boat traffic on the North **Nahanni**.

If guests are briefed prior to beginning a trip and have realistic expectations of the product or service, the host outfitter and guides are also more likely to have a positive experience.

ENVIRONMENTAL CONSIDERATIONS

With the increasing number of environmentally conscious tourists, cleanliness, proper disposal of garbage and human waste, recycling, food packaging, brochures and letterhead on recycled paper are important.

With jet boat use, guests may be encouraged to wear ear protection.

The hosts camp, boats, equipment, and camp sites on the river, must be clean, neat and free of litter.

The "Nahanni River Outfitters' Association" may have suggestions for "no trace" operations.

COMMENTS/CONSTRAINTS

The local boat tours opportunity is very part time/seasonal and will not, in the foreseeable, future provide a full time income. It can however, for a number of guides, be a supplement to other activities.

IMPLEMENTATION TIME FRAME

Local Boat Tours can **be** in place very soon, especially if a couple of guides are willing to work and have the required equipment. This opportunity could be test piloted this year and become well established in subsequent years.

The “South **Nahanni** River Tours” opportunity can compliment both local boat tours and North **Nahanni** tour operations. It is however a longer term opportunity.

BUSINESS PLAN “ TO DO”

- Present overall concept to the community via the **Liidli Koe** First Nation and Village Council seeking support of the community.
- Apply for the outfitting license through the Department of Economic Development and Tourism.
- Apply for an **N.W.T. Business License** or Village of Fort Simpson Business License.
- Become an active member of the “Nahanni Ram Tourism Association” and possibly the “Tourism industry Association of the **N.W.T. (T. I.A.N.W.T.)** Awareness of training and various assistance programs, tourism studies, marketing trends, lobbying, and up-dates on Tourism in general can be gained through participation in these associations.
- Meet with experienced and qualified Nahanni River, Norman Wells, Inuvik and/or Yellowknife based operators to discuss packaging, marketing and booking. Visit a similar **outfitting** operation.
- Register to participate in Guide Training, “Tourism Entry”, St. John’s Ambulance - First Aid”, “Interpretation Canada” and/or Hospitality and Tourism Awareness Programs.

- Develop, market and operate a limited # of "test pilot" packages at economical rates during the upcoming season. This will both "test" the market place and offer feedback to the operator as to which components of the package work and which don't.
- Review the attached proposed marketing program and apply for marketing assistance to the Dept. of Economic Development and Tourism Business Development program.
- Implement the Marketing Program. After reference to Market Analysis/ Marketing/ Considerations (p. 6 &7)
- Initiate a guest questionnaire (see Appendix) to be completed by all guests. Review and evaluate these regularly and adjust operation where required to meet the most reasonable of guest suggestions.
- To complete a concise internal year end review (see Appendix) This will provide management with a good grounding for price setting and package details.
- Establish package details and prices for the following year.

APPENDIX # 1

LOCAL BOAT TOURS YEAR END REVIEW CHECKLIST

- Operational season? _____
- Total number of guests? _____
- Which package option was most popular? _____
- Which package option was least popular? _____
- What are the three main sources of my customers?
 - [] Advertising,
 - [] Travel Shows,
 - [] Brochures,
 - [] Magazine/Newspaper Articles,
 - [] Word of Mouth,
 - [] Tourist Information Centre
 - Fort Nelson
 - **Fort Simpson**
 - N.W.T./ Alberta Border
 - Other
- On reviewing all completed guest questionnaires (Appendix #2) write a brief summary of answers to each question.
- What are new markets or packages I might develop?

APPENDIX #2

SAMPLE GUEST QUESTIONNAIRE

Dear Guest,

We thank you for having chosen Fort Simpson and area for your recent holiday. As we continually strive to improve our facilities and services, we **look** forward to your comments and suggestions. If you can take a minute or two to check (X) the appropriate **line or** fill in the blanks and return this questionnaire, **it** will be much appreciated.

1. Did you fish in the **Liard**, Mackenzie, North Nahanni or its tributaries?

Yes _____ N _____o

2. Where did you hear about Fort Simpson and our Boat Tour operation?

Friends _____ Newspaper Ads — Magazine _____
 Radio Ads _____ Articles _____ Other _____
 Ferry Crossing _____

Information Centres: **Fort Liard** _____
 Fort Nelson _____
 Fort Simpson _____
 NT/Alberta border _____

Explain **briefly**:(ie. name of publication) _____

3. Did you find your trip as expected after receiving information?

Yes _____ N _____o Somewhat —

Explain briefly _____

4. **List , in priority, (1st being your main interest)** why you visited the Fort Simpson area?

H i k i _n _g Boating _____
 C a n o e _i _n _g Bird Watching/Animal/Flowers —
 R e l a x i n g - . Community and Culture _____
 Arts & Craft _____ Historical _____
 Road Touring _____ Fishing _____

5. What is your evaluation on the following?

	Excellent	Good	Fair	Unacceptable
Pre trip Info	_____	_____	_____	_____
Boat and Motor	_____	_____	_____	_____
life jackets/ safety equipment	_____	_____	_____	_____
transport to and from Simpson	_____	_____	_____	_____
food	_____	_____	_____	_____
sightseeing	_____	_____	_____	_____
fishing	_____	_____	_____	_____
hospitality	_____	_____	_____	_____
guide	_____	_____	_____	_____
other staff	_____	_____	_____	_____
services in Ft. Simpson	_____	_____	_____	_____

6. What are the 3 main changes/ alterations you wish to see which would make your stay more comfortable with us?

1. _____

2. _____

3. _____

What are the 3 main features you appreciated most?

1. _____

2. _____

3. _____

7. Other comments: _____

8. Would you be willing to have your name and comments used as a reference?
Y e _____s No _____

9. Do you know friends or business associates who may be interested in receiving more information about our boat tours?

NAME	_____	NAME	_____	NAME	_____
ADDRESS	_____	ADDRESS	_____	ADDRESS	_____
	_____		_____		_____
	_____		_____		_____
	_____		_____		_____
PHONE#	_____	PHONE#	_____	PHONE#	_____
FAX#	_____	FAX#	_____	FAX#	_____

We thank you for your time in answering the questionnaire- please return it (signed or unsigned) to the manager or guide.

Your name: _____

Address: _____

Phone: (hm.) _____

(wk) _____

Fax# _____

Thank you. Good Holidays... and we look forward to hosting you again here in Fort Simpson.

Camp Owner/Manager