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***Tourism Planner/expiditor, A Business Plan:
Fort Simpson
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**TOUR PLANNER/
EXPEDITOR**

**A BUSINESS PLAN:
FORT SIMPSON, NT**

May 1994

(Volume III)

BUSINESS PLAN #2 TOUR PLANNER/EXPEDITOR

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

TOUR OPERATOR/EXPEDITOR

This business opportunity includes five mini-opportunities most of which may not, on their own, be self **sufficient**. However, by combining a number of these, a small part time business is viable.

One or more of these opportunities may be developed as part of an already existing business. Individuals who own some of the capital equipment required may initiate one particular opportunity as a part-time and seasonal additional to their other wage sources.

Opportunities include:

- (A) Outdoor, Recreational Equipment Rental
- (B) In-Bound Tour Operator
- (C) Expediter
- (D) Events / Conference / Workshops and Sport Tournaments Planning
- (E) Interpretive / Guide / Host

The average financial return, after expenses, is projected at between \$16. to \$19. per hour.

The financial statements assume each is starting at "O". As many would already have some capital items required, their expenses would be lower, and their return, higher than projected.

These mini-opportunities have a number of very positive aspects including: minimal capital investment; can be operated out of a home; basic items such as phone, 1/2 ton truck, or trailer may be already owned; part time and seasonal work allowing time for other activities.

PROJECT DESCRIPTION

(A) Outdoor and Recreational Equipment Rental catering to the “drive-in” visitor, the **Nahanni** National Park adventure market and itinerant business and pleasure travelers may provide equipment including:

- White Water Canoes and kayaks.
- Canoe Trip Accessories: paddles, life jackets, spray covers, dried foods.
- Mountain Bikes and Helmets.

(B) In-Bound Tour Operator work in conjunction with the Visitors Centre and act as an **agent** for other established tour operators such as Arctic Tour Company in **Inuvik**, **Adventure** North West in **Yellowknife**, bus tour companies in the provinces or Mack Travel in Fort Simpson. To develop mini-packages for visitors (may involve coordination of boat trips - see Business Plan #1); interpretive walks, special presentations, activities for package tour guests stopping briefly in town business tours, **Norweta** & Arctic Star Boat Tours, Bus Tours, Caravan tours etc.

(C) Expeditor To provide expediting services on a hourly or contract basis to established businesses. Potential clients include air charter companies, **Nahanni** River outfitters, Parks Canada, **Norweta** or Arctic Star Boat Tours, Film Crews or Expedition / Adventure groups to **Nahanni** National Park, individual canoe parties wanting canoes returned to Fort Simpson at the completion of the North or South **Nahanni** River trip (water taxi). Businesses other than Tourism also require various types of expediting.

Equipment required may include a small office with phone, fax, base radio and antenna, storage room, vehicle (1/2 ton truck or van) and utility or canoe trailer.

Services may include getting mail, hardware, building supplies, food and beverages, fishing **licences**, airport and air charter guest pick up and drop off, providing town tours, arranging equipment repair, regular daily radio schedule with river outfitters, lodges, camps and expeditors, purchasing and packaging, hotel and airline reservations; organization of aircraft loads.

(D) Organizing Conferences, Workshops, Festivals, Events and Sports Tournaments During the community consultation process there was considerable interest in the further development of sports / recreation events and tournaments. Upgrade of facilities such as paving the arena floor, new pool etc. would be of benefit to both residents and visitors and would further stimulate the need for this business.

Services provided could include some or all of the following:

preparing funding applications for festival/events	proposals
event planning and coordination,	budget preparation
liaison with volunteer community groups	production of newsletter
solicit corporate sponsorships	program planning
identifying facilitator/resource people	preparation of background material
printing and design for	artwork
- brochures	recording proceedings
- program	language interpreters
- pins	airport meet and greet
- conference portfolios	exhibits and displays
- special event tickets	secretarial services
- signage	room compliments
registration travel / accommodation conference facilities	V.I.P service
transcribing minutes verbatim	public relations
photography	pre & post conference tours
administration of cost commitments and invoices	entertainment

Potential clients may include the **Liidli** Koe First Nation, **Village**, Government Departments, Parks Canada, Recreation, Fort Simpson Chamber of Commerce, **Nahanni** Ram Tourism Association, Dene Nation, Metis Association and private companies.

(E) Interpretive / Guide/ Host. With the "Historical Theme" tying into suggested public projects and business opportunities there will be an expanding need to provide personal interpretive walks and tours to visitors.

The Fort Simpson Information **Centre** has provided 2 hour interpretive walking tours daily 7:00 - 9:00 pm. 1993 tours averaged 3-6 people - some of whom were local residents. There is no charge to the public as the guide has been paid as Visitor **Centre** Staff. "

The guide host may work on a contract basis for the Visitor **Centre**, and in addition could be paid by the hour offering any of the following tours: walking tours with an historical emphasis using existing walking tour pamphlet; walking tours with a naturalist emphasis (birds, plants, trees, shrubs); extended walking tour / hikes beyond Fort Simpson to specific points of interest; interpretive bike tours of the Fort Simpson Village and to points of interest beyond; act as a "step on" bus tour guide for visiting package bus tour groups or caravan groups; V. I. P host services for visiting diplomats, politicians and various other V. I.P's; a host for guests of **Nahanni** River outfitters.

Two bus tour companies with a minimum of 30 elderly people each plan to visit Fort Simpson in the summer of 1994. "Canadian Motor Coach" from Edmonton and "AmeriCanada" from Montreal both have requested a "step on" tour guide and a list of activities for their stay in Fort Simpson.

A guide / host knowledgeable of Fort Simpson's history and culture would be ideal. A younger Dene or Metis trained in Tourism could assist, possibly as a guide Host / Trainee.

COMPETITIVE FACILITIES AND SERVICES

When reviewing competitive services we have reviewed Fort Simpson only.

Deh - Cho sports, the air charter companies and **Nahanni** River outfitters provide canoe rentals. Demand, however, is increasing and at some busy periods of the summer canoe availability is limited.

Bicycle rental is not available but will, as in other Canadian **Centres** increase in appeal - especially if the hike, bicycle trails are developed.

Some components of the In-Bound tour operator and guide/host opportunities are fulfilled in part by the Visitor **Centre** staff or Mack Travel.

The **Nahanni** River **outfitters** do much of their own expediting but already hire out some expediting services. The taxi company presently generates over \$25,000.00 in people, canoe and freight handling from 4 outfitters alone! As the **Nahanni** River **outfitters** business expands so will all of these opportunities.

MARKET ANALYSIS / MARKET CONSIDERATIONS

TOURISM BUSINESS OPPORTUNITY

MARKET SEGMENT	Rental A	Tour /Operator B	Expeditor C	Conference Tournament Workshop D	Guide / Host E
Nahanni River outfitters	✓		✓		✓
Airline Charter Companies			✓		
Itinerant Vehicle and Campers	✓				✓
Bus Tours		✓			✓
Caravan Groups	✓	✓			✓
Norweta and Arctic Star Boat Tours		✓	✓		✓
Itinerant Canoeist to Nahanni National Park	✓				✓
Groups or Gov't department Hosting a Conference		✓	✓		✓
Village Recreation Coordinator		✓	✓	✓	✓

Some business opportunities will cater to existing market needs in Fort Simpson while some, although needed, are not yet in place. The small size of the community dictates that although many opportunities exist, they are small.

As Fort Simpson initiates new public projects and business in response to this study process, the potential success of these mini-opportunities will grow.

Simpson Air has, for many years, provided valuable “ no charge” services to their charter clients such as the **Nahanni** River outfitters. Services include equipment storage and security, some expediting and radio communications, showers, vehicle parking and security, as well as air charter services. **With** the expansion of air charter business in the region there will be a greater demand for the mini-business such as rental, expediter and host.

OWNERSHIP MANAGEMENT HUMAN RESOURCES AND TRAINING

Any of these mini-opportunities can operate well as a sole proprietorship. In later years, 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, Hay River or **Yellowknife** to experience, from a "tourist" or "training on the job" perspective, similar operations. All of the 5 opportunities are operational in **Yellowknife** whereas at least 2 of the opportunities are found in other centres such as Fort Smith or Hay River.

Any training on the job or similar work experience ie: with lodges, Hotels / Motels, **Nahanni** River outfitters or Parks Canada would provide a broader understanding of the tourism business and is strongly recommended.

We suggest owners consider the Tourism Training Group's Level 1, II & III guide training programs, the longer "Tourism Entry Program" as well as the St. John's Ambulance First Aid Courses. Interpretation Canada's workshops and training sessions are suggested for the Events / Conference planner and the Interpretive Guide / Host.

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" or small business programs as sponsored by F. B.D.B, the Chamber of Commerce or the **Department** of Economic Development and Tourism would also be beneficial.

OPERATIONS

For the first year or two of the operation the owner can run the business with additional people hired on an as needed basis.

The advantage to these mini-business opportunities is that the capital expense required is minimal and they can be operated on a part time and seasonal basis. As many Fort Simpson residents have some of the capital items (car, truck, trailer, canoes, phone, fax) further cost savings will occur.

Guide / Host revenue figures assume a sizable percentage of business comes directly from visitors who would take a "historical walking tour." In 1993, the **Nahanni** Ram Tourism

Association used staff to conduct these historical walks. As demand grows, the guide host could offer those tours directly to visitors or may work on a contract or hourly basis for the centre.

Expenses including: telephone and fax, office, insurance, marketing, supplies etc are only marginally more expensive for the combined operations than for each individual business opportunity. The combined operation has potential to provide work for the owner plus one staff. The summer season would be very busy while some activities would carry on year round.

MARKETING

Minimal marketing budgets of \$100.00 to \$300.00 are suggested for mini opportunities as much can be accomplished through word of mouth. Information on an 8 1/2X 11 sheet can be circulated by person to **perspective** clients. Similar ads in the local paper, Nahanni Ram newsletters, signage on vehicles, business cards and a listing in the yellow pages may be **sufficient**.

We have allocated \$6000 for year #1 marketing for the "Tour Planner/ Expediter" combined operations. (Financial #2 p.3) This combined operation has potential for a full-time business and an assertive marketing program is essential to obtain the business.

Fort Simpson Tourism Business Opportunity						
Equipment Rental						
Statement of Revenue and Expenses						
				Year 1	Year 2	Year 3
REVENUE						
10 days canoe trailer @\$ 100/day				1000	1100	1210
80 days canoe/package rental @\$35/day				2800	3080	3388
40 days mountain bike package(\$20/day)				800	880	968
				4600	5060	5566
EXPENSES						
Repairs and maintenance				200	220	242
Telephone and fax				150	165	182
Insurance				200	200	200
Licenses				50	50	50
Marketing				250	275	303
Supplies				50	55	61
Misc				100	110	121
Interest on long term debt				1110	900	667
Depreciation				2340	1872	1500
				4450	3847	3325
				150	1213	2242
Capital requirements						
Canoe haul trailer			1	1500		
4 mountain bikes with accessories				1200		
4 canoe's and 2 kayaks and accessories				9000		
				11700		

Fort Simpson Tourism Business Opportunity					
In Bound Tour Operator					
Statement of Revenue and Expenses					
			Year 1	Year 2	Year 3
REVENUE!					
125 hrs at @\$35/hr			4375	4813	5294
Contracts			10000	11000	12100
			14375	15813	17394
EXPENSES					
Commissions			500	550	605
Vehicle repair, gas			450	495	545
Telephone and fax			350	385	424
Office(Home)			500	550	605
Insurance			750	750	750
Licenses			50	50	50
Marketing			250	275	303
Professional fees			100	110	121
Supplies			200	220	242
Misc			200	220	242
Interest on long term debt			1 330	1064	800
Depreciation			4200	3000	2040
			8880	7669	6726
			5495	8144	10668
Capital requirements					
9 passenger Van			8000		
Photo-copy machine			2000		
Computer/printer			4000		

Fort Simpson Tourism Business Opportunity						
Expediter						
Statement of Revenue and Expenses						
				Year 1	Year 2	Year 3
REVENUE						
125 hr@\$50 with truck				6250	68751	7563
350 hrs@\$25 without truck				8750	9625	10588
Admin fee-20% on purchases				1000	1100	1210
				16000	176001	19360
EXPENSES						
Vehicle repairs, gas				800	880	968
Telephone and fax				400	440	484
Insurance				400	400	400
Licenses				50	50	50
Marketing				200	220	242
Professional fees				100	110	121
Supplies				400	440	484
Misc (including office in home)				900	990	1089
Interest on lon-g term debt				1211	969	736
Depreciation				3425	2675	2000
				7886	7174	6574
				8114	10426	12786
Capital requirements						
Half ton truck				8000		
Utility trailer				750		
Base radio				4000		

Fort Simpson Tourism Business Opportunity						
I Organize Conference/Meetings						
Statement of Revenue and Expenses						
				Year 1	Year 2	Year 3
REVENUE						
450 hrs at \$35/hr				15750	17325	19058
EXPENSES						
Vehicle repairs and gas				250	275	303
Telephone and fax				500	550	605
Insurance				250	250	250
Licenses				50	50	50
Marketing				250	275	303
Professional fees				100	110	121
Supplies				300	330	363
Misc (home office)				900	990	1089
Interest on long term debt				1330	1064	800
Depreciation				4200	2940	2058
				8130	6834	5941
				7620	10491	13117
Capital requirement						
Small car/truck				8000		
Computer/printer				4000		
Photocopy machine				2000		
				14000		

Fort Simpson Tourism Business Opportunity					
Guide/Host					
Statement of Revenue and Expenses					
			Year 1	Year 2	Year 3
REVENUE					
150 hrs @\$25			3750	4125	4538
EXPENSES					
Telephone and fax			100	110	121
Insurance			50	50	50
Licenses			50	50	50
Marketing			100	110	121
Supplies			50	55	61
Misc			50	55	61
Interest on long term debt					
Depreciation					
			400	430	463
			3350	3695	4075
Capital requirement					
None					

Fort Simpson Tourism Business Opportunity				
Tour Planner/Expeditor Combined Operations				

CAPITAL COSTS				
Canoe haul trailer				1500
4 mountain bikes				1200
9 passenger van				8000
Photo-copy machine				2000
Computer/printer				4000
Canoes				9000
Utility trailer				750
Base radio				4000
Round off				31000
Business Expansion Program				20000
Capital to borrow				11000

Fort Simpson Tourism Business Opportunity						
Tour Planner/Expeditor Combined Operations						
Statement of Revenue and Expenses						
			Year 1	Year 2	Year 3	
REVENUE						
Equipment rental			4600	5060	5566	
In bound tour			14375	15813	17394	
Expeditor			16000	17600	19360	
Organize Conference/meetings			15750	17325	19058	
Guide/Host			3750	4125	4538	
Marketing assistance			3000	3300	3630	
			57475	63223	69546	
EXPENSES						
Wages and benefits			12000	13200	14520	
Commissions			500	550	605	
Vehicle repair, gas			2000	2200	2420	
Telephone and fax			1500	1650	1815	
Office(Home based)			1000	1100	1210	
Insurance			1650	1650	1650	
Licenses			250	250	250	
Marketing			6000	6600	7260	
Professional fees			600	660	726	
Supplies			800	880	968	
Misc			1400	1540	1694	
Interest on long term debt			1045	836	627	
Depreciation			2200	1760	1320	
			30945	32876	35065	
Net Income(Loss)			265301	30347	34481	
CASH FLOW STATEMENT						
Add: Non cash items						
Depreciation			2200	1760	1320	
Deduct: Repayment of long term debt			-2200	-2200	-2200	
Cash Flow			265301	29907	33601	

NOTES TO FINANCIAL FORECAST

The business opportunities: Outdoor Recreational Equipment Rental, In Bound Tour Operators and Expediter require the most capital to begin. The interpretive guide/ host only requires a phone!

Expenses may be minimized through using a space / room at home as an "office" and paying for faxes, typing services and photocopies on an as required basis and purchasing second hand equipment ie: vehicle or trailer.

Average hourly rates suggested: expediting with a 1/2 ton truck \$50.00 per hour; with a 9 passenger van \$65.00 per hour; conference and events planning and coordination \$35.00 per hour; local host / guide \$25.00 per hour.

Guide / Host revenue figures assume a sizable percentage of business comes directly from Nahanni Ram Tourism Association who, in 1993, used staff to conduct historical walks. The market will expand with additional highway **traffic** while charging a small fee for hosting a walking tour is not unreasonable.

Capital costs for the " Tour Planner/ Expediter Combined Operations." total \$31,000. Based on capital of \$31,000 and estimated startup costs of \$9,000+, **totalling** \$40,000, we suggest a Business Expansion Program of \$20,000 may be available. \$11,000 in capital will be borrowed , we suggest over a 5 year period at **9.5%** interest.

The applicant will be require to provide equity in the form of cash or capital equipment before a loan is considered.

By combining a number, or all mini-opportunities in one operation, substantial efficiencies of scale will occur. The operation can still remain home based- minimizing expenses.

LEGAL, LICENSING, INSURANCE

The simplest form of business - the single **partnership** - is adequate. A **Fort** Simpson business **licences** is required and the standard **NWT** Workers Compensation coverage. Economic Development and Tourism will require an outfitting license **ie./** renting equipment or hiring guides. Liability and fire and theft insurance for capital items is recommended.

SOCIAL CULTURAL IMPACT

There is no foreseen negative cultural impact from any of these businesses, assuming proper business practices are followed.

ENVIRONMENTAL CONSIDERATIONS

No negative affects are foreseen.

COMMENTS CONSTRAINTS

There is only limited room for any of these opportunities. There may not for example be opportunity for 3-4 guide/ hosts.

The prime season for 4 out of 5 opportunities is the summer, the preferred time of year when many residents choose to be on the land.

IMPLEMENTATION TIME FRAME

With the exception of time required to acquire capital equipment and to follow through on the consultation and licensing process each opportunity may be implemented quickly.

BUSINESS PLAN "TO DO"

- Review competitive businesses that currently plan to operate in Fort Simpson
- Review 5 mini-opportunities and decide which ones, or all, to include as **part** of the business
- Revise Business Plan to suit your needs
- Apply for Village Business Licence
- Join "**Nahanni** Ram Tourist Association" and the "Fort Simpson Chamber of Commerce"
- Meet with and experience similar businesses in larger centres such as Hay River and Yellowknife
- Talk to perspective clients, arrange for work
- Initiate marketing plan beginning with an outline of your services and rates.
- Develop, market and generate a number of "Test Pilot" projects/contracts at economical rates. Seek feedback and make changes accordingly.
- Complete a review of the operation at year end make necessary adjustments in packaging and policy in Year #2.