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**Accomodation, A Business Plan: Fort Liard,
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ACCOMMODATION

A BUSINESS PLAN: FORT LIARD, NT

June 1993

(Volume II)

BUSINESS PLAN: #1 ACCOMMODATION

INTRODUCTION

The development of this business plan could bring substantial economic and social benefits to Ft. Liard. Spin off economic benefits may include purchases at the store, gas station, coffee shop, air charter company, and craft shop.

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 reviewed that the main text of the "Tourism Strategy- Fort Liard" be reviewed.

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

Some capital cost or marketing budgets may have a minimum and maximum. Money actually spent will then depend on the applicants own resources, his/her seriousness and available assistance. For forecasting purposes 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 will likely 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 anticipate at least a number of months before any of the 3 accommodation opportunities could be implemented.

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 employ ee...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?

EXECUTIVE SUMMARY

Many visitors are unsatisfied with the quality of the motel in Liard. We suggest there are many potential visitors who choose not to remain in Liard but will seek accommodation instead in Simpson, Fort Nelson, Lindberg Landing or in campgrounds. As in other communities offering no choice of accommodation, business or pleasure travelers may not extend their stay. This results in both a loss of **accommodations/foods** revenues but also a potential loss of spin off benefits such as craft sales, air charters etc.

To increase potential accommodation options and maximize benefits for Fort Liard, we recommend the following-

- . that the Motel be upgraded
- B. that a Bed & Breakfast be developed
- c. 1-2 housekeeping log cabins built or be made available.

The existing motel with 6 rooms accommodating 10 is structurally in reasonable shape but badly in need of decor and furnishings upgrade. Improved service and scheduled cleaning are also a must if the motel is to remain competitive.

With an upgrade of facilities and service, the existing motel could increase capacity levels, even with a "B & B" or a housekeeping cabin in the community.

With increasing popularity of Bed and Breakfast's commonly known as "B & B" in Canada, combined with an immediate need for additional and alternative options for accommodation in Ft. Liard, the establishment of at least one "B & B" seems to have excellent potential. We recommend that interested developers contact the Departments of Economic Development and Tourism, and Health and that the high expectations of potential visitors - especially in the area of cleanliness, safety and hospitality be acknowledged.

One or two 1 room log housekeeping cabins, situated in a picturesque location (on the river bank) will also provide another accommodation alternative. The cabin(s) may be developed by a family, individual, small company, or the Liard Valley Band Development Corporation.

Although a new concept for Fort Liard, the "B & B" and Housekeeping Cabins can offer quality economical accommodation with a strong cultural appeal as an optional component.

Developing additional accommodation opportunities is an important part of the strategy which encourages visitors to stay longer and spend more money in the community.

PROJECT DESCRIPTION

A brief description follows for A. Motel Upgrade. B. Bed and Breakfast and C. Housekeeping Cabins.

A. MOTEL UPGRADE

The 3 areas of suggested improvement for the present **Liard** motel operation are service, cleaning and decor/furnishings.

Suggestions for service upgrade include:

- information in each room **re:** the community of Ft. **Liard**: store hours, community map coded, contacts- phone numbers; hours of operation, motel rules and regulations; meal options; **outfitters**; air charter; taxi; craft shop information; single, double and multiple occupancy rates.
- **signage re:** manager contact for after hour check-in, or questions.

Suggestions for cleaning:

- establish and maintain a daily cleaning schedule
- use daily "check list" for staff
- staff monitored by a supervisor (motel manager)

Suggestions for decor, furnishings:

- that all units have basic amenities, be clean and in good working order; toilet, sink, lockable doors with keys; shower curtain; chairs, tables; outside door mat; table and bedside lamps; adequate pots, pans and cutlery, clean towels, blankets; clock/radio
- motel **signage** and office (registration) location
- appealing Fort **Liard** art/craft as decor... framed on the **wall**,
- drapes, furnishings upgrade new bed spreads, chairs, tables, couches, carpet and paint.
- outside upgrading to increase aesthetic appeal, defined parking lot, gravel pad, paint and patch roof.

Service upgrade and establishing a proper cleaning schedule takes time and effort but little money. Upgrade of decor and furnishings could be initiated for a minimum of \$8,000-10,000.00.

A mid-long term alternative to upgrading the existing motel is to use the facility for another purpose and to replace it with a modern, efficient motel unit which can later be expanded upon demand.

B. BED AND BREAKFAST

Bed and Breakfast's are usually found in a family home, operated by a member(s) of the family on a part time or seasonal basis. Spare bedrooms or small additions are the norm while outbuildings close to the home are also used.

Due to the friendly family atmosphere, quietness, privacy as well as the usually lower cost, "B & B's" have become popular, and can prove successful in small northern communities such as Fort Liard.

Services and features of existing Yukon and N.W.T. "B & B's" may include airport pick up, private bath, continental or full breakfast, non-smoking rooms, use of kitchen, bicycle or canoe use, tourist information, northern books, large screen T. V., VHS and cable, Bar-B-Q, parking, use of laundry/kitchen facilities and phone access.

Basic requirements of a Bed and Breakfast include:

1. A spare bedroom(s), apartment or "out building" for guests to sleep in and a common eating/relaxing area.
2. Building to meet basic Tourism, Fire and Safety and Health Dept. Requirements.
3. Generally very clean, neat and orderly.
4. Access to phone, toilet/sink facilities. Shower or bath tub a welcome feature.
5. Friendly, courteous helpful host(s).
6. Able to provide a breakfast; may be light, wholesome: cereal, toast, muffins or bannock (with local jams,), coffee or tea, fruit.
7. Changes of linen, pillow cases, towels.
8. A strong and appealing cultural component is suggested. Decor including snowshoes, traps, historical photos; examples of craft work (display and or "For Sale") moccasins, jackets, birch baskets, trapping trail maps, beadwork on clothing,; country foods; a sampling of pounded meat, dry meat and fish, local berry bannock, berry jams.
9. An informational brochure or sheet and/or welcome card explaining what is included/not included and at what cost.

C. HOUSEKEEPING LOG CABIN(S)

Housekeeping facilities such as cottages, or cabins are popular in southern Canada and the US, as well as some fly in lodges and camps. Guests do their own food preparation on their own schedule.

Basic Requirements of a Housekeeping Log Cabin.

1. A 12x 14 or 14 x 161 storey log cabin with small roofed front deck, 1 double and 1 single bed with mattress, sheets and blankets, propane or electric cook stove with oven, wood stove for heat, pots, pans, dishes, cutlery, cupboards, dining table and chairs, propane or electric lights, fire extinguishers, smoke detector, first aid kit, selection of northern books, examples of local crafts and photos on the wall, water barrel with tap, sink.
2. Clean outhouse nearby.
3. Access to shower and phone
4. Friendly, courteous helpful host.
5. Changes of linen, pillows cases.
6. Cultural component (see "B&B")
7. Informational brochure
8. Picturesque location, ample windows with river view (close to the "Northern Store original building" property or adjacent to Forestry Compound)
9. If two adjacent cabins are constructed we suggest some separation for privacy, may share an outhouse.

COMPETITIVE FACILITIES AND SERVICES

The Charts below compare both "B & B" and Motel Prices in Yellowknife, Ft. Simpson, Ft. Nelson, Whitehorse and Dawson.

"B & B" rates in these Centres run from \$35.00 to \$70.00 single and \$70.00 to \$86.00 double (1993). Rates in remote N.W.T. Centres with "B & B's" run from \$37.50 to \$150.00 single and \$55.00 to \$175.00 double.

Pricing of housekeeping cabins varies widely but generally is close to "bed and breakfast." rates. In some cases a flat per night rate may be charged for the cabin regardless of number of occupants. We recommend a rate of \$45 single and \$60 double, slightly lower than the medium "B & B" rate.

Motel rates in Yellowknife, Ft. Simpson, Ft. Nelson, Dawson and Whitehorse run from \$63.00 to \$145.00 for single and \$73.00 to \$160.00 for doubles. The Liard Valley Motel presently charges \$90 for single and \$120 for double.

The cabins at Lindberg Landing- the closest alternative to accommodation in Ft. Liard are priced at \$60 single for "B & B" or \$100 per night per cabin. Although off the Liard Highway - Lindberg's is an economically priced accommodation for highway and adventure/ canoe travelers.

"B & B" OR HOUSEKEEPING CABIN PRICE COMPARISON

<u>YELLOWKNIFE</u>	<u>SINGLE</u>	<u>DOUBLE</u>
Blue Raven Bed & Breakfast	\$60.00	\$75.00
Captain Ron's Bed & Breakfast	\$70.00	\$86.00
Jennifer Collins	\$65.00	\$85.00
<u>DAWSON</u>		
5th Avenue	\$62.00	\$72.00
<u>Dawson City</u>	\$59.00	\$69.00
Northern Comfort	\$55.00	\$65.00
White Ram Manor	\$60.00	\$70.00
<u>FT. NELSON, B.C.</u>		
Top of the Hill B & B	\$40.00	\$50.00
Fort Nelson B & B	\$45.00	\$55.00

WHITEHORSE

Dawson City Bed and Breakfast	\$59.00	\$69.00
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LINDBERG LANDING

"B & B"	\$60.00	
Housekeeping Cabin (per cabin)		\$100.00

MOTEL PRICE COMPARISON

	SINGLE	DOUBLE
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YELLOWKNIFE

- Igloo Inn	\$94.00	\$99.00
- Explorer	\$145.00	\$160.00
- Northern Lites	\$85.00	\$95.00

DAWSON

- Downtown	\$109.00	\$119.00
- Eldorado	\$102.00	\$111.00
- Midnight Sun	\$63.00	\$73.00

FT. NELSON, B.C.

Mini Price Inn	\$30.00	\$35.00
Coachouse Inn	\$55.00	\$61.20
Bluebell Motel	\$40.00	\$48.00

WHITEHORSE

- Airline Inn	\$70.00	\$75.00
- Edgewater Hotel	\$99.00	\$110.00
- Westmark Klondike Inn	\$118.00	\$130.00

FT. SIMPSON

- Nahanni Inn	\$105.00	\$115.00
- Maroda	\$95.00	\$110.00

FT. LIARD

- Fort Liard Motel	\$90.00	\$120.00
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MARKET ANALYSIS/MARKET CONSIDERATIONS

We have researched the accommodation market types and the following charts indicate which accommodation is preferred by segments and secondly which features are preferred. All market groups expect a clean-facility at a fair and reasonable price.

The potential market for accommodation in Ft. Liard we suggest is as follows.

ACCOMMODATION PREFERRED

A . MARKET SEGMENT	Upgraded Motel	Campground	"B & B"	Housekeeping Cabin
Itinerant traffic (tourists only) -vehicle only -camper -mobile home -adventure and boat tours.	x	x x x	x x	x x
Gov't meetings workshops and itinerant traffic	x		x	
Construction/ Contractors	x		x	x
Business	x		x	x
Band/hamlet and development corp.	x		x	x
Package tour groups (potential)	x			

B. MARKET SEGMENT

ACCOMMODATIONS/FEATURES/NEEDS

Itinerant Tourist Traffic

- vehicle only standard facilities or accommodations with features unique to a northern community ie. Dene host, log home; private bath.
- camper/mobile home campground, nature, sewage, pump out, water, electricity, washrooms, showers, firewood
- adventure, and boat tours campground, water, washrooms, optional showers, firewood, low budget.

MARKET SEGMENT**ACCOMMODATIONS FEATURES/NEEDS.**

Government including meetings)

Limited requirements for meeting room(s) in community, standard room adequate; prefer private bath.

Contractors/Construction

Access to substantial meals. Budget conscious- will expect a group or long stay package. Dorm style multi beds per room may be adequate.

Business

Standard facilities; prefer private bath.

Band/Hamlet and Development Corp.

Standard room adequate; prefer private bath

Package tour group (potential)

Expect guaranteed occupancy at reduced group rates; good service, private bath and showers.

Over the past few years "B & B's" have become a viable alternative to hotel/motel accommodation, primarily in larger N.W.T. Centres. "B & B" have long been established in Europe and only recently (last 10 years) have become more popular in North America.

"Home-stay" Program similar to "B & B" are popular in Whitehorse. Japanese tourists who will go on a home stay holiday each year in a different country - collecting souvenirs and photos of their home stay holidays. They stay in someone's home as a guest, usually in a spare room and to join a family in their everyday activities and meals to experience a typical family lifestyle.

Regardless of whether the motel in Liard is full or not, many Liard highway Travelers - particularly tourists, would prefer a non-motel type accommodation if offered the choice. Meeting with a Dene family and learning/experiencing more of the culture is an added bonus of interest to many travelers.

From our research we find an increasing number of professionals, Government employees and business people are seeking the quiet and more personable "B & B's" type accommodation.

As the nature of "B & B" operations can be seasonal depending on either market demand or activity and interest there may be room for more than one "B & B" or one "B & B" and 1-2 housekeeping cabins, One may for example be open year round and one or more for the busiest Liard tourist traffic or heavy construction periods only.

OWNERSHIP, MANAGEMENT, HUMAN RESOURCES AND TRAINING

Anyone with a home and not bound by restrictive regulations or policies (ie: obtaining revenue if you own a H.A. P. house or are in Government subsidized housing) could operate a "B & B" or a housekeeping cabin(s).

A "B & B" is very conducive to an individual and or family operation who, with little capital outlay, can benefit financially and otherwise from this small business.

Housekeeping cabins could be owned and operated independently by an individual, a family or by the Liard Valley Band Development Corporation. If owned by the Development Corporation, management and staff could be the same as for the motel with further efficiencies such as insurance, bookkeeping, promotion, booking made possible by combining with other Liard Valley Development Corporation operations.

There are however distinct advantages to the "B & B" and housekeeping cabins being privately owned and operated. Pride of ownership and dedication to ones own business development can compliment a small community lifestyle.

Before one starts to develop a "B & B" they first must clearly understand what a "B & B" is. We suggest an excellent awareness program is to sample, first hand, the services of a "B & B". Most "B & B's" hosts would be happy to show their facilities to potential guests while an in depth feel for a "B & B" can only be obtained by staying as paying guests. Inuvik, Yellowknife, Whitehorse and Dawson have a number to choose from. Any ideas gained from the experience of staying at these competitive "B & B's" can be formulated into plans for ones own "B & B".

Management requires a minimum of record keeping and book work making it ideal for elders or families not comfortable with complex paperwork requirements.

Small business assistance is available in Liard - from other businesses/ such as the Liard Valley Band Development Corporation, and the Department of Economic Development and Tourism. "Tourism Awareness", "Hospitality" or "Introduction to Tourism" programs would be an asset.

Labour for any additions or upgrading can be done locally and in many cases by family members.

We recommend using available space in existing houses at least until the business is "tested" instead of spending a sizeable capital to build an addition(s).

OPERATIONS

Both the “guest and the “B & B“ or housekeeping cabin operator must know and understand what is expected of each other. A promotional brochure as well as a “welcome card” would assist with communications and understanding between operator and guest.

This “welcome card” available to visitors on “check in” may include additional helpful hints, House rules, introduction to the house . . . reading area, T. V., radio, breakfast and details, phone numbers, payment details and suggestions not found in the promotional . brochure.

The welcome card will alleviate many potential problems. Guests remaining longer in the community have the opportunity to learn more about Liard and area, the people, culture, history, crafts.

A small bulletin board in addition to the welcome card may include information on local services, events, attractions, tourist information # and location of stores, outfitters names and phone numbers, map of town, hours of operation of businesses, post office etc. is appreciated by visitors.

Guests must be made well aware of rules, ie: no smoking, alcohol, excessive noise, guests after 10:00 p.m. etc.

Some visitors particularly southern tourists would be very interested in staying at a B & B hosted by an elderly Dene couple. Language in a few cases may be a problem but younger family members may help.

A message machine could take inquiries while the owner is away or inquiries/bookings may be channeled through either the Tourist Information **Centre** or other office's for a small commission fee.

If the owner is busy on the land for a period of time the “B & B“ can be temporarily closed at no expense except loss of revenue.

MARKETING DEVELOPMENT COSTS

ESTIMATED COSTS

MIN MAX

The following is a marketing program for a new “B & B” or housekeeping cabin facility which can be implemented for a minimum of \$400.00.

Once the “B & B” is licensed the following potential sources of business or referrals should be personally met with, when possible, and information/brochures left with them or letters mailed; Longer term agreements could be sought with contractors or sub contractors. The “B & B” would provide breakfast while guests could eat lunch and dinners at the coffee shop. a potential list might include:

\$50 \$200

- Motel manager, staff, coffee shop staff
- Government and Band offices
- All private businesses in town
- Tourist information centres and campgrounds in Liard Ft. Simpson, Ft. Nelson, Whitehorse, Yellowknife, Alberta/NWT border
- R. C.M. P.
- Nursing station
- Ferries (MacKenzie River, Ft. Simpson, Ft. Providence)
- Nahanni Ram Tourism Association, Ft. Simpson
- Present and future contractors with work in Liard

<ul style="list-style-type: none"> . <u>Complete a black and white brochure or information sheet</u> Describing your facility and services, costs, what is included and not included, terms of payment, address, phone number; Type up and photocopy or have printed. Both sides of 3.5" x 8^{3/4}" or 8^{1/2} x 11" printed on medium bond is adequate. 1 - 2 photos of your facility will benefit but are not essential.(See Economic Development Tourism Business Development Fund) 	\$200	\$750
<ul style="list-style-type: none"> . <u>Signage</u> - in front of the house and at 3-4 main traffic points - visitors information in town and the camp ground; motel. 	\$100	\$800
<ul style="list-style-type: none"> • <u>Advertising</u> - local radio, posters Fort Nelson and Hay River, Explores Guide. 	<u>\$50</u>	<u>\$250</u>
TOTAL	\$400	\$2000

Increased participation in the Nahanni Ram Tourism Association can result in cooperative marketing efforts and more exposure for both the community and tourism businesses in Liard. We recommend active participation in and support to Nahanni Ram, memberships on the Board, lobbying the Association to hold meetings in Liard, hosting/fare trips and cooperative marketing efforts such as hosting of visitors, agents and photographers.

Communication with Northern BC, Northern Alberta and Yukon Tourism Associations and Chambers of Commerce are suggested to explore cooperative marketing programs.

FINANCIAL REQUIREMENTS

A. Bed and Breakfast

- Based on the Chart "B & B" Price Comparison" we suggest 1st year rates of \$55.00 single and \$70.00 double plus G.S.T. For purposes of forecasting reviews we use an average price per person per day of \$45.00 assuming a combination Of single and double rates.
- We assume a B & B may have room for two people. Scenario (#1) with a potential 100% occupancy or 240 Bed nights and Scenario (#2) with a potential 100% occupancy or 480 beds nights. For projecting revenues we use a first year occupancy rate of 25% climbing to 60% year 3 for two people in one room.

If a "B & B" facility has capacity for more than two, potential revenue, and in turn expenses go up accordingly.

For purposes of Financial forecasting minimum expense figures are used.

CAPITAL COSTS

	<u>MINIMUM</u>	<u>MAXIMUM</u>
Linen, Towels, face clothes	150.00	500.00
Beds	0.00	750.00
Upgrade	0.00	5000.00+
Dishes, cutlery, table clothes	50.00	400.00+
Decor, interior decorating, northern. library, crafts	100.00	1000.00+
Upgrade to meet Tourism Fire & Safety, Health Regulations. May include items such as a 2nd exit door, fire extinguisher, smoke detectors	200.00	5000.00+
"Awareness Training"- Sampling operational "B & B" in Yellowknife, Dawson or Whitehorse. Costs estimated for two separate "B & B" x 2 days each plus food	<u>400.00</u>	<u>750.00</u>
TOTAL	\$900.00	\$13,400.00

FORT LIARD BUSINESS OPPORTUNITY
BED AND BREAKFAST
SCENARIO NUMBER 1
FOUR MONTH OPERATION (120 NIGHTS)
STATEMENTS OF REVENUE AND EXPENDITURES
AND CASH FLOWS

	YEAR 1	YEAR 2	YEAR 3
	=====	-----	-----
DAILY RATES	\$45	\$50	\$55
	-----	-----	-----
PERCENTAGE OCCUPANCY	25%	50%	60%
	-----	-----	=====
BED NIGHTS	60	120	144
	-----	-----	-----
REVENUES			
GUEST SALES	\$2,700	\$6,000	\$7,920
GNWT MARKETING ASSISTANCE	360	450	540
	-----	-----	-----
	3,060	6,450	8,460
	-----	-----	-----
EXPENSES			
MARKETING	400	500	600
FOOD	480	1,080	1,440
CLEANING	500	800	1,100
REPAIRS AND MAINTENANCE	200	300	375
INSURANCE	100	120	135
LINEN REPLACEMENT	50	75	100
INTEREST ON LONG TERM DEBT	70	56	42
DEPRECIATION	180	144	115
	-----	-----	-----
	1,980	3,075	3,907
	-----	-----	-----
NET INCOME (LOSS)	1,080	3,375	4,553
	-----	-----	-----
CASH FLOW STATEMENT			
ADD NON CASH DEPRECIATION	180	144	115
DEDUCT REPAYMENT OF LONG TERM DEBT	(150)	(164)	(178)
	-----	-----	-----
INCREASE (DECREASE) IN CASH FLOW	\$1,110	\$3,355	\$4,490
	=====	-----	-----

FORT LIARD BUSINESS OPPORTUNITY
 BED AND BREAKFAST
 SCENARIO NUMBER 2
 EIGHT MONTH **OPERATION** (240 NIGHTS)
 STATEMENTS OF REVENUE AND EXPENDITURES
 AND CASH FLOWS

	YEAR 1	YEAR 2	YEAR 3
DAILY RATES	\$45	\$50	\$55
PERCENTAGE OCCUPANCY	25%	50%	60%
BED NIGHTS	120	240	288
REVENUES			
GUEST SALES	\$5,400	\$12,000	\$15,840
GNWT MARKETING ASSISTANCE	540	630	720
	5,940	12,630	16,560
EXPENSES			
MARKETING	600	700	800
FOOD	960	2,160	2,880
CLEANING	600	1,200	1,400
REPAIRS AND MAINTENANCE	350	550	700
INSURANCE	100	120	135
LINEN REPLACEMENT	90	135	180
INTEREST ON LONG TERM DEBT	70	56	42
DEPRECIATION	180	144	115
	2,950	5,065	6,252
NET INCOME(LOSS)	2,450	6,935	9,588
CASH FLOW STATEMENT			
ADD NON CASH DEPRECIATION	180	144	115
DEDUCT REPAYMENT OF LONG TERM DEBT	(150)	(164)	(178)
INCREASE (DECREASE) IN CASH FLOW	\$2,480	\$6,915	\$9,525

B. HOUSEKEEPING CABINS

We suggest initial rates of \$40 single, \$60 double to a maximum of \$90 per cabin per night. For forecasting we use an average of \$35 per person per day and assume most occupancy will be at least 2 per stay.

We are assuming a 6 month maximum operating season April through September and occupancy rates of 40% year #1, 60% year 2 and 70% year #3. The busiest period will likely be June, July and August coinciding with heavy **Liard Traffic** (tourist) flows. Good weather and itinerant government, business and construction use in April, May and Sept. would supplement heavy summer traffic.

With the proposed cabin being well built and insulated there is some potential use on a daily, weekly or monthly rental basis for longer term transient workers in **Liard**. Any potential winter use is figured into the 6 month figure, assuming a resident can be allocated land at no cost within the community.

<u>CAPITAL COSTS</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>
linen, sheets, towels, face clothes	150.00	500.00
beds and mattresses	500.00	1,200.00
dishes, cutlery, table clothes pots and pans	500.00	1,000.00
decor, interior decorating, crafts	250.00	2,000.00
safety equipment	500.00	1,500.00
awareness/training	400.00	750.00
log building (built by local Ft. Liard log builders and carpenters) 12 x 16 with windows, doors, insulation and front deck	30,000.00	60,000.00
tables and chairs	500.00	750.00
wood stove and insulated pipe and base.	1,500.00	2,000.00
propane/electric stove/oven	600.00	800.00

propane/electric fridge	1,000.00	1,200.00
cupboard and shelves	2,000.00	2,500.00
water tank	250.00	350.00
lights propane/electric and hook-up	<u>1,000.00</u>	<u>1,500.00</u>
	TOTAL	
	\$39,150.00	\$75,600.00
Round off to	\$40,000.00	\$75,000.00

FORT LIARD BUSINESS OPPORTUNITY
HOUSEKEEPING CABINS
STATEMENTS OF REVENUE AND EXPENDITURES
AND CASH FLOWS

	YEAR 1	YEAR 2	YEAR 3
DAILY RATES	\$35	\$40	\$45
PERCENTAGE OCCUPANCY	40%	60%	70%
BED NIGHTS	144	216	252
REVENUES			
GUEST SALES	\$5,040	\$8,640	\$11,340
GNWT MARKETING ASSISTANCE	540	630	720
	5,580	9,270	12,060
EXPENSES			
MARKETING	600	700	800
CLEANING	800	1,400	1,600
REPAIR AND MAINTENANCE	350	550	700
INSURANCE	200	220	240
LINEN REPLACEMENT	200	250	300
FIREWOOD	200	250	300
PROPANE/ELECTRICITY	300	350	400
INTEREST ON LONG TERM DEBT	927	753	563
DEPRECIATION	8,000	6,400	5,120
	11,577	10,873	10,023
NET INCOME(LOSS)	(6,537)	(2,233)	1,317
CASH FLOW STATEMENT			
ADD NON CASH DEPRECIATION	8,000	6,400	5,120
DEDUCT REPAYMENT OF LONG TERM DEBT	(2,006)	(2,180)	(2,369)
INCREASE (DECREASE) IN CASH FLOW	(\$543)	\$1,987	\$4,068

POTENTIAL ECONOMIC BENEFITS

A family run "B & B" at **25%** capacity year #1 may expect to generate \$3,060.00 in revenues \$1,980 in expenses **resulting** in \$1,110.00 in profits from the first year of operation, if operated for four months or \$5,940.00 in revenues and \$2,700.00 in expenses resulting in \$2,480.00 in profits if operated for eight months. This assumes the minimum **amount** of capital costs are spent with monies made available by the owner ie: without financing.

At **100%** occupancy, which realistically is unlikely for 12 months (30 days x12 months = 360 nights with two people per room at \$70.00 double or; \$35.00 each, total revenue = \$25,200.00 100% occupancy is, however, highly unlikely.

The profit figures must take into consideration the time and effort of the owner/operator and family members who may help out.

Spin off economic benefits to the family may include sale of crafts, home made local berry jams, muffins and/or bannock, dried meat or dried fish.

A Housekeeping Cabin at **40%** occupancy for 6 months for Year 1 could generate \$5,580.00 in revenue based on \$11,577.00 in expenses. After factoring in an \$8,000.00 non-cash depreciation and long term debt the result is a deficit of (\$543) leading to a profit of \$4,068.00 by year #3.

If an interested individual or family has an available room, suite or "outbuilding" in good condition, extra household linen, towels and dishes a "B & B" could be operational with little or no expense. For our "B & B" capital cost estimates we have used a minimum requirement of \$900.00 while the housekeeping cabin capital costs are a minimum of **\$40,000**. Once **capital** expenditures are completed, operational expenses can be kept to a minimum.

Commercial banks may loan money as a "home improvement" loan using the house/property as collateral while the Department of Economic Development Business Development fund can provide up to **70%** financial contribution (Ft. Liard is a level 3 community) leaving a minimum of 30 % to be provided and/or financed by the applicant.

LEGAL, LICENSING, INSURANCE

The simplest form of business is sole proprietor which requires registration.

An **N.W.T. Business License** or a business **licence** from the Hamlet of Fort **Liard** will be required. The Department of Economic Development and Tourism will also require tourism licensing. Liability and fire insurance can be an addition to the existing homeowners policy.

In the past, only the Hamlets have been responsible for licensing and regulating "B & B" with input from the Department of Health and Dept. of Fire Safety. The Territorial Dept. of Economic Development and Tourism should now be consulted to ensure the appropriate license is acquired. As the public will be housed, regulations are more stringent than personal residences but not as stringent as those for hotels or motels where more people are regularly accommodated. The building should be built to **N.W.T.** "home occupancy" codes.

A "B & B" or housekeeping log cabin must be inspected and approved by the Health, Fire Safety and Tourism **Departments** before formally opening for business. We suggest contacting these Departments at the planning stage of the project. A building permit must be applied for.

Although zoning has not been an issue in **Liard** it is an area in which the Hamlet may soon address.

SOCIAL CULTURAL IMPACT

There is no foreseen negative social cultural impact if care is taken to market and select guests complimentary to the owners lifestyle and expectations.

Ensuring a guest understands what is included and not included in "B & B" or Housekeeping service is important.

New friendships - meeting people from other countries and exchanging ideas and information can be a rewarding personal experience.

ENVIRONMENTAL CONSIDERATIONS

No negative environmental effects if various Health, Tourism, and Fire and Safety Regulations are followed.

COMMENTS/CONSTRAINTS

Of the three business opportunities described, the "B & B" we suggest is an ideal , low cost, seasonably adaptable option for an individual or a family. Smaller business opportunities such as this are more appropriate for individuals than for larger companies or the Band Development Corporation.

IMPLEMENTATION/TIME FRAME

Potential is immediate. If time could be dedicated to licensing, promotional material, minor facility upgrade and inspection etc. (See business plan "To Do") a "B & B" could easily be operational within a couple of months.

If the choice was to add an addition to an existing house construction time required may be 'a number of months minimum.

Planning for, cutting and peeling logs and constructing a housekeeping log cabin may realistically be completed for spring 1994.

BUSINESS PLAN "TO DO": "B & B" AND HOUSEKEEPING LOG CABINS

1. Describe in written form what you plan to have included in your service, what is not included, costs, etc.
2. Discuss overall plan, suitability of your home, upgrade required etc. with Economic Development and Tourism, Liard Valley Band Development Corporation, Hamlet and Department of Health.
3. Visit/experience 1-2 operating "B & B's".or " Housekeeping cabins"
4. Initiate a Business Licence application Process with Hamlet of Ft. Liard and/or Government of the N.W.T.
5. Initiate a Tourist establishment license application Process with Department of Economic Development and Tourism.
6. Apply for financial assistance via Economic Development and Tourism's Business Development Fund under their Marketing Program. (70% of an approved marketing program to a maximum of \$10,000 may be available.)
7. Apply for upgrade assistance (if required).
8. Receive licence to operate.
9. Complete upgrade/renovations/construction.
10. Facility checked by Fire, Safety, Health, and Tourism Departments.
11. Initiate the marketing plan including the information sheet/brochure.