



# Erasmus+

## 'Exploring Cultural Heritage for Entrepreneurial Development'

### IMPLEMENTATION OF A TOURISM ENTERPRISE

#### 1<sup>st</sup> Report

#### (November-December)

In this period we have studied some of the most important tools used when implementing a new enterprise, namely the **Business Plan** and the **SWOT analysis**. We also had the opportunity of analyzing several **Case studies** related to the Hospitality Industry.

As regards the first point, our Economics Teachers Ms. Sgobba and Mr. Senise explained us what a Business Plan and a SWOT analysis are and their importance in the creation of a business and, since they are an essential part of any kind of enterprise you want to start, we decided to give you a rapid overview of it.

#### **Business Plan**

A Business plan is the first thing you have to do when you want to implement a new company. We can briefly describe it as ***“a written document describing the nature of the business, the sales and marketing strategy, and the financial background, and containing a projected profit and loss statement”***.

In other words it is a roadmap for your business that outlines goals and details how you plan to achieve those goals. It may also be addressed to external investors and financiers who are willing to invest in the company.

A Business Plan is divided in sections and each section should include specific elements and address relevant questions that the people who read your plan will most likely ask. Actually no two business plans are the same but they all have the same elements. Below are some of its common and most important parts:

#### **-Executive summary:**

The executive summary, or statement of purpose, succinctly encapsulates your reason for writing the business plan. It tells the reader what you want and why. Moreover it outlines the company and includes the mission statement along with any information about the company's leadership, employees, operations, and location. It should touch on the following key elements:

- **Business concept** which describes the business, its product, the market it serves and the business' competitive advantage.
- **Financial features** which include financial highlights, such as sales and profits.
- **Financial requirements** which state how much capital is needed for startup or expansion, how it will be used and what collateral is available.
- **Current business position** which furnishes relevant information about the company, its legal form of operation, when it was founded, the principal owners and key personnel.

### **-Description of the Products and Services**

Here, the company can outline the products and services it will offer, and may also include pricing, product lifespan, and benefits to the consumer. When you describe your product or service, make sure your reader has a clear idea of what you're talking about. Explain how people use your product or service and talk about what makes your product or service different from others available in the market. Be specific about what sets your business apart from those of your competitors. Then explain how your business will gain a competitive edge and why your business will be profitable. Describe the factors you think will make it successful. Give hard facts, such as "new equipment will create an income stream of 10,000 Euro per year" and briefly describe how.

### **-Market analysis**

A firm needs a good handle of the industry as well as its target market. It will outline the competition and how it factors in the industry, along with its strengths and weaknesses. Moreover a thorough market analysis will help you define your prospects as well as help you establish pricing, distribution, and promotional strategies that will allow your company to be successful vis-à-vis your competition, both in the short and long term.

**-Marketing strategy:** This area describes how the company will attract and keep its customer base and how it intends to reach the consumer. This means a clear distribution channel must be outlined.

**-Financial planning:** In order to attract the party reading the business plan, the company should include any financial planning and/or projections. Financial statements, balance sheets, and other financial information may be included for already-established businesses. New businesses may include targets for the first few years of the business and any potential investors.

**-Budget:** Any good company needs to have a budget in place. This includes costs related to staffing, development, manufacturing, marketing, and any other expenses related to the business.

## **SWOT analysis**

**This tool is an integral part of the Business Plan**, in particular of the **Project presentation phase** and in the **Analysis of the external context**. We have already used it in the activities held during the Project partners' meeting but it may be useful to give a short definition of it.

**SWOT (strengths, weaknesses, opportunities, and threats) analysis** is a framework used to evaluate a company's competitive position and to develop strategic planning as it assesses internal and external factors, as well as current and future potential. This kind of analysis is designed to facilitate a realistic, fact-based, data-driven look at the strengths and weaknesses of an organization, or an industry.

Most commonly, SWOT analyses are used at the organizational level to determine how closely a business is aligned with its growth trajectories and success benchmarks, but they can also be used to ascertain how well a particular project – such as an online advertising campaign – is performing according to initial projections.

Let's take a look at each element individually.

### **Strengths**

The first element of a SWOT analysis is Strengths. This element addresses things that your company or project does especially well. This could be something intangible, such as your company's brand attributes, or something more easily defined such as the unique selling proposition of a particular product line. It could also be the company's human resources.

### **Weaknesses**

Once you've figured out your strengths, it's time to turn that critical self-awareness on your weaknesses. What's holding your business or project back? This element can include organizational challenges like a shortage of skilled people and financial or budgetary limitations. This element of a SWOT analysis may also include weaknesses in relation to other companies in your industry.

### **Opportunities**

Next up is Opportunities. Can't keep up with the volume of leads being generated by your marketing team? That's an opportunity. Is your company developing an innovative new idea that will open up new markets or demographics? That's another opportunity.

In short, this element of a SWOT analysis covers everything you could do to improve sales, grow as a company or advance your organization's mission.

### **Threats**

The final element of a SWOT analysis is Threats – everything that poses a risk to either your company itself or its success and growth. This could include things like emerging

competitors, changes in regulatory law, financial risks, and virtually everything else that could potentially jeopardize the future of your company or project.

As you can see, SWOT analysis is a great way to guide the business strategy.

After having studied the above mentioned tools we analysed several case studies of businesses related to tourism industry and we realised how much important these tools are for the implementation of a successful company. So we decided to use them in order to implement a new tourist enterprise: the next step will be the drawing up of a Business Plan which takes into account both the characteristics of our territory and the costumers' needs. Moreover we will use the SWOT analysis in order to make this new enterprise as successful as possible.



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