

FISHING TOURISM AREAS BUSINESS PLAN

PROJECT "PROMOTION AND SUSTAINABLE MANAGEMENT OF THE BALTIC
SEA REGION AS A COASTAL FISHING TOURISM AREA"

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Vilnius



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FUND



Klaipėdos
universitetas

Business plan



The business plan is...

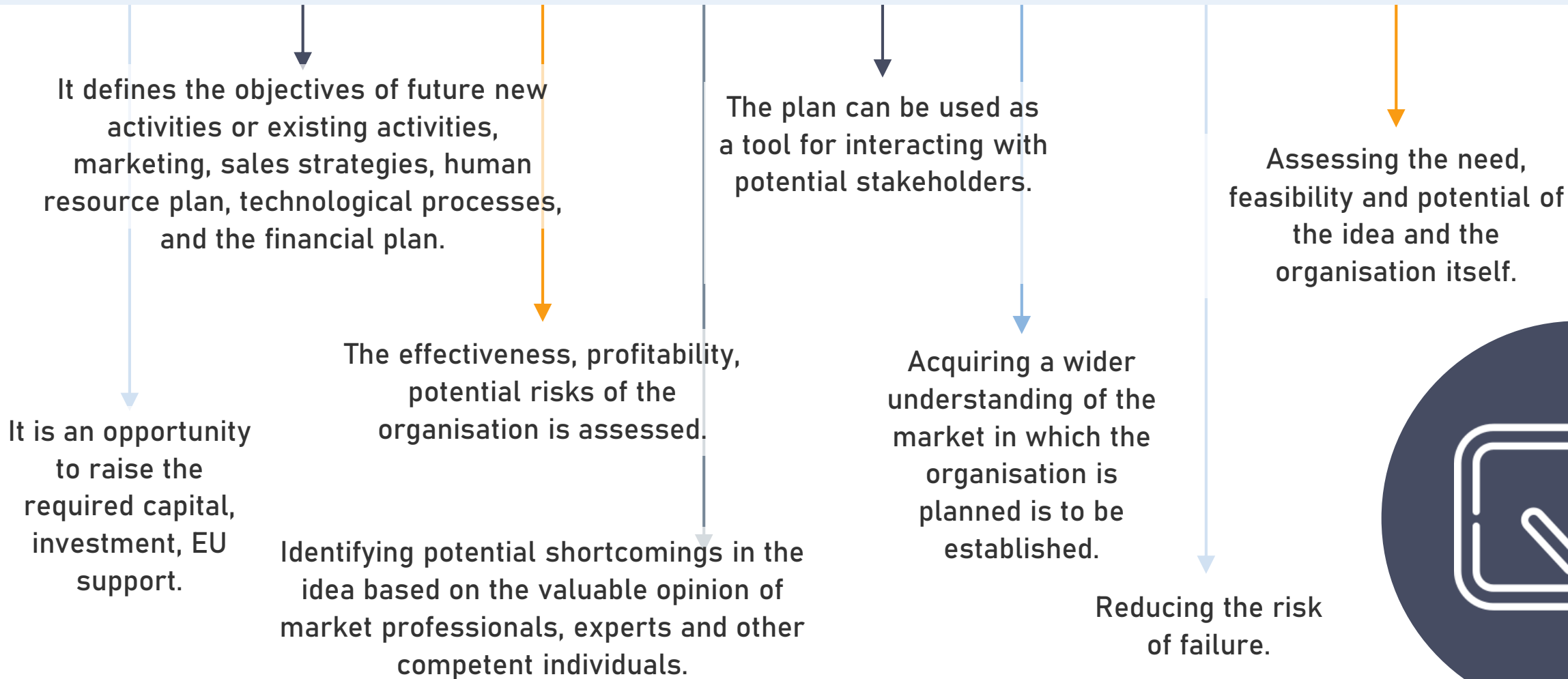
a document setting out clearly and reasoned operational and financial objectives of the organisation, outlining how it intends to achieve the objectives. It is a convenient tool to systematically reflect on the business idea and assess future prospects.



What is the purpose of preparing a business plan?

- ▶ Justify and test a new idea, evaluate business prospects.
- ▶ Compare forecasts with actual achievements.
- ▶ Calculate the demand for funds.
- ▶ Invalid the risk of world or own business investments.
- ▶ Justify and receive cash loans.
- ▶ Find partners or provide information to existing partners.

Why is a business plan useful?



3 rules when writing a business plan

01 | Quality, not quantity matters

When drawing up a business plan, it should be borne in mind that the plan should contain only the most important but reasonable information. A large document overloaded with redundant information has little chance of maintaining the reader's attention, leading to the risk that they not read the business plan. The business plan is also to be used by the organisation itself – following the set goals, and tracking the progress. Extensively long document is difficult

02 | Know the target audience of the business plan users

First, define the purpose for which the plan is written. This also makes it easy to identify the target audience of readers. The document should be designed with expectations in mind, primarily focusing on the aspects of interest. It is also important to use vocabulary and writing style understandable to the audience, avoiding specific terms that may be unknown for those who are not specialising in the relevant field. Try to keep a simple and specific writing style in the main part of the business plan, leaving all the necessary specific information in the annexes.

03 | Review, correct, repeat

A good business plan is not static. As the organisation grows and evolves, so does the business plan. If you implement, or, vice versa – do not achieve the targets, you will acquire more experience, at the same time there may be a need to adjust and improve the business plan. It is recommended to review and update the document every 3 months. It is also important that during the process of preparation, the document is reviewed not only by the authors, but also by external experts and other stakeholders, allowing for the objective assessment of the quality of the plan and identification of parts to be reviewed.

Most common mistakes when preparing a plan



Undefined target user group



Unclear strategy, undefined priorities



Inaccurate, unreliable, insufficient analysis



Inadequate, immeasurable goals set



Unjustified, unrealistic financial projections



Insufficient attention to competitor analysis



Denial or non-identification of weaknesses, deficiencies and risks



The plan does not cover all necessary aspects

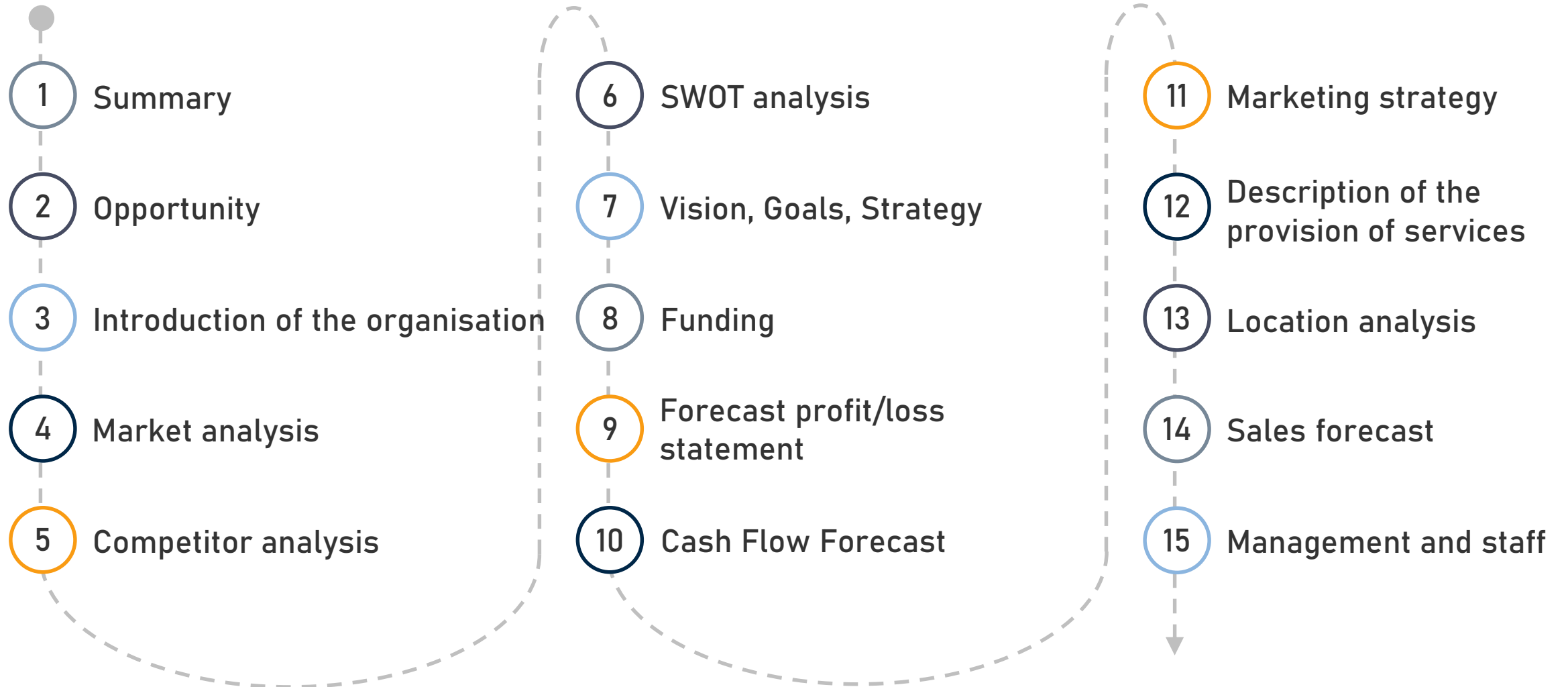


Excessive information, too many details



Lack of consistency, certainty and/or accuracy

Business plan structure



Summary

The summary should be seen as a miniature business plan, with the aim of attracting the attention of the target audience of readers and getting them to continue reading. The summary should be prepared in the last stage of business plan preparation, and should not exceed 1 page.

The summary describes:

- ▶ Context of preparing a business plan (why did you decide to prepare a business plan).
- ▶ Short profile of the organisation (activity, size, resources, number of employees).
- ▶ The essence of the project to be implemented, a brief description of the product (service) and its market.
- ▶ A business opportunity and what makes it unique.
- ▶ Target customers and added value offered to them.
- ▶ Required funding, projected profits and key assumptions for it.
- ▶ Long-term targets.

Opportunity (exclusivity)

Explain the business idea and along with it, the solution that the organisation wants to offer to the market. Describe in detail the value of the service to the customer: what is new or improved compared to alternative products, what makes a business idea unique. Focus on the added value you will create for the user and the satisfaction of his needs, rather than technical characteristics (if necessary, you can provide them in the annexes to the document).

Destination Management Organisation (DMO) is an organisation responsible for the management of tourist destinations.

The essence of the DMO is to bring together various service providers related to a certain niche area of tourism. This type of organisation does not "produce" a tourism product in a tourist area, instead, it is responsible for the strategy and actions to coordinate the activities of participants in the tourism sector who "produce" products and services.

In this part of the business plan, describe the main idea of the DMO and the market offer. Briefly describe the services to be provided and the coordination actions to be taken in developing a new service delivery concept. Highlight the uniqueness of the services provided by DMO – describe the benefits of the complex service packages offered for the user, the added value to be created by the cooperation of individual service providers.

Introduction of the organisation

3

In this section, provide general information about the organisation (contacts, founders, manager), organisational management structure scheme, key highlights of the organisation's history (establishment goals, circumstances, change in performance), current situation (type of activities, number of services are provided). The articles of association, by-laws or other founding documents of the organisation may be helpful in the preparation of this section.

Provide an existing network of members of the organisation, indicate the areas they represent, and give a summary of the available infrastructure (ships, fishing shops, accommodation, catering, transport, etc.).

This section describes:

- ▶ Organisation name, managers, contact details.
- ▶ Members (founders).
- ▶ Activity history.
- ▶ Planned activities, forms of membership, actions for attracting members.
- ▶ Brief description of the current situation, activities of the members of the association in the context of DMO, services offered.
- ▶ Assessment of existing infrastructure (ships, accommodation establishments, catering establishments, fishing shops, etc.).
- ▶ Uniqueness of the organisation (e.g. number of trained, certified guides, code of ethics, etc.).
- ▶ DMO international cooperation.

Market analysis

Describe the market and measure its size by the number of customers. Indicate the current demand what market growth you expect in the future. Assess the market share of competitors (see Part 5). It is important to explain how your goods or services will differ from those offered or to be offered by competitors in the future. Identify the obstacles you may face when entering the market, and how they can be overcome. Indicate the customer groups (segments) you will offer your goods or services to.

Questions to be answered in the market analysis:

- ▶ In which market you are going to operate?
- ▶ What is the target customer audience (countries, regions), and what is its size?
- ▶ How are relevant aspects of consumer behaviour changing?
- ▶ How will the future activities respond to general market trends?
- ▶ What obstacles can be encountered and how can they be overcome?

There is little statistical information on the niche area of fishing tourism (except for the number of fishing permits and information provided by fishermen), thus, it is recommended to include in the market analysis a general overview of tourism trends and factors changing the tourism sector.

Recreational fishing is a niche and therefore very narrow field, but it is necessary to understand and assess its trends based on publicly available information (i.e. Statistics Lithuania), reports of relevant organisations, studies, strategic plans of related organisations, insights from stakeholders, experts and other useful information.

Competitor analysis

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Use the table below to analyse the competitive environment. After analysing the market competitors, indicate how you plan to compete in the future.

Name of competitor	X	Y	...
How long the competitor has been operating in the selected market
Market share (in the selected market in which you are going to compete)
Attractiveness of the competitor to consumers (price, quality, logistics, etc.)
Strengths
Weaknesses

Analyse competitors by different competitive groups:

- ▶ Competitors by type of fishing, species of fish.
- ▶ Competitors in a broad sense – other niche tourism services.
- ▶ Competitors abroad – organisations providing similar services in neighbouring countries.

However, bear in mind that the aim of the DMO is to bring together the different but related service providers into a single organisation with common goals in the niche fishing tourism, with a high probability that potential competitors in this field may become members or partners of the DMO.

For this reason, in addition to the competitor analysis, the business plan may include stakeholder analysis and evaluation.

SWOT analysis

Objectively analyse the weaknesses of your business idea (what your organisation cannot accomplish), the strengths (what the organisation is capable of performing), the opportunities (potentially beneficial conditions for the organisation), and the threats (potentially useless conditions for the organisation). Internal strengths and weaknesses are the factors that an organisation can directly influence and manage. Meanwhile, opportunities and threats are associated with the external environment of the organisation. In determining these factors, it is important to have the whole picture of the organisation's activities, so it is imperative to consider both internal and external factors. SWOT analysis will allow you to review not only your business, but also to evaluate the activities of competitors and the market situation.

The following issues are recommended to be considered in the preparation of the SWOT:

Strengths

- ▶ What attracts people, what added value is given to them ?
- ▶ Why do consumers recommend us ?
- ▶ What qualities make us exceptional?
- ▶ In what areas are we particularly good?
- ▶ What are our major, most important achievements?

Weaknesses

- ▶ What skills do we lack, in what areas are we weak?
- ▶ What do competitors do better than us?
- ▶ What failures have we experienced, and why?
- ▶ Why do people choose our competitors?
- ▶ Why former customers do not come back?

Opportunities

- ▶ What new products or services can we offer?
- ▶ How can we become unique?
- ▶ What new customers/markets/needs can we meet?
- ▶ What new ideas/technologies can we use?
- ▶ What other market changes and trends can we take advantage of?

Threats

- ▶ What competitors cause a threat to us, why?
- ▶ Are there any potential legal, economic or political threats?
- ▶ Do our customers need change?
- ▶ What new ideas/technologies can harm us?
- ▶ What other market changes and trends can harm us?

Vision. Objectives. Strategy

7

Describe the organisation you envision in the long run, e.g. after 5 years, and define the vision of the organisation. A vision is a consciously generalised understanding and perception of what an organisation will be like, why, where, and how it will function in the future.

Set the goals that will help you achieve the company's vision. The goal must be measurable and achievable in the defined future, it must be understood in the same manner by everyone, committed and resourced (or based on a plan for attracting the resources).

Finally, name the means and actions by which you will achieve the goal.

Strategy is a plan of the organisation for how to create and implement competitive advantages. It is a way, a method to implement your vision, turning it into reality.

This section describes:

- ▶ **Vision of the organisation** is what our organisation will be like in 5 (or more) years.
- ▶ **Goals of the organisation** – the desired, sought-after performance results in the defined future.
- ▶ Based on the respective **goals, measures, projects, initiatives** are envisaged to ensure the achievement of the set goals.
- ▶ **Indicators** to be used for measuring the implementation of the organisation's goals, the target values of indicators.

Strategic direction	Purposes	Measures (projects, initiatives)
1. Promotion of fishing services	1.1. Promotion of the Baltic Sea Fishing brand	1.1.1. Promotion www
2.	1.2.	1.1.2. Sport fishing events
3.	1.3.	1.1.3. Advertising on social networks

Indicate the need and sources for the project funding, how much funds will be needed and for what, what are It is difficult to calculate how much money you will need, so anticipate the reserve of funds.

In order to assess the need for funding, it is recommended to prepare:

- ▶ Annual budget by specific activities.
- ▶ Preliminary long-term (3-5 years) budget.

When planning the activities, it is recommended to consider all possible sources of funding:

- ▶ Funds of members of the organisation (targeted contributions, membership fees).
- ▶ Revenue (commissions from the activities of DMO members).
- ▶ EU projects.
- ▶ Other sources of funding.

Forecast profit/loss statement

Cash Flow Forecast

9

10

When making a profit forecast, estimate sales and expected revenue. The profit forecast can only be calculated after estimating the cost of your service. The profit indicator will be important not only for the person starting the business, but also for the bank when granting the loan.

The purpose of the cash flow forecast is to show whether there will be sufficient money for activities at any time during the implementation of the project. It does not record income and expenses, but cash payments and receipts. This report is prepared together with the income/loss statement as it utilises the same data. The forecast of the organisation's balance sheet is also attached to the business expansion project.

Marketing strategy

Plan your entry to the markets: what services you are planning to provide, what marketing strategy you will use for each service group, how you will segment the market, which segments are most important. Marketing is a prerequisite to create a competitive advantage, maintain a pool of loyal customers, and defeat your competitors ethically and honourably. Convincingly outline your market entry strategy, sales concept, and anticipate sales promotion measures.

Describe the services or service packages to be offered, the target audience for each of them. Identify and briefly describe the target consumer segments for which you will use

When developing the marketing strategy, consider marketing and communication actions that will be relevant to all market segments, but also keep in mind personalised solutions (targeting a specific target segment).

Marketing activities may include the following areas:

- ▶ Publicity in the media, on soc. networks.
- ▶ Publicity on the DMO website, DMO member websites, physical premises (e.g. Badges to DMO members).
- ▶ Publicity in cooperation with partners (TIC, municipalities, other organisations, regional websites, etc.).
- ▶ Sport fishing events.
- ▶ Specialised fishing exhibitions.
- ▶ Other.

Description of the provision of services

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List the sequence of service operations, explain who will perform activities and what kind of activities, for what purposes

Describe how the available infrastructure will be used to provide the services.

This section describes:

- ▶ How consumers choose and buy this service and how it would be most convenient for them to purchase it.
- ▶ What related services are relevant and how the value chain can be extended.
- ▶ Service delivery model – how you are planning to offer services to consumers, what service packages are offered, what sales (communication) channels will be used for offering services, how the customer service process is organised (request management, etc.).
- ▶ Engagement of DMO members – conditions for the participation of fishing guides and individual service organisations (accommodation, meals, transport, fishing tackle) in the common system.
- ▶ Assessment of available capacities and infrastructure – number of fishermen's guides, available boats, providers of other services (accommodation, catering, transport services, trade in fishing tackle, etc.).

Location analysis

Describe how location affects the service process, i.e. accessibility, adequacy of the labour in the region (qualifications, etc.), poorer or better terms of relations with suppliers, making the location more attractive to consumers.

In the location analysis, it is recommended to pay attention to:

- ▶ Accessibility of the location by transport connections for Lithuanian and foreign tourists.
- ▶ Advantages of Palanga Airport.
- ▶ Number of fishing guides, and boats.
- ▶ Accommodation options.
- ▶ Advantages of the Fishing South Baltic project.
- ▶ Seaport infrastructure (for pleasure boats).
- ▶ Climatic conditions.

Sales forecast

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Identify what sales volume you are aiming for. Predict how sales will be distributed and what results you can expect for each target customer group. What action will you take if sales are higher or lower than you predicted, what negative environmental factors can affect sales, and how are you going to avoid these factors.

The following factors are recommended to be considered when making a sales forecast:

- ▶ How many days a season can ships sail at sea.
- ▶ Number of fishing days per year (in the sea, the lagoon, rivers).
- ▶ Possible number of fishing groups.
- ▶ Possible number of fishing guides, and boats.
- ▶ Customer service capacity.

When modelling the sales forecasts, it is worthwhile to evaluate the sales of the main services (fishing guide, ship) and additional services (accommodation, transport, catering, etc.) separately.

Management and staff

Anticipate the **number** of **employees required** and the **need** for **development**, determine how the management will be formed and how the structure and management of the organisation will be **arranged**.
Describe the potential experience and qualifications of employees, and the expected average salary.

This section describes:

- ▶ **DMO organisational form** – management, managers, corporate structure, employees.
- ▶ **Functions and activities performed by the DMO** – main areas of activity, additional areas of activity, number of required employees, their experience, qualifications.
- ▶ **DMO partner involvement model** – membership, participation in activities, responsibilities. Conditions for the participation of fishing guides and individual service organisations (accommodation, meals, transport, fishing tackle) in the common system.



FISHING TOURISM AREAS BUSINESS PLAN

PRACTICAL ASPECTS OF IMPLEMENTATION

Summary of Klaipeda Sustainable Fisheries DMO Business Plan

The Klaipėda Sustainable Fisheries DMO initiative was formed in the context of the RETROUT project. The common goals and measures include the DMO organisations from 6 countries situated around the Baltic Sea. The organisations aim to promote sustainable salmon and sea trout fishing in the Baltic Sea.

Fishing guides working in Klaipeda and the surrounding area and activities have been promoting fishing services and sustainable fishing before the RETROUT project. However, the project-based initiative allows to bring together the activities of different organisations and fishermen's guides, to carry out joint activities, and to expand the circle of clients, to change their structure. The main focus of the DMO's activities is the sustainability of fishing, which is outlined in a code of ethics.

- ▶ The DMO initiative operates on the basis of an existing organisation.
- ▶ The initiative aims to expand the circle of consumers and change their structure.
- ▶ The international project allows for joint promotion and sales activities.
- ▶ In terms of critical resource, location, infrastructure and current practices, recreational/sport fishing activities can be further developed as promising narrowly specialised tourism activities.
- ▶ At the national level, joint efforts will lead to a better structuring of service sales, enhanced communication and links with related service providers.
- ▶ As the initiative only contributes to the existing business by expanding the opportunities of the participating fishing guides, a separate business plan is not relevant.
- ▶ DMO operates as a virtual organisation.
- ▶ A more detailed DMO business plan is provided in the DMO development description.

DMO Business Plan (I) of Klaipeda Sustainable Fisheries

2 Opportunity

- ▶ The DMO is aimed at strengthening the organisation of recreational/sport fishing of salmon and sea trout on the Baltic Sea coast.
- ▶ **Consolidated the services of several fishing guides into a common order management system that currently operates as isolated efforts.**
- ▶ engage other relevant service providers (accommodation, catering, transport) in joint activities, thus forming complex offers for service users.
- ▶ Consolidate efforts to promote the region as attractive to recreational/sport fishing enthusiasts.
- ▶ Emphasise the importance of sustainable fishing, based on the common code of ethics promoted in the region and contributing to the fish population recovery.

3 Introduction of the organisation

- ▶ The DMO operates on the basis of the existing organisation
- ▶ – the association.
- ▶ The founders and active members are fishing guides.
- ▶ The organisation is a national DMO participating in the international Baltic Sea Fishing Organisation.
- ▶ Related service providers are not yet members of the organisation.

4 Market analysis

- ▶ DMOs operate in a narrow but viable market.
- ▶ The current market is mainly limited to local (Lithuanian) fishermen and those arriving from neighbouring countries.
- ▶ The DMO activities are aimed at expanding the market and changing the structure of consumers.
- ▶ The priority markets for the RETROUT project are in Germany, the United Kingdom, France, Italy and the Netherlands.
- ▶ Simultaneously, it is planned to change the structure of users, by changing the concept of services from catch-oriented to experience-oriented.

5 Competitor analysis

- ▶ There is currently no other organisation focused on recreational/sport fishing at sea.
- ▶ The competition comes from individual fishing guides who have no organised communication and sales channels.
- ▶ At the international level, there is competition between regions, although individual regions have unique characteristics and are thus exceptional.

DMO Business Plan (II) of Klaipeda Sustainable Fisheries

6 SWOT analysis

- ▶ A detailed SWOT analysis was not performed.
- ▶ Weather conditions that limit access to the sea have been identified as one of the threats. At the same time, however, the possibility of expanding the geography of DMO activities by organising fishing in the Curonian Lagoon and rivers has been identified.
- ▶ It should be noted that fishing, as an integral part of the tourism service complex, receives very little attention at the national and regional level.
- ▶ Identified weaknesses: limited language skills among fishing guides (a small number of them can communicate in English) and little interest in expanding the geographical coverage and structure of target users.
- ▶ The existing tourism infrastructure (accommodation, catering, transport, information channels, etc.), ships used, the availability of critical resources can be identified as strengths.
- ▶ A ban on fishing for cod in the Baltic Sea could have a significant impact on the organisation's activities. No separate impact assessment of this factor has been performed.

7 Vision, Goals, Strategy

- ▶ The goal of DMO activities is the development of sustainable salmon and sea trout fishing in the Baltic Sea.
- ▶ This requires the inclusion of a larger number of fishing guides in the DMO's activities and the promotion activities with other countries.
- ▶ The existing DMO strategy is limited to the activities and tools provided for in the RETROUT project. Further activities, measures and initiatives will be planned depending on the achieved results.
- ▶ During the DMO development seminars, 10 priority areas for joint activities were identified.
- ▶ The key indicators that would define the performance of the DMO are: (i) number of requests received/processed through the centralised system; (ii) number of fishing guides involved; (iii) number of other DMO members (excluding fishing guides).

DMO Business Plan (III) of Klaipeda Sustainable Fisheries

8 Funding

- ▶ Existing activities are funded by the RETROUT project funds.
- ▶ Activities related to DMO activities do not require additional funding as they are part of BAU (Business as usual) and are distributed among active members.
- ▶ Activities relevant at later stages, if necessary, shall be funded from participation in projects and from requests coming through the centralised sales and communication system.

9 Forecast profit/loss statement

- ▶ The organisation is created by implementing the zero cost concept, meaning that no fixed costs should be generated.
- ▶ Activities should be organised on the basis of a virtual organisation.
- ▶ Therefore, the income/loss statement is not relevant.

10 Cash Flow Forecast

- ▶ The cash flow forecast is relevant to the extent that to DMO activities can generate additional flow for fishing guides.
- ▶ It is currently estimated that the total activity per year may attract about 15 realized queries per year. That would generate about EUR 6,000 in revenue for fishing guides.

11 Marketing strategy

- ▶ The DMO marketing strategy is based on the common marketing strategy of all partners involved in the RETROUT project.
- ▶ The main components of a consolidated marketing strategy include: (i) code of ethics; (ii) website dedicated for all territories; (iii) participation in exhibitions.
- ▶ **The national level marketing strategy focuses on: (i) increasing the number of fishing guides participating in the DMO activities; (ii) involvement of related service providers in the overall activities of the DMO.**

12 Description of the provision of services

- ▶ The services provided by fishing guides remain largely unchanged, with the exception of standardisation of the services, namely, the compliance with the requirements and standards of fishing guides.
- ▶ Complex product packages to be formed in the course of the DMO's activities, offering accommodation, catering and transportation services in addition to fishing.
- ▶ As far as possible, a "fisherman-friendly" concept will be introduced, which will refer to the relevant service providers with certain characteristics.
- ▶ There is a separate process for managing international queries coming through consolidated marketing tools.

DMO Business Plan (IV) of Klaipeda Sustainable Fisheries

13 Location analysis

- ▶ It features a variety of fishing opportunities.
- ▶ Relatively more difficult access.
- ▶ Highly dependent on weather conditions.
- ▶ Sufficient neighbouring tourist infrastructure.

14 Sales forecast

- ▶ As already mentioned, the activities of the international DMOs will contribute to existing sales.
- ▶ The goal is to achieve the implementation of an additional 15 queries in 2020.
- ▶ It is not possible to predict further sales dynamics

15 Management and staff

- ▶ The organisation operates according to the virtual organisation model.
- ▶ The aim is to avoid fixed costs.
- ▶ No additional staff will be hired.
- ▶ The main decision-making body of the organisation is the meeting of the steering group.

List of sources

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