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Agrotourism Training

Module 5: Business Planning



Worksheets | Handouts

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Unit 2: Worksheet 1: Price calculations

The scenario:

The owner of Garden Farm plans to offer cooking classes to visitors to use fresh produce from the farm and make some traditional dishes. She has done a breakeven calculation and she has realised that she can adjust prices. She could use different pricing strategies to see what will make the best sense in the market.

Remember the numbers:

- **Total cost per class:** $\$73 + (\$15 - 5) = \$148$
- **Total cost per participant:** $\$29,60$
- **Selling Price per person:** $\$30 (\$29,6) + 20\% = \$36$
- **Breakeven number is 4**

Question 1: Cost plus pricing

If the cook uses cost-plus pricing and decides she wants to make a 30% profit what would her price be per person?

Question 2: Competitor pricing

There are three other entrepreneurs doing a similar thing in her area, they charge:

#	Duration	Price	Elements & Inclusions
1	3 hours	\$65	Including lunch for 2 pax; transport, not vegetarian
2	8 hours	\$120	2 pax; vegetarian; includes transport, breakfast and lunch
3	4 hours	\$85	2 pax; shopping in market, transport

Complete the table below:

Competitor	Total price	Price per person for 4 hours	Notes
A			
B			
C			

What is the average price of a 4-hour cooking class per person? Consider the duration of the cooking class, and adapt the prices accordingly to fit a 4-hour class.

If the cook uses competition-based pricing what could her new price be per class?

Question 3: Dynamic pricing

If she uses dynamic pricing what would happen to her price in high season and in low season?

Question 4: Wholesale prices to DMC

She has decided to charge \$40 for her cooking class. She gets the opportunity to be included in a 5-day Kurdistan Cultural tour of with a DMC. She discounts her selling price by 10% for the DMC. How much will she charge the DMC per person?



Unit 2: Worksheet 2: Marketing Action Plan

(first line is an example)

Target market	Channel	Tool	Date	Cost
Domestic families	Social Media	Instagram posts: video and photos with text	3 x per week	Zero

Unit 2: Handout 1: Set up a Facebook business account

Facebook is the biggest social platform on the internet with over 2 billion users active every month and over 1 billion users active daily. No other social media platform has so many users.

The site is perfect for startups looking to get their names on the market. Advertising fees are minimal, it is quick to set up a business account and the traffic on the site means the page will be seen.

Setting up your business page

Choose the right category for your business page

Firstly, you need to make sure the account you are opening is a business account not a personal account.

Go to: <https://www.facebook.com/business/pages/set-up>

When you create your account, you will need a few things:

- A business name and description
- An appropriate cover photo, and a profile picture which clearly shows a business logo or the face of the individual. These images should not be distorted or pixelated.
- The “Sign Up” CTA (Call To Action; the next step you want the audience to take) this can also be a “Follow” or “Contact us”
- Sidebar tabs, these tabs are usually the “about us” and “photos” and “contact details” etc.
- Use the About section to tell people what your business does.

Facebook uses categories to sort businesses, and each category has different features. For example, a local business will list a physical location while an online brand will not. Startups will usually fall into the local business category.

Get a vanity URL

A vanity URL is a page link you can post in other sites without posting a long URL of random letters and numbers. It is much easier to find your business on Facebook and Google if you have a vanity URL.

To get a vanity URL follow these steps:

1. Go to your “About” tab
2. Under “General info” click the “Create Page @username”

3. Facebook will decline you if your name has been taken by another account. Keep trying different combinations of words and numbers, no spaces or symbols
4. Once your name has been approved save it and you will now have your own vanity URL!

Choose your CTA button

Every Facebook business page has a CTA button. This button can be changed to say absolutely anything you want. Usually the CTA says “Sign up” or “Shop now” or something along those lines to get your audience to remain connected and involved in your feed. CTAs are great for building email lists, followings, sales and awareness of your brand.

Use custom Facebook tabs

The sidebar tabs discussed earlier are customisable.

You can split your sidebar tabs into:

- Home
- About
- Book now
- Photos
- Videos
- Posts
- Community

The more varied your sidebar tabs are the better, it gives the users more ways to interact with your page and content. However, be careful to not over complicate it.

Posts and content

Content

Follow the 70-20-10 rule:

- 70% of content should be original – in other words, generated by yourself/your business and not shared content or reposted content. This content should be about your business and should appeals to your general audience or followers.
- 20% of content that appeals to your specific audience.
- 10% of content should be experimental – trying new ideas

Ensuring your entire page and its content is optimized and directed at your selected audience ensures it means something to those who see it. Make sure

your content is always relevant, honest and has not been posted for the sake of posting.

Manage your posts

It is important to note that the way your posts are presented will either make them visible or disappear. News feeds can be very busy and it's difficult to make sure your posts are noticed by your audience.

Some tips are:

- Use photos with your posts, they are more likely to catch the eye than a text post
- Images need to be clear and any text on them must be legible
- If sharing a link remove the URL from the post
- If you are sharing a link from another site, use a URL shortener like [Bitly](#)

Share user-generated content

It can be time consuming and hard to come up with new content every day. Use content from other users; this can be people who have used your service or product and are leaving a review and photos of them interacting with your product or service.

Recognising the input of your audience inspires loyalty and makes users feel included and valued.

Photo content

High quality photos can make a huge difference in your marketing strategy. Most social media sites are highly visual and for tourism it is very important to use this carefully. Tourism services are intangible, and they need to be shown or described for the target market to try them. Take good quality photos of services and products.

Post videos

Facebook users watch over 100 million hours of video every day, so posting videos is an excellent marketing strategy. Post videos of your products and services, of your tourists interacting with them and you. It can give potential tourists a better idea of what you offer. Remember these videos can be generated by your tourists, including live videos they might make as they experience your offering.

Statistics

Use Facebook Page Insights

It is important to keep track of your statistics of Facebook. This means you see what content receives the most views or interaction, how many people are visiting your page, how many likes you get and how many people engage with your posts.

Timing is everything on social media. Page insights gives data on how when you page is generally viewed. If you know what time your audience are online, you can post at the right time to be seen immediately on their news feeds. Additionally, you can see what posts do best at different times of day, e.g. are videos more popular at night or in the morning?

Use Audience Insights to analyse user behaviour

Facebook also has a tool called Audience Insights. It gives you information about your core audiences rather than pure engagement metrics. Which means it breaks down the demographic of your audience so you can see who is viewing your content.

Advertising

Promote your page with Facebook Ads

Your services and products could receive more notice if they are appearing as adverts between posts on user's news feeds, and usually they will be shown to individuals who have recently been searching for similar products or services.

Select your target market carefully and learn to reach them through posts and adverts which appeal to them. This could mean advertising to people in specific locations, or a certain demographic, individuals interested in a specific hobby or interest.

Facebook ads are designed to help you achieve business goals and connect with customers. You can spend whatever fits your budget, and even get specific about which people you reach.

Five simple steps to create an ad for your business on Facebook:

1. **Open your business page** from your computer and click the blue button in the bottom left. Choose what you want your ad to help you do. Let's say that you're have a family fun farm tour, and you want to get more people

to do the tour on reading further information on your website. You'd pick Get More Website Visitors.

2. **Add images and text for your ad.** Facebook might suggest an image and text, but feel free to change them. For your tour, a photo of some people on the tour would likely be better, for example, than a photo of your farm. Your text should be short, simple and catchy.
3. **Create your audience.** In other words, tell Facebook who you want to reach. People between the ages of 30 and 60 who have school age children might make a good audience for this tour. You can add those details and many more.
If you have a physical shop, maybe you'll want to get in touch with people within 10 miles of your location. If your business is more online-oriented, maybe you'll want to reach a wider audience, such as a whole city. It's up to you.
4. **Your next step is your budget.** With Facebook ads, even a small budget can go a long way. Tell Facebook how long you want your ad to run for and how much you'd like to spend. You'll never be charged more than the budget you choose, and you can even see an estimate of how many people your ad may reach. Then, pick how you want to pay.
5. Once you've completed your ad, it'll go through a **review process** to check that it doesn't violate any of ad policies. If it's approved, it should start running straight away.
When you see how your ad is performing, if you're not happy with the results, you may be able to edit it or pause it.

Facebook ads are designed to help you reach business goals and connect with customers. They're quick to create and easy to change. Pick what you pay, and get in touch with new potential customers quickly and easily. And for more on how Facebook ads can help your business, keep learning.

Outside advertising

Promote your page outside of Facebook

Using outside sources to bring traffic to your Facebook page is helpful. Although promoting your page on Facebook helps it doesn't reach users who are not on the platform. Keeping links to your social media sites on your website (if you have one) or at the bottom of your emails is one way to keep people informed of your social media presence. Including your social media names on your other marketing materials is another way to raise awareness.

It might also help to work with someone who already knows how to use Facebook as a marketing tool. An influencer can be a great resource and make an impact on your sales because they are both experienced and known and trusted.

Unit 3: Worksheet 1: Business Model Canvas

Business activities	Partners and suppliers	Products & Services	Customer Relationships:	Market Segments
	Key Resources		Tourism Infrastructure	
Costs			Source of Revenue	

Unit 3: Handout 1: Business Plan Template

Business Plan	
Name of the business	
Description of the product	
Owner's name	
Contact number	
Email	
Physical address	
Postal address	
Shareholders/members and shareholding %	
Date	

1. Executive Summary (half page)

Half page summary of the business and key points from the business plan. This opening section starts your business plan and briefly outlines the key points of your plan. The goal is to explain what your business does and why it will be successful. Include a company mission statement (i.e., what the ultimate goal of the business is in just a sentence or two.)

The summary is an overview of the entire plan and must contain the highlights of the business plan and summaries of each section. Therefore, although it is at the beginning of the document, it is usually written last to summarise the plan.

2. Business Description (half page)

This section answers the question: what does your business do? Go into more detail on what your business is about and what solutions it will bring to the marketplace. Be specific and detail what product or services you're developing. Include a brief history of your company and mention any special skills you have in your team that will help your business to get going and be successful.

Make sure the Unique Selling Point of the product is clearly identified and described.

Example: Farmstay

We offer a traditional homestay experience for families, for friends or any groups to stay on and learn about traditional sheep farming in the Kurdish region.

3. Market Analysis (up to one page)

Analyse and describe the following elements:

1. The 'marketplace' with simple competitor analysis
2. What problem your product solves in the marketplace, for your target market?
3. What the solution to that problem is.
4. Your target market: describe the ideal customer in as much detail as possible.

Example:

Our Opportunity	
Problems worth solving: <ol style="list-style-type: none"> 1. Families and other groups wanting interesting, affordable places to stay and things to do. 2. Lack of farmstay opportunities within a close driving distance of main cities. 	Our Solutions: <p>Our farmstay is affordable for groups and includes fun experiences with the sheep and the dairy.</p> <p>We are located less than two hours from the nearest city.</p>

4. The Product or Service Provided (half page)

- Describe the research that you have done to identify what you want to offer as the product. Provide some evidence that there is a demand for what you will offer.
- Describe your product or service in detail. Explain what it offers to the market.
- Describe the elements or components and a summary of what is required to deliver this product or service, e.g. infrastructure, equipment, staff, other inputs.

5. Team Structure (half page)

Briefly describe the people that will be involved in the business, what their skills or knowledge are, and in what capacity they will contribute to the business.

Name	Name	Name	Name
Designation (e.g. Owner & Manager)	Designation (e.g. housekeeper & cook)	Designation (e.g. activity leader)	Designation (e.g. dairy operator)
Short description of key experience, skills and duties/ responsibilities in the business	Short description of key experience, skills and duties/ responsibilities in the business	Short description of key experience, skills and duties/ responsibilities in the business	Short description of key experience, skills and duties/ responsibilities in the business

Even if you're starting out with just yourself as the only employee of your business, write a few lines about why you're the right person to run this business. If you include other people in the future, list those positions as well, even if you don't know who specifically will fill those positions right now.

6. Marketing Plan

In half a page, briefly explain the following:

- the pricing strategy (cost plus; competitor; dynamic; wholesale, combination of strategies),
- how the product will be sold to the market (the channel e.g. direct sales in a shop, online bookings, through agents or to tour operators),
- what the channels may cost in terms of any commissions or discounts and
- how you will promote the product using a marketing plan.

Include a practical plan aimed at the target markets as identified in Section 3, using the template provided in Unit 2 Worksheet 2.

7. Financial Plan

In this section, you lay out your financial plans for your business. You will need to think about and plan for income and expenses, as well as startup costs.

Start-up costs: identify and list the costs you will need to cover to get the business up and going and to cover costs for the first while until the business starts to become profitable.

Statement of Running costs/working capital needed: (example from a tourist shop)

Item	Number Needed	Cost Each	Total Cost
Facilities and equipment			
Rental of shop	4 months	\$2 000	
Till/cash register	1	\$200	
Counter	1	\$500	
Shelves	15	\$100	
Shop fittings	1	\$500	
Security Door	1	\$100	
Computer	1	\$600	
Printer	1	\$300	
Sub total A			
Staff			
Shop manager	4 months	\$2 000	
Cashier	4 months	\$1 000	
Book keeper	4 months (part time)	\$1 000	
Sub total B			
Other Items			
Market research	1	\$8 000	
Stock of souvenirs	Enough for shop	\$10 000	
Utilities/energy/water	4 months	\$3 000	
Sub total C			
Total for A, B and C			
Contingency*	10%		
Total start-up costs			

8. Appendices

Attach any supporting documents that will prove you have done your homework and are worthy of starting and running a successful agrotourism business.

Examples include:

- CVs of the entrepreneur and any relevant or key staff
- copies of qualifications or certificates
- newspaper clippings, promotional literature, product brochures, market research, trade and industry publications
- partnership, association or shareholders' agreements
- offers to purchase, purchase and sale agreements
- contracts, orders, letters of intent
- quotations for capital items to be bought
- copies of identity documents and marriage certificates of the entrepreneurs



- copies of company registration documents
- drawings, work flow charts, plans, building layouts, maps, etc
- a list of persons to whom reference can be made regarding creditworthiness, product and service quality, and the skills, abilities and integrity of the entrepreneurs