

Business Plan for a Guest House in Southern Estonia

Girli Vasiljev

Bachelor's Thesis
Degree Programme in Experience
and Wellness management,
RRD7RB001A-20
2015



Degree programme

<p>Author or authors Girli Vasiljev</p>	<p>Group or year of entry 2011</p>
<p>Title of report Business Plan for a Guest House in Southern Estonia</p>	<p>Number of report pages and attachment pages 31 + 34</p>
<p>Teacher(s) or supervisor(s) Pasi Tuominen</p>	
<p>The thesis in question was composed to help the author of the thesis realize the importance of a business plan and also to understand how to craft one. Therefore the thesis in hand is a learning process that handles the key parts of a business plan according to various sources. It's purpose was to create an overview of what is essential in a proper business plan and consequently to create own model of a business plan. Hence the outcome of the thesis is an example business plan that has been developed according to the findings of the theoretical framework.</p> <p>The first part of the thesis, theoretical framework, contains introduction, literature review, methodology and conclusion. The literature review covers subjects as the importance of a business plan and different parts of a business plan, which are explained and focused on separately. The methodology part explains to the reader how the author crafted the business plan for a guest house in Southern Estonia. The second part of the thesis is the business plan itself.</p> <p>The product, the business plan, is about guest house in Southern Estonia as the author is planning to move back to Estonia and open up a business there in 5-6 years. The business idea is just one of the ideas the author and her partner have and was used as an example for creating the business plan. Therefore the business plan in hand is not meant to be ready for use, it is rather a practising tool.</p> <p>The objectives of the thesis were achieved as the goal was to understand the importance of a business plan and learn how to craft one by researching existing literature and developing own model of a business plan.</p>	
<p>Keywords Business planning, Tourism industry, Hospitality, Guest House, Market Research</p>	

Table of contents

1	Introduction.....	1
2	The importance of a business plan.....	3
3	Developing a business plan.....	5
3.1	Business plan introduction.....	7
3.2	Market analysis.....	8
3.2.1	Market Research.....	10
3.2.2	Industry analysis.....	10
3.2.3	Competitor analysis.....	11
3.2.4	Defining a target market.....	12
3.2.5	Trends.....	12
3.3	Business background.....	13
3.4	SWOT.....	14
3.5	Organization and Management.....	15
3.6	Product or service line.....	17
3.7	Marketing.....	18
3.7.1	Marketing strategy.....	18
3.8	Funding request.....	19
3.9	Financial information.....	20
3.9.1	Forecasted income statement.....	20
3.9.2	Balance sheet.....	21
3.9.3	Cash Flow Statement.....	22
4	Methodology.....	23
5	Conclusion.....	27
6	References.....	29
7	Appendix 1. Business Plan for Forest Fairy’s Guest House.....	1

1 Introduction

To start up a business one needs a business plan. At least it is recommended to have one. Either for lending money from the bank, for personal purposes, or both. It is proven to be beneficial to have a solid plan for the business idea, as Winston Churchill has put it: “He who fails to plan is planning to fail.” Therefore, the author of the thesis has decided to learn how to write a proper business plan as she has decided not to fail in starting a family business with her partner.

Given thesis is a reflection of a learning process how the author studied the matter and consequently crafted an example business plan for practising her newly gained skills. The author of the thesis is planning to return to her home country Estonia in about 5 years and open up a business there. Thus, she decided to make use of the studies in Haaga-Helia University of Applied Sciences and chose the subject of the thesis accordingly to her needs. Hence, we can state that the commissioning party in this thesis process is the author herself. It should be separately mentioned that the outcome product, the business plan for a guest house in Southern Estonia, is just another business idea that the author and her partner have. They have not decided yet, which idea they will be actually implementing, as 5 years is long enough period and various conditions can change in that time. That being said, the outcome of the thesis is a tool for learning purposes. When the time is right the author will use the knowledge and the business plan model created today for actualization of a real business idea. So considering that the purpose of the thesis was to gain understanding on how to write a proper business plan, the author asks the reader not to focus too much on details of the business plan itself, as the facts will be replaced in the future with new information. Nevertheless, the facts presented are correct and the author has done solid research on the business idea in hand, since it is still one of the ideas that might be used in the future.

The financial projections section is lacking information about the current business idea. It was seen as too massive of a project to fill in income statement, balance sheet and cash flow for a business idea that might not be used. Nevertheless, the author has done the research about what is needed in the financial information and has studied the

tools in order to create the financial projections in the future. These tools are presented also in appendices.

The thesis contains literature review that addresses the importance of a business plan, since the author found it clearly necessary to understand the meaning of the whole project at first. After realizing that the thesis subject is worth a while, she then focused on the content of a business plan. She gathered information from various books, articles and web sites to get comprehensive overview of a good, logical business plan. After collecting the data and representing it in the literature review, she then made up her own model of a business plan. Consequently, she crafted the business plan following the information from her research and accordingly placing it to her own model of a business plan.

2 The importance of a business plan

According to Blackwell (2008) it is essential to understand your business. Therefore, writing a business plan forces the founders to go through every aspect of their business and pay attention to its most important priorities and goals. (Barringer & Ireland, 2010). Also, according to Sellar (2009) a business plan provides strategies to achieve these set goals.

On the other hand, Butler (2014) suggests that the purpose and value of producing business plans and working carefully and systematically through the planning process is that it acts as a test of the viability of the business idea, enabling potential risks to be identified and managed. Also according to Blackwell (2008) a business plan helps to understand the problems of a new business better. In addition, the business plan will provide the means to test the whole feasibility and viability of the business to ensure that it can survive and grow (Butler, 2014, 23).

The business plan can be as well used to convince banks and potential investors to provide the start-up capital necessary to launch a business (Sellar, 2009, 4). Also Blackwell (2008) recognizes the need of a business plan in order to meet the nature of bank procedures. Additionally, Gartner & Liao (2009, 9) suggest that besides benefiting company founders internally, pre-start-up planning generates an external purpose as well. A written plan presents the knowledge of the founders to others in order to gain support and resources. Consequently, a written plan has the benefit to obtain financing and other prospective individuals who are interested in to be involved in the venture such as suppliers, customers and employees.

Furthermore, business plan is an action plan that defines the actions and activities that will generate profit and wealth can be proactively targeted (Butler, 2014, 23). Also according to Sellar (2009) business plan operates as a guide on how to form and operate a company during the period it is being launched.

In addition it has been stated by Sellar (2009) that a business plan is also a means to measure progress.

Furthermore, Delmar & Shane (2003) believe that by establishing a plan with specific operational steps to achieve a greater goal, it allows firm founders to focus on the company's key activities rather than activities that side-track their efforts.

To summarize, business plans are needed to:

1. Understand your business better
2. Define goals and strategies
3. Identify and manage potential risks
4. To gain support and resources
5. Serve as an action plan and guide
6. Measure progress
7. Allow founders to focus on key activities

Even though the general understanding of a business plan importance is harmonious and it is clear that crafting a business plan has its benefits, a group of researchers conducted a study about the role of business plans in venture capital (VC) decision making. They analysed a sample of 722 funding requests submitted to an American VC firm and evaluated the influence of the form of the submission and content of business planning documents on VC funding decisions. The results were surprising: They found that neither the presence of business planning documents nor their content serve a communicative role for venture capitalists. They defined business plans to have only a “ceremonial” role in decision making process (Kirsch, Goldfarb & Gera, 2009, 487,510).

3 Developing a business plan

Business plan is used for internal and external purposes. External purposes are considered to be applying for financial resources from lenders and investors and internal purposes are related to clarifying long and short-term objectives and the means by which to achieve those objectives (Hormozi, et al., 2002, 761). Butler (2014) adds straightforwardly that business plan is a sales document for lenders and investors. Therefore, one should bear in mind while writing a business plan that it should be appealing and engaging, yet informative as it is a sales document for your business idea, as well as it should serve as a comprehensive road map that focuses the business on both the destination and the consequent path.

“The length of the business plan varies depending on the enterprise. The business plan should be long enough to contain the pertinent information, but not so long to overwhelm the reader” (Hormozi, et al., 2002, 755).

From SBA’s point of view, a business plan should be as long as needed in order to arouse interest in financing source, demonstrate the understanding of the market and show the execution strategy. It has been proven that 25 to 100 pages of information is the minimum length to accomplish this, depending on various factors (U.S. Small Business Administration, 2015).

The standard start-up plans developed for showing outsiders normally are 20-40 pages of text. The texts should be easy to read, well-spaced, formatted in bullets, the plan could be also illustrated by business charts and short financial tables and financial details should be added in appendices (Berry, 2015). To summarize, the normal length is from 20-100 pages, depending on the enterprises characteristics and which functions the business plan serves. It is important to identify the relevant content needed which will indicate the final length of the document.

That being said, an entrepreneur must decide the relevant content to add in their business plans. Hormozi, et al (2002) suggests that the business plan should reflect the

originality of the new business but follow a standard format. Hence, business plan should consist of of four major units:

1. Introductory elements;
2. Business section;
3. Financial statements; and
4. Appendices (Hormozi, et al, 2002, 761).

To get deeper understanding what to include in a good business plan U.S. Small Business Administration (SBA) has divided the topics in a more detailed manner into 8 sections:

1. Introduction
2. Market analysis
3. Company description
4. Organization and management
5. Marketing and sales strategies
6. Product or service
7. Funding request
8. Financial information (U.S. Small Business Administration).

Finch (2006) suggests following sections to be included in a business plan:

1. Summary
2. Introduction
3. Business Background
4. The product
5. The market
6. Operations
7. Management
8. Proposal
9. Financial background
10. Risks
11. Conclusions and
12. Appendices (Finch, 2006, 19).

And Butler (2014) recommends these following subjects:

1. The business idea
2. The business proposer(s)
3. Resources required
4. Finance
5. Marketing
6. Implementation and monitoring
7. Summary
8. Appendices (Butler, 2014, 33-34).

3.1 Business plan introduction

According to SBA the introduction should include a cover page, executive summary and table of contents. Butler and Finch also find executive summary to be included in introduction. Furthermore, most of the authors of business planning books emphasize on the importance of executive summary. SBA stresses that the Executive Summary is the most important section of the business plan. It provides a brief overview of the business plan. The executive summary gives the reader understanding where the company is and where it is heading. It is the first part of the business plan and it either wins the reader's attention or vice versa, the reader loses interest. Above all, this section is vital because it tells the reader why the business idea in hand will be successful. In best practise the executive summary is the last section to write while crafting a business plan.

According to SBA the executive summary should be 1-2 pages long and include:

- The Mission Statement
- Date business began/begins
- Names of founders and the functions they perform
- Number of employees and location of business including branches or subsidiaries
- Description of plant or facilities
- Products manufactured/services rendered
- Banking relationships and information regarding current investors
- Summary of company growth including financial or market

- Summary of management's future plans (U.S. Small Business Administration).

Finch (2006) suggests, that an executive summary should hold information about:

- The business
- The team
- The proposal
- Why it will succeed
- What the rewards will be
- Any major risks and how you can minimize them and
- What you want from the reader (Finch, 2006, 24).

Finch adds that you might refer to the market and the competition but possibly only in passing.

In addition, Butler suggests that introduction should include also personal parameters, e.g. full-time, part-time, hobby and lifestyle factors.

On the other hand, Blackwell (2008) does not mention adding an executive summary to a business plan at all. He simply believes that a brief statement of 2 sentences would be enough.

3.2 Market analysis

According to SBA the market analysis section should illustrate knowledge about the particular industry. It should also present most important findings and conclusions of any marketing research data collected; however, the specific details of the marketing research should be added in the appendix section of the business plan. Market analysis section is very vast and includes numerous parts as:

- Industry Description and Outlook
- Identifying Your Target Market
- Distinguishing characteristics.
- Size of the primary target market.

- Market research
- Your pricing and gross margin targets.
- Media you will use to reach your target audience.
- Purchasing cycle of your potential customers.
- Trends and potential changes that may affect your primary target market.
- Industry risks
- Competitive Analysis
 - o Strengths
 - o Weaknesses
- Key personnel with resumes
- Regulatory Restrictions, Licensing or Special Permitting
- 5-Year Projected revenue levels, based on market data, and assumptions (U.S Small Business Administration).

Sellars (2009) identifies the Market Analysis as an Opportunity Analysis. He suggests that the purpose of market analysis is to determine the possibility that a business concept will be successful in the market. In order to do so, he believes that analysing following subjects will define the success of the business in particular market:

- Market research
- Industry analysis
- Competitor analysis
- Sources of industry, Customer, and competitor information
- Market segmentation
- Defining a target market
- Perceptions and needs of a target market
- Preparing for team meetings (Sellars, 2009, 9).

Finch (2006, 33) explains the need of a market analysis as “an explanation of the particular market to the readers so that it forms a background of the business idea’s proposition and therefore readers will believe that the business will meet the forecasts”.

And he adds that only the author of the business plan can decide what is important to include or not.

3.2.1 Market Research

According to Butler (2014):

Market research should provide 3 main types of information: potential customers, information about the market itself and competitors.

In order to gain the information about the market, small firms usually need have a look at published sources or other secondary data. Trade journals and trade associations are a good starting point, along with economic reports and national or regional statistics (Butler, 2014, 51).

According to Sellar (2009, 10) market research is the process of collecting and investigating information about an industry, its customers and its competitors that will help in decision making. Sellar mentions secondary and primary data collection as a method to gather information. Secondary data is previously gathered data as publications, manuals, books, periodicals, databases and other sources. While primary data is collected for the first time and can be in forms of interviews, questionnaires and mail surveys.

Butler (2014, 58) lists some useful market research data providers as:

- Fame. Available at <http://fame.bvdinfo.com>
- Frost & Sullivan. Available at www.frost.com
- Kompass. Available at www.kompass.com
- Mintel. Available at www.mintel.com

3.2.2 Industry analysis

An industry analysis describes the size and current trends in the industry. Secondary data is gathered that is related to the following issues:

1. Name of the industry
2. Total current industry sales volume
3. Growth rate of industry sales in the past 3 years
4. Projected industry sales in the next 3 years

5. Recent trends in the industry (innovations, pricing, distribution and promotion) (Sellar, 2009, 11).

3.2.3 Competitor analysis

According to SBA competitive analysis should categorise the competition by product line or service and market segment. It is recommended to assess the following characteristics of the competitive landscape:

- Market share
- Strengths and weaknesses
- How important is your target market to your competitors?
- Are there any barriers that may hinder you as you enter the market?
- What is your window of opportunity to enter the market?
- Are there any indirect or secondary competitors who may impact your success?
- What barriers to market are there (e.g., changing technology, high investment cost, lack of quality personnel)? (U.S. Small Business Administration).

Sellar (2009, 13-14) suggests analysing following subjects:

- Products or services the competitor sells
- Past and current company sales if available
- Unique product or service features and benefits
- Price of the products or services
- Distribution
- Promotion
- Overall awareness of the product or firm
- Reputation and image of the product or firm

This information is gathered to develop a profile for each competitor. It is then analysed so that strengths and weaknesses can be identified (Sellar, 2009, 13-14).

Butler (2014) recommends Porter's Five Forces model to be used for competitors' analysis. "The Five Forces model analyses the relative power of the threat of new entrants into a market, the threat of new products, the power and influence of customers

and buyers, the power and influence of suppliers to the companies that operate in the market” (Butler, 2014, 54-55).

In order to gain the needed information about the competition Pinson (2004, 42) suggests in addition to researching competitors’ web pages it would be wise also to check trade associations, manufacturing company listings, and other directories available in the library.

3.2.4 Defining a target market

“A target market is the group of customers for which a firm’s products or services, pricing, distribution, and promotion are designed” (Sellar, 2009, 19).

SBA recommends to narrow the target market to a controllable size. “Many businesses make the mistake of trying to appeal to too many target markets” (U.S. Small Business Administration).

In order to identify the target market Butler (2014) advises to answer a number of basic but important questions:

- Why should the customers want to buy my services? What features make them buy my services over the others? These features can be refined to create marketing strategy afterwards.
- Where are the customers located and how will the business engage them?
- What is their financial or quality motivation? Expectations?
- How frequently will they buy the service and in what quantities?
- Do the customers share any common social features that are relevant?
- Are there any specific sub-groups or stereotypes of customers?
- Do they have any lifestyle factors or hobbies in common?
- Are there any social or psychological factors involved? (Butler, 2014, 44-45).

3.2.5 Trends

Finch (2006, 35) stresses that “one should absolutely discuss the trends in the particular market. These are measures of things that might be increasing or decreasing or just changing and it is important to follow the progress.” Parsons suggests to “discuss the

market's evolving needs, tastes, or other upcoming changes to the market when it comes to trends.”

3.3 Business background

According to SBA this section of the business plan provides an overview of the different features of the business. This section is meant to help the reader to understand the goal of the business. In this section the entrepreneur should:

- Describe the nature of the business and list the marketplace needs that you are trying to satisfy.
- Explain how the products and services meet these needs.
- List the specific consumers, organizations or businesses that the company serves or will serve.
- Explain the competitive advantages that are believed to make the business a success such as the location, expert personnel, efficient operations, or ability to bring value to the customers (U.S. Small Business Administration).

Pinson (2004) suggests to give a broad overview of the nature of the business. It is recommended to begin by telling when and why the company was or will be formed. Description of the services uniqueness and characteristics should be added as well as the future goals of the company. After the company has been introduced, the summary description can be completed by addressing each of the following topics:

- Statement of the company's mission, projecting a sense of what your goals are regarding its future place within your industry.
- Description of the company's business model and why it is unique in the industry.
- Giving an overview of the company's strategy— its short-term and long-term objectives and how you plan to realize those objectives.
- In case of having strategic relationships, listing them out.
- Finally, adding a SWOT analysis, examining key factors that are internal and external to your business (Pinson, 2004, 27).

3.4 SWOT

SWOT analysis can help to determine the likely risks and opportunities. SWOT stands for Strengths, Weaknesses, Opportunities and Threats, is an analytical framework that can help the company face its biggest challenges and find its most promising new markets (Goodrich, 2015).

Manktelow adds that strengths and weaknesses are mainly internal to the organization, while opportunities and threats commonly relate to external factors. For this reason, SWOT is occasionally called Internal-External Analysis and the SWOT Matrix is sometimes called an IE Matrix.

Goodrich (2015) also suggests other alternative tools for strategy development as PEST (Political, Economic, Social and Technological), MOST (Mission, Objective, Strategies and Tactics), or SCRS (Strategy, Current state, Requirements and Solution) analyses.

Nevertheless, the SWOT analysis is believed to be a great tool for organizing information, offering solutions, identifying errors and emphasizing opportunities” (Goodrich, 2015).

According to Manktelow the author of a business plan should consider following questions while crafting a SWOT analysis:

STRENGTHS

- What do you do better than the competition?
- What advantages does the organization have?
- What is the organization's Unique Selling Proposition (USP)?
- What unique or lowest-cost resources does the company possess that others do not?
- What market sees as your strengths?
- What factors mean that you "get the sale"?

WEAKNESSES

- What can be improved?
- What should be avoided?
- What factors might lose you sales?
- What the market sees as your weaknesses?

OPPORTUNITIES

- What are the trends?
- What good opportunities can be identified? Some of the following factors should be considered:
 - Changes in technology and markets.
 - Changes in government policy related to your field.
 - Changes in social patterns, population profiles, lifestyle changes, and so on.
 - Local events.

THREATS

- What problems the company faces?
- Debt or cash-flow problems should be considered?
- What are your competitors doing that might affect the business?
- Is changing technology threatening the company's position?
- Could any of the weaknesses listed seriously threaten the business?
- Are quality standards for your service offering changing?

3.5 Organization and Management

SBA states that this section should include:

The company's organizational structure; details about the ownership of the company: ownership percentage, forms of ownership; profiles of the management team, and the qualifications of the board of directors.

Resumes can be included that include the following information: names, positions, responsibilities and authority, education, experience and skills, prior employment and achievements (U.S. Small Business Administration).

Organizational structure can be visualized as a chart. Cadden & Lueder (2012) identify 4 organizational structures: Functional, Divisional, Matrix structure and Virtual organization. They add that the functional structure is common structure for start-ups and is probably the most used structure today. The structure divides business according to a purpose of the work into departments that are focusing on single function.

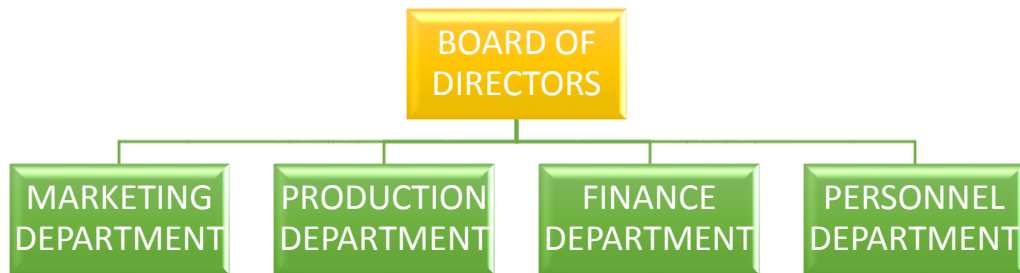


Figure 1. An example of functional structure (Kaplan Financial Knowledge Bank)

Also, it would be wise to add “an organizational chart that can visually show areas of responsibility and the personnel in charge of each section along with the number of employees they will manage. For example, you may need key people in charge of administration, operations, marketing, and finance” (Pinson, 2004, 33).

The organization chart can help to clear the understandings of what needs to be done and by who? As Small Business Notes puts it:

The organization chart is a visual representation of the formal organization of a business. The chart shows the structure of the organization and the relationships and relative ranks of its positions; it helps organize the workplace while outlining the direction of management control for subordinates. Even the one-person small business can use some kind of organization chart to see what functions need to be performed; this will help ensure that everything that should be done is getting done (Small Business Notes).



Figure 2. Example of an Organization Chart for a One-Person Small Business (Small Business Notes)

Berry suggests that a discussion of the management gaps should also be included in the organization and management section. “It is far better to define and identify a weakness than to pretend it doesn’t exist” (Berry, 2015).

3.6 Product or service line

According to SBA in this section a description of a product or service and it’s life cycle should be added. Intellectual property part should be also added if the entrepreneur has any existing, pending, or any expected copyright or patent filings. In addition, Research and Development activities should be listed.

Pinson (2004) recommends portion of questions as a guide to writing cohesive service description. She has listed the questions particularly for services:

- What your service is,
- Why you are able to provide it,
- How it is provided,
- Who will be doing the work,
- Where the service will be performed; and

- Why the business is unique and what is special for the customers? (Pinson, 2004, 30).

3.7 Marketing

Sellar (2009, 47) defines marketing as “anything that is designed to bring buyers and sellers together.” SBA also shortly defines marketing as “a process of creating customers, and customers are the lifeblood of the business.” According to Business Dictionary “marketing is a management process through which goods and services move from concept to the customer.”

3.7.1 Marketing strategy

The marketing strategy for any product or service is aimed at defining how the market penetration process will be carried out, formulating the marketing mix to establish the most appropriate mixture of product or service characteristics and ways in which these will be supplied and presented in order to maximise the potential value and interest to the target groups of customers that were identified in the market research process; and develop a sales plan to define the range of sales activities that will be used (Butler, 2014, 91).

Therefore, in order to develop marketing strategy, one needs to create appropriate marketing mix. Next, one needs to understand what is marketing mix and what does it include.

The marketing mix defines the tactics that will be employed to achieve the market penetration, and traditional marketing theory describes its four key elements as Product, Price, Place and Promotion (4 P’s), although Booms and Bitner (1981) argued that People, Physical and Process aspects should also be included for service based industries, making it “the 7 P’s”. (Butler, 2014, 96).

Thus, in order to create successful marketing strategy and marketing mix, it is vital to understand the meaning of the components of the marketing mix that were identified as 7 P’s. The 7 P’s according to Professional Academy are Product, Place, Price, People, Promotion, Processes and Physical Evidence:

- Product - The Product should meet the consumers’ expectations.
- Place - The product should be chosen according to the availability to the consumers. The easier access the better.

- Price - The Product should be perceived as representing good value for money. This does not essentially mean it should be the cheapest price available; one of the main beliefs of the marketing concept is that customers are usually willing to pay more for something that works really well for them.
- Promotion - Advertising, PR, Sales Promotion, Personal Selling and Social Media are essential communication tools for a company. The message of the company should be spread via those tools to the right audience in a correct manner that would be either informative or appealing to the audience’s emotions.
- People - Having the right people is crucial because they are as important of the business offering as the products/services being offered. It includes the whole organization from front line to top management.
- Processes –The processes should be paid extra attention while delivering the service as the customer is paying for and expecting for smooth delivery.
- Physical Evidence – Practically all services contain some physical elements even if the bulk of what the customer is paying for is intangible. It is important to pay attention to the external appearance as it is the first aspect of the service or product that the customer sees and the impression is created accordingly.

3.8 Funding request

The funding request should include the following information:

- Current funding requirement
- Any future funding requirements over the next five years
- Intended use of the funds received: Is the funding request for capital expenditures? Working capital? Debt retirement? Acquisitions?
- Any strategic financial situational plans for the future, such as: a buyout, being acquired, debt repayment plan, or selling the business. These areas are extremely important to a future creditor, since they will directly impact the ability to repay the loan(s). (U.S. Small Business Administration).

3.9 Financial information

According to SBA all businesses, whether start-up or growing, will be required to supply prospective financial data. Most of the time, creditors will want to see what you expect your company to be able to do within the next five years. However, Pinson (2004, 77) suggests that 3 year projections are enough. Nevertheless, according to SBA each year's documents should include:

- forecasted income statements,
- balance sheets,
- cash flow statements (budget), and
- Capital expenditure budgets (U.S. Small Business Administration).

Those documents are called “Pro Forma” documents, meaning projected documents. “These are the statements that are used to predict the future profitability of the business” (Pinson, 2004, 73).

In case of requesting bigger amounts of capital than couple of thousands from the lenders and investors, Blackwell (2008, 28) advises to use the help of professional accountants for preparing forecasted income statement and balance sheets.

3.9.1 Forecasted income statement

“An income statement is a financial statement indicating the projected sales revenue, expenses, and profit or loss for a business during a specified period of time” (Sellar, 2009, 68). Therefore, it is called by a few different names- profit and loss statement, income statement, pro forma income statement, P&L (short for “profit and loss”) (Betenson).

According to Betenson a typical income statement should include:

- revenue
- cost of goods sold (COGS)-**some types of companies, such as a service providers, may not have COGS**
- Gross margin, which is the COGS deducted from revenue.

The list of operating costs is also needed, which are the costs connected with running the business that aren't tied directly to making a sale. They're the fixed costs that don't change (rent, utilities, insurance etc.) depending on the strength or weakness of the income in a given month. The calculations according to Bettenson are as follows:

$$\text{Operating Income} = \text{Gross Margin} - \text{Operating Expenses}$$

$$\text{Net Income} = \text{Operating Income} - \text{Interest, Taxes, Depreciation, and Amortization expenses.}$$

3.9.2 Balance sheet

According to Sellar (2009, 79) “a balance sheet is a financial statement that lists a firm's assets, liabilities, and stockholders' equity on a given date. It shows what a firm owns, owes, and how much it is worth. The date is usually the last day of a firm's operating year, so it is a snapshot of a firm's financial position on that date.”

According to Bettenson the balance sheet is standardized, and consists of three types of accounts:

- Assets
- Liabilities
- Equity (for small businesses, this is mostly just the owner's equity)

It is a balance sheet because it is an equation that needs to be balanced:

$$\text{Assets} = \text{Liabilities} + \text{Equity}$$

3.9.3 Cash Flow Statement

A cash flow statement is a description of how much cash the business brought in, how much cash it paid out and what its final cash balance was, normally per-month (Betenson). According to Butler (2014, 135) “the cash flow forecasts are important to ensure the profitability of any business, meaning that the business can pay its bills and settle its liabilities.”

Cash flow statement needs to include:

- Cash balances brought forward from the previous period
- Payments due to suppliers(creditors) incurred in the previous period
- Payments due to customers(debtors) owing from the previous period and adjustments for bad debts
- Ongoing credit being given and received during the year
- Receipts of loan income or capital that increase company funds, and capital purchases, lease payments, loan repayments, that deplete funds
- In the case of sole traders and partnerships, the income tax liability for the business in the previous year, and with limited companies, the corporation tax liability for the previous period. (Butler, 2014, 135).

Based on the information collected in theoretical framework the end product of the thesis will present a business plan for a guest house in Southern Estonia.

4 Methodology

The target of the research was to develop a comprehensive business plan model in order to understand each part included in the plan and the reasons why they are important. Since there are tremendous amount of different business plan layouts, each of its own kind, the objective of the thesis was to create a model put together according to the different information gathered and craft a layout that was logical to the author, so that she could use her own model one day for her final business idea.

The information in literature review was gathered from various books, articles and web page sites. The author collected as many of business plan handbooks from the Haaga-Helia library as she could. She also used e-books about business planning. In addition she researched plenty of articles mainly from Emerald. The business planning web pages turned out to be quite handy as the information was easy to understand and quick to find.

At first, the scope of the research was quite vague and the author was confused on which topic to focus on and which problem to tackle. Thus, she studied different kinds of subjects, like, entrepreneurship, leadership, business planning, strategic planning, competitive advantage, family business, creative tourism, destination development, quality function deployment (QFD) and many more. Even though all of those subjects are important and the author has high interest in them, she decided to start with the main issue and that was to learn how to craft a business plan. Nevertheless, she gained lot of valuable knowledge from studying the other subjects also and she intends in the future to look into the matters more thoroughly.

When exploring the different options of business plans, the author picked out three resources that she examined in detailed. They were David F. Butler's Business Planning for New Ventures (2014), Brian Finch's How to Write a Business Plan (2006) and U.S. Small Business Administration's (SBA) web site. After going through the listed options

of business plan templates, it could be concluded that even though, some of the content was different, all the necessary parts of a business plan were included in all 3 chosen templates. There were many matching subjects and the ones that did not match were divided under the major subjects as a sub-topics. Different subjects are shown in Table 1. And the matching subjects have been colour coded, where the same colours present the same content of a topic. Nevertheless, the template of SBA was the most comprehensive, yet logical and compact one. Thus, the final model was created mainly following the key sections of a business plan from SBA's instructions. Even though, the key sections were taken from SBA's layout, the content in those major sections was gathered from various sources, including Finch's, Butler's and many other sources.

Table 1. The topics from 3 resources

SBA	Finch	Butler
1. Introduction	1. Summary	1. The business idea
2. Market analysis	2. Introduction	2. The business proposer(s)
3. Company description	3. Business Background	3. Resources required
4. Organization and management	4. The product	4. Finance
5. Marketing and sales strategies	5. The market	5. Marketing (includes market research)
6. Product or service	6. Operations	6. Implementation and monitoring
7. Equity investment and funding request	7. Management	7. Summary
8. Financial information	8. Proposal	8. Appendices
	9. Financial background	
	10. Risks	
	11. Conclusions and	
	12. Appendices	

The final layout of the business plan for Recreation Farm in Southern Estonia put together after researching the existing literature and making conclusions is following:

1. Executive Summary
2. Company Description
3. Industry Analysis
4. Market Research
5. Organization and Management
6. Service Description
7. Marketing

8. Funding Request
9. Financial Projections
10. Appendices

The layout is mostly the same as SBA's, with exceptions in some of the heading names, as the author of the thesis tried to keep it simple. The industry analysis is separated from the market analysis, since the market analysis is already quite wide and contains a lot of information, so it was more logical and better to follow if the industry analysis stands on its own. SBA also has not mentioned appendices that were added as well.

After deciding on the main sections the author of the thesis had to select the content to be included in each subject. That process was a bit complicated as the information varied a lot according to different sources. So the author studied each section in detail from the 3 main sources and from many other available sources and presented the findings in the literature review. Every topic was handled with care and the final layout was crafted accordingly:

1. Executive Summary
2. Company Description
 - 2.1 Mission, Vision, Core Values
3. Industry Analysis
 - 3.1 Tourism Industry Overview in Europe and Estonia
 - 3.2 Outlook for the Future
4. Market Research
 - 4.1 Market
 - 4.1.1 Inbound Tourism Overview in Estonia
 - 4.1.2 Tourism Industry in Southern Estonia & Valga County
 - 4.1.3 Trends
 - 4.2 Potential Customers
 - 4.2.1 Domestic Tourism
 - 4.2.2 Finnish Market

- 4.2.3 Russian Market
 - 4.2.4 Latvian Market
 - 4.2.5 Asian Market
 - 4.2.6 Target Market
- 4.3 Competitors
- 4.4 SWOT
- 5. Organization and Management
 - 5.1 Organization structure
 - 5.2 Management Team
 - 5.3 Organization Chart
 - 5.4 Management Gaps
- 6. Service Description
 - 6.1 Different Services
 - 6.2 Capacity of the Building
- 7. Marketing
 - 7.1 Marketing Strategy
- 8. Funding Request
- 9. Financial Projections
- 10. Appendices
 - 10.1 Competitors' overview
 - 10.2 Templates for Financial Projections (EAS)

5 Conclusion

The research in hand turned out successful as the objectives of the thesis were met, that was to understand the importance of writing a business plan and learn how to do it. Although, when studying the importance of a business plan the author came across with an interesting research that claimed that creating a business plan serves only a ceremonial value when applying for a loan or investments, meaning it does not matter what should one include in a business plan, because the decision makers will rely on something else, like the experience, presenting skills, reputation etc. of the entrepreneur. Therefore, based on that research one could see the whole thesis study unnecessary? However, the banks and investors still require a written plan, it just does not matter in which order and what to include there according to the given study. On the other hand, the importance of crafting a business plan is personal, the benefits of creating a business plan lay in understanding your own business, defining goals, identifying risks and having an action plan which can indicate also whether you have been successful or not. So, even though the study stated the business plan to be ceremonial only, there is other benefits of creating a business plan. Therefore, the author of the thesis is satisfied with the research and the results.

It is fair to notice that some of the sections of the final product could have been given more attention such as the financial projections. Nonetheless, the author is pleased with the gained knowledge of the learning process and acknowledges that she has the opportunity to study more of the issues in the future that may have been left a little aside at the moment.

The study is reliable as all of the information gathered has come from trustworthy sources. The amount of different sources is satisfying and all of them were picked carefully, also paying attention to the year of publishing. Feedback and interviews from field experts could have given extra value for the study and the final product though.

The thesis process has a high value to the commissioning party that is the author. Above all, she gained appreciated knowledge on the topics that she will be needing in

her future career choices. In addition, her partner also learned some about opening up a business and what is essential in business planning. One of the major breakthrough was to create an actual business plan for the business idea that the partners had. Developing a real plan for the guest house introduced the partners to many aspects that they had not thought of before. Even though based on the business plan created, the idea seems to be great, the partners started to think of whether to start as big as described in the business plan, or try first with something more safe and sound just to gain some experience in the business environment.

6 References

- Amster, R. (2013, November 14). *Travel Market Report*. Retrieved from SIX TRAVEL TRENDS TO WATCH IN 2014 & BEYOND:
<http://www.travelmarketreport.com/articles/six-travel-trends-to-watch-in-2014-beyond>
- Barringer, B. R., & Ireland, R. D. (2010). *Entrepreneurship: Successfully Launching New Ventures* (3 ed.). New Jersey: Pearson Education.
- Berry, T. *Bplans*. Retrieved September 5, 2015, from <http://articles.bplans.com/the-people-behind-the-plan/>
- Betenson, T. *Bplans*. Retrieved September 9, 2015, from
<http://articles.bplans.com/the-key-elements-of-the-financial-plan/>
- Blackwell, E. (2008). *How to Prepare a Business Plan* (5 ed.). London: Kogan Page Publishers.
- Business Dictionary*. Retrieved September 4, 2015, from
<http://www.businessdictionary.com/definition/marketing.html>
- Butler, D. F. (2014). *Business Planning for New Ventures*. Oxon: Routledge.
- Cadden, D. T., & Lueder, S. L. (2012). *Small Business Management in the 21st Century*. Retrieved August 15, 2015, from
http://catalog.flatworldknowledge.com/bookhub/reader/2861?e=cadden_1.0-ch12_s02#cadden_1.0-ch12_s02_s01_s04_f01
- DELMAR, F., & SHANE, S. (2003). DOES BUSINESS PLANNING FACILITATE THE DEVELOPMENT OF NEW VENTURES? *Strategic Management Journal*, 1165–1185.
- Enterprise Estonia*. Retrieved September 10, 2015, from
<http://www.eas.ee/et/alustavale-ettevotjale/eas-i-lahendusel-ja-toetusvoimalused/starditoetus/ueldist>
- European Travel Commission*. (2014, July). Retrieved from http://etc-corporate.org/?page=report&report_id=57&subject=trends_watch&theme=reports
- Finch, B. (2006). *How to Write a Business Plan* (2 ed.). London: Kogan Page Publishers.

- Goodrich, R. (2015, January 1). *Business News Daily. Small Business Solutions & Inspiration*. Retrieved September 10, 2015, from <http://www.businessnewsdaily.com/4245-swot-analysis.html>
- Hormozi, A. M., Sutton, G. S., McMinn, R. D., & Lucio, W. (2002). Business plans for new or small businesses: paving the path to success. *Management Decision*, 40(8), 755 - 763.
- Kaplan Financial Knowledge Bank. (2012, December). Retrieved September 1, 2015, from <http://kfknowledgebank.kaplan.co.uk/KFKB/Wiki%20Pages/Functional%20Structures.aspx>
- KIRSCH, D., GOLDFARB, B., & GERA, A. (2009). FORM OR SUBSTANCE: THE ROLE OF BUSINESS PLANS IN VENTURE CAPITAL DECISION MAKING. *Strategic Management Journal* 30, 487-515.
- Liao, J., & Gartner, W. B. (2009). *Are Planners Doers? Pre-Venture Planning and the Start-Up Behaviors of Entrepreneurs*. Small Business Administration.
- Manktelow, J. *Mind Tools. Essential Skills for an Excellent Career*. Retrieved September 10, 2015, from SWOT Analysis. Discover New Opportunities, Manage and Eliminate Threats: https://www.mindtools.com/pages/article/newTMC_05.htm
- Parsons, N. *Bplans*. Retrieved September 2, 2015, from <http://articles.bplans.com/how-to-write-a-business-plan/>
- Pinson, L. (2004). *Anatomy of a Business Plan : A Step-by-Step Guide to Building a Business and Securing Your Company's Future* (6 ed.). Dearborn Trade, A Kaplan Professional Company.
- Professional Academy*. Retrieved September 6, 2015, from <http://www.professionalacademy.com/blogs-and-advice/marketing-theories---the-marketing-mix---from-4-p-s-to-7-p-s>
- Sellars, D. (2009). *Business Plan Project. A Step-by-Step Guide to Writing a Business Plan*. New York: Business Expert Press.
- Small Business Notes*. Retrieved September 1, 2015, from <http://www.smallbusinessnotes.com/managing-your-business/organization-charts.html>

Statistics Estonia. (2014). Retrieved August 25, 2015, from <http://pub.stat.ee/px-web.2001/dialog/statfile2.asp>

U.S. Small Business Administration. (n.d.). Retrieved August 18, 2015, from www.sba.gov:
<https://www.sba.gov/writing-business-plan>

Valga County Administration. Retrieved May 13, 2015, from
<https://valga.maavalitsus.ee/uuringud>

Valga County Official Web Site. Retrieved April 29, 2015, from
<http://www.valgamaa.ee/uldinfo/uldandmed/>

7 Appendix 1. Business Plan for Forest Fairy's Guest House

Executive Summary

Forest Fairy's Guest House will operate in tourism industry and will be an accommodation establishment providing also recreation- and event venue renting services that will be launched in 5-6 years from now. The complex containing a main house and 5 cottages will be built in Southern Estonian pristine nature, just 10 minutes' drive away from Valga city. The area is 3 hectares and has a lake on it.

The style of the buildings will be driven from the beauty of the nature and ancient mythology. In fact, the whole business concept will be derived from storytelling and service design, starting from marketing brochures to the building and interior itself. Nevertheless, the design will be refined, not too obvious.

The key target market is middle aged and elderly people with a higher income and educational level from neighbour countries and Estonia. The local market from Valga County will provide us a base-line income to cover overheads and operating costs. At first the business will provide accommodation service, organized hiking trips, massage and therapy services, bicycle rent, and an option to rent out the whole complex for events such as birthdays, weddings, anniversaries etc. Later, we will expand our service offering, after having received feedback from our customers and learning more about potential partners.

The owners of the company will be Girli Vasiljev and Tanel Keskoja, who will establish a family business. Also they will be the managing force and equal partners. The company will hire an accountant who is Tanel Keskoja's sister Kaidi Keskoja. Other services are bought from suppliers.

The business idea is extraordinary from the competitors' offering, as we will focus on a narrower target market, therefore we will be able to provide services that are modified

exactly to our target segment's needs. We have done marketing research for elderly people and found that they are keen on high-quality, comfortable, transparent service. They are willing to pay more for value. In addition, the Baby Boomers are enormous market. Thus, we see great potential in our target market. Another advantage we have, is that we are creating a business that we are highly involved with. We will put all our focus on the business success. We are highly motivated and have the know-how and skills for operating the business. Nevertheless, we are aware that opening up a business is a never ending adventure and there is always something new to learn. Last but not the least, we clearly stand out from our competition as the other service providers' lack of creativity, strong business brands and integrity.

In order to launch the business, we will need capital of 178 300 euros. There is a possibility to apply for a start-up grant that is 15 000 euros. The owners will have their savings of 50 000 euros that will be invested as owners' equity. Therefore we will need the bank to lend us 113 300 euros.

Company Description

Forest Fairy's Guest House will operate in tourism industry and will be an accommodation establishment providing also recreation- and event venue renting services. The core of the company will be an accommodation complex that will be built in Southern Estonia in the immediate region of Valga city. Even though the building will be close to a city, the site is located in a peaceful area, surrounded by forest and accompanied by a lake. The city centre is 10 minutes' drive away. The location is seen as a competitive advantage: peaceful surroundings with closeness of the city and good infrastructure. The size of the land is approximately 3 hectares.

The company will be a family business managed by Girli Vasiljev and her partner Tanel Keskoja, which is another asset to the company, as both of the partners bring valuable, yet different skills, knowledge and attitudes to the business. Most importantly, both of the partners have very high motivation and involvement in the project.

The particular area (Valga city and surroundings) does not have any accommodation establishment like the business idea in hand. The essential idea was born, when Tanel Keskoja and his family were trying to find a place to rent for a bigger wedding anniversary party and there simply were no satisfactory options to choose from. So first, the business idea was to build a complex for events only, however after looking into the market and needs, it seemed that it would be logical to establish an accommodation complex that also can be rented out for events.

Mission, Vision, Core Values

Mission: To gain good reputation among the visitors and local community via excellence and sustainable service.

Vision: To raise the awareness of Valga region as a tourism destination and boost the local economy in a long run.

Core values: Genuine and transparent service, personal approach, comfort, quality control, punctuality, sustainability.

Industry analysis

Tourism industry overview in Europe and Estonia

Strong growth in international tourist arrivals and nights has continued across most of Europe throughout the first half of 2014. And while some downside risks loom, there is nevertheless room for optimism given current trends in the wider economy. Sustained recovery in economic growth is expected to support further growth in tourism demand within the region. (European Tourism in 2014: Trends & Prospects (Q2/2014)).

Travel and tourism in Estonia is expected to stay on a path of positive growth, despite the fact that Estonia still lacks convenient flight connections to several European destinations and the only local airline, Estonian Air, is struggling to maintain its business.

Heavy competition between the numerous travel and tourism companies has led to fast market development, where only those who provide a **high-quality service succeed**. People have come to appreciate a high level of service and many companies which are unable to provide this struggle to maintain their business. In addition to quality, the price-sensitive consumer continues to value special offers and a **good quality/price relationship**.

Estonia is looking into Asia as a new potential market. Unexpected growth in tourism has come from Japan, in line with recent positive signals from this country's economy. Air bookings from Japan to Europe increased by an encouraging 8% through May 2014.

Outlook for the future

Estonia is focusing largely on developing tourism industry. The country is evolving rapidly and shaping its brand identity as a tourism destination across the world. Southern Estonia is especially known for its picturesque nature, rich culture and interesting history and architecture. Throughout last decade Southern Estonia has been hosting world class sport events and as the government is allocating more finances to support the growing need for sport events, the area is gaining more and more attention worldwide.

Valga County has stated in the development act for 2020 that local authorities will be emphasizing and supporting the development of entrepreneurship in the area. There are support networks and grants for start-up businesses. Also they will be focusing on the quality control and education of the local entrepreneurs. Emphasis will be put on tourism industry as the area has great potential. Importance lays in area branding and product and service development. It is stated that ideally the tourism industry in the destination would focus on different target markets instead of concentrating on the

whole market in order to avoid seasonality. Valga city is planning to develop different branches of tourism like spa, military and nature tourism. There is a need for a field professionals with a clear vision for the future with a distinctive service specialization. With the support of the local authorities and the developing regional tourism marketing the area has great potential as a tourism destination and forecasts are predicting higher tourism flows in the area.

Market Research

Market

The market for our business plan has great potential as it is massive, due to having great countries as neighbours like Russia, Finland and also Latvia. Among the neighbours our attention is also definitely paid on our domestic traveller, who are the biggest segment travelling to Valga County.

Inbound tourism overview in Estonia

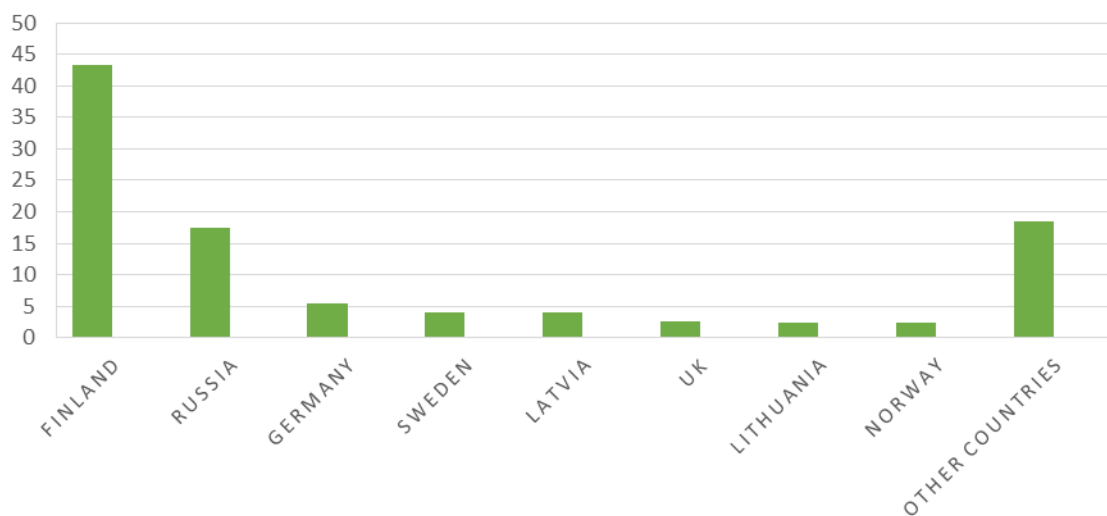
According to Statistics Estonia in 2013, 1.94 million foreign tourists stayed overnight in the accommodation establishments of Estonia. Compared with 2012, their number increased by 3.6% or by 66,611 in absolute numbers. The number of foreign overnights was 3.9 million (2.3% up on 2012). This means a new record level in inbound tourism for the 4th consecutive year. The growth in inbound tourism in 2013 was achieved thanks to an increase in tourism from nearby source markets (**Finland, Russia, Latvia, Lithuania and also Poland**). In addition, tourism from **Asia** showed a strong increase, with Chinese overnights increasing by 48% and Japanese overnights by 23%.

The share of Finnish overnights among all foreign overnights remained on the same level as in 2012 – 43%. The share of Russian overnights continued to increase: in 2013, it was 17.4% of all foreign overnights. The share of German overnights decreased

slightly (from 6% to 5.4%). The market share of Sweden and Latvia remained roughly on the 2012 level (both accounted for 4% of all foreign overnights).

The regional distribution of foreign overnights changed slightly: the share of Tallinn as a destination decreased slightly for the second consecutive year (in 2011, Tallinn accounted for 67% of foreign overnights; in 2012 – 65% and in 2013 – 64%). This can be explained by the changes in source markets: the market share of **nearby markets increased (tourists from these markets are more inclined to visit destinations outside Tallinn)**, whereas the share of several more distant Western and Southern European destinations decreased (they tend to prefer to stay in Tallinn). The share of Pärnu remained stable (12%), while the share of **Tartu continued to increase** (from 3.6% in 2011 to 4.6% in 2013) – thanks to the increase in **Russian, Latvian and Finnish** overnights there.

FOREIGN OVERNIGHTS BY SOURCE MARKET (%) IN 2013. SOURCE: STATISTICS ESTONIA



Tourism industry in Southern Estonia and Valga County

Southern Estonia region contains of 6 counties: Tartu, Valga, Võru, Põlva, Jõgeva and Viljandi County. The most visited county in Southern Estonia is Tartu County by both, domestic and foreign traveller. Valga County is on third place among foreign visitors´

and on 5th place among domestic travellers' preference. Most of the domestic travellers arrive to Valga County from Tartu and Harju County, as well from other neighbour counties. Foreign tourists tend to arrive via Tartu and Latvia. Main visitors in Valga County are domestic visitors, followed by Finnish, Russians, Latvians and Germans.

The tourism industry in Southern Estonia is highly seasonal, therefore hereby the statistics are presented from 2 different months of a year, January as a low season representative and July as an indicator of a high season.

Valga County accommodation statistics in 2013:

	January	July
Establishments	75	82
Rooms	776	882
Room occupancy	21%	44%
Average cost of a guest per night	28€	20€

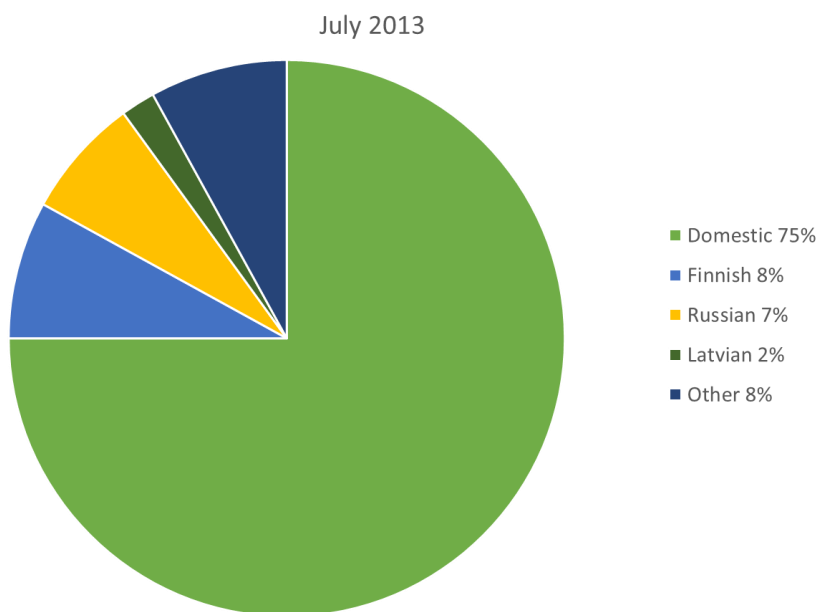
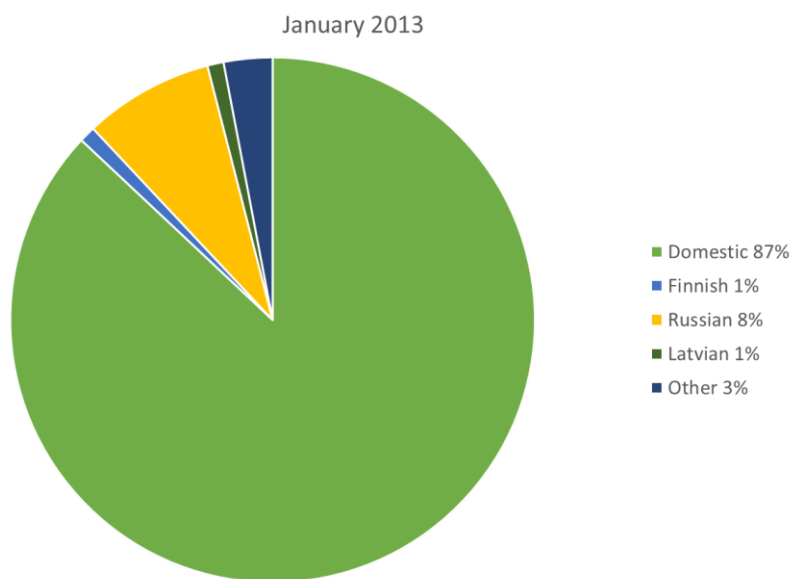
The number of accommodation establishments is different in low and high seasons because some business owners decide to shut down their business temporarily for the low season. The occupancy rates in Valga county are very low during the winter season and rather low during the summer also. The problem most likely stands in the areas' poor branding as a tourism destination. Fortunately, Valga County has made it's top priority to develop tourism strategy.

The average cost of the guest is higher in the winter due to the heating and labor costs and lower during the summer period. Therefore, the low periods must be taken with extra care and hard work as it is more difficult to earn profit.

According to the existing data, we will expect approximately **7020 people** to visit our Guest House in a year. Considering that our max capacity is 64 pax during high season and 52 pax during the low season.

It is useful to have an understand also about the origin of the visitors travelling to Valga region, so that we would know which markets to aim for.

Visitors by country of origin in Valga County in 2013:



In the chart pies one can clearly see the importance of domestic traveller in Valga County, both in the low season as well as during the high season. During the winter Valga County is visited mainly by Russians and during the summer by Finnish, Russians, Germans and also Latvians and Swedes.

Trends

Resonance Consultancy President Chris Fair has detailed the top trends of 2014 leisure tourism. His firm researches lifestyle and tourism trends and formulates branding and development strategies for destinations (Six Travel Trends to Watch in 2014 and beyond).

The trends identified by Fair in the tourism industry that are promising to our business are:

The “unstoppable elders” that are estimated to cover 1.3 billion to 1.6 billion people worldwide. Customer service is crucial to this group they are expecting high quality service and have zero tolerance for poor experience in customer service.

Seniors are the wealthiest and the most demanding of travellers. This group travels mainly for rest and relaxation and they prefer quieter, less congested destinations.

Another key trend is “conspicuous leisure,” group of travellers that are defined as the signalling of social status through consumption of experience rather than through goods. Meaning that unique experiences are social currency for them.

Creative tourism is another trend in travel industry and is directed toward an engaged and authentic experience. It’s an experience that provides a connection with those who reside in the destination. The creative tourist differs from a cultural tourist in a way that he or she is active and interacts with the locals.

We aim to keep our finger on the pulse and follow the trends of a modern portrait of a leisure traveller and modify our customer experience accordingly.

Potential Customers

In 2014 the number of accommodated visitors in Valga County was 79 365, which is the size of the market we are targeting, nevertheless, this number represents the visitors that have already found their way to Southern Estonia and we see major opportunity in growing the market size when it comes to potential customers via well-planned and focused marketing strategy as the markets from neighbour countries are enormous.

In Southern Estonia the main tourist groups are domestic, Finnish, Russian and Latvian. Therefore in the market analysis the focus is on those biggest source markets. As the infrastructure is developing we are aiming for increasing numbers in inbound tourism and arrivals also from longer distances. The main focus will still be on the surrounding countries and domestic tourism, nevertheless we will have our one eye on the emerging opportunities from greater distances.

Domestic tourism in Estonia in 2013

The number of domestic tourists and their overnights continued to grow, achieving a new record. In 2013, 1.04 million domestic tourists stayed overnight in the accommodation establishments of Estonia. Compared with 2012, their number increased by 8% or by 74,359 in absolute numbers. The number of domestic overnights was 1.82 million (6% up on 2012).

61% of 15-74 year old population travelled outside of their own county in summer of 2013. 48% of Estonians went on leisure trips that lasted more than one night. The average time spent in the destination was 2, 5 nights. Main reasons for travelling for Estonians are visiting friends and family (54%), beach vacation (49%), natural sightseeing (33%) and visiting architectural and cultural sights (30%). Also outdoor recreation has been noted as an important way of spending leisure time. Domestic traveller has the biggest share in visiting Valga County all year around. In July 2013 9313 Estonians visited Valga County, which makes 75% of all visitors.

Finnish market

According to Statistics Estonia in 2013 5532 Finnish tourists were accommodated in Valga County. The peak of the year was July with 990 visitors and lowest month was January with 96 visitors.

Based on the survey conducted in 2013 about Estonia's reputation as tourism destination among Finns, Estonia now has a valuable information in order to implement sales strategies towards Finnish markets.

According to the results, 100% of the respondents had been to Tallinn, 40% to Pärnu, 21% to Tartu, 20% to Saaremaa, 14% to Haapsalu and 8% had been to Otepää/Pühajärve, which is close to the area of the business plan in hand.

Middle aged and elderly people (45-64 and 65-79 y.) have been to several different places in Estonia compared to the younger generation.

The reasons why they would like to travel to Estonia were: destination is close, easy to travel to (from Helsinki, Southern-Finland), shopping, services, alcohol, spa, change of environment, relaxing, partying, Estonia is generally interesting destination, price, hobbies (golf, dog and cat shows, opera, concerts, ballet shows), family and friends, to see new places, cheaper restaurants. In addition: quality handcraft, beautiful nature and nice people are the reasons for travelling to Estonia.

People with higher income did not concentrate as much on the low prices and easy/ cheap access, they rather wish to travel to new places in Estonia and dedicate on their hobbies while traveling as well as event traveling. People with lower income and as well people with small children saw the importance in easy access and low prices. Hence, the target market for the business will be a segment that is middle aged, culture and nature oriented people with rather higher income from Finland.

Russian market

In 2013 5437 Russians stayed in Valga County's accommodation establishments. Most popular month was June with 1118 visitors and lowest number of visitors was in April with 66 people only.

According to the survey conducted among Russians about the attraction of Estonia as a tourism destination, St. Petersburg and Moscow were compared. The results indicated that St. Petersburg is more potential market for Estonian tourism than Moscow, therefore the results of St. Petersburg's survey are being presented.

In general, rather young (25-44 years) and with higher income people are considered to be most potential visitors to Estonia. Even though Russians see Estonia as a quite interesting destination, they would still rather travel to Sweden or to Finland. The reasons that were emphasized why not to travel to Estonia are following: other countries are more interesting, they have been to Estonia already, poor attitude of locals towards Russians and there is not enough information about the destination. When they were asked why they would like to travel to Estonia, the results were as following: they had been here and have good memories and experiences, they are interested in sightseeing, especially architecture, culture and museums. As a side note it was mentioned that Russians' interest in Estonia as a tourism destination and in different leisure time activities could be higher if they would be provided with better and comprehensive information about the matters.

Latvian market

The number of Latvian tourists amounted to 105,480 (5% more than in 2012) and their overnights to 158,031 (4% more than a year ago). In absolute figures, most of the growth occurred in Tartu and Tartu County, following a strong growth already in 2012. In 2013 1890 Latvian tourists were accommodated in Valga County. The peak of the year was July with 252 visitors and lowest month was April with 73 visitors.

72% of the whole population of Latvia believes that they will travel abroad in near future. 66% of those believe that they will visit Estonia in 3 years. 26% of those want to

visit new places in Estonia that they haven't been to and get acquainted with architecture and culture. 11% of those people are interested in Estonia as a tourism destination in general. 10% believes that Estonia is suitable for good holiday and change of environment. 10% has friends and relatives in Estonia and 10 % feels that Estonia is close and easy to travel to. 76% of those who wish to visit Estonia prefer to travel by car. 88% intends to stay overnight. Latvians are mainly interested in natural beautiful places (84%), then in active vacation (62%) and also in the beach vacation (62%), in addition they would like to visit architectural sightseeing (60%).

Latvians as other nations have visited most Tallinn, however there is a difference in the travelling pattern of Northern Latvians from Vidzeme region. Even though they like to travel also to Tallinn and Pärnu, they have an interest in Valga, which is the third destination city of their preference. It is because Valga is a border city with Latvia and a twin city with Latvian city Valka. Therefore geographical location will provide us with one of the target markets which is Northern Latvians.

The results indicate that Latvians are not generally interested in shopping and nightlife, they rather prefer beautiful natural places and active vacation as stated before. Therefore there is another reason why they are nicely suitable as our target market. It was specially noted that Latvians are interested in Ahhaa science centre in Tartu which is conveniently close to our business area.

Asian market

As Estonia is focusing on Asian markets and trying to attract more and more tourists from China and Japan, it seemed logical to look into the option from the business' point of view. However, it appears that it is rather unbeneficial for a company in Valga to try to attract Asian market. The main obstacle is the logistics and infrastructure as Estonia does not have direct flights to China and Japan, neither does Riga. Also whenever these tourists happen to visit Estonia, it is usually part of a longer trip through other countries, hence they will stay in Estonia for a short time and in this time they tend to visit only Tallinn, which is the main tourism attraction in Estonia. Neverthe-

less, Asian tourist is interested in natural sightseeing, culture and history and might enjoy the countryside visit, therefore we aim to be informed and keep the finger on the pulse whenever better opportunities emerge regarding the Asian market.

Target market

As our business is in the field of rural tourism, the potential customer should be interested in nature, culture and history. We are targeting customers that seek for a vacation in pristine surroundings while pursuing the possibility to learn and experience the local richness in nature and culture. As the characteristics of our services are rather mature and slow-paced, we are aiming at providing very high quality service and therefore we are more looking into the segment of middle aged and elderly people that understand the value of our service. This is the segment that will most likely generate more revenue, because of the willingness to pay more. They are seen as tourists from surrounding countries and domestic travellers from other counties.

The segment that will provide the base-line income to cover overheads and operating costs will be the local people from Valga County (29 994 residents). They will make up a small part of total revenue, yet they are useful to have as a regular customers and therefore are rather low priority for sales effort. The services that will be advertised for this segment will be birthday parties, anniversaries, weddings, local concerts and other events that need somewhat bigger facilities.

Competitors

In Valga County there is 50 establishments offering similar service. Most of them situated in Otepää region which is 50 km away from Valga city. The services offered by the companies include accommodation and options for active vacation. Main activities are kayaking, hiking, ball games and motor sports. Most of them offer event venue renting option also, meaning that in addition of separate rooms the venue has a hall room with a capacity of 20-50 people.

Currently there is no one company dominating the market. However, the area of Otepää has the biggest market share because the destination is well known as a tourism area.

The biggest competitors are considered to be the ones that have a decent accommodation complex, variety of activity options on spot and the ones that seem to be proactive regarding the market and seeking for new potential opportunities. According to those indicators there were 5 companies that stood out in the area: Kaldavere Tourism Farm, Kakulaane Tourism Farm, Sokka Holiday Centre, Joosti Holiday House and Mesilinnu Saloon. Kaldavere, Kakulaane and Sokka have remarkable options for different recreation activities. They have developed partnerships and therefore are able to offer extent services. Joosti is a recently renovated building and is attracting customers with its quality. Mesilinnu Saloon has an interesting interior and it is operating as a museum at the same time, however their webpage is only in Estonian and they seem to be rather inactive regarding developing their business. Kiisatamme culture and holiday house stands out with its different business idea as it operates as culture provider and developer in addition to hospitality services.

In general there are many different accommodation options in the area to choose from. But after benchmarking the competitors, the findings are painting a picture of a rather poorly planned projects and lack of innovation in the competitors businesses. Many of the establishments seem to rely on past and do not seek for new opportunities. It almost seems that some entrepreneurs have built a house and wait for the customers to find it. To summarize, most of the competition is outdated, have an absence of business mind-set and creativity as well as they seem to target too vague markets so that their service offering is wide but not high quality. There is lack of integrity and strong business brands in the area.

SWOT

STRENGTHS

- Strong leadership and high motivation
- Focused targeting
- Experience in high quality service
- Location (Peacefulness, yet close to city)
- Service design (integrity and quality, storytelling)
- Physical evidence (thought through design in the guest house and marketing tools)
- Novelty
- Focus on sustainability

WEAKNESSES

- Location (Distance from airports)
- Weak brand as a tourism destination
- Technology (extra attention needed in e-commerce marketing)
- Poor condition of roads leading to destination
- Neighbours

OPPORTUNITIES

- Funding and support by authorities
- Valga is developing tourism strategy
- Local events
- Growing numbers in tourism industry
- Aging, yet adventurous population
- Trends to slow pace and nature tourism

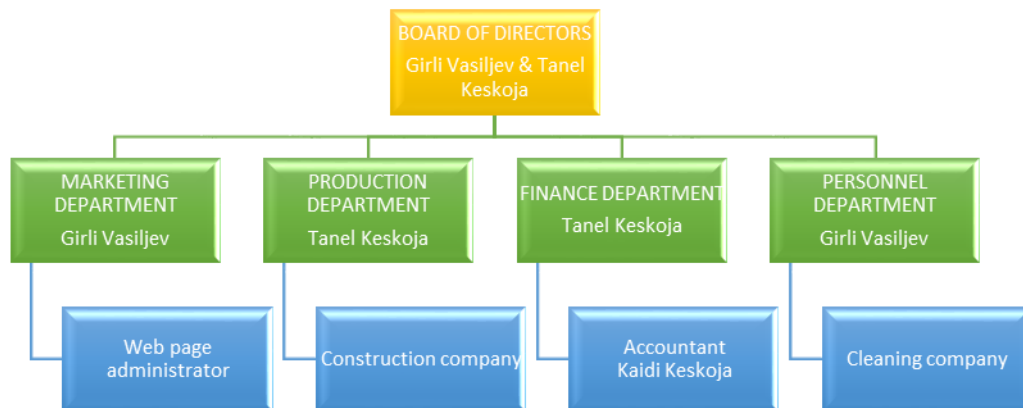
THREATS

- Unstable economy
- Increasing tax rates
- Unstable Russian market
- Immigration crisis
- Potential emerging competition in the area

Organization and Management

The form of business will be private limited company (OÜ). The founders and partners of the company will be Tanel Keskoja and Girli Vasiljev. The partner's share capital contributions will be equal. The company will employ an accountant, who is Tanel Keskoja's sister Kaidi Keskoja and buy additional services from other suppliers (cleaning, web page maintenance, and construction). The company will be created in 5 to 6 years.

Organization structure



Management Team

Girli Vasiljev and Tanel Keskoja will be the managing force of the business. The rights and liabilities are divided as equal. Partners are planning a family business. Tanel Keskoja is the creator of the essential business idea as he is from Valga and to become an entrepreneur has been his lifelong dream. He plans to return to his hometown and settle there. Therefore, he has particularly high personal interest to succeed in the business. He brings practical know how to the team regarding construction and electricity as well as the knowledge of the locals and local market. Being a young entrepreneur is an asset as there is time for additional education and development.

Girli Vasiljev is Tanel Keskoja's life partner and is sharing his dream, hence will be also highly motivated for the company to succeed. She has prior education of entrepreneurship, marketing, tourism and event management that will be beneficial for the planning process as well as running the business. Her high level of energy and optimism will help through the lowest points of business. Both partners are willing to dedicate themselves completely to the company's success and above all, they are willing to invest in theirs and in the next generations' future.

Organization Chart



Management Gaps

Even though both partners are eager and passionate about the business idea and cannot wait to start the business, it is clear that both of them need to educate themselves in different topics that will be beneficial in managing a company. Tanel Keskoja would need to participate in different entrepreneurial courses and Girli Vasiljev should educate herself additionally in finance sector. Although, we know the basics about running a company, one can never be too ready for the upcoming adventure. In addition both or at least one of the partners should participate in Russian language courses, as the Russian market has a noticeable impact on the particular business.

Service Description

The establishment will offer hospitality service that mainly concentrates on nature tourism, wellbeing, relaxation, and comfortable atmosphere. The style will be driven

from the beauty of the nature and ancient mythology from inside and outside of Estonian borders. Interior will be refined, yet cosy and decorated according to different themes of mythology by using clues and symbols of mythology, rather than literally having a house from “Lord of the Rings”. However, we aim to decorate the garden with sculptures of forest fairies and mythological creatures and in addition have the cottages designed in a mystical manner. On top of that we will have a romantic lake pavilion, the graceful queen of the garden.

The name Forest Fairy’s Guest House gives our visitor a hint of a somewhat magical stress free destination. Therefore, we will provide our customers an experience that soothes their minds, charges energy and takes them on a journey away from their daily routines.

Different Services

In order to meet our customers’ expectations we will offer different services. Our theme is tightly related to forest and nature, so we will offer guided hiking trips to the nature that give the chance to get acquainted with the local nature, learn some and relax in the stunning environment. Also it will be possible to rent a bicycle from us and go on your own little adventure. The area has many different hiking paths and also cycling trails in various lengths.

We will also have a relaxation corner in the accommodation complex that will consist of sauna, massage/treatment room and a Jacuzzi, so our customers can relax also indoors. Also different massage and therapy options will be available.

In Estonia Holiday and Guest Houses are known to be used as a wedding and birthday party venues. Therefore we offer the chance to rent out the whole complex and we will provide event organizing service if wished for. For celebration parties we will have a 100 m² hall downstairs. And during the summer time parties can be held in the open air.

When the business will start operating, we will definitely listen to our customers and review our service offer and add or change services according to the needs.

Capacity of the building

The main house will have 10 rooms for 2 people, in addition 2 suites. In every room there is a chance to add an extra bed, so if there will be a wedding or birthday party the capacity can be increased. In the garden we will have 5 cottages for 4 people. So in general the capacity will be 54 and maximum capacity with extra beds will be 64 in the summer season. In the winter season only 2 of the cottages will be heated so the capacity will be accordingly 42 and maximum 52.

Marketing and Sales

Marketing Strategy

Product/Service- In the particular market there is no other service provider that is focused on narrower target market. They seem to sell everything to everyone. We aim to offer high quality service to a certain segment and aim to do it the best way possible. Our key target group as stated by Chris Fair, the “unstoppable elders” are travelling for rest and relaxation to the areas that are quieter and less congested. And considering that people like to not only rest but also go home with an experience and new knowledge, we are aiming to create the best vacation for this group of people with the services we have to offer.

Price- The pricing of our services will be a bit above the average. We believe that the key target group will be willing to pay rather higher price for good value. The pricing will also follow seasonality. And we will come up with a pricing mix for different services e.g. it will be cheaper to rent out the whole complex and services rather than purchasing services separately. Also a less costly regular customer price will be developed, that is aimed for the local market. Naturally, we will be opened to revise our prices and make changes accordingly.

Promotion- When it comes to our key target group that are mainly the Baby Boomers born from 1946-1964, then we are looking at a segment that values quality, convenience, functionality and personalised service. This is exactly what we will promote to them. When it comes to the channels the elderly people more and more use the internet nowadays, especially the more wealthy and educated ones, so we definitely will use internet and e-commerce in our marketing mix. We also try to be present at the different events for mature population and introduce our destination in travel magazines and fairs inside and outside of Estonian borders.

For the local market we believe that the word of mouth and some introductory articles in local papers and some additional advertisements would be enough to spread the news.

Place- The geographical location is in Southern Estonia, Valga County. As we are expecting the visitors to come to us, we need to put more effort in convincing the potential customer that visiting this area is worth a while. Therefore, we aim for cooperation with the local authorities for better destination branding, we will be present in any events concerning the area's development projects. We are ready to invest in the area as we believe in the symbiosis between Valga and our business, we help each other out. As the business grows we will look into the possibility to purchasing our own transportation in order to bring the customers to us. It would be especially convenient for the key target group and also for us, because we can seek for new customers from greater distances.

People- The main responsibility of marketing and being a spokesperson for the company will be on Girli Vasiljev. She will be the name and the face when it comes to interacting with customers. She has prior experience in high-level customer service for over 5 years and has knowledge and skills to manage marketing successfully.

Processes- Firstly, it is needed to develop regulations and rules for the company policies. Then it is essential to follow those policies in addition to the strategy and mission, vision. The importance will be put on the smoothness of the processes and follow up procedures. It will be vital to keep up with our promise to offer high quality service.

Physical evidence- As it has been stated we aim for excellence in service, however the accommodation venue should be superb accordingly. Our style will be neat and clear, yet cosy throughout the design of the building and also reflect in our advertising materials.

Funding Request

The overall approximate amount we need for start-up capital and to survive until making any profit is 178 300 euros. By the time of launching the business we will have our own savings in amount of 50 000 euros that will be used as owners' equity and therefore it will be deducted from our funding request. Also we will apply for 15 000 euros of start-up grant from Enterprise Estonia, that is also deducted from the total amount. Hence, our final funding request will be for a loan for 113 300 euros.

Raw materials	60000
Land	25000
Construction	30000
Licences	300
Furniture	50000
Machinery	5000
Marketing	5000
Payroll (2 months)	3000
Needed amount	178300
Owners equity	50000
Grant from EAS	15000
Loan needed	113300

* Later in the future we might request for another loan for expanding our business. As it was mentioned we might purchase our own transportation vehicle for reaching more targets. The projected value of the vehicle would be 30 000 euros.

In Estonia it is possible to apply for a grant for a start-up company from Enterprise Estonia (EAS). It is 15 000 euros. Along with the application the entrepreneur must provide a business plan with financial projections. For the financial projections EAS has developed a solid layout with all the necessary instructions. They also provide trainings and mentoring in order to help the new entrepreneurs with their business plan crafting. Therefore, we will apply for the grant and use all the help needed in order to craft a successful business plan with detailed financial information. The layout of the financial projections consists: basic information, products, cash flow, income statement, balance sheet, employees and a budget for the grant purposes. The layout of the financial projections model is added as appendix 2.

Attachment 1 to business plan. Competitors.

Name	Distance from Valga	Capacity	Price	Additional info
Kaldavere turismitalu	25 km	Accommodation for 20, events for 35	main building 150€, whole complex 280€/24h, room (2) 25€	Activities: hiking, ball games, sauna, grilling, kayaking, camping, zip line, possibility to rent jet ski, decent web page (no English), established 2012.
Kakulaane	28 km	3 houses: 34 pax (main house 25)	Su-Thu 130€, Fri-Sat 160€ (main house)	activities: ball games, hiking, fishing, grilling, paintball, camping, small playground, barrel sauna, canoe hikes, airgun, team games (partnership with adventure company 360 kraadi) event planning (limited), decent webpage, no Finnish.
Sokka	42 km	4 houses: max 102 pax.	Room 10 € per person, whole complex in low season 650 €	Different types of saunas, seminars, active holiday (lots of different activities), hall room for 115

				people. Focusing on bigger groups.
Joosti	38 km	20 pax	Room 50 €, whole house 300 €	Pets allowed. Swimming, sauna, sports, grilling, seminars, recently renovated, bright, light interior. Decent website.
Mesilinnu	57 km	20 pax, events for 40 pax	Prices are not available on the website.	Interesting interior, operates as an antique museum as well. Website only in Estonian. Farm animals and sleigh rides. Own catering.
Järvesilma Tourism farm	16 km	Accommodates 15, hall room for 30 pax	room (1 person): 13€, hall room 100€	Has a built in kitchen. Poor website.
Kalda	19 km	House for 8 + cottages, hall room 30 pax	10 € per person, 60 € cottage, house for 3 nights 360 €, hall room 24h 160 €	Different options for accommodation and activities. Website is very poor and confusing. Accommodation outdated. Focus on summer season with large camping site and caravan places.

Nakatu	21 km	Accommodates max 70, Dining room for 30, seminar room for 100 and hall room for 50	20 € per person (includes breakfast), training day 50 € per person (meals, sauna, accommodation)	Variety of activities, clear price list. According to customer feedback good hospitality. Quite outdated and unappealing accommodation complex. Poor website.
Andu Holiday centre	46 km	2 houses accommodate 40 people	17 € per person, main house (24 people) 414 €, smaller house (16) 270 €, whole complex 690 €,	Bar, adventure trail, ball games, ice sauna. Modern and clear website. The interior is too dark and lacks of creativity. The complex from outside is decent.
Kiisatamme Culture and Holiday house	32 km	13 pax	Room (2) 45€	Pets allowed. Focuses on culture. Decent website. Excellent idea.
Paju Holiday centre	46 km	4 people	64 € for the house	Small, decent website.
Udumäe Holiday farm	38 km	Winter 50 people, summer 100 people (cottages), hall room for 50, seminar room for 40	15 € per person, hall room 150 €, cottage for 4 44 €	Variety of services, decent building, clear website, transportation service.

Rukkimaja guesthouse	37 km	25 people	45€ for twin- room	Free transportation from railway sta- tion. Restaurant and shop.
Torupillitalu	42 km	Accommodates 40, hall for 80	20 € per person with breakfast, 800 € whole complex for 40- 80 people	Sauna and pool. Decent website.

Attachment 2 to business plan. Financial projections. Templates from EAS.

Basic information

	I aasta	II aasta	III aasta	IV aasta
Kas ettevõtte hakkab/on registreeritud käibemaksukohustuslaseks (jah/ei)				
Krediiti müügi osakaal käibest (kui suur osa müügiarvetest laekub järgmisel kuul) %				
Hoonete amortisatsiooninorm %				
Seadmete amortisatsiooninorm %				
Immateriaalse põhivara amortisatsiooninorm %				
Finantsprognoside täitmise juhend				
1. Täita ära " Algandmed " lehel kõik vajalikud rohelise taustaga lahtrid!				
2. Täita ära " Tooted " lehel kõik vajalikud andmed! NB! Sinisega täidetud lahtrid on näitlikud ja neid saab muuta!				
3. Täita ära " Bilanss " lehel eelmise tegevusperioodi veerg (B) kui majandustegevus on toimunud enne 2014 aastat, 2013.a. andmed palun täita vastavalt jooksvale majandustegevusele;				
4. Täita ära " Kassavood " lehel tühjad lahtrid! Siin esitada andmed projekti esimese majandusaasta kohta. Kuude nimetusi ja aastaid muuta ei saa . Kui teie projekt algab näiteks 2013.a. oktoober, siis alustage prognooside täitmist alates jaanuar 2014, lisades jaanuari eelnenud kuude prognoositavad andmed, lisage palun selle kohta selgitus äriplaani. Kui Teie projekt algab näiteks 2014.a. veebruar, siis alustage ikka prognooside täitmist alates veebruar 2014.a.				
5. Sinisega täidetud lahtrid genereeruvad automaatselt.				
6. " Kasumiaruanne " ja " Bilanss " genereeruvad " Algandmete " ja " Kassavood " andmete alusel.				
7. Toetuse eelarve näidise lehel on Teil võimalik proovida koostada projekti eelarvet. Eelarve täitmine on vabatahtlik.				

Products

Jrk.n r.	Toote/teenuse andmed - asendage sinise kirjaga lahtrid oma toodete/teenusetega ning õigete käibemaksuääradega!		Näide	jaan.2014	veebr.2014	märts.2014	apr.2014	mai.2014	juuni.2014	juuli.2014	aug.2014	sept.2014	okt.2014	nov.2014	dets.2014	2014.a.	
1	trepid		toodetav kogus kokku	2												0	
			sh ekspordiks %-des	50%													
			keskm.ühiku müügihind KM-ta	12 000													
	Siseriikliku käibe puhul rakenduv KM määr	materjali/kauba keskmine laovarude vajadus %	materjali/kauba kulu ühikule	8 000													
20%	10%	Kokku toote nr. 1 käive	24 000	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	
2	lauad		toodetav kogus kokku	15												0	
			sh ekspordiks %-des	0%													
			keskm.ühiku müügihind KM-ta	3 000													
	Siseriikliku käibe puhul rakenduv KM määr	materjali/kauba keskmine laovarude vajadus %	materjali/kauba kulu ühikule	1 400													
20%	10%	Kokku toote nr. 2 käive	45 000	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	
3	majutus (toitlustuseta)		toodetav kogus kokku	20												0	
			sh ekspordiks %-des	0%													
			keskm.ühiku müügihind KM-ta	350													
	Siseriikliku käibe puhul rakenduv KM määr	materjali/kauba keskmine laovarude vajadus %	materjali/kauba kulu ühikule	0													
9%	0%	Kokku toote nr. 3 käive	7 000	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	
4	toitlustamine		toodetav kogus kokku	30												0	
			sh ekspordiks %-des	0%													
			keskm.ühiku müügihind KM-ta	50													
	Siseriikliku käibe puhul rakenduv KM määr	materjali/kauba keskmine laovarude vajadus %	materjali/kauba kulu ühikule kr	30													
20%	10%	Kokku toote nr. 4 käive	1 500	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	
5			toodetav kogus kokku													0	
			sh ekspordiks %-des														
			keskm.ühiku müügihind KM-ta														
	Siseriikliku käibe puhul rakenduv KM määr	materjali/kauba keskmine laovarude vajadus %	materjali/kauba kulu ühikule														
		Kokku toote nr. 5 käive	0	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	
6			toodetav kogus kokku													0	
			sh ekspordiks %-des														
			keskm.ühiku müügihind KM-ta														
	Siseriikliku käibe puhul rakenduv KM määr	materjali/kauba keskmine laovarude vajadus %	materjali/kauba kulu ühikule														
		Kokku toote nr. 6 käive	0	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	

Cash Flow

KASSAVOOGUDE PROGNOOS									1. aasta kokku				2. aasta		3. aasta		4. aasta	
	jaan.14	veebr.14	märts.14	apr.14	mai.14	juuni.14	juuli.14	aug.14	sept.14	okt.14	nov.14	dets.14	2014.a.	2015.a.	2016.a.	2017.a.		
Raha jääk perioodi algul	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0	0	0	0		
Toodetud tooteid/teenuseid perioodil	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0	0	0	0		
sh ekspordiks %-des	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		
sh ekspordiks suures	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0	0	0	0		
ühikuid (tundi, tk)	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0	0	0	0		
ühe ühiku keskmine müügihind	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0	0	0	0		
Raha sissetulek																		
Laekumine müügist arvestades krediiti müüki	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0	0	0	0		
sellist 0% määraga maksustatavat müügitulu	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0	0	0	0		
sellist 9% määraga maksustatavat müügitulu	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0	0	0	0		
sellist 20% määraga maksustatavat müügitulu	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0	0	0	0		
Muud ärtulud (renditulu, intressitulu jne.)													0	0	0	0		
Käibemaks	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0	0	0	0		
Kapitali sissemaksed													0					
Pikajärgised laenud kreditoridelt (pangalaen jm.)													0					
Lühiajalised laenud kreditoridelt (pangalaen jm.)													0					
Muud laekunud toetused hoonete ehitamiseks ja omandis olevate ruumide renoveerimiseks													0					
Muud laekunud toetused muu põhivara ostuks													0					
Muud laekunud toetused kulude katteks													0					
Stardi- või kasvutoetus materiaalse põhivara soetamiseks													0					
Stardi- või kasvutoetus immateriaalse põhivara soetuseks													0					
Muud finantstulud													0					
Laekumine kokku	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0	0	0	0		
Raha väljaminek																		
Investeeringutegevusest																		
Materiaalse põhivara soetus																		
Omandis olevate hoonete renoveerimine (kapitaliseeritud kulud), soetatud hooned, hoonete ehitamine													0					
Muu toetuse abil ehitatud hoone, omandis olevate ruumide renoveerimise toetuse summa	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0	0	0	0		
Muud toetuse abil soetatud muu põhivara toetuse summa	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0	0	0	0		
Stardi- või kasvutoetus e abil soetatud materiaalse põhivara (masinad ja seadmed) toetuse summa	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0	0	0	0		
Masinad, seadmed ja muu põhivara (soetusmaksumus minus toetus)													0					
Mööbel ja muu inventar													0					
Bürootehnika													0					
Immateriaalse põhivara (litsentsid, kaubamärgid, tarkvara jms) soetus																		
Stardi- või kasvutoetuse abil soetatud immateriaalse põhivara toetuse summa	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0	0	0	0		
Immateriaalne põhivara (soetusmaksumus minus toetus)													0					
Majandustegevuse käigus tekkivad kulud																		
Otseselt põhitegevuse eesmärgil soetused																		
Toore ja materjal	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0	0	0	0		
Ostuteenused													0					

Cash flow continues

Turustuskulud														0			
Reklaamikulud														0			
Turustamisega seotud transporditeenused														0			
Turustamisega seotud autokütus														0			
Üldhalduskulud														0			
Toetusega kaetavad kulutused (täpsusta)	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0	0	0	0
Ruumide majandamiskulud														0			
Küte														0			
Elekter														0			
Rent														0			
Valveteenused														0			
Ruumide korrashoiukulud														0			
Ruumide remondikulud														0			
Ruumide kindlustus														0			
Transpordikulud														0			
Ostetud transporditeenused														0			
Autokütus														0			
Autohooldus ja remondikulud														0			
Sõidukite kindlustus														0			
IT ja sidekulud														0			
GSM														0			
Tavatelefon														0			
Arvutustehnika ja tarkavaraga seotud kulu														0			
Muud kulud														0			
Kantseleitarbed														0			
Pangakulu														0			
Seadmete hooldus ja remont														0			
Muud kulud														0			
Personalikulu														0			
Brutopalk (makstakse välja samal kuul)														0			
Sotsiaalmaks (tasutakse järgmisel kuul)		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0	0	0	0
Töötuskindlustusmaks (tasutakse järgm kuul)		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0	0	0	0
Koolituskulud														0			
Maksud														0			
Muud maksud (riigilõivud jms)														0			
Käibemaks	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0	0	0	0
Finantseerimis tegevusest														0			
Pikaajalise laenu tagasimaksud														0,00	0		
Lühiaajalise laenu tagasimaksud														0,00	0		
Intressid														0			
Käibemaksu korrigeerimised		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0	0	0	0
Dividendide väljamaks (brutoumma)														0			
Kasutamine kokku	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0	0	0	0
Eelneva perioodi nõuded-kohustused (va. laenukohustuse	0,00													0			
Raha jääk perioodi lõpus	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0	0	0	0

NB! Esimese kuu rahajäägile liidetakse juurde eelneva perioodi bilansis olevad nõuded ja avatakse maha lühiaj. kohustused (v.a. laenukoh)
Arvutus põhineb eeldusel, et kõik lühiaj. nõuded laekuvad ja lühiaj. kohustused tasutakse nõuete/kohustuste tekkimisele järgneval kuul

Income statement

KASUMIARUANDE PROGNOOS

1. aasta
2014.a.

2.aasta
2015.a.

3.aasta
2016.a.

4. aasta
2017.a.

Tulud majandustegevusest

Müügitulu	0	0	0	0
<i>sh eksport</i>	0	0	0	0
<i>eksporti osatähtsus käibes</i>				
<i>ühikuid (tundi, tk)</i>	0	0	0	0
<i>ühe ühiku keskmine müügihind</i>	0	0	0	0
Muud tulud (renditulu, intressitulu jne.)	0	0	0	0
Müügitulud kokku	0	0	0	0

Müügitulu kasv võrreldes eelmise aastaga

#DIV/0! #DIV/0! #DIV/0!

Majandustegevuse käigus tekkivad kulud

Otsestelt põhitegevuse eesmärgil soetused

Toore ja materjal	0	0	0	0
Ostuteenused	0	0	0	0
	0	0	0	0

Turustuskulud

Reklaamikulud	0	0	0	0
Turustamisega seotud transporditeenused	0	0	0	0
Turustamisega seotud autokütus	0	0	0	0
	0	0	0	0

Üldhalduskulud

Ruumide majandamiskulud

Küte	0	0	0	0
Elekter	0	0	0	0
Rent	0	0	0	0
Valveteenused	0	0	0	0
Ruumide korrashoiukulud	0	0	0	0
Ruumide remondikulud	0	0	0	0
Ruumide kindlustus	0	0	0	0

Transpordikulud

Ostetud transporditeenused	0	0	0	0
Autokütus	0	0	0	0
Autohooldus ja remondikulud	0	0	0	0
Sõidukite kindlustus	0	0	0	0

IT ja sidekulud

GSM	0	0	0	0
Tavatelefon	0	0	0	0
Arvustehnika ja tarkavaraga seotud kulu	0	0	0	0

Muud kulud

Kantsleitarged	0	0	0	0
Pangakulu	0	0	0	0
Seadmete hooldus ja remont	0	0	0	0
Muud kulud	0	0	0	0

Personalikulu

Brutopalk (makstakse välja samal kuul)	0	0	0	0
Sotsiaalmaks (tasutakse järgmisel kuul)	0	0	0	0
Töötuskindlustusmaks (tasutakse jrgm kuul)	0	0	0	0
Kokku töötasukulud	0	0	0	0
Koolituskulud	0	0	0	0

Maksud

Muud maksud (riigilõivud jms)	0	0	0	0
-------------------------------	---	---	---	---

Amortisatsioon

Hoonete amort	0	0	0	0
Seadmete ja muu põhivara amort	0	0	0	0
Immateriaalse põhivara amort	0	0	0	0
	0	0	0	0

Kulud kokku

sh muud halduskulud (amordita)	0	0	0	0
--------------------------------	---	---	---	---

Finantskulud

Intressid jms	0	0	0	0
---------------	---	---	---	---

Kasum majandustegevusest

	0	0	0	0
--	---	---	---	---

keskmine töötajate arv
lisandväärtus töötaja kohta
käiberentaablus

#DIV/0! #DIV/0! #DIV/0! #DIV/0!
#DIV/0! #DIV/0! #DIV/0! #DIV/0!

Balance sheet

BILANSI PROGNOOS	Algandmed seisuga 31.12.13	1. aasta 2014.a.	2. aasta 2015.a.	3. aasta 2016.a.	4. aasta 2017.a.
AKTIVA					
Raha ja pangakontod		0	0	0	0
Nõuded ostjate vastu		0	0	0	0
Mitmesugused nõuded					
Ettemaksed					
Tooraine varu		0	0	0	0
Valmistoodangu varu					
Käibevara kokku	0	0	0	0	0
Materiaalne põhivara					
Materiaalne põhivara (hooned)		0	0	0	0
Materiaalne põhivara (seadmed ja muud)		0	0	0	0
Akumuleeritud kulum (miinusmärgiga)		0	0	0	0
Immateriaalne põhivara					
Immateriaalne põhivara		0	0	0	0
Immateriaalse põhivara kulum		0	0	0	0
Sihtfinantseerimise abil soetatud põhivara					
Sihtfinantseerimise abil soetatud materiaalne põhivara		0	0	0	0
Sihtfinantseerimise abil soetatud immateriaalne põhivara		0	0	0	0
Akumuleeritud kulum (miinusmärgiga)		0	0	0	0
Põhivara kokku	0	0	0	0	0
AKTIVA KOKKU	0	0	0	0	0
PASSIVA (KOHUSTUSED JA OMAKAPITAL)					
Lühiajalised võlakohustused (laenud, kapitalirent)	0	0	0	0	0
Pikaajaliste laenude, kapitalirendi lühiajaline osa		0	0	0	0
Ostjate ettemaksed toodete ja kaupade eest					
Võlad tarnijatele					
Mitmesugused võlad					
Maksuvõlad		0	0	0	0
Lühiajalised kohutused kokku	0	0	0	0	0
Pikaajalised laenud, kapitalirent		0	0	0	0
Muud pikaajalised võlad					
<i>Tulevaste perioodide tulud sihtfinantseerimisest</i>		0	0	0	0
Pikaajalised kohustused kokku	0	0	0	0	0
Osakapital nimiväärtuses		0	0	0	0
Kohustuslik reservkapital		0	0	0	0
Eelmiste perioodide jaotamata kasum		0	0	0	0
Aruandeaasta kasum		0	0	0	0
Omakapital kokku	0	0	0	0	0
PASSIVA KOKKU	0	0	0	0	0

sisesta siia kuupäev,
millise seisuga
olemasolevad andmed
esitatakse

Employees

	Töötajate arv			
	2014.a.	2015.a.	2016.a.	2017.a.
jaanuar				
veebruar				
märts				
aprill				
mai				
juuni				
juuli				
august				
september				
oktoober				
november				
detsember				
	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

Budget for grant purposes

STARDI/KASVUTOETUSE TAOTLUSE					TÄITMINE VABATAHTLIK	
PROJEKTI EELARVE NÄIDIS						
NR	Tegevuste kirjeldus kululiikide lõikes	Ühik	Ühiku maksumus	Maksumus		
1	2	3	4	5		
1.	Masinate, seadmete või muu materiaalse põhivara soetamise kulud		0,00	0		
1.1.	Uue materiaalse põhivara soetamise kulu			0		
1.2.	Kasutatud materiaalse põhivara soetamise kulu***			0		
1.3.	Uue materiaalse põhivara kapitalirendi tüüpi liisingu kulu			0		
1.4.	Kasutatud materiaalse põhivara kapitalirendi tüüpi liisingu kulu			0		
2.	Materiaalse põhivara soetamisega seotud transpordi- ja seadistamise kulud		0,00	0		
2.1.	Transpordikulu			0		
2.2.	Seadistamise kulu			0		
2.2.	Paigaldamise kulu			0		
3.	Äriprojekti eesmärkide elluviimiseks vajalike turundustegevuste läbiviimise kulud		0,00	0		
3.1.	turundustegevused			0		
				0		
4	Rakendustarkvara soetamise ja arendamise kulud		0,00	0		
4.1.	Rakendustarkvara soetamise kulu			0		
4.2.	Rakendustarkvara arendamise (programmeerimine, juurutamine, testimine) kulu			0		
5.	Patendi, kasuliku mudeli, kaubamärgi või tööstusdisainilahenduse litsentsi omandamisega seotud litsentsitasud		0,00	0		
5.1.	Patendi omandamise litsentsitasu			0		
5.2.	Kasuliku mudeli omandamise litsentsitasu			0		
5.3.	Kaubamärgi omandamise litsentsitasu			0		
5.4.	Tööstusdisainilahenduse litsentsi omandamise litsentsitasu			0		
6.	Töötasu /ainult kasvutoetuse puhul/		0,00	0		
6.1.				0		
Projekti maksumus kokku:		1	0,00	0	piirmäär	Starditoetus max. toetuse summa
Toetusena taotletav summa			#DIV/0!	80%	5 000	EUR
Omafinantseeringu summa			0,00	#DIV/0!	20%	
					piirmäär	Kasvutoetus max. toetuse summa
					50%	32 000
					50%	EUR
Näited:						
1.	starditoetuse projekti eelarve	4500	eurot			
	toetusena taotlev summa	3600		80%		
	omafinantseering	900		20%		
2.	kasvutoetuse projekti eelarve	68000	eurot			
	toetusena taotlev summa	32000		47,06%		
	omafinantseering	36000		52,94%		

** Kui toetuse saaja on käibemaksukohustuslane, tuleb summad näidata ilma käibemaksuta