

Entrepreneur Tour Operator Toolkit

Tour Operator Business Plan Guide



Before you start to create your official business plan, it can be helpful to think through several aspects of your business so that you are fully prepared to address each topic in this business plan guide. One excellent preparation exercise is to complete a [Business Model](#) for your company.

With your **Business Model** prepared, you can now more easily complete your **Tour Operator Business Plan**.

Your **tour operator business plan** should contain at least seven sections:

1. an executive summary,
2. a company overview,
3. a description of your services,
4. an analysis of your market,
5. an implementation plan,
6. a team summary, and
7. a financial plan.
8. You might have one or more appendices at the end, if you have additional relevant information to include. The finished product should be formatted nicely and incorporate your company's logo and branding. For assistance with branding, reference the Entrepreneur Tour Operator Toolkit – [Branding & Marketing Guide](#).

Executive Summary

As the first component of your business plan, the **executive summary** is arguably the most important section. If you're pitching your idea to investors, they're likely very busy people, so you want to **grab their attention** from the beginning. The executive summary should contain a concise outline of your tour operator company's objectives and goals, your [mission and/or vision statements](#), your key success factors, and a clear description of your value proposition.

Company Overview

Think of this section as what you would post on the “About” section of your tour operator company’s website. The **company overview** should explain who your company’s key leaders are, how and when the business started, what the ownership structure looks like (if you have investors, for example), where your office is located, and an outline of your current assets and debts. If you’re in the early stages of your business, this section might be quite short.

Operations Plan

The **operations plan** is where you describe exactly what your company will offer. What kinds of tours will you sell? Where exactly will you operate? This is the type of information you would list on your website for potential customers or guests to read – but without too much of a sales pitch.

In this section, it can also be helpful to include a description of the full “**life cycle**” of your business. What happens before, during, and after a tour? What steps does the guest complete, and what happens behind the scenes at your company’s office?

It might be helpful for example, to illustrate how someone could book a tour perhaps six months in advance on your website. Between booking and arrival, coordinate accommodation, meals, and transportation with partner providers. When the tour concludes, offer transportation back to the airport and follow up with a special offer to book another tour with us at a discount.

Market Analysis

This section explores **your specific niche** within the tourism industry and the geographic location(s) where you plan to operate. Who are your target clients or guests? Who are your main competitors? What trends exist in this industry sector? Is the number of visitors to your location increasing or decreasing? Try to include **statistics from reputable sources** whenever you can. Destination Marketing Organizations (DMOs), Chambers of Commerce, and the New Mexico Tourism Department, just to name a few, can provide valuable insight and add credibility. This section should leave no stone unturned so that your reader can truly understand your market conditions.

For example, try to include information about travel trends in New Mexico, economic trends, the number of new hotels being built, etc. We would also explore the ecotourism market; are more people choosing eco-friendly travel options today compared to five years ago? What companies are the current ecotourism market leaders?

Later in this toolkit you will have an opportunity to further flush out your marketing plan utilizing the Entrepreneur Tour Operator Toolkit – [Branding & Marketing guide](#).

Implementation

Now that you’ve explained your business idea and described the market in which you plan to operate, it’s time to outline exactly **how** you will bring your tour operator business to life. This section should include a [SWOT analysis](#), details about your marketing and pricing strategies, and a sales projection. In the **SWOT analysis**, you will explore your company’s strengths, weaknesses, opportunities, and threats. What does your company offer that nobody else in the market does? What are some potential challenges that you will need to face? Using an ecotourism company example, a threat could be natural disasters – if there are floods or mudslides, our business cannot operate. On the other hand, an opportunity is that more people are interested in eco-friendly travel options.

Your **marketing and pricing strategies** should be very specific. How will customers find your company? Which online channels will you use? Will you work through travel agents or directly with your customers?

Your pricing strategy should include the exact rates you plan to charge for at least a year in advance. For example, will you charge different prices for different packages? For low season vs. high season vs. holiday periods? With rates increasing 5% each year? And/or consider a 10% discount for advance purchase bookings made at least 6 months in advance and charge a cancellation fee for any reservations cancelled within 3 months of the tour departure date. Based on your pricing strategy, you can create a sales projection that will estimate your company's sales performance, preferably over the next three years.

Team Summary

After you understand what your tour operator business will do, you'll wonder *who* is going to make it happen. And if you're planning to launch a full-fledged tour operator business, you're probably not going at it alone. The **Team Summary** section should include a thorough plan for your company's organizational structure, key leaders, employees, and training processes.

Do you already have a management team in place, or will you need to hire additional leaders? How many **employees** will you need, and how much will you pay them? And how will you **train** and **develop** your employees? The Team Summary should answer all of these questions and provide enough information for potential investors to understand exactly how you plan to staff your business, pay your employees, and ensure all team members are trained properly.

Financial Plan

The **financial plan** is extremely important to potential investors because they will want to maximize the return on their investment. Your [financial plan](#) is essentially a **projection** of your **revenue streams** and **cost structure** for your company's first five or so years of operation. It will include not only revenue from ticket sales and costs from employee salaries, but also details like [tour-operator software](#) costs, insurance, taxes, marketing spend, depreciation of assets, interest on loans, and more.

A **break-even analysis** is a critical part of the financial projections in the business plan for a new business. Financing sources will want to see when you expect to break even so they know when your business will become profitable.

But even if you're not seeking outside financing, you should know when your business is going to break even. This will help you plan the amount of startup capital you'll need and determine how long that capital will need to last. A one-page [break-even analysis template](#) is available to help you through this exercise.

In general, you should aim to break even in 6 to 18 months after launching your business. If your break-even analysis shows that it will take longer, you need to revisit your costs and pricing strategy so you can increase your margins and break even in a reasonable amount of time.

If you don't have a finance background yourself, it may be helpful to seek assistance from an accountant or someone who knows the ins and outs of financial modeling.

Additional Information

In an appendix, you can include **supporting information** or statistics that may be helpful for potential investors, but not essential to your business plan. For instance, you could include a full report on trends that you used in your Market Analysis section.

Tips and Tricks for A Strong Tour Operator Business Plan

In summary, writing a business plan is certainly not an easy task. It's time consuming and requires a lot of thought, but a well written business plan can lead to significant growth for your company. As you complete your business plan, keep these pieces of advice in mind:

- **Conduct thorough research on your market.** When you pitch your company to investors, you want to be seen as an expert, so learn as much as you can about your competitors and market trends.
- **Simplify your words and descriptions whenever possible.** A business plan is not the place to wow your reader with flowery language – instead, you want your reader to easily grasp your value proposition. Think about writing so that a fifth grader can understand it. The last thing you want is for your reader to be confused about what your company actually does.
- **Don't be afraid to make changes.** As you work on your business plan, you might discover that some aspects of your business need to be adjusted for the greater good of the company. After all, the companies that are the most adaptable are the ones that survive!
- **Get a second opinion** (or a third or a fourth). A good test of your business plan's readability and clarity is to let someone outside your industry read it, like a family member or friend. If they have a lot of questions, you might need to adjust your descriptions or more clearly explain your plans.
- **Proofread!** Your business plan is a reflection of your company's values. If your formatting is sloppy and your text is full of typos, your reader might question whether you have the attention to detail necessary to run a successful business.

Source

<https://www.hotelimize.com/blog/how-to-create-a-tour-operator-business-plan-in-8-steps/>

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