

# ERTSYD

ENTREPRENEURSHIP  
IN THE RURAL TOURISM SECTOR  
FOR YOUTH WITH DISABILITIES

Co-funded by the  
Erasmus+ Programme  
of the European Union



## Project “Entrepreneurship in rural tourism sector for youth with disabilities/ ERTSYD “

## Agritourism development plan



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dr inż. Małgorzata Bogusz  
Department of Social Policy and  
Consulting  
University of Agriculture in Krakow  
[m.bogusz@ur.krakow.pl](mailto:m.bogusz@ur.krakow.pl)



# Introduction:

- ❖ A traditional farm is a specific economic entity in which the production farm and the household intermingle each other. **The production part** (production farm) uses resources owned by **the household** (agricultural family) in the business.
- ❖ **Agritourism farm** is, on the other hand, an agricultural farm enriched with agritourism activity.



# Agritourism activity:

- ❖ The economic activity of the entrepreneurship is determined by categories:
  - income
  - expenditures
  - costs



# Agritourism activity:

**Expenditures:** (...) *all intangible and material assets that are aimed at the production of agritourism products or services. Expenditures are expressed in physical units, such as kilogram, man-hour, or in monetary value [Sznajder, Przezbórska 2006].*



# Agritourism activity:

- ❖ **Costs group in the agritourism activity:**
  - costs of producing a tourist product
  - costs of agricultural product
- ❖ **Costs that relate to the place where they were created:**
  - direct costs
  - indirect costs
- ❖ **Costs by product size:**
  - variable costs
  - fixed costs



## Agritourism activity:

- ❖ **Direct costs:** are those that we can refer to the appropriate unit of the product (service) or package of services, in agritourism such costs can include the costs of: accommodation, food, equipment for tourism or organization of a landscape trip.
- ❖ **Indirect costs:** costs that we can not directly charge a given service-calculation unit. Among indirect costs we can distinguish common costs for two or more activities and general costs related to the operation of a given economic unit.



## Agritourism activity:

- ❖ **Variable costs:** those costs that grow or decrease as a result of changes in the size of agritourism activities. They depend on the use of tourist facilities (number of beds, number of meals per day).
- ❖ **Fixed costs:** refer to those expenditures that do not change depending on the size of the products or services produced, they include fixed values of expenditures that condition the production and service readiness of the agritourism farm, reflect the effect of property assets involvement in the conducted activity. These include costs related to the maintenance of a property, taxes, possession fees and others.



## Agritourism activity:

- ❖ **Break-even point:** the farm reaches this point when the revenues equalize with total costs. This means that when the farm reaches the break-even point, the profit on operations is equal zero.
- ❖ **Profit** is the surplus of revenues over costs. If the agritourism farm does not reach such a surplus, it suffers a loss instead of profit. Profit and loss means the **achieved financial result of the farm.**

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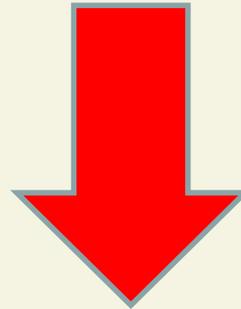


# BUSINESS PLAN OF AN AGRITOURISM FARM -

Agritourism is also a business!



*Am I enterprising?*



*Do I have a chance to earn money thanks to the situation of finding human needs that I could satisfy?*



# Personality of an entrepreneur:

- ❖ Optimism
- ❖ Ingenuity
- ❖ Ambition
- ❖ Activity
- ❖ Diligence
- ❖ Willingness to learn and develop
- ❖ Perseverance
- ❖ Imagination and flexibility
- ❖ Ability to communicate and solve conflicts
- ❖ Ability to cooperate



# Characteristics of a classic entrepreneur

## ➤ **Determination (positive thinking)**

Faith in your own success is an extremely important matter, especially when you start your own business, when friends or bankers analyze and criticize the idea; as well as in the phases of possible company crises, when the situation becomes uncertain when it comes to the future of the company.

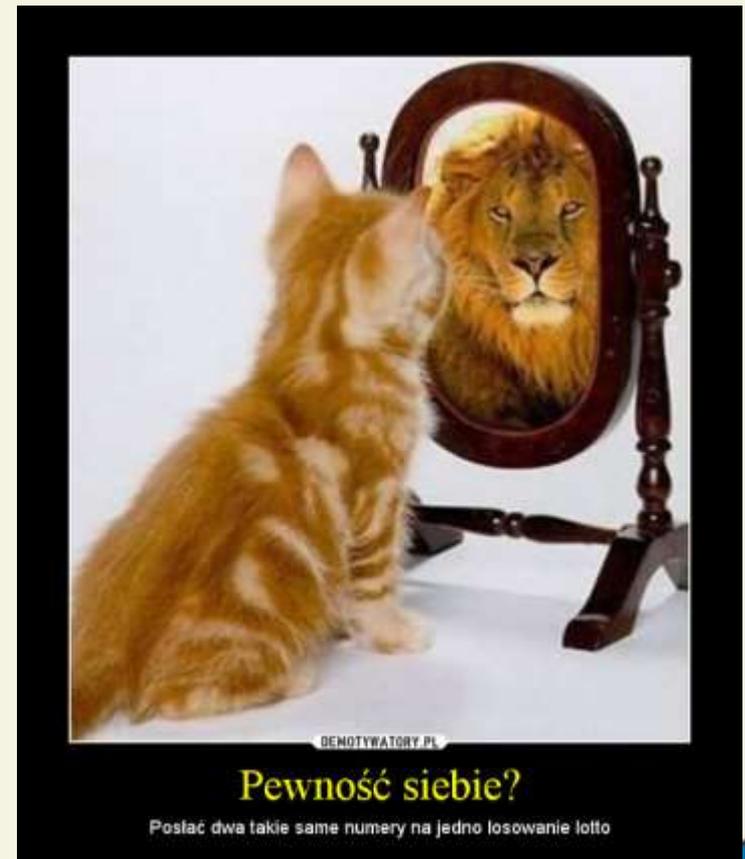




# Characteristics of a classic entrepreneur

## ➤ **Self-confidence**

When making important decisions, or interpersonal relations with contractors or competitors, this is a very important feature.





# Characteristics of a classic entrepreneur

## ➤ **Creativity**

Creative thinking is a feature that helps entrepreneurs analyze market changes to make the right decisions. Thanks to it, not only the entrepreneur develops but also the entire company with him/her.





# Characteristics of a classic entrepreneur

## ➤ **Innovation**

A manifestation of innovativeness in an entrepreneur may be the introduction of new knowledge into life or improvement of the current idea. What is important here is the openness to new ideas and the willingness to implement them in life.





# Characteristics of a classic entrepreneur

## ➤ **Lack of fears of taking risks**

Risk is an inseparable companion of people involved in business. An entrepreneur should not be afraid to take risky decisions, as they are a normal element of an economic activity.

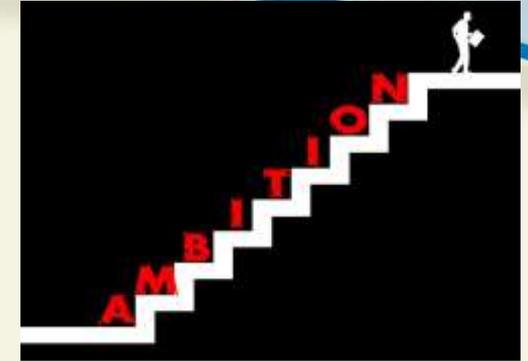




# Characteristics of a classic entrepreneur

## ➤ **Ambition**

Ambition is an additional motivator for undertaking business activities. It shows that a person has a well-designed life plan, knows the purpose of his/her aspirations and knows what achievements he/she is capable of.





# Characteristics of a classic entrepreneur

## ➤ **Optimism**

The entrepreneur should have an optimistic attitude towards people (especially those employed in the company) and a positive attitude to what he/she does.

Declarations about current issues or projects for the future should give people the belief that it is possible that it will succeed.





# Characteristics of a classic entrepreneur

## ➤ **Good sense of taste**

This feature can be noticed in clothing and general appearance, in the decoration of the office and other business premises, and in a place prepared for conversations with clients, etc.

This feature in practice has a direct impact on the quality of work and revenues.

The appearance of people is just like with an attractively wrapped commodity. Such a "commodity" attracts more and is more willingly bought.



# Characteristics of a classic entrepreneur

## ➤ **Readiness to cooperate**

Readiness to cooperate with others is a strong asset of the entrepreneur. It motivates the entrepreneur to strengthen the position of his own company through cooperation with similar companies in the same industry or related branches.

It must also be remembered that the ability to listen to others is very helpful in trade negotiations.





# Can I be an entrepreneur?

1. Do you feel strong enough to run an own business?
2. Can you invest and how much?
3. Are you able to find a niche on the market that will provide you with income - what has the chance to be bought and by whom?
4. What is your professional background?
5. What are you good at?
6. What are your interests, hobbies?
7. How can it be translated into the possibility of earning?



# Can I be an entrepreneur?

# TEST



# What type of entrepreneur are you?

- 0 - 10 points - typical subordinates
- 11 - 19 points - reliable bankers
- 20 - 24 points - managers with entrepreneurial features
- 25 - 30 points - entrepreneurs with strong tendencies to run their own business
- 31 - 36 points - neurotic entrepreneurs



# What kind of entrepreneur are you?

## ➤ TYPICAL SUBORDINATES

People who lack any characteristics to run a business on their own.



# What kind of entrepreneur are you?

## ➤ **RELIABLE BANKERS**

You do not like taking risks. You have the nature of a prudent and thorough person. You prefer to observe the actions of other people than to be a leader. You do not need to have constant contact with people. You are satisfied with quiet work and limited responsibility. You prefer to follow instructions rather than give them. You prove yourself in these activities, where analytical thinking and precision are needed. You can be entrusted money without fear that you will do something risky with it. You will be working well in the accounting, quality control department and in all activities that require accuracy.



# What kind of entrepreneur are you?

## ➤ MANAGERS WITH ENTREPRENEURIAL FEATURES

You like being with people, organizing a job, planning small projects and controlling current activities. Taking risks in your case has a lot to do with cool calculation. Excessive fantasy and too much risk in other people's activities irritate you. Cooperation with others is not a problem for you; you can adapt to the group. You fulfill your obligations in accordance with the instructions. You like to know what is specific to your actions. You are looking for solutions that are certain, tested and already used. You will prove yourself as a small business entrepreneur, the manager of a group of orderly people.



# What kind of entrepreneur are you?

## ➤ **ENTREPRENEURS WITH STRONG TENDENCIES TO RUN THEIR OWN BUSINESS**

You like taking risks, you like uncertain situations and thrills when you expect the outcome of your decision. You have the ability to give things back to its own course when necessary. Organizing and routine tires you. Breaking the barriers and breaking the rules gives you pleasure. You focus on what you are interested in at the moment. You do not have the habit of controlling other people, you prefer to stimulate them to think and act. You will prove yourself as a real entrepreneur or creative manager of an active team of people.



# What kind of entrepreneur are you?

## ➤ **NEUROTIC ENTREPRENEURS**

Your willingness to take risks is very high. You have an exceptional tendency to gamble and a desire to constantly win. You experience when something fails. You can not lose. Cooperation with you can be fascinating, but at the same time very onerous. You like spontaneous activities and strong emotions. You do not want to make plans or think about what might happen when you make the wrong decision. Collaboration with others is only possible if they surrender to your will. Checking the actions of other people is boring you. You will prove yourself in a free competition or in an independent position.



## To succeed

1. What is to be the object of the activity (what will it be)?
2. Who will be the recipient of our products (target groups)?
3. When and how often will the recipients use our offer / product?
4. Where will the recipients buy our products?
5. Why will the recipients buy my product instead of the competitive company?



# The entrepreneurial tree



- I.** Leaves – entrepreneur and its effects or the lack of effects.
- II.** Branches – financial, informational and educational resources.
- III.** Stem – social, economic and political structures.
- IV.** Roots – culture, values, norms.



# Agritourism - business plan

Allows:

- set goals and define tasks accepted for implementation,
- recognize and assess the directions of competition development in the near and distant surroundings,
- determine the opportunities and threats for the implementation of accepted tasks from the environment,
- determine the strengths and weaknesses of your own agritourism farm,
- appropriately dispose of material and financial resources to reduce the risk of running an entity.



# Agritourism – business plan

- ❖ Two types of information are the basis for writing a business plan:  
internal information, external information.

## SWOT ANALYSIS

<b>STRENGTHS– positive internal factors</b>	<b>WEAKNESSES– negative internal factors</b>
<b>OPPORTUNITIES – positive external factors</b>	<b>THREATS– negative external factors</b>



# The structure of the business plan

- Summary
- Farm characteristics
- Staff
- Market opportunity
- Competition
- Farm development plan
- Financial analysis
- Attachments



# Summary:

- a short description of the farm, including the stage of its development,
- a brief description of the plan design (description of the agritourism product, the market for which it is targeted, the ability to cope with competition),
- the amount of financial needs, their use and expected results,
- the most important data on sales, costs and profit on agritourism (over 3 years),
- information about the farm's owners, about the possible employment of the staff and about their experience level.



## Farm characteristics:

- history of the farm (foundation year, legal status, form of ownership, size of the farm, production profile - including food, standard of premises, facilities for guests, economic and financial condition, past achievements),
- location (natural, ecological, landscape, transport and infrastructure conditions),
- organizational connections of the farm with institutions supporting agritourism (agricultural advisory centers, municipal office, agritourism associations),
- analysis of farm strengths and weaknesses in terms of agritourism.



# Staff and market opportunity:

- description of the employees and their qualifications

## Market opportunity:

- analysis of opportunities and threats of the agritourism enterprise,
- a description of the farm's strategy and agritourism product (accommodation and food conditions, attractions of the rural environment, farm and farm life, available equipment, forms of spending time, etc.).



# Who is the competitor?

1. Who are the competitors?
2. What needs and preferences of customers do you and your competitors try to satisfy?
3. What are the differences and similarities between your products / services and those of your competitors?
4. What are the strengths and weaknesses of each of their products or services?
5. How do their prices match yours? How are they generally doing?



# Who is the competitor?

## How are you going to compete with them?

- Will you offer higher quality services?
- Or lower prices?
- Maybe more support?
- Or easier access to services?
- What distinguishes you from the competitor?



# Farm development plan:

It combines with the answer to the question of how the farm will organize itself

- planned sale
- organization of sales of agritourism services
- distribution channels of these services, their promotion and advertising

Will we get the right customers?



# Financial analysis:

The analysis prepared for the next three years includes:

- financial calculation (including price for agritourism services),
- expected costs, revenues and profits (including tax issues, possible bank loans),
- the need for financial resources in the future.



# Attachments:

- detailed data (features) of the agritourism product
- results of market research
- farm finance analysis
- professional biographies of the owners of the farm
- organizational connections of the farm



*An entrepreneurial man does not wait for opportunities.  
He creates it.  
Mario Raich*

**Thank You for Your attention!**