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# **A Guide to Starting and Operating a Campground Business in Nova Scotia**

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Halifax, Nova Scotia**

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# **SECTION 1**

## ***INTRODUCTION***

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# SECTION 1

## **INTRODUCTION**

### **1.1 Purpose of the Manual**

This is one of a series of tourism development manuals commissioned by the Tourism Division of the Nova Scotia Department of Tourism, Culture and Heritage to assist Nova Scotians in the establishment of tourism businesses and in the planning for the delivery of tourism services in the province. This manual deals with the establishment and operation of a Campground. There are other manuals that deal with establishing different kinds of tourism businesses such as an accommodation property, a local sightseeing tour operator, a restaurant, a tourism retail business, an adventure tourism operation and a receptive tour operator. There are also manuals on how to plan for, develop and market tourism in your community, on establishing an attraction, on marketing for tourism businesses and on establishing a visitor information centre. The manuals were originally prepared in 1996 and 1999 and were updated in 2005. A new manual on community festivals and events was also prepared in 2005.

The purpose of this manual is to provide you with some of the information necessary in establishing, improving, and operating a campground business in Nova Scotia. It should be noted that this information is a guide only.

It is strongly suggested that the reader undertake efforts to verify any information on which their business plan is based and not rely solely on the information in this manual. There are areas where you may want to consider retaining the appropriate professional expertise to assist you. While the information contained in this manual is believed to be accurate, as of the Winter of 2005, it is not so warranted. The reader should note that federal, provincial and municipal regulations, taxes, etc. change frequently and it is recommended that you check with the appropriate authorities listed in the Appendix, including representatives of the Tourism Division, Department of Tourism, Culture and Heritage and your local Business Service Centre (on line [www.gov.ns.ca/snsmr](http://www.gov.ns.ca/snsmr) or at Access Nova Scotia centres around the province), to obtain up-to-date information on these matters.

### **1.2 Contents of the Manual**

Each manual provides information and advice on a variety of topics which will be important in understanding the requirements for success, in assessing opportunities, in planning and development and in starting operations. In this manual, the following topics will be covered:

- C The market for campgrounds in Nova Scotia;
- C Requirements for success;
- C Preparing a business concept and strategic plan;
- C Feasibility analysis;

- C Legal, regulatory, and tax matters;
- C Design;
- C Planning for operations;
- C The marketing plan.

Appendices at the back of the manual cover the following:

- Market data;
- C Business structures;
- C Financing;
- C Calculation of net income, cash flow, and return on investment;
- C List of contacts;
- Standards and Certification.

### ***1.3 Important Information***

There are a number of important regulation and licensing requirements which are vital when establishing a campground business. They include:

- Campground licensing requirements;
- Fire Marshal Regulations;
- Department of the Environment and Labour regulations;
- Eating Establishment Permits (Department of Agriculture and Fisheries) (if you have a canteen, snack bar, or restaurant).

These regulations and requirements are discussed in detail in Section 6. Be sure that you review this section carefully.



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## **SECTION 2**

### ***THE MARKET FOR CAMPGROUNDS IN NOVA SCOTIA***

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# SECTION 2

## ***THE MARKET FOR CAMPGROUNDS IN NOVA SCOTIA***

### ***2.1 The Nova Scotia Campground Product***

In 2003, there were 131 private and municipal campgrounds operating in Nova Scotia, providing approximately 11,300 campsites, as well as 31 provincial park (22) and Parks Canada campgrounds (9) providing another 2,600 campsites.

The number of private and municipal campgrounds in Nova Scotia has increased only slightly in the past ten years, up from 122 in 1994. The total number of campsites available in these private and municipal campgrounds has increased by approximately 13%.

All of the campgrounds together sold almost 767,000 site nights in 2004, representing an average occupancy rate of 41%. Some 60% of this demand came from seasonal campers. Demand from short-term campers decreased by 2% in 2004 over 2003 levels while demand for seasonal campsites increased, resulting in an overall increase in campsite demand in 2004 of 2%.

Appendix I provides additional up-to-date information on Nova Scotia's campgrounds.

### ***2.2 Market Segments***

The market for campgrounds is made up of several different market segments, each with its own characteristics - including different needs and preferences. It is important when you are planning a campground business that you identify the mix of market segments that are likely to visit this campground, in order to better design the mix of facilities and services to be offered and to sharpen the focus of marketing activities.

There are several different ways to define market segments, including:

- C Geographic - according to where the customer lives. This defines the local mass media which can be used to promote to the market;
- C Demographic - according to the age, income, family structure of the customer. This helps define their likely needs and preferences;
- C Purpose of trip - the reason the customer is away from home. This defines the motivations that may generate trips to your property and the kinds of services likely to be required;
- Type of activity - the market segments can also be defined by the type of camping - e.g. wilderness, tenting, recreational vehicle.

In the campground sector the markets are usually defined by one of the latter two methods, and then geographically within each segment. Exhibit 1 presents an example of the different campground markets as defined by each of these methods, and the types of facilities and services required by each.

It is important to remember that people don't usually travel away from home in order to stay at an accommodation, whether it be a hotel or campground. They travel for other reasons. Generally they view campgrounds or accommodation as a necessary service for their trip. However, there is a significant segment of the camping market which travels for the main purpose of camping - this includes the seasonal camper, and elements of the wilderness, tenting and recreational vehicle camping market segments.

## **2.3 The Markets for Campgrounds in Nova Scotia**

The markets for campgrounds include visitors from outside the province, as well as residents of the province travelling around Nova Scotia. Nova Scotia had over 2.2 million visitors during 2004, up 5% from 2003. This includes visitors travelling for all purposes - for vacation/pleasure, to visit friends and relatives, for business and for personal reasons. There are approximately 1.5 million visitors from outside the province between the months of May and October. In 2004, some 79,000 visitors entered Nova Scotia in a recreational vehicle, a decline of 10% from the preceding year.

Nova Scotians themselves are also a major factor in the province's tourism industry, making over 5.8 million person trips annually within the province. Some 3.8 million of these are same day trips and just over 2 million are overnight trips.

While these people are all travelling in Nova Scotia, only a small proportion of them make use of campgrounds. The Nova Scotia Visitor Exit Survey (VES) queries visitors to the province about their trip patterns and activities. The 2000 VES reported that only 5% of visitors stayed at least one night in a private campground/trailer park and 3% stayed in a national/provincial campground. And, for Nova Scotians travelling within the province on overnight trips, 6% reported staying in a camping or trailer park.

## **2.4 The Nova Scotia Tourism Partnership Council**

The Nova Scotia Tourism Partnership Council (TPC) is an industry and government partnership that shares in planning and decision making for tourism marketing, research and product development in Nova Scotia. The TPC works with industry stakeholders to realize Nova Scotia's potential as a world class four season destination. It was established following a 1996 Tourism Strategy for Nova Scotia that, among other things, called for a true partnership between the tourism industry and government in everything from marketing to research and tourism development.

The Council consists of 16 members, 14 of whom are tourism industry leaders, managers and business owners. Members of the TPC are selected through an industry call for applications.

## EXHIBIT 1

### EXAMPLES OF CAMPGROUND MARKET SEGMENTS AND THE TYPES OF FACILITIES AND SERVICES THEY MIGHT USE

Market Segment	Examples	Examples of Facilities/Services Required
Demographic	Families	Playground Laundry Facilities Pool/Beach Washrooms/Showers Recreation Program
	Seniors	24 hour security Washrooms/Showers
	Groups, e.g. boy scouts	Group camping area Washrooms/Showers Cooking Shelters
Purpose of Trip	Seasonal Campers	Serviced sites with 3 way hook-ups Store Recreational Facilities Restaurant/Snack Bar
	Transient Campers	Washrooms/Showers Cooking Shelters
	Destination/Vacation Campers	Store Playground Pool Lake/Beach/River Laundry Facilities Washrooms/Showers
Type of Camping	Wilderness Tenting	Firewood/Fire Pit Pit Toilets "Wilderness" sites
	Tenting	Tent sites Cooking Shelters Firewood/Fire Pit Picnic Tables Washrooms/Showers
	Tent Trailers	Cooking Shelters Firewood/Fire Pit Picnic Tables Washrooms/Showers Electric Hook Ups Drive thru sites

## EXHIBIT 1

### EXAMPLES OF CAMPGROUND MARKET SEGMENTS AND THE TYPES OF FACILITIES AND SERVICES THEY MIGHT USE

Market Segment	Examples	Examples of Facilities/Services Required
Type of Camping cont'd	Fifth Wheelers	Drive thru sites Electric Hook ups Picnic Tables Washrooms/Showers Firewood/Fire Pit Level Sites
	Recreational Vehicle	Serviced Sites with 3 way hook-ups for water, sewer and electricity 50 amp service Large, drive thru sites Dump Stations Level Sites Recreational Facilities Laundry Facilities Picnic Tables

They must be owners, operators or senior managers of tourism related businesses, and consideration is given to various other criteria, in the selection of members.

The TPC has three core committees - an Executive Committee, a Long-Term Integrated Planning Committee and a Short-Term Integrated Planning Committee.

The TPC oversees the development of the Tourism Plan annually which is presented to the industry at the TIANS fall tourism conference. The Council is also involved in a wide variety of other programs and initiatives. Visit their website at [www.nstpc.com](http://www.nstpc.com) for up-to-date information.

## **2.5 Nova Scotia's Vision for Tourism - Challenging Ourselves**

### ***“100% Tourism Revenue Growth by 2012”***

The Tourism Partnership Council's Vision Committee spent two years (2000-2002) developing a process to create a Vision for Nova Scotia's Tourism industry. The Committee looked at issues that the tourism sector could influence or change that would help to create growth and improve industry performance. After a process that included industry workshops and consultations, 11 Vision recommendations were identified for implementation.

These recommendations cover product development, environment, the administration of tourism, marketing, technology, quality, human resources, transportation and research. Responsibility for leading the implementation of the recommendations has been divided between the Tourism Partnership Council, TIANS and the Department of Tourism, Culture and Heritage. For up-to-date information on the implementation of Nova Scotia's Vision for Tourism, check the Tourism Vision section of the TPC's website ( [www.nstpc.com](http://www.nstpc.com) and select Tourism Vision from the menu bar).

The Tourism Vision is a catalyst to assist Nova Scotia's tourism industry to evolve and grow. It is not cast in stone and is an “unfolding process”. Achieving the Vision will require change - by all tourism stakeholders including individual businesses - in how tourism is managed and delivered in Nova Scotia so as to improve quality and generate increased tourism revenues.

Success will be measured “not only by growth in revenues but our ability to work together, maintain our culture and authentic character, develop new markets and products, attract new visitors and improve the recognition of our sector's contributions to our province and various levels of government”.

For more information on how you can be involved in the Vision for Tourism visit [www.nstpc.com](http://www.nstpc.com)

## 2.6 Market and Product Trends

### Market Trends

If you are going to operate a campground, it is important that you have some knowledge about camping markets and about trends in these markets. What are today's campers looking for? What are they likely to want to see or do? What are their expectations about service and value? The points below highlight some of the major trends which are being experienced in our society and the implications of these trends on the travel and tourism industry. Further on in this section, we explore some of the changes that are occurring in the campground sector.

- The population composition of North America is changing, largely due to the *aging of the baby boom generation* and the resultant growth in the mature population. These baby boomers are wealthy and seeking new experiences but are less inclined to rough it. They are interested in cultural and heritage experiences, in learning, in soft adventures such as nature viewing, bicycling and hiking. They also enjoy 'lifestyle' amenities in their travel, such as fine dining, quality entertainment; the finer things of life and will pay for value.
- The baby boomers have demanded more from their travel than previous generations, and particularly in their leisure travel. They have been responsible for the *growth in experiential tourism* - a desire for experiences that are meaningful and memorable. "Experiential tourism encourages visitors to participate and promotes activities that draw people into cultures, communities and the outdoors ... It shows rather than describes. It encourages people to actively participate in the experience ... it is very personal and individual... they seek diverse experiences that match their interests and provide a sense of personal accomplishment"<sup>1</sup>
- The *growth in the use of the Internet* has had profound implications for the tourism industry and for consumers. It has provided the industry with a powerful and very cost-effective new marketing tool. And it has *empowered consumers* by make it very easy to research travel offerings and shop for deals.
- There are an *increasing number of working couples*, resulting in less flexibility in vacation and leisure time. As a result, there has been a strong shift from the traditional, two-to-three-week annual vacation to *more frequent, shorter vacations*. One result of this is that travellers are more concerned with having special experiences on their vacations. Since they only have a short amount of time off, they want to make sure they have the best possible time.
- The computer and the Internet have also introduced the age of yield/revenue management, leading to the enormous variation in prices for most products, including travel products. This has contributed to growing the leisure travel market considerably.
- As the population ages, there is expected to be increasing demands for accessible facilities those which cater not only to guests with limited mobility, but also those with limited vision, hearing, etc.

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<sup>1</sup> Minister's Round Table on Parks Canada 2005, Pre-reading Material - [Facilitate Visitor Experience](#), page 1

- There has been a resurgence in the *value and importance of family*. Opportunities arising out of this trend include family outings/vacations and educational travel.
  - Travellers are seeking more *personal fulfilment and enrichment*. Interest has grown significantly in cultural and heritage experiences and personal growth. Travellers are interested in experiencing a completely different culture, going off the beaten track, and visiting cultural and historical sites and places of natural beauty and uniqueness.
- C Today's travellers, like the population as a whole, are better educated than earlier generations. These well-educated tourists *strongly prefer authenticity*. People want experiences that are genuine, not contrived, and are more discriminating in this respect than in the past.
- C Well-travelled consumers have *high expectations about the standards of hospitality and service excellence* they will receive from staff in the tourism industry. They are more sophisticated and demanding and both expect and demand quality in products and services
- There are more and more women business travellers who expect and demand different amenities and services.

Market related trends being experienced in the campground industry include:

- The most significant trend in the campground sector in the past ten years has been the significant growth in recreational vehicle ownership. This trend is expected to continue as the baby boom market reaches their 50s; however, continued increases in the price of gas can be expected to impact the extent of RV travel.
- Recreational vehicle owners today carry all the comforts of home with them, and in larger and larger units, sometimes with slideout rooms that expand living space. Today's RVs can include TVs, microwaves, computers, entertainment systems, freezers, even dishwashers and ice makers. As a result, they need larger and larger sites and have much higher demands for power - many need 50 amp power and 30 amp is a minimum standard today. They also seek amenities such as cable hook-ups and Internet access.
- Using RVs/trailers as second homes or cottages is still popular, which suggests a continued demand for seasonal sites at campgrounds. Seasonal campers tend to look for special amenities at campgrounds including such things as private phone lines, laundry facilities, cable connections, and a recreational program.
- A growing segment within the recreational vehicle markets is camping clubs or caravans - groups or RVs travelling together. This creates demand for campgrounds that can accommodate groups, which can be up to 20 plus units.
- On the tenting side, there appears to have been a decline in demand as the baby boom markets age and seek more 'comforts'. However, new generations of campers - the children of the baby boomers, are starting to enter the marketplace.
- Tent campers look to combine their camping experience with other outdoor activities such as biking, canoeing, and hiking. Campgrounds need to provide these types of facilities, or at least be located in relative proximity to a range of outdoor experiences.



- There is an environmental education and interpretive programming while camping. This trend is reflected in the growing tendency for public parks to provide varying levels of interpretive and educational activities. Some examples of campground programming include learning sessions and various recreational and entertainment programs (puppet shows, slide shows, children's games, etc.).

### **Product Trends**

- C The increasing number of RVs means increased pressure on campgrounds to keep pace in order to accommodate this growing market. Camp sites need to be larger, 30 amp and 50 amp power is needed, and cable/Internet hook ups are in demand. Roadways have to be wider and pull-through sites are required. Dumping stations are essential if catering to the RV market.
- All campers are seeking good quality, clean facilities and sites. Facilities such as washrooms, showers, laundromats, recreational facilities and activities and well-maintained campgrounds are becoming increasingly important.

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## **SECTION 3**

### ***Requirements for Success***

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# SECTION 3

## REQUIREMENTS FOR SUCCESS

The campground business is a challenging one, and success is dependent on a variety of things. Trusting to good luck is not recommended and it is not simply a matter of taking a piece of property and putting up a sign indicating it is a campground. The way you design and develop your business, how you operate it and how you market it will all play major roles in determining how well you do. Rather than leave it to chance, the smart operator is sensitive to success variables in the business. The key success variables in the campground business are considered below.

Each of these are principles of what it takes to succeed. They should be read as an overview of what you need to accomplish. How you accomplish them is the subject of the rest of the manual.

### **3.1 The Marketing Concept Approach to Designing Your Campground Business**

To be successful today, owners and managers of tourism businesses have to have a marketing orientation – a customer focus. That means everyone in the business must make decisions by asking the question, "How can I best meet the needs of the market and the individual customer?" Marketing orientation can be defined as follows:

*"Marketing orientation is a way of thinking - a frame of mind. It is, if you like, a business philosophy. If you adopt a marketing orientation, it means that whenever you think about your business, you do so from your customers' point of view, not from your own. It means accepting the idea that the purpose of your business is to serve the wants and needs of your customers, and to meet or exceed their expectations.*

*In other words, it means putting your customers first. For this reason, it is sometimes also called a customer orientation.<sup>2</sup>*

Why is this so important? Why can't we just do what we think is best? Because satisfying a customer's expectations involves doing a lot of things right, and that doesn't happen easily.

Some tourism businesses think it is good enough to have a decent sign in front of their property and buy an ad in the Nova Scotia Travel Guide ("Doers and Dreamers" Guide) and then wait for customers to come. Others - those taking a marketing orientation to their business - make an effort to identify their best market prospects, modify their product to best serve the needs and demands of the different groups they are targeting, and then design their marketing activities to focus on these groups. While having a good sign and an ad in the "Doers and Dreamers" Guide

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3 The Economic Planning Group, Tourism is Your Business: Marketing Management, prepared for Tourism Canada, 1986

will very likely be part of this approach, these should not be relied on, by themselves, to bring the business in the door.

The more interesting and appealing your campground property is to the different market segments available, and the higher the quality of experience you provide to your customers, the more customers you will attract. And, customer loyalty comes from providing what the customer is looking for. With customer loyalty comes repeat business, word of mouth referrals, and a willingness to pay the price for the product. If enough customers do this, your business will be a success.

## **3.2 The Strategic Plan**

Developing your business in the context of **the marketing concept** requires a strategic plan for the business, one that identifies the best market opportunities along with all the key business features necessary to successfully and profitably pursue those opportunities. The strategic plan is an overall, long term plan for the business, setting out the following:

1. The long term vision and goals, and the measurable objectives for the business
2. The markets to be pursued and the marketing strategies and networks to be employed
3. The markets and services to be developed and delivered that will have the features necessary for them to succeed in the competitive marketplace
4. The resources that will be bought to bear in achieving success and profitability
5. The tracking tools to measure progress

The specifics of what is required for success are set out below.

## **3.3 Market Segmentation**

As mentioned earlier, a market segment is a group of prospective customers who share some common characteristics and, presumably, can be appealed to in similar ways. A market segment can be an age group, those travelling for a particular reason, residents of a particular community, different types of campers, and so on.

In the planning stages, careful attention should be given to the mix of market segments that offers the most potential for your business - particularly those segments for which your property will have a competitive advantage. Should you focus on seasonal campers or transient campers? Do you want to go after the RV market or just tents? What about other segments of the camping market such as tent trailers or small truck trailers?

Other considerations in this respect include market size (Is the market large enough to offer significant potential?), whether it is growing or declining, and what potential it has to generate income (Will people pay more than rock bottom rates for the product you are going to offer?).

### **3.4 Unique Selling Propositions**

Marketers talk about USPs, which are the unique selling propositions put forward by a business to maximize market interest and establish competitive advantage. A USP is, in effect, a statement as to what makes you special - the unique appeal of your property for the customer.

A USP for a campground might be its beach, ocean views, lake or recreational facilities. USPs can be different for different market segments. For example, a recreational complex may be important for the seasonal camper but not for the wilderness tenter.

Having at least one, and preferably more than one, USP for each market you are targeting is fundamental to success.

### **3.5 Competitive Advantage**

A related factor is competitive advantage. This is the advantage one business has over another in the marketplace in its ability to draw customers. It may be a more accessible or convenient location, a broader range of services, or simply better or more friendly service.

It is important that you offer as many competitive advantages as you can to your target markets if you have hopes of getting them to stay at your campground rather than someone else's, particularly if you're new to the market and your competition is already well-established. It's tough to change peoples' loyalties and habits: you have to give them a strong set of reasons to do so.

### **3.6 Differentiation**

The strategy employed to build competitive advantages is called differentiation. It means planning your business in such a way as to make it different from your competition, in ways that will appeal to your target markets.

Preferably you should develop differences that will be difficult for your competition to copy or to counter, as opposed to things such as price, for example, which can be matched quite easily. Examples of more permanent differences include:

- C Larger sites;
- A sand beach on the property.

### **3.7 Positioning and Brand**

The previous four issues - market segmentation, USPs, competitive advantages and differentiation will be implemented within your positioning and branding strategy. Positioning refers to how you make yourself unique in the competitive marketplace - your higher quality, or the most convenient location, or better value, or cheapest, and so on. Branding is how you communicate that positioning in a graphic and/or brief text statement.

In the Nova Scotia Tourism Partnership Council's 2005 Tourism Plan, under 'Brand Positioning Statement' on page 9, the text reads, "The brand positioning statement is the "unique point of

difference” we are trying to create in the minds of potential visitors. It aims to define who our customers are, how we would like them to perceive us - and our unique attributes.”

Having a positioning and brand strategy is important to businesses promoting themselves in a very competitive marketplace, in which the target audience is bombarded with constant marketing message. The brand and positioning statement helps you get through the clutter for the necessary moment it takes to connect with the audience.

### **3.8 Sufficient Market Potential**

The preceding features will not be adequate for success if the market isn't big enough to support your campground. Low demand and low prices in the area are signs of an inadequate market size. On the other hand, high occupancies and premium prices are indicators of a growing market with an undersupply of campground facilities, and, potentially, an opportunity to establish a new business.

We will later consider ways of assessing these things.

### **3.9 Location**

It has been said that in business the three most important things are location, location, and location. This certainly applies to many types of tourism businesses. Location is a critical factor in the success of most types of campgrounds

### **3.10 Chains and Franchises**

Some campgrounds benefit from having a chain or franchise membership that can generate advantages for the property. Among the advantages:

- C Brand name recognition, quality assurance;
- C Consumer awareness of the campground's market position;
- C Referrals and reservations from other campgrounds in the chain;
- C Marketing support.

Disadvantages include:

- The cost of establishing and maintaining a franchise. For example, you may have to pay a percentage of your revenue or a commission on bookings received through the franchise company, in addition to initial participation fees;
- The control of the franchisor means that there is less flexibility in operations;
- Arrangements are usually for a limited term.

If you are going to consider a franchise or affiliation, you should explore the options carefully and make sure that the affiliation you select fits with the market position you are intending for your campground. You will also want to explore the market strengths and weaknesses of each franchise and make sure that you select one that has a strong and growing market presence.

You may also want to consider belonging to an international campground rating system, such as Woodalls or Trailer Life.

### **3.11 Quality Website and Internet Strategy**

The Internet has rapidly become a vital tool for every tourism business. It provides ready access to all kinds of information of value to the business. It also makes possible the website, which companies are increasingly finding to be their primary marketing tool today. Having a good website is a vital part of every tourism business; not having one, or a reasonably good one, is a dis-qualifier in many markets.

Having a website is not the only issue associated with the Internet, as discussed below. It also makes possible email, and modern e-marketing techniques. And working in conjunction with a company's website, a website visitor registration program and a database system, it provides the basis for direct, one-on-one, highly targeting direct marketing to prospects and repeat customers.

### **3.12 Entrepreneurship**

Entrepreneurship is the art of being an entrepreneur. An entrepreneur is a business person who, in operating their business, is constantly responding to market opportunities and challenges. In other words, an entrepreneur sees his or her business as a mix of assets and people which can respond to unfulfilled market opportunities that may arise, rather than as a fixed, unchanging product. The entrepreneur operates on the assumption that markets are changing constantly, that competitive advantage is a temporary thing, that customer loyalty is fickle, and that opportunities come and go.

This is in contrast to the business owner who, once they have opened their business, waits for the business to come in and never seeks to modify their product. The business assumption of such an operator is that the market changes little over time, and that their customers will keep coming. Too often tourism operators adopt this latter attitude, while, in reality, the marketplace is much closer to that perceived by the entrepreneur.

Taking an entrepreneurial approach to planning and designing your business is vital; but it is also important to continue this approach in ongoing management and marketing.

In fact, entrepreneurship is more than just an approach; it is really a state of mind, a perception of how the world works, an attitude about what is the real role of owners and managers. An entrepreneur believes that the role of the owner or manager is to be creative, constantly on the lookout for information and ideas on how to change and improve.

### **3.13 Market Information**

Useful market information can be vital in both the pre-development and operational phases of a campground business; in fact, its absence is often the cause of business failure.

The most useful types of information are those that pertain to consumer expectations, the size of the markets available, market and product trends, and the competition. We will pursue this topic further in Section 5.

### **3.14 Flexibility to Adapt and Grow**

Part of successful planning for a campground business is anticipating the need to adapt and grow. Increased demand may dictate an expansion at some point in the future. Initial planning should, therefore, anticipate the possibility of future expansion. Do you have additional land on which to expand?

Similar attention should be given to being able to make changes in the business. It may be necessary to shift the market mix of the business if one or more markets are disappointing, if others prove to be better, or if entirely new market opportunities open up.

### **3.15 Risk Reduction**

Initial business planning should provide for ways to reduce risk. This point is connected to the previous one: ensuring that you can adapt to changing circumstances. For example, if transient demand is too small, can some of the sites be converted to seasonal rentals?

### **3.16 Targeted Marketing**

As mentioned above, market segmentation is an important strategic issue in the planning of a business. Its practical aspect is targeting marketing activities at the market segments selected.

Effective targeted marketing is vital if marketing expenditures are to be effective. Unfortunately, much of what is spent on marketing by tourism operators is ineffective, since it is not well targeted to real prospects. We will consider this topic in more detail in Section 9.

### **3.17 Management and Other Skills**

The tourism business is a tough business at which to excel and this applies to the campground business as well. Too many operators underestimate the complexities involved and enter the business ill-prepared in terms of expertise and skills.

The successful campground operator must have basic skills in a wide range of areas, as illustrated in Exhibit 2.

### **3.18 Computer Skills**

The computer has become an indispensable tool for every business today, so having computer skills is now a virtual necessity for most business people. Managers and staff need to be able to use word processing to record information and communicate by mail, to send and receive email, to do research on the Internet, to maintain a decent website and to use a spread sheet for budgeting. The computer is also a vital part of virtually all modern internal business systems.



### **3.19 Pricing for Profit**

Knowledge of pricing techniques is very important. Several objectives have to be achieved including market competitiveness and prices for each target market - all directed at achieving profitability and a good return on investment. This topic will be addressed further in Section 8.

### **3.20 Sufficient Capital and Affordable Debt**

You must have the investment capital available to establish and develop the business. It is vital that your debt burden not be so high that it drains away your future profits. It can be a challenge to generate a profit in the campground business, given the short operating season and the impact of uncontrollable variables such as weather. As well, developing a new campground can be very expensive, requiring a significant level of investment. You should carefully evaluate the potential of your campground to generate sufficient monies to pay any debts that you incur in establishing the business.

You will also face the need for further additions and renovations from time to time, and the capital for these should come primarily from earnings retained in the business.

Your object should be to retire your debt in an orderly fashion and to finance future asset additions out of cash flow as much as possible.

Once you are in operation, you will also have to have enough ready cash to finance the day-to-day operation of the business. Too many businesses are established without adequate provision for working capital and often initial capital cost overruns can use up some or all of the intended operating capital. A business operating with inadequate working capital cuts back on marketing, staffing, and maintenance; all of which will weaken it for the future. In addition, it will be slow paying its bills and get into trouble with its bank and creditors. It won't last long this way.

### **3.21 Quality/Value**

A campground business needs to provide a quality experience for its guests at competitive prices; basically, it needs to offer good value. Failure to do this will invite your clientele to walk away to your competition.

At the same time, the quality and value of your product must reflect the markets you are targeting, and their expectations and demands.

### **3.22 Memberships**

Memberships in a variety of professional organizations can be a good way to connect with other people in the industry, to seek out partners for marketing and packaging activities and to compare notes on the operations of your campground. You should consider membership in the provincial campground association - the Campground Owners Association of Nova Scotia (COANS), in the regional tourism association in your area and in the Tourism Industry Association of Nova Scotia (TIANS).

## **EXHIBIT 2**

### **BASIC SKILLS REQUIRED TO MANAGE A CAMPGROUND**

#### **ENTREPRENEURSHIP**

- & understanding and acceptance of the “marketing concept”
- & understanding of what the customer is looking for
- & knowledge about how to reach the customer and what will appeal

#### **MARKETING**

- & advertising media
- & Internet marketing
- & ad design
- & brochure design and distribution
- & market research
- & cooperative promotions with tourism “partners”
- & travel trade requirements (tour operators, travel agents)
- & marketing effectiveness measurement

#### **HUMAN RESOURCES**

- & hiring and training
- & staff supervision
- & staff motivation

#### **PROPERTY MAINTENANCE**

- & basic machinery and equipment repairs
- & site maintenance

#### **ADMINISTRATION**

- & bookkeeping and accounting
- & use of computers and business software
- & payroll
- & finance
- & property management
- & business regulations
- & business planning and budgeting

Suggestions on how to acquire these skills are considered in Section 8.

### **3.23 Marketing Network(s)**

In the tourism industry many companies find it worthwhile to link their marketing efforts to those of others. The idea is to piggyback on the marketing program and resources of others that are targeting the same markets as you and that are willing to work with you, thereby extending your marketing reach and effectiveness. Examples include:

- Nova Scotia Tourism Partnership Council partnership marketing programs
- Your regional or city destination marketing organization, such as Destination Halifax or the South Shore Tourism Association
- The travel trade - tour operators and receptive operators
- Destination management companies (for meetings business)
- Packaging partnerships with suppliers of complementary products and services
- Other 'homemade' alliances of like-minded operators willing to work together

Developing and maintaining such relationships and networks can be very valuable for your business. Also everyone at the destination is part of the 'destination sell' and needs to work together to that end.

### **3.24 Personal Time Commitment**

If you are going to operate a campground, you must be prepared for the demands it is going to make on your time. You should expect to work long, irregular hours throughout the camping season. Since you are running a small operation, you will not be able to afford to hire many staff and you will find yourself responsible for many of the day to day operational tasks. Don't expect to run the campground as a part-time job, at least during the summer months. With a campground business, you will be closed during the winter months so plan your vacation for this period.

### **3.25 Commitment to Service and Hospitality**

As well, you will need a strong commitment to service and hospitality and you will have to recognize that the needs and expectations of your guests are of primary importance. You will need to be able to assist campers with their problems, cheerfully, at all times of the day and night. You will need to have the ability to get along with people of all types and to be patient and approachable to children. It would also be a good idea if you yourself were a camper, so that you can relate to the needs and expectations of your visitors.

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## **SECTION 4**

### ***Preparing A Business Concept and Strategic Plan***

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# SECTION 4

## ***PREPARING A BUSINESS CONCEPT AND STRATEGIC PLAN***

### ***4.1 Opportunity Search and Assessment***

What type of campground business should you establish? Where should it be located? Is there likely to be an adequate market for it?

Before proceeding too far, you need first to build a model of your business concept on paper, defining its markets, main features, its location, its USPs (unique selling propositions) and its competitive advantages. You have to draw on your entrepreneurial skills to develop a concept which has a good chance of working.

The starting point has to be with the target customer - their needs and wants. What will your target markets be looking for in a campground property? What are they buying in other locations?

We suggest that what you need to do first is develop a winning concept for your business by looking into what has worked well elsewhere and getting good market information on its potential in your area. You will also need to have some possible locations in mind where you think there might be enough market potential.

A more detailed assessment can be made later. At this point you are looking for general information which will help in piecing together a concept for the business and coming up with a short list of locations.

Find out where there are successful examples. Visit them; talk to the owners; find out what makes them successful. What are their USPs? What are the major challenges they face and how do they deal with them? What are their markets? How do they market? How are their markets changing? What are the major do's and don'ts of the business? Tell them what you have in mind and ask for their constructive criticism.

As long as these businesses are not going to be competing directly with you in your Nova Scotia market, they are likely to be cooperative. Call them before your visit and get their agreement to talk to you.

What unique experiences can you offer your customers at the location you are considering? What are the local attractions, festivals and events, and other appeals which might attract people to stay overnight in your community? What types of unique features does the location/site you are considering have? Is the site located in an area which gets lots of visitors or is it off the beaten track?

Is there enough business in the area to support both the competition and your operation? (A good indicator is the level of occupancy being experienced by competing campgrounds in the area.)

Try out the campgrounds of your future competitors in the general area. What are they doing right and wrong? How can you develop a campground which has some competitive advantages over them? How busy are they in each season? Do they seem to be making money? (Good signals include: Are they keeping their property up to scratch? How extensive are their marketing activities?)

Are there locations/sites available that have advantages over the competition?

For the locations you have in mind, collect initial information on the markets available in the community. How many tourists come each year? Are there any attractions and activities going on in the local area which will bring people to the destination and give them a reason to stay in the area?

Talk to the tourism organizations in the locations you are considering about how they see the opportunity and whether they think there is room for a new campground in the market. What do they think about your ideas? People to talk to locally include:

- C The manager of the local visitor information centre (Do they have a lot of people looking for campgrounds and having trouble finding them? If so, what types of campground are they looking for? Do they have RV's or are they tenting?);
- C The local/regional tourism association (Do they think there is a need for more campgrounds? Is tourism activity growing or declining? What type of growth is it? Are there any other new campgrounds being planned for the area?).

Talk to the Tourism Division at the Department of Tourism, Culture and Heritage. They can give you market information, suggest contacts, etc. and provide you with information from the act and regulations on construction requirements. Do the same with economic development officials at the community level and in the Regional Development Authority office.

Ask for any market studies they might have available containing relevant information for planning a campground business such as occupancy data for the region and/or for campgrounds, market trends, and the like.

## **4.2 Target Market Selection**

Particularly important is the identification of key target markets for your campground since you want to make sure you develop your property in a fashion that will have a strong appeal to each market. You may, in fact, need to offer several somewhat different products, i.e. different types of campsites and/or services to different markets. The informal research you have conducted so far should be very helpful in this regard.

The target markets offering the greatest potential for the business should be identified on the following basis:

- C For which markets will your USPs and competitive advantages have the greatest appeal?
- C How substantial are these markets? Are they large enough to justify targeting them in your product and marketing planning?

For each market segment that rates well on these points, you need to have a good idea of the following:

- C Will they pay a decent price for your campground?
- C Can you afford to promote to that market? Are there cost-effective measures you can use to reach the market?
- C How stable is the market likely to be, year after year?
- C Is the market growing? Declining?

As discussed earlier, markets can be segmented according to different characteristics and the market segments most appropriate for campgrounds were identified in Exhibit 1.

Once you have identified which markets are available to you, you should prioritize the markets in terms of their overall revenue potential. Also consider which of the markets offer the most potential for your business in particular, i.e. those in which you are most likely to be successful and in which you will enjoy the best competitive advantages.

## **Market and Product Trends Assessment**

It is also important to look into trends in the type of campground you are considering and in the markets you intend to target. This study will provide you with ideas on how to establish your competitive advantages. New product concepts may help you as can new trends in customer demands and expectations.

Spend some time searching the Internet. With today's search engines you will be able to find a wide variety of information on markets, on different types of campgrounds, on trends and on new products and facilities being used in campgrounds.

There are other sources of trends information worth mentioning, including the Tourism Division of the Department of Tourism, Culture and Heritage, TIANS, provincial, national and international campground associations and other organizations which publish tourism related reports and information.

Another valuable source of information on consumer and product trends can be other campground operators already in business. Talk to these operators and explore with them their experiences in consumer and product trends.

Having done your homework, you should now be in a position to build your business concept, on paper at least. The rest of this section focuses on the steps involved in this process.

### **4.3 Product and Service Mix**

Using what you have learned about markets and market trends and about consumer needs and expectations, you are now in a position to determine the mix of products and services you should provide at your campground. Make sure that you consider the types of products and services needed to appeal to each of the different market segments you have identified carefully.

A successful campground no longer consists of a road through a field with recreational vehicles side-by-side around the property. A diversity of quality facilities is essential from the outset: consider a swimming pool, recreation hall, fully-equipped playground, trails, miniature golf, gift shop, activities co-ordinator, bicycle rentals, and escorted tours as amenities to attract and keep the visiting camper. Wilderness campers will be seeking different facilities and services from recreational vehicle campers and family campers will be more interested in playgrounds than RV campers.

### **4.4 Build Or Buy?**

The case for buying an existing campground against setting up a new one is not clear-cut. Each situation must be decided on its own merits. There are distinct advantages and disadvantages to each course of action.

The advantages of buying an established campground may include:

- It may reduce the risk factor. The existing business may already be a proven entity. Also, it is often easier to get financing for an established operation rather than selling the idea of a new one. Financial relationships have already been established with banks, creditors and other sources of financing;
- A campground with a good past history increases the likelihood of success for the new owner;
- The established campground may have a proven location for a successful operation;
- A customer base may have already been established. This has particular merit with respect to seasonal campers;
- Capital cost items and inventory are in place and their value and limitations are known in advance;
- It may be cheaper to purchase an existing property than to develop a site from scratch.

Disadvantages of buying an existing campground include:

- Facilities, equipment and services (e.g. power) may be old or outdated;
- The location of the campground may be poor;
- The financial health of the business and its relationship with financial institutions may be poor;



- As a buyer, you inherit any ill will that may exist for the campground among customers or suppliers;
- As an entrepreneur, you have more freedom of choice in defining the type of campground if you start one of your own than if you buy an existing one.

As you can see, there are pluses and minuses in choosing to buy an established campground. You should view this option in terms of whether it will enable you to achieve your personal objectives. What is your style? How does a property for sale fit with your concept for the type of campground you wish to run? If you wish to develop wilderness sites to meet the needs of the wilderness camping market, is there sufficient suitable land to expand and develop?

## **4.5 Location/Site Assessment**

As in most other enterprises, the location may well govern a campground's success or failure. If one is starting from scratch, the most suitable location could be determined by the market and feasibility study. On the other hand, if the project starts with a given property, the matter is settled and you must accept the location's attributes and limitations. The market/feasibility study will then be used to determine whether or not a campground at that location can be successful.

Locating a new campground near an existing attraction may have significant benefits. A tourist town, city, ferry terminal, museum, beach, or outstanding natural feature that draws the local population and visitors alike can provide markets for a campground. Some attractions will attract seasonal campers whereas others, such as ferry terminals, draw campers who are interested in overnight visits only. The important point is to be aware of the potential visitation that can be generated by attractions, whatever their nature.

### **Topographic Features**

The topographic features of a particular property can offer both advantages and disadvantages when developing your campground. Flat, bare fields would be the most economical to develop but would not be as attractive for the market. Most campers are looking for a property that offers a variety of sites: some open, some tree-covered, offering views, near water, and comfortably apart.

The costs of installing services would be higher on a property that features spacious sites, has changes in elevation, and is tree-covered, but the appeals of this type of site to the market far outweigh the initial costs of development.

For roads to be driven comfortably by recreational vehicles, they must have only moderate slopes. The maximum slope of a gravel road must be 10%.

Similarly, the actual sites should be relatively flat so that a camper can be levelled without difficulty. Within these limitations, the property should be viewed as an opportunity to provide a variety of campsite designs using the topography and tree-cover to their best advantage while causing the least disturbance to the natural setting.

### **Surface Materials**

Careful assessment should be made of the ground surface material and sub-surface material on the proposed campground property. Not only does the type of soil have a direct bearing on the

cost of campsites, roads, services, wells, and septic systems, but it will actually determine whether or not septic systems for flush toilets and a laundromat can be installed. This kind of information is critical to the success of a campground and can only be determined by early consultation with local Department of Environment and Labour Inspectors. The Department of Natural Resources should also be consulted as they can provide you with information on soils and vegetation in addition to other natural resources such as fish and wildlife.

Examination of the property will reveal some clues for deciding on the layout of facilities: rock outcrops, or large boulders mean expensive excavating costs; clay subsoil could mean poor drainage from campsites.

## **Vegetation**

Ideal properties for campground development are rarely available. Most potential sites consist of a wide variety of vegetation, all of which has value and should be disturbed as little as possible.

Avoid sites where excessive development costs could be encountered. Rock outcrops or bedrock just below grade make laying of services and sewage disposal very expensive. Swamps should be avoided as they are breeding grounds for insects if left in their natural state; if required for development the swamp would have to be drained and filled with new material, at considerable cost.

## **4.6 Product and Business Concept Development**

The aforementioned activities should enable you to develop a concept for the business, including the following elements:

- C The major markets to be targeted;
- C A short list of preferred locations and possible sites for the campground;
- C The mix of facilities to be offered;
- C Your proposed unique selling propositions (USPs) and competitive advantages for each key target market.

## **4.7 Phasing**

It is unlikely that you will establish the ultimate scale of your campground on day one. You will need to set out your intentions regarding what you will establish in the first phase and how you intend to extend and expand your business over time. A phased plan is the solution.

A phased plan involves the preparation of a multi-year schedule of the following things, to be implemented in stages:

- C Target markets to be pursued;
- C Expansion of the property, addition of new services;
- C Capital investments and financing;
- C Major marketing initiatives.

The initial phases should focus on what you expect to be the core elements of the business. Other markets and products should be streamed in later in digestible stages. Some should be market tested first if there is any serious question about their potential or their ability to complement the core business.

## **4.8 The Strategic Plan**

You should document the previously mentioned planning activities in a written summary, which will form your initial business plan (the development of a business plan is discussed in more detail in Section 5).

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# **SECTION 5**

## ***Feasibility Analysis***

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# SECTION 5

## ***FEASIBILITY ANALYSIS***

Will your plan work? Can you get enough customers, and will they pay enough for your campsites and your other services to cover your operating costs? Will the business make a profit - enough to pay you a living wage, cover the costs for the money you will have to borrow, and pay you a return on your equity in the business?

These are vital questions you need to address, in order to reduce uncertainties and risk to a minimum. The cost of making major mistakes can be bankruptcy, while the information coming out of a feasibility assessment can help make the business a success. Why risk everything without making the best possible effort to reduce your risks?

While you may be reluctant to spend the time and money necessary for this step or think you don't need to, your banker or other financiers are very likely to insist on it. Even if you already own the land, you will still have to make an investment in buildings, site improvements, water and septic systems, etc. and you may be hoping to generate enough income to live off. You should, therefore, assess the feasibility of the business.

So, a proper feasibility assessment should be undertaken. You can do much or all of it yourself, following the process outlined in this manual.

If your project is a large complex one, or if your banker or other sources of financing request it, you may have to have a professional feasibility study undertaken.

A proper feasibility study, assuming a basic business concept and strategic plan has been developed, consists of the following steps:

- Projections of capital costs and financing requirements;
- Research and analysis into the target markets;
- Competitive analysis;
- Projections of revenues, operating costs, debt service, and profits;
- Return-on-investment and break-even analysis.

For those intending to undertake the feasibility assessment themselves, we offer some suggestions below. As you will see, this can become a fairly complex undertaking.

### ***5.1 Capital Investment Requirements***

We suggest that the first step in preparing the feasibility assessment should be the development of an estimate of the capital investment required to establish the campground, since this can give you an idea of the kind of financing you will need.

You don't need a detailed capital-cost schedule or financing plan at this point. You are simply trying to assess the feasibility of establishing the proposed campground business, not actually planning the business. What you need is an estimate of the realm of magnitude of your capital costs, which will then give you an indication of your financing needs.

Exhibit 3 provides a worksheet that you may find useful in developing your preliminary capital budget.

There are various sources of information you can use in developing this initial capital budget. Some suggestions are presented below:

- **Land Purchase, Building Construction and Renovation.** If you are planning to buy an existing campground, then a real estate broker can help you seek out potential sites and advise you on the costs of purchasing the business. If you want to buy property and develop the campground from scratch, then a real estate broker can help with land costs.

If you are developing a new campground or renovating an existing one, you will probably need to construct new buildings and/or renovate existing structures. Depending on the scope of the building, you may need an architect or a builder to help you determine the costs of the building construction/renovations.

- **Land Improvements, Services, Landscaping, Parking, Recreational Facilities.** You will need to determine an approximate cost for each campsite and this will depend on the amount of clearing and earth moving that has to be done, as well as the size of the site. You will also need to estimate the costs associated with servicing the site (i.e. sewer/septic, water, power) or upgrading the existing systems to accommodate your development. You will also need to do some other site work such as developing roads, landscaping or preparing a parking area. You may need the help of an engineer to determine the servicing requirements and costs and a landscape architect for site development costs, lighting, etc. If you are planning on including a pool, you will definitely need some expert advice to address all the design requirements and regulations. In determining what services and recreational facilities to include, you should refer to the Camping Select standards available through Canada Select Nova Scotia. These will give you some guidance as to the types of facilities and services you need to have to meet different star levels.
- **Equipment.** You should draw up a list of the types of equipment you will require and then approach suppliers to give you price lists. They can also probably give you some help with determining the types of equipment you will need. You will need equipment for site maintenance work as well as basic office equipment. If you are planning a snack bar or restaurant, then you will also need a variety of kitchen equipment. If you are planning a camp store, then you will need the appropriate equipment, such as freezers, shelving, etc.
- C **Soft costs.** Soft costs are operating-type costs required to start the business that are capitalized, since they occur prior to the opening of the businesses. They include such things as operating costs incurred prior to opening - salaries, office operation, initial marketing, etc. They also include one-time costs such as interest during construction, design costs, consultants' fees, etc. You should try to do a work-up of estimates for each relevant item. Where this is not possible, provide for an allowance to cover the item.

**EXHIBIT 3**  
**CAPITAL REQUIREMENTS WORKSHEET**  
**(\$)**

**CAPITAL ASSETS**

- Land Purchase
- Land Improvements (sewer, water, campsites)
- Building Construction/Renovation
- Recreational Facilities (e.g. pool, playground)
- Equipment (e.g. maintenance, office)
- Other (e.g. signage)

*Subtotal C*

**PRE-OPENING SOFT COSTS:**

- Salaries
- Staff Training Wages & Costs
- Pre-Opening Marketing, Website design
- Interest During Construction
- Design and Consulting Costs
- Other Professional Fees
- Incorporation/Registration/Licensing Costs
- Other

*Subtotal D*

**WORKING CAPITAL:**

- Inventory
- Prepaid Expenses
- Other Current Assets
- Cash Reserve

*Subtotal A*

Bank Loan

*Subtotal B*

**Net Working Capital Required (A minus B) E**

**TOTAL CAPITAL ASSET REQUIREMENTS**

*Subtotal C*

**TOTAL SOFT COSTS**

*Subtotal D*

**WORKING CAPITAL REQUIREMENTS**

*Subtotal E*

**CONTINGENCY:**

**TOTAL FINANCING REQUIRED**

- C **Contingency.** A contingency allowance should be planned for unexpected cost increases, overlooked items, unanticipated additional costs, etc. The allowance should be between 5% and 20%, depending on how refined your costing has been and how confident you are in the numbers
- **Working capital.** Your financing will have to cover not only capital costs and soft costs, but also enough working capital to sustain the operation of the business. Working capital is defined by accountants as the difference between current assets (e.g. cash in the bank, receivables, inventory of resale items and supplies) and current liabilities (e.g. accounts payable, other amounts becoming payable in the current year). In other words, it's the cash available to run the business and deal with short term contingencies.

## 5.2 Market Analysis

The next stage of feasibility analysis involves an assessment of markets and a determination of market potential.

### Research and Analysis of Target Markets

Your previous work in developing the concept for the business involved identifying the best target markets for your campground. You now need to pull together information on each of these markets. The first question is:

*How big is the target market in my area? How many prospective customers are there?*

Your first task is to determine the size of the existing market for campgrounds in your area. The Tourism Division of the Department of Tourism, Culture and Heritage provides data on campground occupancy and sites sold in Tourism Insights, available on-line at ([www.gov.ns.ca/dtc/pubs/insights](http://www.gov.ns.ca/dtc/pubs/insights)). You can also request an occupancy data run for a group of campgrounds (minimum 6 properties so as to protect confidential information) from the Tourism Division. Or you can do your own analysis by using printed material such as the Nova Scotia Travel Guide to identify all of the campgrounds in this area and the number of sites at each. Then apply the average occupancy statistics for the province to this inventory to determine the number of occupied site nights in your area, as follows:

Total Sites Available (A)	_____
Average Number of Operating Days (B)	_____
Site Nights Available (C) (A X B)	_____
Average Occupancy Rate in Area (D)	_____
Occupied Site Nights (C X D)	_____

This won't give you quite as precise an analysis since it will be based on provincial averages not your local area, but it will give you an idea of the scale of the campground market in your area. You should be careful to include in your inventory only campgrounds that are targeting similar markets to those you have identified for your property.



What you will end up with is a number of site nights in the area, in other words, the number of parties presently camping in the area multiplied by the number of nights they are staying. These people represent the primary market from which you will generate business for your campground. You should use provincial averages to allocate this demand between seasonal business and transient business, since these are quite different markets and you may only be interested in one or the other.

*How many of these people might I reasonably expect to stay at my campground?*

Once you've been able to pin down the sizes of the key markets for your property, you then need to come up with an estimate of what percentage of each of these markets is likely to stay at your campground. This requires a market share analysis. Simply put, you need to estimate what share of the market you might expect to get. To do this, you first need to examine your competition and decide how strong your position in the marketplace will be.

## **Competitive Analysis**

While you should by now have a pretty good sense of the appeal of your proposed campground, you now have to take a good look at the competition and do so objectively, as a future customer would. You need to try out the competition and talk about them with others in the local tourism industry. You want to learn about their strengths and weaknesses and try to get a feel for how your property will compare to theirs. Some specific things to check out include:

- Number and type of sites;
- Level of servicing available;
- Recreational facilities available;
- Snack bars/restaurants on-site;
- Prices;
- Reputation - what do community tourism partners say about guest satisfaction at this operation;
- Years in operation;
- Advertising and promotion;
- Future plans for expansion, major renovations.

By asking around, visiting the property, and looking at their website and printed information such as brochures, you can put together a pretty good picture of the campground. You should make up a form, similar to that shown in Exhibit 4, to summarize your findings and conclusions.

## **Market Share Analysis**

Your next task is to decide what share of the market you are likely to get and how many occupied site nights this will mean for your campground. To do this, you need to complete a worksheet similar to that illustrated in Exhibit 5.

## EXHIBIT 4

### ASSESSMENT OF THE COMPETITION

Competitor's Name	Number/ Type of Sites	Recreation and Other Facilities	Prices	Quality of Facilities and Services	Future Plans for Expansion	Competitive Advantages/ Disadvantages

## EXHIBIT 5

### MARKET DEMAND PROJECTION WORKSHEET

Target Markets	Market Size (Site Nights)	Equal Market Share	Competitive Position of Your Property (H M L) <sup>3</sup>	Projected Market Share for Your Campground	Projected Demand (Site Nights)

---

<sup>3</sup> High, Medium, Low

First, for each target market, you need to determine what an equal market share would be; that is, what proportion of the market you would get if you were to get an equal (or fair) share of the market available. Exhibit 6 illustrates how to calculate an equal market share.

Next, you have to determine, for each target market, whether your property is likely to get more or less than an equal market share. This is where you will have to use some judgement about the relative competitive advantages and disadvantages of your campground, in each target market.

For example, if your campground is located on the ocean and you will have full services at all your sites, you will probably get a better than average market share. Your competitive position is likely to be different for each target market, so you should do this analysis very carefully.

It is quite easy to be swayed by emotions and excitement and, as a result, overestimate the campground's potential performance. It is recommended that you be very careful to develop realistic estimates of your likely market penetration, based on the experiences of campgrounds with which you will be competing directly.

The result of the analysis illustrated in Exhibit 5 will be an estimate of the projected site-night demand that your campground could attract. At this point, you should do a check against the number of sites you are planning to develop to determine if it is realistic for you to actually accommodate the level of demand you have estimated or whether you should perhaps consider more or less sites. To do this, you need to calculate your available site nights and the occupancy levels that you are projecting. This calculation is described in Exhibit 7.

There are no established guidelines as to what occupancy rate is realistic or economically feasible for different types of campgrounds. However, when you look at the occupancy rate you are projecting, consider that the average occupancy for all private and municipal campgrounds in the province is only 41%. If your analysis indicates an occupancy rate of 80%, you may want to review your analysis; you may have been over-optimistic in your estimates of market share.

After you have carefully reviewed your assumptions about your market position and market share, and if your occupancy levels are either very high or very low, you should review the number of campground sites that you are planning to develop or add.

Once you are satisfied that your demand estimate is reasonable, you need to consider what is likely to happen in the first year or two that you are in business. As with many businesses, it will take a couple of years for you to become established and reach a normal level of demand: i.e. the level of demand you estimated in the foregoing analysis. It is possible, especially if you are establishing a campground that is located out of the way, that the level of demand in the initial two or three years will be substantially lower than you estimated for a normal year.

## ***5.3 Projection of Revenues and Expenses***

### **Projection of Revenues**

Now that you have an estimate of demand levels, you can develop estimates of your total revenues, both from campsite rentals and from any other services you might provide.

**EXHIBIT 6**

**CALCULATION OF EQUAL MARKET SHARE**

**TOTAL NUMBER OF CAMPSITES IN YOUR MARKET AREA** ..... \_\_\_\_\_

**PLUS**

**NUMBER OF CAMPSITES YOU ARE PLANNING TO ADD (A)** ..... \_\_\_\_\_

**PLUS**

**NUMBER OF CAMPSITES OTHERS ARE PLANNING TO ADD** ..... \_\_\_\_\_

**EQUALS**

**TOTAL CAMPSITES LIKELY TO BE AVAILABLE IN YOUR MARKET AREA (B)** .. \_\_\_\_\_

**EQUAL MARKET SHARE (A divided by B)** ..... \_\_\_\_\_ %

**Exhibit 7**  
**Calculation of Projected Occupancy Rates**

<b>Total Number of Sites Available at Your Campground</b> (For the period - could be Month, Season)	_____ (A)
<b>Number of Days in the Month or Season</b>	_____ (B)
<b>Total Available Site Nights</b> ( <i>A multiplied by B</i> )	_____ (C)
<b>Total Projected Site Nights Occupied</b> (from Exhibit 5) (One site occupied for one night equals one occupied site night)	_____ (D)
<b>PROJECTED OCCUPANCY RATE</b> ( <i>D divided by C</i> )	_____ %

The next step is to estimate any other revenue for your campground. For example, if you have a snack bar or restaurant, then you will have some food and beverage revenue or you might rent out bicycles or canoes. You should develop an estimate of revenue per site night, taking into account that you will have more than one person staying on the site most of the time.

You now have all of the information you need to develop an estimate of your revenues, as illustrated in Exhibit 8.

## **Operating Expenses**

The next task is to prepare an estimate of four kinds of operating expenses: cost of sales, direct operating expenses, overhead costs, and capital related charges.

Exhibit 9 presents a worksheet to use in preparing your expense projections. The numbers can be derived either from a detailed work-up based on an analysis of each item, or industry norms which can be used to provide realm-of-magnitude estimates. The latter method is simpler and probably just as accurate for your purposes at this time. However, you should make sure that the norms you use are for a similar type of business. For example, don't use the norms of a seasonal campground for a wilderness camping area. Items such as wages and marketing can vary widely, depending on the type of operation, so you might be wise to develop your own estimates of these amounts and use the industry norms as a checklist.

Operating cost norms are generally known by experienced operators and you might be able to get some help from one of them. As well, there are organizations and companies which produce reports on operating norms - some of these sources of information were mentioned earlier.

A brief comment on each of the categories of operating expenses is provided below.

### Cost of Sales

Estimating cost of sales is necessary if you have goods which are purchased for resale to your customers, such as food and beverage, or merchandise. If you are operating a campground with only campsites and no snack bar or store, then you won't have any cost of sales. If you are operating a snack bar, then your cost of sales will be the cost of the food you purchase in order to serve meals to your customers.

### Direct Operating Expenses

These are usually broken down for the key operating departments in your business. In a campground, you will probably only have one set of departmental costs - those related to site rental. However, if you also have a snack bar or a grocery store, then you will have departmental costs associated with these revenue centres as well. Direct operating expenses include the direct costs associated with providing the site rental services, such as the labour associated with maintaining the sites and supplies such as wood, garbage bags, etc. These costs are also called variable costs - they vary with the amount of business you get. Direct costs are usually calculated as a percentage of the revenue for that particular department.

**EXHIBIT 8  
PROJECTION OF REVENUE**

	YEAR					
	Mature Year	1	2	3	4	5
<b>SITE RENTAL REVENUE</b>						
Available Site Nights						
Projected Occupancy Percentage						
Projected Occupied Site Nights						
Weighted Average Site Rental Rate						
<b>Total Projected Site Revenue</b>						
<b>OTHER REVENUE</b>						
Snack Bar Revenue						
Spending Per Site Night						
Total						
Other Revenues						
Spending Per Site Night						
Total						
<b>TOTAL REVENUE</b>						



## Overhead Expenses

Overhead expenses, often called fixed expenses, do not vary much with changes in the volume of business, as do the direct operating expenses. These are the supporting costs of providing service and, in general, running the business. The types of overhead costs you might incur are described in Exhibit 9.

Even if you have a very small campground, you are still likely to incur expenses in most of these categories, even if they are only minimal.

Don't forget that in preparing your projections, you must give consideration to external factors such as inflation trends, trends in labour costs, and increases in utility rates.

## Operating Profit

The total of all of the above costs represents the sum of the costs of operating the business. The difference between total revenues and operating costs in a year represents the operating profit or operating income (or loss) of the business. Other costs, including depreciation and interest costs on financing, are discussed in Appendix IV, Net Income, Cash Flow and Return on Investment Analysis. You should reference this Appendix to calculate the projected net income of the business.

## **Net Income, Cash Flow, and Return on Investment**

Having calculated operating profit, it is now possible for you to determine whether or not the venture will be feasible. Simply put, you need to decide whether the projected profit from operations is sufficient to repay any debt and to justify the effort and the risks. This is a judgement call you and your investors (if you have any) have to make.

Appendix IV describes the calculations that you have to undertake to determine the net income and cash flow of the business, and to calculate return on investment.

## **5.4 Is It Worth It?**

The requirements for completing a credible feasibility assessment for your business proposal take some time and effort. However, it may be the most important step you take in making your project successful. It is vital that a proper feasibility assessment be done before major commitments are made to establish the business.

Not all business people make the effort to undertake an assessment of their business plan. Without an assessment, they proceed to stake their capital and their livelihood on instinct, on gut feelings, and on the opinions of others who have nothing at stake. With so much at stake, it is worth a little time, effort, and money.

The techniques of a feasibility assessment are not generally understood and some people believe that it isn't possible to predict the future accurately. This is a poor excuse. It is possible to get some guidance on how to prepare a feasibility assessment (this manual is one source, of course); and it is possible to get help to carry it out. And while it may not be possible to predict the future accurately, predicting the future is not really what's involved here.

**EXHIBIT 9**  
**PROJECTION OF OPERATING EXPENSES**  
**(\$)**

	YEAR					
	BASIS FOR CALCULATION	1	2	3	4	5
COST OF SALES:						
Snack Bar	% of Sales					
Retail	% of Retail Sales					
<i>Total</i>						
DIRECT OPERATING EXPENSES: SITE RENTALS						
Wages						
Supplies						
<i>Total</i>						
OVERHEAD EXPENSES:						
Management Salaries	Worksheet* or % of Total Revenue					
Fringe Benefits	% of Total Revenue					
Site Maintenance	Worksheet* or % of Total Revenue					
Marketing	Worksheet* or % of Total Revenue					
Repairs & Maintenance	% of Total Revenue					
Utilities and Water	% of Total Revenue					
Admin (office supplies, phone, etc.)	% of Total Revenue					
Equipment Leases	% of Total Revenue					
Insurance	% of Total Revenue					
Prop. & Business Taxes	% of Total Revenue					
Bank Charges	% of Total Revenue					
Professional Services	% of Total Revenue					
Travel	% of Total Revenue					
Miscellaneous	% of Total Revenue					
<i>Total</i>						
Total Operating Expenses						

\* *Worksheet means that you should develop a worksheet to derive exactly what these costs will be for your business.*

What is involved here is risk reduction, moving a business proposal from the pure seat of the pants, "gut feel" stage, to a different level that is almost certain to prove more accurate than a gut feel. There is a myriad of pieces of valuable information out there, some easily obtained, others not, which can help take the unknowns out of a business judgement.

As well, a feasibility assessment allows you to make a series of small, incremental judgements and specific estimates rather than one huge one; and the sum of a series of small judgements and estimates has proven again and again to lead to a more accurate prediction of future performance. In fact, when the estimating is broken down into small pieces, more often than not you will be able to find sources of information to help you make your estimates with a degree of accuracy.

Finally, the process of preparing a feasibility study will indicate a whole series of ideas, opportunities, challenges and problems for you to consider. As a result, you will be able to actually improve your business plan as a result of doing a feasibility study, as well as develop important insights about what it is going to take to be successful in the future.

The best, and perhaps most important, investment you will make in establishing your business is the preparation of a feasibility assessment.

## **Where to Get Help**

Help in preparing your feasibility study can be found from a variety of possible sources:

- Your accountant;
- Other operators of campgrounds. You may be able to talk a noncompeting operator into coaching you and helping you with projections. You may have to pay them a fee, but, if you're lucky, they might do it for fun of it.
- Someone who's sold a campground or has retired from the business.
- An official of a financial agency, such as ACOA, the Regional Development Authority, the Business Development Bank, or the Office of Economic Development.
- Tourism Industry of Nova Scotia Resource Centre. This centre contains a range of information, training videos, etc. for loan.
- You will probably find other useful resources and manuals on the web.
- A private consultant.

Addresses for many of these sources of help can be found in the Appendices of this manual.

Most of these sources will be free, or low cost.

As mentioned earlier, you may decide that the complexities or scale of your project require you to retain some professional expertise to prepare your feasibility study. You may not, in fact, have a lot of choice in the matter, since some lenders and investors will insist on your having a feasibility study prepared by a professional management consultant.

## **5.5 Preparing a Business Plan**

Once you have completed the feasibility analysis, you need to prepare a business plan. The business plan is built on the material you have accumulated to date, and includes a plan of all the steps and processes you need to go through to get the project up and running and keep it running successfully in future years. This document should be updated periodically to reflect some of the changes that occur as your plans unfold and should include both strategic issues and normal operating processes. While lenders will almost always ask to review a copy of your business plan, you should not consider it just as a means of obtaining financing. The business plan is critical to the ongoing operation and success of your business and you should refer to it often.

The plan itself should contain all of the items outlined in Exhibit III-1 (in Appendix III) of this manual (the suggested table of contents for a presentation for financing), as well as sufficient additional information to illustrate the steps you will go through to achieve your goal. You will need to document, for example, a marketing plan that will provide a strategy and process for you to attract guests to your campground. This plan will identify who will be responsible for each task; when it is expected to be done; what the anticipated outcome of the effort will be; and what the effort will cost. Some suggestions for the types of things to include in the marketing plan can be found in Section 9.

The business plan will include similar action plans for all other key areas of the company's operations including organization and staffing, operating policies, internal controls, and information systems, etc.

There is no definitive table of contents for a business plan but some suggestions are provided in Exhibit III-1. Knowledgeable operators all agree that these plans are essential for strategizing the direction that you wish to take and detailing the step-by-step actions you have considered to reach your goals. In general terms, the more you put into the plan and the more you refer to it, the more likely you are to reach the targets and objectives you have set yourself. Furthermore, the business plan should always be considered as an evolving document, being changed as external conditions dictate and your own decisions require. Other aspects of your business plan will be considered further in Section 8, Operations.

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## **SECTION 6**

*Legal, Regulatory and  
Tax Matters*

# **Legal and Regulatory Issues**

## **Addendum: Food Safety Regulations**

### **November 2005**

Readers of this manual should take note of the following addendum with respect to regulations governing food safety in Nova Scotia. These regulations apply to almost all businesses that serve food to the public and impact the type of business for which this development guide is written. These new regulations may change the information in this section of the report regarding Food Establishment Permits. You should review the appropriate regulations (obtained through the following website [www.gov.ns.ca/nsaf/foodsafety/](http://www.gov.ns.ca/nsaf/foodsafety/) ) and talk to a representative of the Food Safety Section, Department of Agriculture and Fisheries to obtain detailed and up-to-date information on the requirements for food safety as they affect your business.

The Health Protection Act, effective November 1, 2005, provides for new food safety regulations in Nova Scotia and establishes provincial standards for restaurants, grocery stores and other places where food is served or sold. The Nova Scotia Food Retail and Services Code is an interpretative guideline that explains how to meet the objectives identified in the Nova Scotia Food Safety Regulations contained within this act. Eating Establishment (Provincial) Regulations will also be available. Both can be obtained from [www.gov.ns.ca/nsaf/foodsafety/regulations.shtml](http://www.gov.ns.ca/nsaf/foodsafety/regulations.shtml)

There are a wide range of regulations and guidelines contained within this material that may affect your business and it is beyond the scope of this manual to describe them. However, one that should be noted is the requirement for food hygiene training for the managers/supervisors of food establishments or a designated person in their absence. This includes the owners or managers of a bed and breakfast. As well, operators of food establishments must ensure that food handlers have the necessary knowledge and skills to enable them to handle food hygienically. To assist in meeting this requirement, the Nova Scotia Tourism Human Resource Council has introduced BASICS.fst ONLINE, an on-line food safety training course for food handlers. Information on this course can be obtained through the website, [www.tourismhrc.com](http://www.tourismhrc.com).

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# SECTION 6

## LEGAL, REGULATORY, AND TAX MATTERS

*This section addresses legal, regulatory and tax matters concerned with the establishment of your campground business. There are a multitude of laws and regulations that affect business and readers should note that the information contained herein is a guide only.*

*It is strongly suggested that the reader undertake efforts to verify any information on which their business plan is based and not rely solely on the information in this manual. There are areas where you may want to consider retaining the appropriate professional expertise to assist you.*

*While the information contained in this manual is believed to be accurate, as of the winter of 2005, it is not so warranted. The reader should note that federal, provincial and municipal laws and regulations change frequently and it is recommended that you check with the appropriate authorities, listed in the Appendix, including representatives of the Tourism Division, Department of Tourism, Culture and Heritage and your local Business Service Centre (on-line at [www.gov.ns.ca/snmr](http://www.gov.ns.ca/snmr) or at Access Nova Scotia centres around the province), to obtain up-to-date information on laws that may affect your business.*

### 6.1 Regulations and Licensing

#### Department of Tourism, Culture and Heritage - Campground Regulations and Licensing

All campground properties must be inspected and licensed by the Department of Tourism, Culture and Heritage. It is necessary to consult with the Tourism Division of this department early on in the planning process for your campground.

Campground licensing falls under the requirements of the Tourist Accommodations Act and Regulations. As a campground operator, you must make yourself familiar with these requirements.

Contact the Tourism Division ([www.gov.ns.ca/dtc/tourism](http://www.gov.ns.ca/dtc/tourism)) and follow the links to Inspection and Licensing for a Licensing kit which will include the Tourist Accommodations Act & Regulations (including the regulations for campgrounds). The kit also contains a license application and other pertinent information you will need in planning your campground. An application must be submitted to the Quality Assurance Section of the Tourism Division along with a license fee in order to start the approval process. You will also find a summary of various

regulations that you will need to be aware under the Inspection and Licensing section of the department's website.

Once you have completed a preliminary design for your campground, you must submit it to the Quality Assurance Section of the Tourism Division for review and comment. They will indicate whether it meets the licensing requirements and if not, what changes must be made in the plans.

Final plans for your campground must be submitted to the Tourism Division for approval. If you are planning to have camping cabins, you will also need to submit your plans to the Office of the Fire Marshal. Approval is required from both the Office of the Fire Marshal and the Department of Tourism, Culture and Heritage (and potentially other regulatory bodies, as per the discussion below) before beginning construction.

Once construction has been completed, you must contact the Quality Assurance Section of the Tourism Division to arrange for a licensing inspection. Following a satisfactory inspection, a Campground License will be issued. A campground license is required for your campground to be listed in the Nova Scotia Doers and Dreamers Travel Guide, and on the provincial tourism website. If you are opening a new campground business, the Quality Assurance Section **must be contacted by July 31st in order for your business to be listed in the following year's Travel Guide, subject to completion of the campground.**

Your campground will be inspected annually by the Department of Tourism, Culture and Heritage.

## **Camping Select**

Camping Select is the campground version of the Canada Select Accommodations Rating Program. Participation in Camping Select is voluntary for campgrounds in Nova Scotia. Camping Select inspects and rates participating campgrounds in two categories - Facility and Recreation, and provides a star rating for each category. The star for Facility reflects the excellence of the overall facility; the star for Recreation reflects the standard of recreational activities available at the campground.

For more information on participating in Camping Select, and detailed criteria, contact the Canada Select Nova Scotia office at (902) 424-8929 or log onto [www.canadaselect.com](http://www.canadaselect.com) for contact information.

## **Municipal Regulations and Bylaws**

One of the first steps in developing a campground should be to contact your local municipal office and talk to the building inspector. There may be zoning and municipal bylaws which limit or restrict the type of business which can be developed in a given area. The land to be developed must be zoned for uses that include a campground. If not, you will have to apply to the municipality for rezoning.

A building permit from the municipality is necessary before any construction can begin. There is a fee for the building permit, levied according to the dollar value of the project.



Most municipalities in Nova Scotia have some or all of the following regulations that can impact on the development and/or operation of your campground. You should check with your municipal government office to see which ones you need to be concerned about:

- C Land use bylaws, e.g. zoning, parking and open-space requirements;
- C Subdivision regulations and bylaws;
- C Building bylaws, including plumbing and electrical codes;
- C Building permits
- C Occupancy permits;
- C Engineering standards for storm and sanitary sewers, water services, and roads;
- C Municipal property taxes and any applicable charges for pollution control, water supply, and sewage disposal;
- C Fire inspections;
- C Garbage collection;
- C Environmental restrictions.

The building inspector ensures that new or renovated buildings meet several standards, the most significant of which is the Nova Scotia Building Code Regulations, part of the Building Code Act and the Fire Prevention Act. Even though you are developing a campground, you are sure to have a number of structures (e.g. washrooms/shower building, office building) so these regulations will apply in your situation as well. A permit is always required for new construction and for major repairs and renovations, and for any structural additions or changes. The building inspector will require that plans be submitted for commercial or public buildings, and these plans must be stamped by an architect or professional engineer licensed in Nova Scotia. The applicant is responsible for submitting copies of the plans to the Fire Marshal's office (see discussion below), although this can sometimes be done through the building inspector's office or your architect may deal directly with the Fire Marshal's office on your behalf.

In addition, the building inspector may require approval from the Department of Transportation and Public Works for the location of any driveways (often a rural issue), and approval from the Department of the Environment and Labour if your campground requires an on-site well or sewage disposal system (see discussion below).

Municipalities now require professionals (e.g. architects, engineers and appropriate other professionals such as a structural or mechanical engineer) to not only stamp the construction drawings, but also to inspect the construction and to certify compliance with the drawings on completion of the construction. This will need to be done before an occupancy permit will be issued. In fact, the municipality will require the owner of the building to provide a letter of undertaking that they will retain professionals to do these inspections and provide the certification, when they (the owner) applies for the building permit. The municipality will also determine from which professionals (e.g. structural, mechanical or electrical engineer, architect, etc.) inspection and certification is needed. These requirements apply to renovations/additions and new facilities for most buildings, and for all public buildings.

Nova Scotia Power issues permits and conducts inspections under the authority of the Department of Environment and Labour for new or renovated electrical systems in all facilities. An electrical permit is required before any electrical work can be carried out. It is the responsibility of the contracted electrician to obtain the necessary permits and arrange the inspection.

Once final inspections are completed, an occupancy permit is issued and the facility is ready to open.

## **Architects Act and Engineers Act of Nova Scotia**

Plans and specifications for most buildings and developments will require professional services, as legislated in the Architects Act and the Engineers Act of Nova Scotia. This means that your design and construction drawings will need to be stamped, i.e. approved, by professionals, as designated in these acts.

## **Fire Prevention and Fire Safety**

Under the Fire and Prevention Act, no one can alter, construct, renovate, or reconstruct buildings intended for public occupancy until approval has been obtained from the Office of the Fire Marshal. An application must be submitted to the Office of the Fire Marshal for approval, accompanied by building plans and specifications.

It is best to contact the Office of the Fire Marshal (Plans Examiner) during the design process rather than wait until you have completed the design work; in this way, you can make any necessary changes before your plans are finalized.

The Fire Marshal's office will review plans for any buildings you have at the campground and, where necessary, give fire safety advice. Once the plans are approved, they may not be altered without consent from the Fire Marshal's Office. (It should be mentioned here that the Fire Marshal will not conduct a pre-sale inspection of an existing property.) For renovations/alterations to existing buildings, approval takes approximately one month; for new facilities and larger projects, the building plans must be submitted to the Fire Marshal at least two months in advance of the planned start of construction.

Once construction or renovations are completed, the property must be inspected and final approval given by the Fire Marshal's Office before the property is inspected and licensed by the Department of Tourism, Culture and Heritage. The Office of the Fire Marshal will conduct this inspection after the local municipality has issued the occupancy permit.

There are some specific fire safety requirements that pertain to campgrounds, particularly involving the electrical system and various regulations must be complied with, depending upon whether the electrical system is above or below ground. The electrical contractor is required to meet the appropriate electrical standards, obtain the necessary electrical permits and arrange for the inspection by Nova Scotia Power.

The Office of the Fire Marshal will also be concerned with any cooking systems proposed for the campground (e.g., in a canteen or restaurant). Standards will be enforced regarding such things as the range hood and any fire protection equipment over the cooking surfaces. If propane (LP) gas is being used for cooking, a Propane Gas permit is required. Generally propane gas permits are obtained by the contractor installing the propane equipment. The contractor must be a licensed propane installer in order to install your propane equipment.

As well, campground operators are required to ensure that there is no debris on the grounds of the campground including refuse, dead forest material such as limbs or fallen trees, or other

flammable materials, in order to prevent fire hazards. If you have camping cabins in your campground, there will be fire safety requirements for these as well.

## **Department of Environment and Labour**

As of October 2000, the Departments of Environment, Labour and a number of other regulatory agencies were combined to become the Nova Scotia Department of Environment and Labour with a mandate that encompasses a wide range of issues around the safety of people and property, a healthy environment, employment rights and consumer interests. The Department has a number of divisions dealing with different areas of interest. Check out their website ([www.gov.ns.ca/enla](http://www.gov.ns.ca/enla)) for an up-to-date list of these divisions and the regulations they handle. Key ones of relevance to a campground operation are discussed below.

### Water and Sewage Systems

The design of water and sewage systems must be approved by the Department of Environment and Labour (Environmental and Natural Areas Management Division) and the Department must be consulted during the planning stages of any campground. Inspections and approvals may also be required as these systems are installed.

#### *Water*

All water provided to guests from taps, faucets, fountains, or other sources is required to be potable and suitable for human consumption. Approval will be required from the Department of Environment and Labour to construct and operate a water system supplying water to the public.

If the campground is located in an area where there is a central municipal water system, only the appropriate municipal regulations apply and the operator does not need to contact the Department of Environment and Labour for approval.

Note that there are also regulations in place governing the testing and monitoring of public drinking water on a regular basis. Check with the Department of Environment and Labour for regulations that apply to your campground.

#### *Sewage System*

For campgrounds, the water and sewage system is particularly important due to the facility requirements for dump stations, shower and washroom facilities, and general water usage.

For properties that are not connected to a municipal sewage system, it will be necessary to obtain an approval to install an on-site sewage disposal system from the Department of Environment and Labour before constructing the campground.

In areas where central municipal sewage disposal systems exist, only the appropriate municipal regulations apply and the operator does not need to contact the Department of Environment and Labour for approval.

## Swimming Pool

If a swimming pool is to be constructed, there are a range of regulations that apply, both for construction and operation. It is strongly recommended that you hire a professional with expertise in swimming pools to address all these requirements. Contact the Department of Environment and Labour for regulatory information.

## Other Water-Related Activities

An operator wishing to modify existing water bodies (e.g. redirect a stream), or construct a new water body (e.g. construct a pond), should contact the Department of Environment and Labour, as approval for such activity may be needed.

## Other Regulations under the Department of Environment and Labour

The Department of Environment and Labour is also responsible for occupational health and safety, public safety, labour standards, as well as the Office of the Fire Marshal. The Department also administers acts and regulations pertaining to elevators and amusement devices. Specific regulations that would pertain to a campground business include:

- C Occupational Health and Safety Act that requires employers to adhere to operational and employee safety standards. A brief overview of this Act and the implications for business operations is provided below.
- C Labour standards with respect to minimum wage, employee/employer rights, etc. A Fact Sheet providing general information on the Labour Standards Code is published on the Internet at [www.gov.ns.ca/enla/labstand/lstcode/](http://www.gov.ns.ca/enla/labstand/lstcode/) or you can contact the Labour Standards Division of the Department for more information.
- C The Pay Equity Act is administered through the Labour Services Division of the Department of Environment and Labour. Pay equity means *equal pay for work of equal value* and is a concept that bases wages on the value of work performed, regardless of whether a man or woman is doing the job.
- C Indoor Air Quality Regulations;
- C First Aid Regulations. There is a Guide to First Aid Regulations available at [www.gov.ns.ca/enla/ohs/FirstAidGuide.pdf](http://www.gov.ns.ca/enla/ohs/FirstAidGuide.pdf)
- C Workplace Hazardous Materials Information [WHMIS] Regulations. A guide to these regulations is available through the Environment and Labour website, Publications section, under Public Safety and Occupational Health and Safety. Note that the Nova Scotia Tourism Human Resource Council offers customized WHMIS training programs for the tourism sector. Check their website at [www.tourismhrc.com](http://www.tourismhrc.com) for details.
- The Steam Boiler and Pressure Vessels Act may apply to the facility depending upon the type and size of any steam boilers or pressure vessels utilized.

*The Nova Scotia Occupational Health and Safety Act*

The current Occupational Health and Safety Act became law in 1997, with some significant implications for businesses in Nova Scotia. The Act is comprised of some key elements as described below. It is administered by the Occupational Health and Safety Division, Department of Environment and Labour - information, including a "How to Guide" can be found at [www.gov.ns.ca/enla/ohs/](http://www.gov.ns.ca/enla/ohs/)

The ***Internal Responsibility System*** concept is the foundation of the Act and, simply stated, places the responsibility of workplace safety on all workplace parties. Workplace parties are defined as anyone connected with a particular workplace, including Employers, Contractors, Constructors, Employees, the Self-Employed, as well as Owners, Suppliers, Architects, Engineers, and Occupational Health and Safety Consultants. The Act states in some detail what the responsibilities (i.e. duties and precautions) of all workplace parties are.

The Act also provides employees with three basic rights. These are:

- C **The Right to Know** - each employee is entitled to information on issues that affect the health and safety of the employee or that of another person in the workplace;
- C **The Right to Refuse** - employees have the right to refuse unsafe or unhealthy work;
- C **The Right to Participate** - employees can participate on health and safety committees or be an Occupational Health and Safety Representative, report unsafe conditions, and voice their concerns or opinions on any issue that affects their health and safety, or that of the workplace.

The Act states that a business employing five or more people on a regular basis is required to prepare a written ***Occupational Health and Safety Policy*** indicating that the employer is committed to occupational health and safety, and that the employer will co-operate with employees in striving to meet the goal of a safer and healthier workplace.

A business employing twenty or more people on a regular basis is required to establish and maintain a written ***Occupational Health and Safety Program*** including provisions for:

- The training and supervision of employees;
- The preparation of written work procedures relative to health and safety;
- The establishment of a Joint Occupational Health and Safety Committee or selection of a Health and Safety Representative, where one is required;
- The establishment of a hazard identification program and an accident/incident investigation system;
- The maintenance of records and statistics;
- The monitoring of the implementation and effectiveness of the program.

**It is recommended that you obtain a copy of the Occupational Health and Safety Act and any other regulations that may pertain to you.**

## **Department of Agriculture and Fisheries**

### Eating Establishments

The Department of Agriculture and Fisheries (NSAF) manages the regulations pertaining to all eating establishments, including canteens and eating facilities. If the campground includes an eating establishment, the *Regulations Respecting Eating Establishments* must be followed. These regulations detail requirements for eating establishment design and layout, equipment, food preparation, maintenance, and sanitary facilities. No person can operate an eating establishment without a Food Establishment Permit.

Before commencing construction of a new eating establishment, or before major renovations are made to an existing eating establishment, an application and plans must be submitted to the Department of Agriculture and Fisheries. Once the application has been received, an inspector from the Food Safety Section will carry out an on-site inspection - this must be done before the permit can be issued. Contact the Department ([www.gov.ns.ca/nsaf/](http://www.gov.ns.ca/nsaf/)) to apply for a Food Establishment Permit. After approval is granted, an operating permit will be issued. This permit must be renewed annually - the Department will send out a renewal notice.

Note that you may also require a Municipal Vendors license; as well some municipalities require that food handlers take Food Handler Certification, also available through the Department of Agriculture and Fisheries. Check with your municipality re local requirements.

## **Department of Transportation and Public Works**

The Department of Transportation and Public Works has a number of regulations that relate to signage for tourism-related businesses, including both off-premise signage and on-premise signage.

### Off-Premise Signage

#### *Business Logo Program*

The Business Logo Program is in effect for controlled access highways only. This program is designed specifically for those businesses offering food, accommodation (which is defined to include campgrounds), fuel and farmer's market services, and allows for the placement of the businesses' logo on a panel, which is shared by up to 6 businesses. The sign panels displaying the logos are placed before exits and at exits along the 100 series highways. Each eligible business is permitted one logo per approach, and must pay an annual fee, plus additional costs for fabrication and installation of the signs.

Under the Business Logo Program, once the approved logo signs are in place for a business, operators will be prohibited from installing any additional signs advertising their product on or near controlled access highways. Regulations under the provincial Public Highways Act prohibit the placement of any unauthorized advertising signage within 1000 metres of centre-line of the public highway. Under these current regulations, all existing advertising signage that does not conform to these regulations will have to be removed by mid-2006.

For further information on this program, or to apply, contact the Department of Transportation & Public Works or visit their website: <http://www.gov.ns.ca/tran/highwayops/logosign.asp>.

### *Service Symbol Signage*

This program includes motorist service symbols (brown and white or green and white) for services that are essential to motorists such as gas stations, accommodations (including campgrounds), and restaurants. Service Symbol Signs are for 100 series highways only and businesses must be located near a 100 series highway to be eligible. These Service Symbols are placed at the bottom of the green Exit signs, and again at the end of the ramp off the highway, and there is no charge to operators. Businesses are responsible for signage after the end of the ramp.

### *Other Policies for Off-Premise Business Signage on Provincial Roads*

There are no provincial policies in place as of winter 2005 regarding the placement of advertising signage within the right-of-ways of secondary roads. Business operators are advised to contact their local municipality regarding policies for advertising signage along public roadways. Business operators should adopt a neighbour-friendly approach and seek permission of abutting landowners before placing any signs, as well as taking measures to avoid blocking existing traffic signage or impede sight-distances. Business operators are also discouraged from placing any advertising signage on utility poles as it presents safety issues for service and maintenance personnel.

### On-Premise Signage

Tourism operators wishing to place signs on their own premises should contact their local municipality for guidelines and regulations. As with other types of signs, operators should adopt a neighbour-friendly approach and consult with abutting landowners before placing of any signs.

For businesses located adjacent to provincial roads, there are regulations that apply to on-premise signage. Signs can only advertise business that is conducted on the premises; any new signs have to go either within 10 m of the main entrance point to the property (e.g. parking lot) or not further than 100 m from the main entrance to the building. Signs must be set back a minimum of 10 metres from the right of way for controlled access highways. Signs can be no larger than 28 square metres in area if there is only one business; if there is more than one business operating in the premises, the signs can be up to 51 square metres in size.

As with all regulations, those respecting on and off premise signage may change from time to time. You should check with the Department of Transportation and Public Works for up-to-date regulations affecting your business and the type of highway on which you are located.

### Driveways and Entrances

The Department of Transportation and Public Works also has to approve the driveway/entrance to your accommodation property if you are on a provincial highway. This involves consideration

of sight lines and speed limits. Contact your regional office of Transportation and Public Works for information.

## **Accessibility**

Design and construction requirements to make campgrounds accessible and usable by people who are disabled are included within the Nova Scotia Building Code Regulations.

The regulations stipulate that buildings constructed for public use on campgrounds (as well as existing buildings that are being renovated or modified for public use) must comply with barrier-free requirements. The regulations set out specific, barrier-free design criteria for areas such as washrooms, entrances and parking. Contact your municipal building inspector for the specific requirements.

## **Navigable Waters Protection Act**

If you plan to construct anything in navigable water (e.g. a wharf, boat ramp), you must obtain approval from Transport Canada's Navigable Waters Protection Division. The Navigable Waters Protection Act is a federal statute designed to protect the public right of navigation in navigable waters. For further information contact the Regional Superintendent of Navigable Waters Protection, Canadian Coast Guard.

Note that approvals for wharves and ramps may also be required from the Nova Scotia Department of Natural Resources and, in freshwater, the Department of Environment and Labour.

## **Competition Act**

Under the Competition Act, it is a criminal offence to engage in certain kinds of deceptive marketing practices, including inflating regular price, and conducting misleading or false advertising. The act applies to all businesses in Canada and is enforced by the Competition Bureau of Industry Canada.

## **Other Regulations that You Should Be Aware Of**

If you plan to rent pleasure boats to visitors to your campground, there are regulations under Transport Canada that you need to be aware of. These regulations govern the provision of proof of competency by pleasure boat operators. As a rental operator, you have responsibility for ensuring that individuals renting any type of powered pleasure craft are competent to do so. Details on these regulations can be found in the Guide to Establishing an Adventure Tourism Business manual in this series, or through Transport Canada ( [www.tc.gc.ca](http://www.tc.gc.ca) )

### **6.2 Personal Information Protection and Electronic Documents Act**

In January 2004, the federal government implemented the Personal Information Protection and Electronic Documents Act (PIPED). This piece of legislation is applicable to all organizations, including all private sector businesses and outlines the responsibilities of an organization relating to personal information collected and stored through the course of normal business activities.



The primary purpose of the Act is to ensure that the privacy of individual consumers is respected in that any personal information, including that relating to age, name, income, social status and credit records; is used for legitimate commercial purposes only and is stored or maintained in a secure fashion.

Following is a basic overview of PIPED

- If your business wants to collect, use or disclose personal information about people, you need their consent, except in a few specific and limited circumstances.
- You can use or disclose people's personal information only for the purpose for which they gave consent.
- Even with consent, you have to limit collection, use and disclosure to purposes that a reasonable person would consider appropriate under the circumstances.
- Individuals have the right to see the personal information that your business holds about them, and to correct any inaccuracies.
- There's oversight, through the Privacy Commissioner of Canada, to ensure that the law is respected, and redress if people's rights are violated.

It is recommended that organizations develop in-house policies and procedures relating to the retention of personal information. Many businesses have now taken steps to include their privacy policy in their company literature and have it prominently displayed on company brochures, websites, etc.

The Office of the Privacy Commissioner has an online guide to PIPED and a number of fact sheets for businesses available through their website, which can be viewed at [www.privcom.gc.ca](http://www.privcom.gc.ca); or by contacting the Office of the Privacy Commissioner of Canada at 1-800-282-1376.

### **6.3 Insurance**

All campground operators should carry insurance, regardless of the size of their operation.

In general, the main types of insurance you should be aware of are:

- C **Property or Fire Protection Insurance** is the most basic form of insurance and protects your property and buildings in case of fire. This type of insurance is usually required by your lender in order to secure a mortgage for your property.
- C **General Liability Insurance** is insurance to cover claims made against your business for bodily injury or property damage arising from your operations. This insurance is commonly known as third-person liability insurance, and is usually the main type of insurance carried by campground operators. Liability insurance will protect you from any accidents which may occur on your property including an accident in a swimming pool or playground.
- C **Equipment Coverage** is insurance to protect the equipment of your business, including maintenance equipment, restaurant equipment if you operate a restaurant or canteen, etc.

- C **Stock Coverage** is protection for goods for resale (i.e. food) you hold in inventory in your business. This may be important if you intend to operate a convenience store as part of your campground.
- C **Business Protection Insurance** is loss-of-income protection. Such insurance protects your business from a loss of business revenue if, for example, your property had to close for a few months as a result of a fire.
- C **Crime Coverage** is a type of insurance which protects your business from losses resulting from employee infidelity or theft.
- C **Robbery and Holdup Protection** will cover you in the event of a robbery. This type of insurance can be particularly important if your business has a significant amount of cash on hand at any time.

As a campground operator, the specific types of insurance you should hold will vary according to a variety of factors, including the size of your business. Similarly, the insurance premiums you pay each year will depend upon the level of coverage you need.

In most cases, you should purchase broad-form or all-risk insurance which will provide you and your business with a number of different coverages, rather than purchase standard or basic insurance, which will only provide you with fire protection insurance and, in some cases, some limited liability insurance.

Talk to an insurance agent who has experience in providing insurance for the campground sector about the types of insurance you should carry. In addition, membership organizations such as the Campground Association of Nova Scotia (COANS) or the Tourism Industry Association of Nova Scotia (TIANS) may be able to provide access to more economical insurance rates than those which you could obtain on your own.

## **6.4 Taxes**

### **Harmonized Sales Tax**

The harmonized sales tax (HST) is a 15% value-added tax which replaced the former retail sales tax and GST in Nova Scotia. All campground operators are required to register for and collect the HST on campground fees if their total revenues are in excess of \$30,000 in a 12 month period. If you operate a small campground which earns annual sales revenues less than \$30,000, you are not required to charge HST. However, you may wish to voluntarily register for and collect the HST. The advantage of doing this is that you can claim a credit (called an input tax credit) to recover the HST you paid for expenses and purchases used for the business.

If you register for the HST, you must charge HST on all campground fees and submit your HST remittance to the Canada Revenue Agency. The HST is applied to the total bill. If your campground has a bar, canteen or other eating establishment, HST is also charged on meals and beverages if you are registered to collect the HST.

When you register for the HST, you are given a reporting schedule to follow for your HST returns, depending on the volume of your business. When you complete your return, you deduct

all your input tax credits from the HST you charged on your room sales. You are required to remit the difference if the HST you collect is more than your credits; if your credits exceed your payables, you claim an HST refund.

Contact the Canada Revenue Agency either in person, via phone (1-800-959-5525), by mail or through the on-line business registry at <http://bsa.cbasc.org/gol/bsa/site.nsf/en/index.html> and follow the appropriate links for an HST Registration Form and a copy of the Guide for Providers of Accommodation and Meeting Facilities.

### HST Rebates for Non-resident Visitors

The HST may be rebated to non-resident (i.e., non-Canadian) visitors who stay overnight (on a short-term basis or less than one month) at your campground. Rebates are only permitted for the camping fee portion of the bill (including hookup fees) - the HST on other services such as canteen items, firewood, etc. is not rebated. As well, the HST is not rebated for non-resident visitors who stay at your establishment on a seasonal basis.

Campground operators are encouraged to have the necessary rebate forms for customers available. Operators should also be aware that nonresident visitors may obtain an HST rebate for any goods, including souvenirs, that they purchase and remove from the country. This may apply to you if you operate a gift or souvenir shop in your facility.

## **Employment Taxes**

As an employer, you are responsible for deducting income tax, Canada Pension Plan (CPP) contributions, and Employment Insurance (EI) premiums from the wages and salaries you pay your employees. You are also responsible for remitting these amounts on a monthly basis to the Receiver General for Canada, along with your share of CPP contributions and EI premiums that you pay throughout the year on your employees' behalf. You are also required to report these amounts on an annual information return and prepare annual T4 information slips for your employees.

The Canada Revenue Agency is responsible for ensuring these requirements are met. The department handles enforcement and some collection activities related to payroll deductions, prepares the Payroll Deduction Tables used by employers for calculating deductions, and determines employee insurable earnings for Employment Insurance and pensionable employment for the Canada Pension Plan.

**Contact your local Canada Revenue Agency office for more information and a New Employer kit.**

## **Nova Scotia Workers' Compensation**

Under the Nova Scotia Workers' Compensation Act, various industries are mandated to pay for compensation coverage to protect employees from income loss and medical expenses resulting from job-related injuries. Under the Act, you are required to pay a premium based on the dollar value of wages you pay your employees, unless you employ less than three employees. (If you employ three employees or less, you are exempt from this regulation.)

**Contact the Nova Scotia Workers' Compensation Board ([www.wcb.ns.ca](http://www.wcb.ns.ca)) for additional information regarding the specific premiums applicable to you and a copy of the registration form.**

## **Corporate Income Tax**

### Corporations

If your business is federally or provincially incorporated, you must file a corporate income tax return. This requirement also applies to incorporated not-for-profit organizations.

Be sure to file your corporate income tax return within six months of the end of the taxation year. The taxation year of a corporation coincides with its fiscal year. The services of an accountant are recommended in completing your income tax return as financial statements are required to be attached to the T-2 Corporate Return. You can obtain a copy of the T2 Corporation Income Tax Guide and schedules from the Canada Revenue Agency (CRA).

Corporations are required to pay monthly installments to cover Corporation Income Tax in the 2<sup>nd</sup> year of operation and all following years if their federal taxes exceed \$1,000.

### Sole Proprietorships and Partnerships

The income from a sole proprietorship or partnership is accounted for on the personal income tax of the individual proprietor or partner. Your taxable income is essentially your business income minus any eligible business deductions. A separate Partnership return is required if there are more than five partners in the partnership.

**For additional information or Income Tax forms, check the Business Section of CRA's website ([www.cra-arc.gc.ca](http://www.cra-arc.gc.ca)) or contact them by phone at 1-800-595-5525.**

## **Business Occupancy Tax**

Occupancy tax is an annual municipal tax that is administered and collected your local municipality. The tax is charged on nearly all commercial buildings in Nova Scotia, and is applied at a fixed percentage based on the *assessed value* of a building, taking into consideration the commercial value of the building and the assessment rate which applies to a particular type of business. The provincial Assessment Division (Service Nova Scotia and Municipal Relations) is responsible for determining the assessment value of your property for occupancy tax purposes.

There are plans to introduce legislation in the Spring of 2005 to eliminate the Business Occupancy Tax in Nova Scotia.

**Contact your local municipal tax office or the Assessment Division of Service Nova Scotia and Municipal Relations with enquiries regarding occupancy tax.**

## **6.5 Registration of Companies**

### **Provincial Business Registration**

All business owners are required to register the name of their business, although the manner of doing this varies depending on the type of business structure established. Appendix II provides comments on different types of business structures and the advantages and disadvantages of each. The Nova Scotia Business Registry is now available on-line at [www.gov.ns.ca/snmnr/nsbr/](http://www.gov.ns.ca/snmnr/nsbr/)

#### Partnerships and Sole Proprietorships

The Partnership and Business Names Registration Act, administered by the Nova Scotia Registry of Joint Stock Companies, requires the registration of sole proprietorships and partnerships in the province.

If a partnership has two or more partners, the partnership must appoint a recognized agent who is a resident of Nova Scotia. One of the partners may be the agent.

An annual registration fee is charged. The registration year runs from April 1 to the following March 31. In addition, there is a charge for conducting a NUANS (Newly Updated Automated Name Search) to verify that your business name is not already being used by another business in Atlantic Canada. A NUANS search may be ordered through the Registry of Joint Stock Companies, Access Nova Scotia, or a private research house.

The registered name of the partnership or sole proprietorship will be protected and no identical or similar name will be permitted in Nova Scotia.

**For further information, contact the Registry of Joint Stock Companies at [www.gov.ns.ca/snsmr/rjsc/](http://www.gov.ns.ca/snsmr/rjsc/)**

#### Corporations

Corporations are required to be registered in Nova Scotia under the Corporations Registration Act. If you wish to establish a Nova Scotia corporation, the first step is to request a NUANS of your corporate name to verify that it is not already being used in Atlantic Canada. A fee is required for each NUANS request. Incorporated companies are required to include the corporate designation Limited or Incorporated as the last word in the business name.

Once your business name and incorporation has been approved, you are required to pay an annual fee to register the business in Nova Scotia. The registered name of your corporation will be protected and no identical or similar name will be permitted in Nova Scotia. Every incorporated business must appoint a recognized agent who is the person that receives official correspondence. This Agent does not have to be a lawyer but he/she must reside in Nova Scotia.

All business registrations can be completed on-line through the Nova Scotia Business Registry ([www.gov.ns.ca/snsmr/nsbr/](http://www.gov.ns.ca/snsmr/nsbr/)), via phone (1-800-225-8227) or in person at any Access Nova Scotia location.

## **Federal Business Registration**

### Partnerships and Sole Proprietorships

There is no registration for partnerships or sole proprietorships at the federal level. Businesses wishing to operate in more than one province must be provincially registered in each province in which they wish to conduct business.

### Corporations

If you are considering incorporation, you have the option of being incorporated at the Federal level under the Canada Business Corporations Act (CBCA). This replaces the need for provincial incorporation.

Federal incorporation is often chosen for the heightened name protection it provides and may be particularly useful to you if you plan to carry on business in more than one province. Location flexibility is another advantage of federal incorporation. For example, the CBCA does not set restrictions regarding the province where your head office is located. However, you may still be required to register with provinces where extra-provincial operations will be carried out.

As with provincial corporate registration, you are required to have a name search conducted (NUANS) and pay an annual corporate registration fee. Your business must be registered to do business in Nova Scotia, even if it is a federal corporation.

**Contact the Corporations Canada ([www.corporationscanada.ic.gc.ca](http://www.corporationscanada.ic.gc.ca)), or the Canada/Nova Scotia Business Service Centre for incorporation and registration information.**

## **Business Number Registration**

The federal government business numbering system, or BN, is a numbering system designed to simplify the way businesses deal with government. When you start a business and open one or more Canada Revenue Agency (CRA) business accounts (e.g. corporate income tax account, payroll deductions account, or harmonized sales tax /goods and services tax (HST/GST) account), you will automatically be assigned a unique Business Number which identifies you and the various accounts you have. This streamlined system allots you one number only with which to deal with the federal government, replacing the multiple numbers that businesses required in the past. You can register on line at [www.cra-rc-gc-ca/business](http://www.cra-rc-gc-ca/business).

Businesses that register for the BN will obtain one-stop business services from the Canada Revenue Agency, including new business registration, adding new accounts, updating account information, and account enquiries.

In most cases, new corporations will automatically receive a BN from CRA within 45 days of incorporating at the federal or provincial level. Contact CRA if you need to have a Business Number issued to you before this time.

**Contact the Canada Revenue Agency for a copy of the registration application form and guide or register on line. You may also register by phone, in person, by mail, or by fax. (If you are a corporation, your company must be registered and you must also provide a copy of your Certificate of Incorporation to be registered for a Business Number.)**

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# **SECTION 7**

*Design*



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# SECTION 7

## ***DESIGN***

Once the target markets have been identified, concept elaborated and its feasibility assessed, you can begin to looking at the overall design of the facility. Don't forget that the Tourism Division, Department of Tourism, Culture and Heritage must approve your project, under the Tourist Accommodations Act and Regulations, before you proceed with construction.

### ***7.1 Hiring Designers***

You should consider hiring some professional design help, particularly if your proposed campground is a large one, catering to several different markets, and particularly if it includes a swimming pool. The small increase in costs will be more than amply repaid with having a more workable and appealing property. Be sure you hire designers with expertise and experience in designing campgrounds (and pools, if appropriate).

*Whom do you hire and how do you hire them?*

You should hire a landscape architect to assess your site and develop a recommended layout which takes advantage of the appeals of your site and considers the best and most economical placement of the facilities and services you want to provide. For the swimming pool, make sure you hire someone with the necessary experience and knowledge since there are a range of regulatory issues to be addressed when putting in swimming pools.

#### **Selection of Designers**

We suggest that you not necessarily hire the first landscape architect to whom you talk. Ask around the campground industry as to who are the credible, experienced landscape architects. If there are none or only one or two available locally, consider others further away who have expertise in designing campgrounds.

Contact several landscape architects and ask them for information on their company and their experience with campground design, with examples of their work. Meet with those you think might qualify; see if the chemistry works for you, and discuss your design program and capital budget. Obtain client references and check them. Ask their clients whether their campgrounds work well and if they were completed on budget. (Beware of designers looking to fulfil their creative aspirations at your expense. You want one who is creative but not at the expense of higher costs.) You should also ask for an estimate of fees.

## 7.2 Design Guidelines and Suggestions<sup>4</sup>

In designing your campground, you should obtain details on the Camping Select rating criteria. These will provide you with some guidelines as to the minimum standards with respect to things like sites, hook ups and amenities, sewage and waste disposal, interior roads, restrooms and laundry facilities and other on-site services such as a store as well as recreational facilities. These guidelines and criteria will help you design your site to reach the Camping Select star grade you are targeting.

### Site Capacity/Sizes

While federal and provincial park planning standards call for a development standard of between four and eight sites per acre (gross), this is often difficult to achieve in a private campground because of the economics of operating a campground. Regulations under the Nova Scotia Tourism Accommodations Act & Regulations require a minimum of 111.5 square metres (1,200 sq. ft.) for tenting sites, and a minimum of 223 square metres (2400 sq. ft.) for sites for other than tenting (e.g. recreational vehicles). These sizes are for the sites alone - when other land requirements are added, such as for roads, buildings, playgrounds and a buffer zone between sites, the total requirement per site will be significantly higher

For example, for tenting sites, when other land requirements have been added, the total could reach some 400 square metres (4,000 sq.ft.). This latter figure could be used for total land estimating purposes.

### Site Layout and Design

Because of differing lifestyles, mixing overnight and seasonal campsites in the same area of your campground should be avoided. Transient campers tend to settle down for the night early as they have travelled to the campground that day or plan to travel the next day. Seasonal campers have no such plans and generally socialize later into the evening. Planning this separation is not difficult, only a matter of placing the "seasonals" in one area and reserving another area for overnight campers.

The seasonal campers should be favoured with larger sites as they spend considerable time on the property and frequently wish to construct decks and storage buildings. Policies regarding use of the site must be clearly stated in any agreement between the owner and camper.

You should also consider separating the recreational vehicle transient campers from the tenting transient campers. RV campers will require services and amenities which will be easier to provide if all of these sites are located in one area. They will be looking for serviced, pull-through, flat sites and wider roads, as well as different services and amenities as described a bit later.

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<sup>4</sup> Material in this section was adapted from *Planning Canadian Campgrounds*, published by the Canadian Government Office of Tourism, 1980

Tenting campers tend to have interests and requirements that are somewhat different from both RV campers and seasonal campers so their sites should form a grouping apart from the others. These sites differ from the others in the following ways:

- No services to the sites;
- Common user water tap within 46 m (150 ft.);
- Minimal clearance of trees from the site as setting up tents under/among vegetation is preferred;
- The set-up location should be raised and well-drained;
- A wooden "pad" is sometimes provided on which to set-up the tent;
- The sites must be within 30 metres (100 ft.) of the washroom building or privy.

A similar distinction should be made between those facilities for day-use visitors and those for overnight campers. This can be accomplished without difficulty by designing a spatial separation of the day-use facilities and the camping area. This requires separate roads to each, with facilities common to both groups in between. The entry gate, or control point, should be located to serve both day-users and campers, should provide overnight accommodation for the owner or manager, and should be an activity centre or revenue generator in order to make maximum use of the personnel located there.

## **Treatment of Vegetation**

The development of a campground should take into account the plants, trees, and other natural materials that constitute the vegetation cover of the property. Practice thinning and cutting policies to clear only the necessary land for the intended purposes. Leave the remainder to provide shade and privacy for visitors. It is important to destroy and remove only the vegetation which is essential. It is needlessly expensive to remove all vegetation to lay services, construct roads and sites, then re-seed the entire area and plant trees and shrubs to provide privacy and improve appearance. An appreciation for the land will result in a property that becomes more attractive with time.

## **Exposure**

Not all sites are suitable for campgrounds. For example, an open field with a north exposure could subject campers to cool north winds and less warmth during the shoulder months of the camping season, i.e. late May and early October. A better solution for this orientation would be to locate the campsites in the shelter of trees with sun traps created by selective thinning and group together buildings to provide shelter for the swimming pool and/or playground.

It must be realized that exposure generates both cooling breezes and uncomfortable winds and denies shade from summer sun. Therefore, if possible, the camper should be able to choose between an exposed or wooded site. To destroy woodland to construct camping sites is environmentally unfriendly and it is a mistake to presume that all campers prefer to camp together in an open field.

## **7.3 Facilities and Services**

### **Campground Services and Amenities**

Many campers today are travelling with recreational vehicles that are equipped for two-way hook-ups (i.e. water and electricity), or three-way hook-ups (i.e. water, electricity, and sewer). These services are very costly to install in a campground but are a vital service for the guest. Their installation will have a significant influence on the layout of the sites. The most efficient (least costly) layout of the services is a straight line but this eliminates the interesting variation in sites achieved if the road follows natural features. This latter approach produces a variety of site sizes, shapes, and views which are more appealing to the camper.

Today's recreational vehicles, of ever increasing size and with more and more accessories, have significant power demands. To service this market today, you should provide 30 amp power service at a minimum and some sites with 50 amp service. You will also want to consider other amenities such as cable and Internet hook-ups for this market segment.

While the principle source of campground revenue is the overnight fee, it is important to recognize additional revenue generators that also fulfill the needs of campers. Amenities such as a grocery store, snack bar, pedal boats, bicycle rentals, and mini-golf can produce significant revenue while providing a convenience or activity for campers.

It should be noted that today's campers are no longer content to set-up their tent or recreational vehicle and sit for the entire vacation period. Because of the increasing emphasis on physical activities, campgrounds must respond to campers' wishes to participate rather than be a spectator. This requires hiking/walking/bicycle trails, fields and equipment for volleyball, basketball, baseball/football/T-ball, or, at the very least, a playground.

Just as the heyday of the tenting tourist has passed, so has the acceptability of the pit toilet or privy. Nowadays, this primitive facility is generally found only in wilderness campgrounds, those with unserviced sites and very limited guest amenities. The privy, like the unserviced site, is no longer appropriate in any other type of campground. The Camping Select criteria provide guidelines on restroom and shower facilities as well. Providing on-site laundry facilities is an important amenity today as well.

Providing an on-site dumping station for recreational vehicles is also considered almost essential today if you are planning on catering to the RV market.

### **Roads and Parking**

Generally speaking, single-width roads (10 ft.) are preferable to double-width (20 ft.) within a campground, because of the orderly traffic flow and residential scale of the development, i.e., slow-paced and safe for pedestrians. Nevertheless, a double-width road (2-way traffic) allows dead-end campsite planning, which has its own merits. Ditches and under-road culverts are essential to control runoff, thereby preserving road surfaces from washouts.

Backing a motor vehicle and/or recreational vehicle into a campsite is most conveniently accomplished when the angle between road and campsite parking area is 45 degrees, especially if

the former is single-width. Pull-through sites However, providing a variety of parking configurations is encouraged to give an individual character to sites.

Surface materials should be granular (for drainage), hard-packed (for soft ride), and dust free. Crowning is desirable, if possible, to aid water runoff.

The set-up area of each site should be slightly raised above its surroundings and have a surface that promotes good drainage. Grass is the most attractive surface material and should be helped to spread everywhere but in the vehicle parking area of each site. However, clearly-defined edges between grass and gravel are more attractive than soft edges of grass and gravel encroaching on each other's space.

## **Other Facilities**

The following facilities should be considered important features for the campers' enjoyment of a campground:

- Cooking shelter;
- Recreation building;
- Roofed shelter for group gatherings;
- Garbage/litter separation receptacles for recycling;
- Babysitting service - on-site, or nearby;
- Recreation director, to organize programs and events.

In deciding which of the above-listed facilities should be included when establishing your campground, or which should be added at the earliest opportunity, the underlying factor should be the recognition that the more on-site facilities and activities that are available to campers, the better are the chances of attracting guests to the campground and keeping them longer, thereby generating more revenue.

## **7.4 Development Planning Process**

Exhibit 10 illustrates a process you should follow in planning the development of your campground. This exhibit references a number of regulations and licensing requirements which were described in detail in Section 6 of this manual.

## EXHIBIT 10

### STEPS TO RENOVATING, ADDING, OR BUILDING A NEW CAMPGROUND

#### **STEP 1**

##### ***Consult with the Department of Tourism, Culture and Heritage***

Discuss your business concept with the Tourism Division and obtain a licensing kit

#### **STEP 2**

##### ***Review Business Concept/Idea with Municipality***

Discuss your business concept/idea with the municipal building inspector. The municipality will have various bylaws regarding:

- & zoning and land use bylaws
- & municipal building requirements e.g. plumbing, electrical codes

#### **STEP 3**

##### ***Prepare preliminary site and building plans and specifications***

Consult with the following government bodies in the planning of your facility:

- & Department of Tourism, Culture and Heritage
- & Dept. of Environment & Labour (for water and septic requirements, eating establishments, swimming pools)
- & Dept. of Transportation and Public Works
- & Municipality
- & Office of the Fire Marshal, Dept of Environment & Labour
- & Nova Scotia Power (electrical permit)

#### **STEP 4**

##### ***Obtain Approval for Construction of Facility***

Copies of your building plans and specifications must be submitted to each of the following:

1. Municipality (to obtain Building Permit)
2. Department of Environment & Labour (to obtain on-site septic system/water permit, swimming pool approvals)
3. Department of Agriculture & Fisheries (to obtain Food Establishment permit)
4. Office of the Fire Marshal, Dept of Environment & Labour
5. Tourism Division, Department of Tourism, Culture & Heritage

**EXHIBIT 10 continued**

**STEPS TO RENOVATING, ADDING, OR BUILDING A NEW  
CAMPGROUND**

***STEP 5***

***Obtain Occupancy Permit***

Once construction is complete, your municipal building inspector will inspect the property, and if approved, grant an Occupancy Permit

***STEP 6***

***Fire Marshal Inspection and Approval***

Once the Occupancy Permit is Issued, the Fire Marshal will inspect your property

***STEP 7***

***Department of Tourism, Culture and Heritage Inspection and Licensing***

Once approval is issued by the Fire Marshal, arrange with the Tourism Division to inspect your property.

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# **SECTION 8**

*Operations*



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# SECTION 8

## **OPERATIONS**

This section presents a variety of suggestions for the planning for operations.

### **8.1 Season of Operation**

The typical season of operation for private campgrounds in Nova Scotia is approximately five months, from mid-May until mid-October. July and August are the peak months.

### **8.2 Staffing and Training**

#### **Selecting Staff**

The staff you place in positions that deal directly with guests need to have the following qualifications:

- An outgoing, friendly personality;
- Good manners and interpersonal skills;
- An enthusiastic attitude;
- A good work ethic, and
- A commitment to guest service.

in addition to the specific skills they require for their positions.

#### **Hiring Tips**

The following is a list of hiring tips which can be applied to staffing during business start-up or to hiring seasonal or replacement staff:

- Develop job descriptions that will meet the needs of your operation. You should base your job descriptions on the occupational standards for the appropriate occupations.
- Advertise for staff in local media; check out the Nova Scotia Tourism Human Resource Council on-line job board ([www.novascotiatourismtalent.com](http://www.novascotiatourismtalent.com)); contact the nearest Human Resources Centre of Canada; contact placement offices of public or private training institutions offering programs in tourism or hospitality; post notices on local community bulletin boards.
- Screen applications and develop a short list of qualified candidates for interviewing.

- Interview applicants; it is recommended that the same list of questions be asked all applicants and that consistent criteria be used in your evaluation. This will help you to make sound hiring decisions.
- Select final candidates for positions required. Ask for and always check references. The middle of the season is no time to discover a staff member's poor performance had been experienced by an earlier employer.
- Make the job offer. At this time, clarify roles and responsibilities, training opportunities for staff, performance expectations, remuneration and benefits, terms of employment for the season, etc.

## **emerit Standards and Certification**

Nova Scotia's Tourism Human Resource Council is a partner with the Canadian Tourism Human Resource Council in the development of National Occupational Standards and manages the process for Nova Scotia. Standards and Certification are being developed for occupations in all sectors of the tourism industry, and standards currently exist for 49 occupations. Certification is available for 25 of these occupations.

Standards are statements outlining the attitude, knowledge and skills required of an individual in order to be considered competent in an occupation. Standards clarify expectations and can be used to design consistent training, education and professional development programs. The Standards development process involves the sharing of expertise from industry professionals who perform the job, as well as their supervisors who are recruited to develop the content of the Standards.

Certification is the recognition of an individual's competency in his or her occupation. National Certification is a three-step process involving a written examination, performance review and industry evaluation. It is voluntary, candidate driven and designed to be completed on the job. Professionals who achieve National Certification will be recognized across the country for meeting industry requirements in their selected occupation. The candidate must be employed in the occupation and must have achieved a minimum number of hours of work experience (the number of hours varies depending on the occupation), prior to completing Certification.

Flexible learning options for the industry now allow new entrants to gain a solid foundation while experienced and knowledgeable candidates can challenge the option that best suits their needs. What each candidate learns is credited towards future learning - creating recognition of prior learning and allowing candidates to move towards the pinnacle - emerit National Certification - at their own pace.

Learners can select the best option for them:

- Standards/Workbook study
- Online Learning
- Study selected modules to enhance performance of specific skills
- Challenge full certification

The development of Standards and the implementation of Certification is having various positive impacts on the tourism industry, as follows:

- Enhancing the image of tourism occupations;
- Enhancing human resource management skills in the tourism industry;
- Providing practical, realistic training programs for tourism occupations;
- Raising the overall level of professionalism in the industry.

More details on Standards and Certification, and a listing of the occupations for which standards have been developed can be found at [www.emerit.ca](http://www.emerit.ca) and in Appendix VI. Additional information on human resource tools and certification can be obtained from the Nova Scotia Tourism Human Resource Council.

Available Standards relevant for a campground business include Campground Operator and Tourism Small Business Operator.

## **Training**

In any guest-oriented operation there are two sides to service: procedural, requiring technical skills and personal, requiring human relations skills. Research on the tourism industry in Nova Scotia has shown that hospitality management and staff place a high value on training in areas related to interpersonal skills, guest service, and communications.

It is important to recognize the benefits of training so that staff will be able to meet your standards of service. The specific benefits of staff training are:

- Increased skills and knowledge;
- Increased success in performing job functions;
- Improved attitude, self esteem, and morale;
- Better service, higher productivity, and lower turnover;
- Increased guest satisfaction.

Staff training can take the form of on-the-job training or job shadowing or formal training on or off-site. Usually training for seasonal operations combines the two. Experienced staff will benefit from spring training, and a good orientation program is a priority for all staff at the beginning of the season.

You, as an owner-operator, and your staff, will need to perform the following functions which are integral to the operation and management of your campground:

- Site Maintenance - keeping the site clean and tidy, cutting grass, etc. as well as start-up and shut-down at the beginning and end of the season;
- Building Maintenance - washrooms, laundry, snack bar, etc.
- Marketing;
- Financial Management including budgeting, payroll, accounts payable and receivable, sales tax remissions, etc.
- Human Resource Management - hiring and training staff, developing staff schedules;
- Office Operations - reservations, guest arrivals and departures, handling payment, etc.

## Guest Service Programs

Guest service involves anticipating guest needs, providing for their needs and/or requests, and dealing with challenging situations. Success in guest relations depends very much on all staff being service oriented.

Guest service programs (one or two day) have been shown to be beneficial to staff; and holding a pre-season seminar on guest service will help motivate staff as they prepare for the busy season. *SuperHost Atlantic - Expect Excellence!* is a frontline program offered throughout the province.

SuperHost Atlantic - Expect Excellence! is an internationally recognized Quality Customer Service Training Program that focuses on communication and customer service. This seven hour interactive workshop examines attitudes to service and interactions with customers. The program is suitable for any business that deals with customers and is an inspiration for commitment to service excellence. Information on SuperHost can be accessed through the Nova Scotia Tourism Human Resource Council ([www.tourismhrc.com](http://www.tourismhrc.com)). The NSTHRC also offers a number of other customer service training programs including Service 1<sup>st</sup> - Making the Connection!, Team Excellence, Stress Management, Workplace Etiquette, Sales Powered by Service and Managing Service Excellence, as well as a host of other programs.

You could develop and deliver your own training sessions or hire an outside consultant or training organization to do it for you. Training resource materials can be found through the Regional Tourism Association or the Nova Scotia Tourism Human Resource Council.

A guest service program for frontline staff should include:

- Human relations/communications skills;
- Guest expectations;
- Tourism awareness;
- Product knowledge;
- Local knowledge;
- Giving directions/map routing;
- Handling difficult situations.

## **8.3 Environmentally Sustainable Operations**

Increasing emphasis is being placed on the operation of tourism businesses in Nova Scotia in an environmentally sustainable manner. The manager and staff of your accommodation business should be aware of the principles of sustainable tourism, and you should operate your business in a manner that is consistent with these principles. The Tourism Industry Association of Nova Scotia has a Self-Audit Workbook for tourism businesses. You may also want to consider courses at the Gros Morne Institute for Sustainable Tourism (GMIST) in Newfoundland and Labrador. GMIST is offering a range of programs for tourism operators addressing different issues around sustainable practices.

## 8.4 Pricing

The pricing of your campground sites should take into consideration the competitive situation but the core of the pricing method should be based on a cost analysis. The objective should be a price schedule which meets all of the following criteria:

- Provides perceived good value to consumers;
- Is competitive;
- Is sufficient to recover all costs and make a contribution to profit;
- Provides for a program of appropriate discounts and commissions.

There are several methods of setting the price for your product, the main ones are:

- **Intuitive:** The "gut" feel approach. This method is often practised by small- and medium-sized businesses but there are no advantages to it. How do you know if you have set your prices too low or too high?
- **Competitive:** Based on what your competitors are charging. This approach gives no consideration to the operating and financial realities of your business. Do you know if your competitors are making money? A hybrid is the follow the leader method, where everyone else in the market sets their prices to compete with the most successful property in the market.
- **Trial and Error:** Prices are intentionally varied over time to see what revenues they generate. The price/volume combination that produces the highest profit is eventually identified. However, there are many factors other than price that affect volume and they will reduce the reliability of this approach.
- **Target Pricing:** This is a cost-based pricing method. Your projections of expenses and demand are used to set a rate that will generate the revenue and return on investment you are targeting.
- **Discount Pricing:** This is a partial pricing method; a process designed to help you make the short-term pricing decisions that may sometimes be necessary to attract business in slower periods.

In the campground business, the most common method of pricing is the competitive approach, i.e. set prices based on what the competition is charging. However, this is not the best way since your cost structure and product could be quite different from those of the competition. In fact, this approach has prevented many campground operators from being profitable.

The best way is to use the target pricing method as your primary method and then use a combination of the competitive method and the discount method to adjust prices for different market segments and different time periods.

Exhibit 11 presents a worksheet to assist you in pricing your campground. It is based on the cost based, target pricing approach, and employs what is known in the industry as the Hubbart Formula.

## **EXHIBIT 11**

### **THE HUBBART FORMULA FOR PRICING**

Desired pre-tax profit (or desired net profit plus projected business income taxes)

#### **PLUS**

Interest per year on all debt

Depreciation (or principal payments on long-term debt)

Overhead expenses for the year (municipal taxes, insurance, administration and general expenses, energy costs, property operation and maintenance, etc.)

Marketing costs

#### **MINUS**

Projected contribution to overhead from other revenue sources (snack bar, store, telephone, etc.)

#### **EQUALS**

Required Revenue from Campsites (contribution to overhead and pre-tax profit)

#### **ALL DIVIDED BY**

Projected number of occupied site nights

#### **EQUALS**

Average required net revenue per occupied site night (\$)  
(Net of discounts for spring/fall business)

Source: Adapted from *Tourism is your Business: Marketing Management*,  
Published by Canadian Hotel & Restaurant, MacLean Hunter Limited in  
cooperation with Tourism Canada and the Canadian Government  
Publishing Centre, Supply and Services Canada, 1986

Whatever pricing method you follow, keep in mind the following rules:

- Make sure you know the costs of supplying each of your products and services;
  - Make sure you know the impact of price and cost changes on your sales and profits;
  - Follow your competitors only if you stand to increase your profits;
  - Never discount your prices below your variable costs
- C Check your pricing decisions against your guest's reactions, not just against your own judgement;
- Never price gouge your guests.

You should review your pricing periodically against the prices charged by your competition as well as your operating results and budget and make decisions about any changes to your prices.

Applying the Hubbart formula gives you the average daily net revenue required from each site. This will be the same as your average daily net site rental rate. If you also have seasonal rentals, you will have to split your target revenues and costs, allocate a portion to transient rentals and a portion to seasonal rentals and repeat the process twice.

This analysis will give you your average daily site rate but does not speak to the rates for different types of sites. You will probably charge more for fully-serviced sites, than you will for tenting sites. You will, therefore, need to convert the net average daily rate into a series of retail rates for each of the foregoing.

## **8.5 Budgeting and Review<sup>5</sup>**

Budgeting your operating and capital expenditures will be an important activity each year. It will permit you to control your business in advance, allowing you to move your business in desired directions rather than being forced into a defensive posture where you can only react to pressures on the business as you go along.

There are a couple of reliable methods you can use, as follows:

### Zero-Based Budgeting

Zero-based budgeting is also known as bottom-up budgeting because one builds the budget from scratch, identifying and justifying each cost item on its merits. Each of the elements of the operation is addressed, reassessed, examined, and justified separately. Funds are then assigned to each activity on the basis of its respective contribution to revenue and profit. In this way, a cost-benefit analysis is built into the budgeting process.

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<sup>5</sup> This material was adapted from the *Nova Scotia HUB and SPOKE Tourism Marketing Seminar Manual*, prepared for the Nova Scotia Tourism RITC by The Economic Planning Group and Hospitality Marketing, 1989/90

### Percentage of Sales Budgeting

A method long used to establish many elements of budgets is the percentage of sales method. Many hospitality firms allocate percentages of gross sales for various items, based on historical data and/or industry norms.

The advantage of this system is obvious. Budgeting, with this method, is a relatively easy undertaking that doesn't require a lot of work. On the down side, however, are more than enough problems to place the percentage concept into some disrepute.

Industry averages can be misleading. Different companies do their accounting in different ways, and all businesses are different to varying degrees. And who is to say whether the average performance of other businesses is a good yardstick to measure your own business?

### Which to Use?

You may end up using a mixture of these approaches. Whatever the case, you should do a budget on an annual basis, at least, and since you are most likely to be a seasonal business, you should do a budget for your operating season and another for the rest of the year.

You must review the budget against your actual revenues and expenses on a regular basis, take corrective action where appropriate to bring things back on track, and, where the budget itself requires revision, make amendments to keep your budget realistic.

Many financial management and business text books can provide you with details on preparing and monitoring your budget and provide worksheets to assist you.

## **8.6 Reservations**

If all your business were drive-up guests, you probably wouldn't need a reservations system. However, many campgrounds receive at least some advance reservations, since many consumers prefer to have a reservation rather than take their chances on finding a site. You will, therefore, need some type of a basic reservation system.

With today's computer technology, there are a wide variety of software systems available for reservations. Talk to other campground operators to get some advice on the best options to use.

## **8.7 Business Systems**

You will need a basic accounting system. Manual systems like that offered by McBee are very affordable; or you may find it easier to contract your bookkeeping and accounting to a local accountant or bookkeeping service. Affordable computer software is now available for all normal accounting and payroll functions. An accountant can advise you on these things.

Areas of internal control you might need to address include the following:

- C Cash register/cash control;
- C Credit and credit card verification;
- C Theft/embezzlement controls (cash, supplies, small wares, etc.);



C Stores inventory control system (purchasing, receiving, storing and issuing).

You will need to examine the systems available and choose the ones most appropriate for the size and nature of your business.

You should also develop some regular management reports, covering the following types of things:

- Daily and monthly sales, with comparison to the same period in the previous year;
- Similar information on the number of sites occupied and your average site rental rate;
- Similar information on payroll.

## **8.8 Banking**

Talk to several different banks before you establish your banking arrangements to find one that is supportive of your efforts. Some managers take a helpful approach to small business people, while others treat them like impending bankrupts. Pick one who understands your business concept and is supportive.

You can greatly facilitate your banking relationship by meeting with the manager once a year to keep him or her informed about your business and your plans for the future. A good time to visit is when you have your new annual financial statement ready. Walk them through the results and explain what has changed and why. While they may not necessarily care about the specifics of what you're saying, it is very important that they see that you are on top of the business, committed to its future, etc. It's the psychology that's important, not just the substance. Bankers like to feel that you are taking care of their investment for them.

If cash flow problems arise from time to time, as they may, meet with the bank to keep them informed about what's happening and what you're doing about it. Nothing makes a banker more nervous than a silent client whose bank account is constantly at its credit limit. On the other hand, if the bank manager believes you are making an effort to keep him or her informed, the bank will be much more cooperative in helping you through difficult periods.

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# **SECTION 9**

## ***The Marketing Plan***

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# SECTION 9

## THE MARKETING PLAN<sup>6</sup>

### 9.1 Introduction

Your marketing plan is a guide for directing your marketing efforts and a tool for monitoring the progress you are achieving. It is generally written annually. Traditionally, the marketing plan is prepared in conjunction with your overall financial planning and budgeting.

When you are starting up your business, the marketing plan is a crucial element in your overall planning process - without marketing, you will have no customers. Frequently, in small businesses, marketing tends to get overlooked or to be given a lower priority when there are other, apparently more vital demands for available start-up funds. However, marketing must be given a high priority; and developing a good marketing plan is an essential first step.

We are going to discuss the basics of how to develop your marketing plan and introduces some of the key marketing methods and tools. It also suggests how to use these techniques.

Your marketing plan should contain several elements, as described

#### Business Assessment

An assessment of your situation - the current status of the market, the competitive environment, trends - including all of the things discussed earlier in sections on preparing a strategic plan and feasibility assessment.

#### Marketing Objectives

With the assessment completed, develop a clear statement of objectives - sales volume (number of sites sold, etc.), total revenues, and profit for which you are striving.

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<sup>6</sup> The material in this section has been adapted from several sources, all of which were originally prepared by The Economic Planning Group. These sources include:

- *Nova Scotia HUB and SPOKE Tourism Marketing Seminar Manual*, prepared for the Nova Scotia Tourism RITC, 1989/90
- *Tourism is Your Business: Marketing Management*, Published by Canadian Hotel & Restaurant, MacLean Hunter Limited in co-operation with Tourism Canada and the Canadian Government Publishing Centre, 1986
- *Packaging for and Selling in the United States Leisure Market*, Published by Tourism Canada, 1985

## Marketing Strategy

This is your overall approach to achieving your marketing objectives. It should include a Positioning Statement - what is the service/product, who is it for, and how is it different?

It should also include a definition of your target markets - each of the market segments you wish to attract. And you must also decide how you are going to attract them.

As described earlier, your major market as a campground operator will be visitors to your community and the province, travelling either individually or in groups. It is quite likely that clients will not decide to stay at your campground until they are in the province or even in your community. Most campgrounds do not, in and of themselves, attract visitors to the province.

How you pursue potential customers will depend on the marketing budget you have available, but basic techniques will include having a website, getting a listing in the provincial travel guide (Do'ers and Dreamers), in a local guide and participating in the marketing activities of your regional/community destination marketing organization (DMO).

The Nova Scotia resident market is also an important market for campgrounds, particularly for seasonal campgrounds. If you are targetting the seasonal market, you will need a different marketing strategy.

## **9.2 Key Marketing Activities**

### **Website and Internet-based Marketing**

The Internet has triggered a complete revolution in how companies market themselves, and this is particularly the case with tourism companies. Even the smallest enterprise can reach out to the world via the Internet. While marketing expertise and budgets still make a big difference in marketing effectiveness, these are no longer the absolute determinants of how broadly and far a company can reach in promoting itself. Even a simple website can be accessed worldwide. The playing field has been considerably levelled for companies large and small.

The big differences today are not in having an Internet presence; rather they are in a) your ability to attract prospects to your website and b) the quality of the website itself in terms of ease of navigating within it and its effectiveness in generating sales.

Internet marketing refers to all forms of marketing associated with the Internet, including websites, website links, database marketing, relationship marketing, web-based advertising and web-based tour operators. We will introduce you to each of them in this section.

#### Website

The use of a website along with Internet-based e-marketing have exploded onto the scene and today have become a fundamental and central component of most tourism businesses marketing. In fact, many businesses are using their other marketing to drive prospects to their website and some are relying exclusively on their website to market their business.

Early websites were simply electronic brochures people could view on the Internet. Today, many websites are much more sophisticated and provide a number of helpful functions for the user, all of them designed to make it easier and more compelling to buy the products on offer. In the text to follow we summarize the basics involved, and also describe the more sophisticated functions possible today.

### *URL*

This is the address of your website. (URL stands for ‘Uniform Resource Locator’, which is not particularly helpful to know.) But having an easy-to-remember URL, or ‘domain name’, is important. Here are a couple of other important points:

- Your website needs to be a ‘real’ website, not part of a ‘referred’ site, such as those offered by Sympatico and other Internet ‘portals’, in which your web pages are embodied within their website. Search engines will no longer recognize your content if it is part of a referred site. (Problems with spam have forced the search engines to impose this limitation on referred sites).
- Use the name of your business in your URL to ensure it will be picked up by the search engine when someone is searching for your website by business name.
- We recommend you use several different URLs having likely names for your product, all connected to your website, again to optimize access.

It is important to realize that you need to have your own Internet address makes your web pages into a ‘website’ accessible directly via the Internet through search engines. Just having web pages on someone else’s site does not accomplish this. People won’t find your content without going to the hosting portal website first, which is not what you want.

We are not suggesting you not list on a portal website, not at all, we are simply suggesting that you also need you own separate website, and that any listing on a portal also include a direct hyperlink to your website.

### *Website Design*

The basic website is much like a traditional brochure but with more information available through the use of user-selected topics from a sidebar menu on each page. Lure information is displayed in text and pictures, while more detailed information is accessed via the menu bar. Common topics include who we are, our history, our products and services and how to contact us.

We strongly suggest you also include lure information on your destination area; its attractions and appeals, things to do and see. You first have to sell the destination, then your particular product.

More sophisticated websites offer more customized information based on different user-defined variables, along with such things as a trip planning function, online booking capability and so on. Here are the kinds of features that are becoming increasingly common with tourism websites:

- **Downloadable brochure** in PDF format
- Customized **presentation of information by user-defined factors** - their interests, where they live, their language, demographic profile (age, income), the intended season of travel, their previous trip/purchase.

- **Different pages for different target audiences**, such as tenters, RV campers and seasonal campers. Separate URLs can also be used to facilitate people in these market segments being led directly to the portion of the site of particular interest to them.
- **User opt-in registration** for more information - newsletters, contests, offers, promotions
- **Trip planning functions**, with suggested itineraries and packages, and also do-it-yourself itineraries and packages. A print-ready mini guide of your itinerary/package can be downloaded and/or printed out. In some cases the user can also register and use an ID to revisit and revise his/her earlier itinerary.
- **A booking/buying engine** to enable website visitors to book directly online
- **Inbound email capability** for site visitors to use to send a query to the company
- Features to improve the **ease of navigation** within the website, including, in addition to a basic sidebar menu, things like:
  - ‘first page approach’ (no scrolling down required),
  - different entry points to the site based on the user-defined factors, such as their country of residence, language, etc.,
  - site map
  - search function
- A built-in **content management module** to facilitate updating information on the website. It avoids the time and cost involved with having the site designer make all the changes to the site, which should not be necessary.
- **Statistical monitoring** of website visits and pages viewed

On this last point, an important consideration is getting your website designer to provide your website with a complete analytical system, permitting you to directly download statistical data from the host server.

We strongly recommend you avoid letting the website designer talk you into having a ‘splash page’ at the front of the website. A splash page is a first page that provides pictures, video and often a soundtrack that you have to click through to enter the website itself. While this may be an aesthetically pleasing introduction to your business, it creates a barrier to search engine maximization and it also is irritating to business people accessing the site, as well as other people wishing to get to the information they want.

A couple of interesting websites that incorporate a number of these features include:

- [www.gorp.com](http://www.gorp.com) (outstanding adventures by destination and by type of experience; a very successful website)
- [www.novascotia.com](http://www.novascotia.com)
- [www.explorenovascotia.com](http://www.explorenovascotia.com)
- [www.travelalberta.com](http://www.travelalberta.com) (easy to navigate, good search engine maximization)
- [www.colorado.com](http://www.colorado.com) (good trip planning, customized by travel group composition, interest, region)

Here are some good Nova Scotia accommodation websites - two hotels, an inn, a resort and a B&B:

- [www.princegeorgehotel.com](http://www.princegeorgehotel.com)
- [www.lordnelsonhotel.com](http://www.lordnelsonhotel.com)
- [www.halliburton.ns.ca](http://www.halliburton.ns.ca)
- [www.capebretonresorts.com/inverary.asp](http://www.capebretonresorts.com/inverary.asp)
- [www.havenside.com](http://www.havenside.com)

And here are some sites for other types of businesses in Nova Scotia:

- [www.pier21.ca](http://www.pier21.ca)
- [www.upperclementsark.com](http://www.upperclementsark.com)
- <http://museum.gov.ns.ca/mma>
- [www.coastaladventures.com](http://www.coastaladventures.com)
- [www.scottwalking.com](http://www.scottwalking.com)

#### *Driving People to the Website*

As mentioned, one of the big challenges today is attracting the right visitors to the website. This is accomplished through a number of techniques:

- The use of traditional marketing techniques to attract attention and direct people to visit the website. All your marketing materials should include reference to the website.
- An easy to remember URL.
- Search engine optimization, through the use of search engine registration, content tags, meta tags, targeted key words and instruction codes to search engines to search all words and all pages. (We suggest you get some help from knowledgeable Internet professionals in this regard.)
- Inbound links (see discussion of this later below)

#### *Attracting People Back to the Website*

This involves cookie-based user ID or getting site visitors to register and establish a user log-in for a “remember me on this site” function. Next time they visit they are automatically taken to their previously stored information, such as their customized itinerary.

This is not a feature that a small independent tourism operator will likely use, however, it can be a very effective for larger chain operations, tour operators and destination marketing organizations.

#### *Links*

It is useful to develop a link strategy for both inbound (links from other websites) and outbound links (links to other websites). Inbound links should be maximized to the extent possible. Outbound links should be designed to open in a separate window so that the user is returned to the original site once they close out of the linked site.

Partnerships are a key part of tourism market development. Similarly, website links are a critical element of website development. They are merely on-line partnerships that share web visitors between like-minded operators and those offering complementary products and services. As such, a detailed link strategy should be developed and maintained to ensure as many visitors as possible find links to your website.

This often requires a simple request to partner sites through email. Ideally, a graphic should accompany the email in the event the host website would like to add an image or icon of the province highlighting the link. In addition, the website should have a section in the site encouraging links with a download-able image that can be added to other sites. This additional promotion can be achieved at virtually zero cost; it simply requires time and attention on an ongoing basis to increase the exposure in a wide variety of market segments.

If you are listed in the Nova Scotia Doers and Dreamers Guide, you are automatically listed on the provincial tourism website ([www.novascotia.com](http://www.novascotia.com)) with a link to your web site. You are required to provide a reciprocal link to back to [www.novascotia.com](http://www.novascotia.com) from a primary page on your web site.

To check how well your site is positioned within the Internet, go to Google ([www.google.ca](http://www.google.ca)) and in the space where you enter the search instructions, type in 'link(single space):(:)(your domain name). Here's an illustration - 'link :www.bobsmotel.com'. This will illustrate all the links to your website. If you have more than 40, you are doing OK; if not, your site needs more search engine optimization.

#### Database Marketing Linked to the Web

If your organization is a major chain, you should invite your website visitors to register with you in order to capture their contact information and continue with the relationship that has been started. There should be dominant areas within the website to 'opt in' or leave their email information at a minimum, and ideally additional information that would give a profile of the web visitor for future correspondence. This will provide you with a database for future marketing initiatives.

Today privacy laws require you to obtain permission from an individual to solicit business from them through direct marketing; this is referred to as 'Permission-based Marketing'. People that opt-in to receiving more information by registering on the website can be communicated with in future through email broadcasts of special offers, contests, newsletters and the like. (For more information on this issue, see Section 6 on regulations.)

#### *Relationship Marketing*

Some websites take this concept to a higher level, by encouraging people to also register their interests and other information about themselves. This additional information can be entered into a database and the individual subsequently solicited with highly customized communications. This is termed 'Relationship Marketing' today. With this additional information and contemporary database technologies, direct marketing has become a much more powerful marketing technique than it has been formerly. Conversion rates have skyrocketed from the 2% to 3% level traditionally, to 20% and higher on some programs.

### **Media Advertising**

Advertising in traditional media is generally the most expensive element of your marketing plan. As a campground operator, you should carefully consider whether this type of advertising will be effective, and whether the returns will be worth the money invested. Effective advertising requires a clear understanding of the target group, your product strengths, and the available media options within your budget. Advertising can create awareness of your business and encourage



consumers to try your product. And if you have a decent website, in your advertising, direct people to it for more information.

If you are going to invest anything more than a small amount of money in advertising, then you should seriously consider obtaining professional assistance from an advertising agency. The agency can help you design your ads, identify the best media to use, buy the media and generally manage your advertising program.

If your advertising program is too small to make using an advertising agency practical, then there are others who might be able to help, for example:

- Local printer: he or she should have some expertise in ad design and layout;
- C A local marketing partner selling a product complementary to yours
- C Your local newspaper, radio station, etc.;
- C Your local tourist association coordinator;
- C A local art or communications instructor/teacher.

The key point is get help from someone who has expertise in marketing and communications techniques.

Don't forget to look at advertising as an investment, not a one shot deal. You will not always get noticeable results from one advertisement so stay away from an expensive medium if you cannot afford to repeat your advertisement frequently enough to achieve ongoing awareness.

There are various types of media advertising and some will work better than others for your product. The main categories of media are: print (newspapers, magazines), outdoor (effective signage) and broadcast (radio and TV). Exhibit 12 summarizes the advantages and disadvantages of each type of advertising, including media advertising and Internet-based marketing.

### Co-op Advertising

Cooperative advertising works on the strength in numbers principle. In general, several organizations (business, government, associations) with a mutual marketing need will join forces. For example, a Regional Tourism Association may welcome area operators into sharing the costs of a co-op brochure or a full page ad for the entire destination. This may be effective for you.

### Contra Advertising

Contra advertising or swap advertising has long been a factor within the hospitality sector. Basically, contra involves trading media coverage for some of your product. This is often done for contests, where a resort, for example, gives a free weekend as a prize for a radio contest and receives plugs on the air or actual advertisements at no charge.

## EXHIBIT 12

### ADVANTAGES AND DISADVANTAGES OF DIFFERENT TYPES OF ADVERTISING

TYPE	ADVANTAGES	DISADVANTAGES
<b>PRINT MEDIA</b>		
<b>Newspapers</b>	<ul style="list-style-type: none"> <li>• reaches more people than other print media</li> <li>• considered to be a good source of info. on travel facilities and services</li> <li>• can be placed at short notice</li> <li>• relatively low cost</li> <li>• wide selection of editorial so messages can sometimes go in special sections</li> <li>• printed daily or weekly - can hit market with frequency</li> <li>• provides an opportunity to be creative</li> <li>• offers an opportunity to use coupons</li> </ul>	<ul style="list-style-type: none"> <li>• large readership, but only a small number of readers will have an interest in any one product</li> <li>• has a short lifespan - often read in a hurry</li> <li>• quality of reproduction is poor</li> <li>• pages are large, so small ads get lost</li> </ul>
<b>Magazines</b>	<ul style="list-style-type: none"> <li>• more selective readership than newspapers</li> <li>• much longer lifespan than newspapers</li> <li>• higher reproduction quality than newspapers</li> </ul>	<ul style="list-style-type: none"> <li>• long lead times and inflexible closing dates. You have to plan far in advance</li> <li>• low market penetration rates - therefore higher costs</li> <li>• circulation seldom tailored to geographic markets</li> </ul>
<b>Guides</b> e.g. travel guides, directories, etc.	<ul style="list-style-type: none"> <li>• highly targeted - may have a low number of readers but they are interested in the subject</li> <li>• listings are sometimes free</li> </ul>	<ul style="list-style-type: none"> <li>• normally long lead times</li> <li>• space may be limited</li> </ul>

## EXHIBIT 12

### ADVANTAGES AND DISADVANTAGES OF DIFFERENT TYPES OF ADVERTISING

TYPE	ADVANTAGES	DISADVANTAGES
<b>INTERNET MARKETING</b>		
<b>Website</b>	<ul style="list-style-type: none"> <li>C Extensive reach</li> <li>C Affordable</li> <li>C Customizable for different audiences</li> <li>C Can be kept current day to day</li> <li>C Can assist in building a database of prospects</li> <li>C Can be linked to a booking engine</li> </ul>	<ul style="list-style-type: none"> <li>• Having people finding it on the Internet is a challenge</li> </ul>
<b>Database e-marketing</b>	<ul style="list-style-type: none"> <li>C Better quality of prospects, resulting in higher conversion rate</li> <li>C Very affordable</li> <li>C Very customizable</li> <li>C Easy response</li> </ul>	<ul style="list-style-type: none"> <li>C Now requires the permission of the prospect</li> </ul>

**EXHIBIT 12 continued**

**ADVANTAGES AND DISADVANTAGES OF DIFFERENT TYPES OF ADVERTISING**

<b>TYPE</b>	<b>ADVANTAGES</b>	<b>DISADVANTAGES</b>
<b>DIRECT MAIL</b>		
A good mailing list is key. You can buy one, build your own from current and past customers, use phone directories, association lists, etc.	<ul style="list-style-type: none"> <li>• highly targeted - if you have refined lists then you can be sure only potential customers receive your mailing</li> <li>• extremely flexible</li> <li>• you can reach people at home or at the office</li> <li>• you can personalize your message</li> <li>• you can measure effectiveness and organize on short notice</li> </ul>	<ul style="list-style-type: none"> <li>• relatively costly</li> <li>• postal service can be unreliable</li> <li>• usually a low response rate - frequently only 1% - 2%</li> </ul>
<b>OUTDOOR ADVERTISING</b>		
Includes effective signage, mall poster displays, transit advertising.	<ul style="list-style-type: none"> <li>• geographic flexibility</li> <li>• message is there 24 hours per day</li> <li>• particularly effective in reinforcing other types of advertising and in attracting pass-through or transient customers</li> <li>• can provide directions to your business as well</li> <li>• relatively long life-span</li> </ul>	<ul style="list-style-type: none"> <li>• availability of outdoor locations is limited</li> <li>• cannot be targeted to any segments other than geographic ones</li> <li>• can communicate only a limited amount of information</li> <li>• works best for firms with well-established reputations</li> </ul>

**EXHIBIT 12 continued**

**ADVANTAGES AND DISADVANTAGES OF DIFFERENT TYPES OF ADVERTISING**

TYPE	ADVANTAGES	DISADVANTAGES
<b>BROADCAST MEDIA</b>		
<b>Radio</b>	<ul style="list-style-type: none"> <li>• captive audience at any given moment - they will all hear your message</li> <li>• stations have segmented audiences so you can target a group, e.g. young market</li> <li>• very versatile</li> <li>• a live medium - you can do things with this that cannot be done with other media</li> <li>• relatively low cost and fast delivery</li> </ul>	<ul style="list-style-type: none"> <li>• short life span - listeners may miss part or all of the message</li> <li>• poor choice if you need to show a visual image</li> <li>• large number of messages in peak periods - can be disruptive</li> <li>• frequently listened to in the car and can easily be "tuned out"</li> </ul>
Television	<ul style="list-style-type: none"> <li>• excellent way to convey powerful images</li> <li>• audience is somewhat captive</li> <li>• tremendous reach</li> <li>• can show business in very attractive manner</li> </ul>	<ul style="list-style-type: none"> <li>• many of same disadvantages as radio</li> <li>• expensive - both to purchase the time and produce the commercial</li> </ul>
<b>CONTRA ADVERTISING</b>	<ul style="list-style-type: none"> <li>• the advertising you get is generally in off-peak, poorer periods</li> <li>• it is not necessarily effective if the media being offered is inappropriate to your business</li> </ul>	<ul style="list-style-type: none"> <li>• in most cases, no money changes hands so this approach does not deplete your cash assets</li> </ul>
<b>CO-OP ADVERTISING</b>	<ul style="list-style-type: none"> <li>• economies of scale can provide small organizations with an opportunity to gain exposure in an area or media that would not otherwise be cost effective</li> </ul>	<ul style="list-style-type: none"> <li>• peer pressure can stampede you into going into a venture that is not in your best interest</li> <li>• your "exposure" may be too small to be noticed if you are in with a large number of bigger operators</li> <li>• sharing of costs</li> </ul>

## Direct Mail

Direct mail or direct marketing can be a highly effective method of reaching one's audience. It is measurable, can be personalized, and is flexible. However, in the campground business where the majority of your customers are from out-of-province, or at least out-of-your area, it has limited potential to attract new business.

Direct mail may be useful to reach the seasonal camping market, which is largely based in Nova Scotia. However, you will have to compile a good mailing list of households who are seasonal campers.

## Collateral Material

Collateral material includes all the printed material you use to market your business - the material you distribute to potential customers. The main types of collateral material you are likely to use are brochures, posters, and price lists.

A brochure is the most important piece of collateral material because it is the one item that is most likely to make the initial sale. The following provides some suggestions and guidelines about the content and design of your brochure.

When trying to decide what kind of brochure you need, what it should look like, and what it should contain, you need to consider your target market, the intended role of your brochure, the reasons your customers are going to buy your product, and the size of your promotions budget. The place to start is with your target markets.

The next step is to decide on the content of your brochure. As a rule, your brochure should contain the following:

- Name of your business and its logo;
- Illustrations of major products and services included at your property;
- Descriptive text or copy;
- Selling or motivational copy, highlighting customer appeals and unique selling points;
- Business location, address, telephone, fax and E-mail.

Detailed information on prices, discounts, booking procedures and terms, deposit requirements, conditions for cancellations and refund claims should be provided in a separate insert which can be updated and replaced as and when required.

Your brochure should be designed to achieve the following goals:

- **Capture Attention:** First you have to draw the consumer's attention. Use the front cover to do this. Use an attractive, lure picture of your product. Since brochures are frequently displayed with only the top part showing, make sure that the top one third of your brochure describes the product you are offering.

- **Develop Interest:** Build interest in what you are offering. This should be done on the second panel with photographs and text describing the appeals of your campground. Use pictures of people enjoying your property.
- **Create Desire:** Create a desire for the product. Provide enough information for people to decide whether they want to stay at your property. Focus on your competitive advantages and unique selling propositions (USPs)
- **Call to Action:** Turn their interest and desire into action. Your back panel should be a call for action and include where to find you and how to get there, where to phone to make a reservation or for more information, your address, etc.

Illustrations and photographs should be an essential element of your brochure. The most effective photographs are action shots of customers enjoying some of your facilities and services. In using photographs, consider the following guidelines:

- Only use photographs which have been taken professionally or to professional standards;
- Avoid using so many photographs that your brochure becomes overcrowded;
- Use a range of photographs of the different products and services you will be providing;
- Only use photographs that are genuinely representative of the products you will be providing your customers;
- Avoid using photographs that will date rapidly;
- Always run a caption with each photograph explaining precisely what the photograph shows;
- Try to put a selling message into your captions, since captions are read more carefully than text.

Some other design considerations for your brochure include:

- Use clear, simple type with different sizes for your titles, subtitles, headings and copy. Do not use ornate type styles since they are hard to read;
- Use black ink on white paper for easy legibility;
- Do not overprint your type with a coloured screen - this makes the type difficult to read;
- Do not use too many colours; keep the brochure simple;
- Organize your material carefully; do not mix different kinds of information;
- Leave a lot of white space, particularly in the sell section of the brochure;
- Make sure your brochure's layout is consistent; do not try to be too creative - keep it simple.

Your brochures and other collateral material can be distributed through a number of channels:

- **Local visitor information centres:** make sure your local visitor information centre is well supplied with brochures and that the people who work there know all about your product. You may want to take the travel counsellors on a tour of your property in the spring, so they have first-hand experience with your product.
- **Other information centres:** you can supply the Nova Scotia Department of Tourism, Culture and Heritage Literature Distribution Centre with a stock of your brochures for distribution to provincial information centres and to other local centres. This service is

currently provided free of charge. All you have to do is supply the brochures (there are some guidelines about brochures which you can get from the Tourism Division of the Department) and indicate where you would like them distributed.

- Local tourist businesses: local, non-competing businesses such as restaurants, gas stations and sightseeing tour operators should be well-supplied with your brochures. Again, it is important to make sure that these operators are well-acquainted with your business since visitors will frequently ask "where can I stay..."

You can also arrange with these businesses to display posters and/or counter cards in their lobbies.

### Check In

Check In is the provincial information and reservations system. It provides a toll-free number to consumers looking for information about Nova Scotia and also makes accommodation and campground reservations for travellers. If you are a member of Check In and receive any reservations through this system, you will be charged a fee for bookings. Contact Check In for detailed information on the system works and what you do to become a member.

### Provincial and Regional Travel Literature

The Province of Nova Scotia, through the Department of Tourism, Culture and Heritage, produces and distributes a variety of travel literature and this material affords an excellent means of reaching potential customers. A major vehicle today is the Nova Scotia tourism website - [www.novascotia.com](http://www.novascotia.com). Basic listings on the website and in the Doer's and Dreamer's Guide are free of charge; for other publications and advertisements there is a charge, depending on the size and type of advertisement you want to place. Even where there is a charge, this is a very cost-effective advertising method, since hundreds of thousands of these publications are produced and distributed widely to people travelling in the province.

The main provincial publication you should advertise in is "The Doer's and Dreamer's Complete Guide." Information in this guide is organized by the various Travelways in the province, and you can arrange for an ad in the section on your trail. As a campground operator, you also qualify for a listing in the Accommodations section for your Travelway. If you are listed in the Doer's and Dreamer's guide, you also automatically have a listing on the provincial website. One thing to remember about this guide is that the deadlines for material are very early - currently July 1st for the next year's publications. Check out the Opportunities section of the Nova Scotia Tourism Partnership Council's website ([www.nstpc.com](http://www.nstpc.com)) for details on the marketing partnership opportunities available to you.

You should also become a member of the Campground Owners Association of Nova Scotia and promote your campground through their website ([www.campingnovascotia.com](http://www.campingnovascotia.com)) and their publication which is distributed throughout the province.

You can also become a member of your regional tourism association (see Appendix V for contacts). These associations also have websites and produce travel guides for each region of the province. These are distributed through information centres and in response to direct requests. As with the provincial guides, they are a very cost effective method for advertising your business.



## Promotions

Promotion is not just another word for advertising; it is everything that adds fun, excitement and uniqueness to an operation and should be thought of as an event that has a definable start and finish. Examples include a special event, a dinner special in your restaurant, a special package of services for a particular market. Properly planned, promotions can increase the awareness of your business, attract new customers, and keep existing customers coming back.

## Public Relations and Publicity

Public relations and publicity can keep your business in the public eye without having to pay for advertising. To that extent, it is "free," so it can be highly cost effective. However, good publicity doesn't happen, it has to be carefully planned and it must fit in with your other promotional activities. You can get publicity in the media by making yourself available for interviews or establishing yourself as the local expert on some topic related to your business. You can also stage news events and issue press releases.

## Signage

It is important to have good signage for your business, not only to tell potential customers about your business but also to help them find you. Signage on provincial highways is governed by the Department of Transportation and Public Works. In addition, your municipality may have some guidelines on signage design and placement. This was discussed in more detail in Section 6.

Whatever signs you put up must be of good quality. Small, hand-lettered, falling-down and hard-to-read signage does not suggest a quality operation to the potential customer. Search out a local artist or sign maker to design and build some quality signs for your business. Make sure that the signs are big enough for travellers on the road/highway to read them. Remember, they are probably driving at 70 - 80 km an hour, which means they won't have a lot of time to take in the information on the sign. Make sure that whatever you put on the sign is brief and informative. Be careful not to put on information that might change, such as your prices, except on a panel which can be easily replaced with new information.

## **9.3 Measurement**

Your marketing plan should be continually monitored and re-evaluated.

A number of methods may be employed to monitor your plan. For example:

- Track advertising effectiveness for example, how many coupons were returned?
- Constantly read Guest comment cards or use other research tools to determine levels of consumer satisfaction.
- Keep abreast of your accounting reports. Watch fluctuations in utilization of sites, average rates, inventories, etc.

A Marketing Plan is organic. It will change throughout the year. As you monitor the plan, you are in effect undertaking an ongoing Situational Analysis. As changes to the strategy are

recognized, they should be introduced. These changes illustrate the nature of the marketing process. It is evolutionary and ever shifting!

## **9.4 Market Research**

Marketing research should be considered when you have questions that need answering and when the cost of making a mistake is considerable. It is simply the assembly and evaluation of information.

The vast majority of marketing research problems can be reduced to some variation of four basic questions:

<b>PEOPLE:</b>	How big is the market? Who should my target groups be? What do they look like?
<b>PRODUCT:</b>	Am I competitive? What do my target markets want?
<b>PROMOTION:</b>	What should I say? When, where and how often should I say it? Is what I have been saying being heard, believed and being acted upon?
<b>PRICE:</b>	What should I charge?

If you are going to do market research, you need to define the problem clearly: What is the purpose of your research? What are the benefits which will be derived? How will you use the information in your business or marketing planning? Then you need to identify what information you already have available before deciding what else you need to collect and what are the best ways of obtaining the information you need. There are a variety of research methods you can use depending on whom you want to survey and what information you require.

### Guest Surveys

You can survey your guests while they are at your campground or after they have left. Options include:

- Interviews: either in person while they are at your campground or on the telephone after they have left.
- Questionnaires: can be completed by guests before they leave or given to them to be mailed back (it is a good idea to give them pre-stamped envelopes), or the questionnaires can be mailed out.
- Comment cards: same as questionnaires, but only useful if you are looking for a minimal amount of information. The disadvantage with comment cards is that they may only reflect the opinion of a small minority of your guests, and probably only those who had complaints.
- Telephone interviews: if you have phone numbers for your guests, you can call them up and complete a telephone interview.

Guest surveys have a built-in bias, in that the only people who respond are your existing customers. If you are trying to determine their reaction to your property, the type and quality of service you are providing, or some changes you are planning, then this is the best research method. However, if you are trying to determine the level of interest in your product in the market place or why consumers are not staying at your property, then you have to use another method.

### Competitive Research

Our competitors are often our best source of advice on how we are doing. Is your campground full while the operation across the road is empty? Or is the situation reversed?

Is your competitor spending more money than you on advertising? Why? Do you read the ads in a detailed way? What is he or she selling? What about prices! What about special deals? Is your competitor advertising for new staff? Is he or she paying more?

The implications of these comments is clear. Keep abreast of what your competitors are up to!

### Trend Data

Be aware of trends in the market place. Read trade journals and articles. Join associations and attend meetings periodically.

We understand how very busy you are running your business. We also acknowledge that your time demands must be managed. Manage your reading and media consumption in such a way that you become familiar with trends and changes that will affect your industry and your operation.

## **9.5 Pre-opening Activities**

The opening of your business for the first time is a major event for you, but it's also a newsworthy event in the community and you should take maximum advantage of the public relations and publicity opportunities. You want to get public awareness of your existence as quickly as possible. Some suggestions follow:

- Prepare a press kit when you're almost ready to open, including pictures and an article on the unique and newsworthy aspects of your business. Distribute it to the local media.
- Host a reception for the management, but also the front line staff, of the tourism "partners" in the community: the local attractions, restaurants, etc. - basically everyone you plan to do business with or who is in a position to recommend your property. Give them a brief tour and presentation.

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## **ACKNOWLEDGEMENTS**

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# ACKNOWLEDGEMENTS

Tourism Nova Scotia would like to acknowledge the assistance of Mr. Bill MacMillan of Seabreeze Campground in Fox Island, for his review of this manual.

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# **APPENDIX I**

## ***Market Data***

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# APPENDIX I

## ***MARKET DATA***

### INVENTORY OF PRIVATE CAMPGROUNDS IN NOVA SCOTIA\*

<b>REGION</b>	<b>Number of Campgrounds</b>	<b>Number of Sites</b>	<b>Average Sites Per Campground</b>
Annapolis Valley	28	3,258	116
South Shore	19	1,383	73
Halifax-Dartmouth	7	649	93
Eastern Shore	8	459	57
Cape Breton	31	2,331	75
Northumberland Shore	16	988	62
Fundy Shore	22	2,269	103
<b>TOTAL</b>	<b>131</b>	<b>11,337</b>	<b>86</b>

Source: Nova Scotia Department of Tourism, Culture and Heritage

\* In addition to the 131 private campgrounds, there are 22 provincial campgrounds providing 1,705 sites and 9 federal campgrounds providing 913 sites. Total in the province is therefore 162 campgrounds providing 13,953 sites.

**TOTAL DEMAND FOR CAMPGROUNDS IN NOVA SCOTIA -  
TOTAL SITE NIGHTS SOLD  
(Private, Municipal, Provincial and Federal Campgrounds)**

MONTH	Site Nights Sold			Occupancy Rates		
	2003	2004	% Change	2003	2004	% Change
May	60,000	62,000	3%	29%	31%	2%
June	128,000	131,000	3%	35%	35%	0
July	208,000	219,000	5%	49%	53%	3%
August	216,000	208,000	-4%	51%	51%	0
September	116,000	119,000	3%	35%	36%	1%
October	28,000	28,000	4%	20%	22%	2%
<b>TOTAL</b>	<b>755,000</b>	<b>767,000</b>	<b>2%</b>	<b>40%</b>	<b>41%</b>	<b>1%</b>

Source: Tourism Insights, Nova Scotia Department of Tourism, Culture and Heritage

**DEMAND FOR CAMPGROUND BY TYPE OF VISITOR  
(Private, Municipal, Provincial & Federal Campgrounds)  
2004**

Month	Short Term Campers	Seasonal Campers	TOTAL
May	7,000	55,000	62,000
June	33,000	98,000	131,000
July	110,000	109,000	219,000
August	107,000	101,000	208,000
September	36,000	83,000	119,000
October	7,000	21,000	28,000
<b>TOTAL</b>	<b>299,000</b>	<b>468,000</b>	<b>767,000</b>
<b>Percentage of Total</b>	<b>39%</b>	<b>61%</b>	<b>100%</b>

Source: Tourism Insights, Nova Scotia Department of Tourism, Culture and Heritage



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## **APPENDIX II**

### ***Business Structures***

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# APPENDIX II

## ***BUSINESS STRUCTURES***

### **Alternative Forms of Business Structures**

This section looks at alternative ways of setting up a business and deals with the major considerations you will face.

The alternative forms of business organization include:

- Sole proprietorship;
- Partnership;
- Corporation - the Limited Company and the Public Corporation;
- Limited Partnerships;
- Joint venture;
- Not-for-profit organization.

The features, advantages, and disadvantages of each organizational form are summarized below.

### **Sole Proprietorship**

A sole proprietorship is just what it says. It involves one owner, and that owner and the business are one entity. In other words, the person owns the assets personally, and the liabilities of the business are the liabilities of that person. There is no legal form to a sole proprietorship, although it still has to register itself as a business for the purposes of business licensing and sales tax registration. The legal status of the business is the legal status of the owner as a citizen. The income of the business is the personal income of the owner.

The advantages of this form of enterprise include:

- Simplicity;
- Freedom to make your own decisions.

The disadvantages include:

- No limitation of personal liability for the owner;
- Nobody to share the responsibilities of running the business;
- Limited access to equity other than what you have available personally.

This form of enterprise is only feasible where the business is owned solely by an individual, or

perhaps by a married couple, since the laws on marital property will govern the nature of the relationship between the parties.

## **Partnership**

A partnership is a business form intended for two or more owners. Like the sole proprietorship, the owners of the business and the business itself are one and the same for legal purposes. The business has no legal status separate from the individuals involved. The liabilities of the business are the liabilities of the partners. In fact, each and every partner is liable for all of the liabilities of the business. Partners are assumed under the law to have equal interests in the business, unless their partnership agreement specifies differently.

The governing legal instrument is the partnership agreement drawn between the partners. It has legal status as a contract. It normally covers the key arrangements among the partners, for example:

- The proportions of partners' interest, if other than equal;
- Cross indemnification of personal liability;
- Provision for dissolution or transferring of interests in the partnership;
- The decisions to be made jointly by the partners;
- Prohibited activities;
- Provisions for life and disability insurance to assist surviving partners in acquiring the interest of the deceased or disabled partner, and compulsions on the partner or his or her estate to sell that interest to the surviving partners in the event of disability or death;
- The manner in which partners are to be compensated, as well as distribution of the partnership's profits and losses;
- Procedures for amending or terminating the agreement

The advantages of a partnership are:

- Basic simplicity;
- Provides for more than one owner.

Disadvantages include:

- Unlimited liability for each partner for all of the liabilities of the business. The partners can have a mutual indemnification clause in their partnership agreement, which can partially offset some of the risk, but this only establishes a claim on the other partners in the event a partner is called upon to cover a business liability.

- Many partnerships fail because the partners do not adequately deal with issues such as those identified above as needing to be included in the partnership agreement.

## **Corporation**

The corporation is a separate legal entity from its owners. It has the status of a person under law. It is created when Articles of Incorporation are filed with the Registry of Joint Stock Companies of the Nova Scotia government in the case of a provincial corporation, or the federal government in the case of a federally incorporated company. You have the choice of provincial or federal incorporation. (There is little point in a federal registration unless the same company is going to be doing business outside of Nova Scotia.)

A corporation issues shares to its owners and equity investors. The liability of the owners and investors is limited to the amount of their investment. (However, if they provide personal pledges or guarantees to the bank or other creditors on behalf of the company, their limited liability does not protect them for the specific liability involved.) In other words, for the most part the company's creditors have only the assets of the company as protection for their credit, not the assets of the owners. There are certain creditors and liabilities which do have a claim on the owners of an incorporated company, including the Receiver General of Canada for employee source deductions, the Workers' Compensation Board, and employees for their back wages.

There are two forms of limited liability corporation, the private corporation and the public corporation. The private corporation is the one used by the vast majority of small- and medium-size businesses that are incorporated. In these cases, the investors are informally organized by the promoters of the business. Private corporations are not permitted to promote the sale of their shares to the general public.

In a public corporation, on the other hand, promoters are permitted to solicit the sale of the corporation's shares to the general public through investment dealers and other financial institutions. To do this, however, the promoters have to file detailed information on the business proposal and on many other topics to the Nova Scotia Securities Commission and receive approval to sell the share offering.

The cost of legal, consulting, and accounting fees in developing a prospectus can run to hundreds of thousands of dollars, so this form of business structure is only used for very large businesses.

The advantages of a corporation are:

- Limitation of owners' liability;
- Can have several owners/investors;
- The business can enter into contracts and conduct business in its own name, rather than the names of the owners;
- There can be some tax benefits to the owners as compared with the sole proprietorship or partnership.

Disadvantages include:

- More expensive and complex to establish;
- For very small businesses, much of the advantage of limited liability is usually lost, since bank and lenders will insist on personal guarantees from the owners anyway.

## **Limited Partnership**

The limited partnership is a form of business organization that was popular in the past decade. It is like a partnership in some ways and a corporation in others. Basically, the general partner organizes and runs the business, while the limited partners invest in it. All are partners for tax purposes; in other words, the net income and losses of the partnership flow directly to them. However, the liability of the limited partners is limited to the amount of their investment, as long as they don't engage in the business in any fashion, other than as passive investors. To remain a limited partner, a person must not take part in the management of the firm and may not act on behalf of the company.

## **Joint Venture**

A joint venture is like a partnership but usually involves two or more corporations that enter into an agreement to operate an enterprise under joint ownership. The respective companies usually have some business relationship with the joint venture.

## **Business Registration**

Whatever form of business structure you choose, you need to register the business. This is discussed in Section 6.

## **Tax Considerations**

There are a number of tax implications with each form of business organization. You are strongly advised to obtain professional tax advice from a qualified accountant, preferably a tax specialist.

## **Agreements Among Principals**

Whatever the form of organization, it is vital that the principals in the business execute a formal agreement among themselves. In the partnership, there is a partnership agreement, while in the corporation it is a shareholder's agreement.

The agreement should cover, at a minimum, the following kinds of issues:

- An understanding as to the purpose of the business, the roles of the principals in it, and any other mutually agreed intentions;
- Decisions requiring approval of all the principals;
- Decisions requiring approval of a majority of the principals;
- Procedures for selling or transferring an interest in the business;
- Procedures for dissolution;
- Procedures for resolving conflicts when there is a stalemate;

- Methods of compensating the principals;
- Issues having to do with the rights of and prohibitions on the principals.

### **Which Form of Business Should I Use?**

If you're in this project on your own, a sole proprietorship is simplest and cheapest.

Incorporate a private company in which you hold all or most of the shares if you want some limitation of liability protection and/or if your tax advisor indicates some tax advantages in incorporation.

If there's more than one owner, and they all want to have a say in the running of the business, form a partnership.

In partnerships, sometimes one partner may be silent, which means he or she will supply the capital while the other supplies the know-how and the hands-on management. In most cases, however, partners work together at the business. Ideally, in a working partnership, each partner will have skills that are different but complementary to the other so that both can contribute to the business in other ways besides supplying money. Whether silent or active, your partner will usually insist on some role in management decisions.

A word of caution here: you should be very careful in choosing a business partner. Many partnerships fail because the partners cannot get along. If you do choose to form a partnership, you should have a detailed and comprehensive agreement drawn up to protect the interests of all partners.

If you have several others who are prepared to invest in the business but are not going to be active in it as partners, then the private corporation may be the best form. Your tax advisor may, on the other hand, suggest a limited partnership since it gives some tax advantages to the non-active partners.

You definitely need expert advice on this, however.

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## **APPENDIX III**

### ***Financing***

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# APPENDIX III

## **FINANCING**

Few people starting a business have enough personal capital to do it on their own. It is much more common for entrepreneurs to need other investors and, usually, some loan capital as well. This section deals with the how to's of arranging financing for your campground business.

It is important that you learn the basics of business finance if you are going to be seen as credible and competent by a banker or other lender. They don't expect you to be an expert on financing but they do expect you to know enough to be able to meet their needs and provide reassurance about their major concerns. They also expect you to know enough about business finance to be able to manage your business's financial affairs over time.

Rule number one is that you must invest significantly in the business yourself. You have to have your own neck on the line if others are going to risk their capital on your enterprise. Having other equity investors will be helpful, but the lenders will look to the managing principals to have a major, personal equity stake in the business.

Rule number two is that you have to have a credible business plan and preferably a feasibility study too to provide evidence that the business is going to be able to succeed and pay back its financing: first its loans and secondly its outside equity investors.

Bankers and lenders are not risk takers. They not only want the foregoing, they also want some additional security in the form of assets pledged to protect the loan.

We will now briefly explore the different types of financing available and then consider the how to's of applying for a loan.

### **Equity Capital**

Your own investment in the business, be it cash, buildings or equipment, is the primary source of equity. Additional equity capital will be invested by partners, limited partners, or other investors who are willing to risk their capital on your idea and your abilities.



## Venture Capital Companies

There are many venture capital companies in Canada who invest in small- to medium- size businesses that have growth potential. Venture capital companies commonly invest between \$100,000 and \$500,000.

These companies will put in risk capital but only in ventures that have the potential to grow dramatically and pay large returns within four to five years. They will want to sell their investment after four or five years and realize their gain.

Typically, venture capitalists invest in high tech and other high growth companies when they are in their fledgling stages. While most tourism enterprises don't have the same kind of growth potential, some may, particularly if there is the opportunity to franchise a good concept. Otherwise, this is not a very likely source of financing.

The key things venture capitalists are looking for are:

- Rapid growth potential;
- Strong, committed management;
- A seat on the Board of Directors and pre-emptive rights to replace management if they don't perform on target;
- Large returns over a limited number of years.

## **Debt Financing**

Loans are the predominant form of financing for the tourism industry in Nova Scotia and elsewhere in Canada.

A key lending principle is that long-term assets are financed with long-term loans and short-term assets are financed with short-term loans. Working capital should be financed by a short-term line of credit. In other words, the type of financing should fit the useful life of the asset in the business.

Another key principle, often ignored, is that a business should never commit to loan obligations that it can't comfortably support from its earnings. As a general rule, the lenders will want the business to be able to generate cash flow which is at least 1.1 times, and perhaps as much as 1.5 times, the amount required to repay both principal and interest on an annual basis.

In addition, your loan financing, combined with your equity financing should be sufficient to cover all your costs and provide for contingencies in the event of unexpected costs or overruns in development costs. Otherwise, the working capital of the business will be absorbed by capital commitments and the ability of the business to operate properly will be compromised, if not threatened.

## **Fixed Assets Financing**

Fixed assets are assets fixed in one place, such as land and buildings. They are assets that generally have a long life. Such assets are normally financed with long-term debt, either a mortgage loan or a secured term loan. Mortgage loans extend for the longest period, while term loans are normally for intermediate periods of five to fifteen years.

Lenders don't like to finance more than 75% of the value of assets in this way; they want the rest covered by equity. The lender looks to the projected earning power of the business to pay off the loan, although they also want the security of a claim on the assets themselves in the event of default. They will expect a business plan from you and may also want a feasibility study.

Long-term lenders also look at the overall financing of the business, not just the financing of their secured assets. They look at the debt/equity ratio and don't like to see a ratio of more than 1.5 or 2.0 at the most (1.5 or 2 times as much debt as equity).

Lenders may require other things from you. Typical requirements, in addition to the security for the loan, include:

- Personal guarantees of the main principals for the amount of the loan plus accrued interest;
- A postponement of the repayment of shareholder loans until the loan is repaid;
- Limitation on the salaries and drawings of the principals;
- Restrictions on major capital purchases until the loan is repaid.

### **Major Equipment Financing**

A campground operator's major capital equipment is likely to be limited. If you are including a snack bar, then you will have kitchen equipment. If you have no food service, however, you will probably not need any major equipment financing. Long-term mortgage loans are not normally used to finance major equipment purchases. The techniques that are used most often include:

- Secured term loan;
- Conditional sales purchase;
- Equipment lease;
- Sale and leaseback.

#### **Secured Term Loan**

This is a standard term loan, generally of five to fifteen years, in which the equipment is taken as security for the loan, usually in the form of a lien.

#### **Conditional Sales Contract**

This is a method wherein the manufacturer of the equipment finances the purchase. The purchaser makes a down payment and monthly payments until the loan is paid off. The ownership of the equipment remains with the manufacturer until the debt is paid.

#### **Lease**

Leasing is a very common way to finance equipment. This is like the conditional sales contract, but leases are provided by many different financial institutions, not just equipment manufacturers. With a lease, the equipment is rented for a pre-set period of time at a fixed monthly payment that covers the cost of interest as well as a portion of the original value of the equipment. Depending on the type of lease, the equipment either reverts to the leasing company at the end of the term (although the lessee usually has an option to buy it for a pre-set value) or the lessee must buy it for a pre-set amount at the end of the lease term.

The ownership of the assets usually resides with the leasing company.

Leases are popular since they don't require a large cash outlay at the beginning. They also provide a means of replacing equipment on a regular basis, since it can be returned at the end of the lease period and new equipment leased. It is also attractive for companies wanting to own the equipment, since they can buy it at the end of the lease period, probably for a quarter to a third of the original cost.

### Sale and Leaseback

Companies wanting to reduce their existing debt so that they can borrow for new assets they require can sell a fixed asset to a financial institution and then lease it back. They effectively convert a long-term debt into a medium-term lease commitment.

## **Working Capital Financing**

The financing of short-term working capital is generally done with some combination of the following:

- Bank line of credit;
- Character loans;
- Commercial loans.

There are other methods, such as accounts receivable financing and factoring, but they are very unlikely to be used by a campground business.

### Bank Line of Credit

This is also called a demand loan since the bank can demand payment at any time. The line of credit is really an overdraft privilege with a pre-set limit. It allows you to pay your bills with the bank's money when you're short of cash. The amount of the loan is the amount used and interest is only paid on the amount used.

The bank may require you to pledge your receivables as security for the line of credit and they will probably want regular financial statements and frequent lists of payables and receivables. They will also want personal guarantees.

A hybrid of this is the revolving loan, in which the bank automatically extends you small loans as you draw on the credit available and automatically pays them off as you make deposits. While you may pay interest on a slightly larger average loan, the interest rate is usually lower.

The bank will monitor your line of credit. They like to see it fluctuate and occasionally go to zero. If it is constantly at the limit, they will get concerned. If this happens, you probably should refinance the business to return the line of credit to a fluctuating loan.

### Character Loans

These are unsecured loans, generally short-term, which are extended to companies or individuals with excellent credit ratings. The funds can be used at the company's discretion.

### Commercial Loans

These are more formal loans intended for short-term uses. The bank generally wants payments on a regular basis and the loan paid off within a year.

## **Sources of Financing in Nova Scotia**

There are a number of agencies which offer financial assistance for tourism related businesses in Nova Scotia.

The **Business Development Bank of Canada** is a federal crown corporation set up to provide financial assistance to small-and medium-size businesses. Assistance is available in the form of loans, loan guarantees, and venture capital. As a venture capitalist, the BDB can purchase shares in your business or work with private-sector financial institutions to obtain the equity financing you require. Contact the Business Development Bank of Canada for more specific program details.

The **Canada/Nova Scotia Business Service Centre** ( [www.cbsc.org/ns/](http://www.cbsc.org/ns/) ) provides a variety of helpful information including potential sources of funding programs.

The **Office of Economic Development** might be able to offer funding assistance through various programs. Check out their website at [www.gov.ns.ca/econ/](http://www.gov.ns.ca/econ/)

Another potential funding source is the **Atlantic Canada Opportunities Agency** (ACOA), which has various assistance programs for business. The programs are designed to help you set up, expand, or modernize your business and focus on small-and medium-size businesses. They can provide tourism-related businesses with access to capital in the form of interest-free, unsecured, repayable contributions. Contact ACOA (or Enterprise Cape Breton Corporation for businesses in Cape Breton) for information on eligibility and program details.

Finally, the **Small Business Financing Act** is a federal government program designed to help new and existing small business enterprises obtain term loans from chartered banks and other lenders for financing the purchase and improvement of fixed assets. Loan assistance is available for the purchase of land, construction or renovation of premises, and purchase of new equipment. The program is delivered through private-sector financial institutions. Further information on the Small Business Financing Act is available from ACOA or your lender.

## **Your Presentation and Negotiations**

### **The First Step**

First of all, put together a short description of your business concept, in point form if possible, and review it with your local economic development officer or a representative of the Regional Development Authority or the Economic Renewal Agency. They will be able to help you identify what you need if your application is to be considered favourably by a banker.

Next, make an appointment with the manager or loan officer and go to meet with them. (It will help if you review this section before you go so you are able to discuss financing options with some knowledge.)

Make it clear at the outset of your meeting that this is intended to be a preliminary meeting, designed to help you prepare the specific information they are going to need to process your application. It is vital that they understand that you aren't applying for financing at this point, only looking for information and advice regarding a possible later application. They are used to people coming in to make actual applications for financing without having any idea of what's involved. Those people instantly have two strikes against them. Make sure they don't cast you into this lot!

By giving them an overview of the business concept, they will be able to focus in on the forms of financing and types of conditions most appropriate for your business. You may, in fact, learn that they are not the right kind of institution at all and save yourself later frustration.

There are several other advantages of having this initial meeting:

- You will be able to focus your subsequent presentation to them on the things that they indicate will be most important and avoid wasting effort on things that aren't important.
- You will get a sense of the aspects of your concept that make them most nervous and you will be able to concentrate your later presentation on overcoming these concerns.
- It will impress them that you are taking a professional approach; that you recognize their need for information and evidence of the merits of the proposal; and that you have sought their advice. The psychology of this can be most valuable later: they will write in their file, "The principal of this business is taking a professional approach to preparing his or her application," or some such supportive comment.

### **The Second Step - Preparing Your Presentation**

In preparing your written presentation, you will need, directly and indirectly, to address a number of specific concerns that the financial institution will inevitably have:

- The viability of the business concept - potential earnings, risk factors, competitive advantages/disadvantages. With existing businesses, they will, of course, be interested in past growth, revenues, and earnings as well.

- The tourism industry and the campgrounds sector in particular - viability, trends, growth.
- The ability of projected earnings to service the financing.
- The opportunity for growth over time.
- The management abilities of the principals - their track records in past projects or jobs, their experience in this kind of business, their formal training and education.
- The financial integrity of the principals - past credit history, reputation in the business community for paying bills and fulfilling obligations.
- The amount of equity in the business, particularly from the main principals.
- The realizable value and marketability of the security that is available to secure the financing.
- The level of professionalism evident in the approach to securing financing - the understanding of the needs of the lender, the use of outside professionals.

The actual presentation will address these issues in the context of the suggested table of contents in Exhibit III-1. If you have already prepared a business plan and/or a feasibility study, you can attach them to the submission and reference them where appropriate.

The presentation needn't be exhaustive. It can be in a summary form and use bullets to make the points concisely. The financial institution will come back to you for more information where they need it.

You should submit the presentation in person, making an appointment, and then make another appointment to come back and discuss the presentation once they've had a chance to read it.

## **Negotiations**

Honesty and openness in negotiations are critical. It isn't just because you don't want to be caught in deceit or concealment of information, it's also because you are going to have to establish a relationship of mutual trust and maintain it over a period of years. If the financier has any reason to doubt your trustworthiness, honesty or openness, you will find it very hard, indeed, to get your loan approved.

Discuss your own concerns openly: how you intend to deal with the risks and uncertainties, what you expect to do about major problems that might arise. In general, have an open and full discussion of how the business is going to overcome its challenges. Financiers know very well what can go wrong with a business and they believe in Murphy's Law. In fact, they tend to be cynical about small business, unfair as that may seem. They want you to make them comfortable and give them confidence in your ability to deal with problems.

## **EXHIBIT III-1**

### **SUGGESTED TABLE OF CONTENTS FOR A BUSINESS PLAN, SUITABLE FOR A PRESENTATION FOR FINANCING**

#### ***Executive Summary:***

- Very brief description of the business, the concept proposed, and the capital budget
- An outline of proposed financing
- Summary of revenue and cash flow projections

#### ***Background:***

- Industry/ general tourism trends
- History of the company, date of commencement
- Form of business (partnership, etc.)
- Names of the principals, their involvement, and investment

#### ***Business Concept:***

- The development concept
- Its unique selling propositions and competitive advantages
- The product mix/product features
- Target markets
- Location and site description
- Proposed assets and capital budget
- Purchase price
- Project phasing

#### ***Proposed Financing:***

- Equity
- Debt
- Working capital
- Security available

#### ***Management:***

- Organizational structure
- Biographies of principals and key management

## **EXHIBIT III-1 cont'd**

### **SUGGESTED TABLE OF CONTENTS FOR A BUSINESS PLAN, SUITABLE FOR A PRESENTATION FOR FINANCING**

#### ***Markets and Projected Demand:***

- Summary of results of market research and analysis
- Comparable information
- Competitive analysis
- Market trends
- Demand projections

#### ***Marketing:***

- Pre-opening activities/opening promotions
- Summary of the consumer marketing plan
- Marketing partnerships
- Pricing

#### ***Operations Plan:***

- Staffing and training plan
- Business systems
- Other operational issues

#### ***Three to Five Year Operating Projections:***

- Revenues
- Operating Costs
- Profits
- Debt service
- Asset additions
- Net cash flow

#### ***Initial Balance Sheet:***

- Assets
- Liabilities
- Equity



## **EXHIBIT III-1 cont'd**

### **SUGGESTED TABLE OF CONTENTS FOR A BUSINESS PLAN, SUITABLE FOR A PRESENTATION FOR FINANCING**

#### ***Return on Investment:***

- Internal rate of return or simple return on investment
- Present value of cash flow
- Times interest earned
- Break-even analysis

#### ***Summary of Key Risks and Contingencies:***

- Key risks and management's proposed responses to such threats
- Contingency plans to deal with above

#### ***References:***

- Financial institutions
- Creditors
- Past business associates - customers, suppliers, partners, etc.
- Banker, lawyer, accountant

Don't be intimidated. If you don't understand something, ask. If you don't agree with something, say so. If you think they are being unreasonable in their demands, ask them to explain why the demands are necessary and debate the issue. At all times be open-minded, nonjudgemental, and cool.

This is a normal negotiation. You are free to go elsewhere to get the best deal for your business. However, we recommend that you approach one lender at a time. When you find someone you like and can deal with, stick with them. You should always deal with your banker in good faith. If the manager doesn't think you are serious, or thinks you are wasting his or her time, then you will have difficulty obtaining the financing you require.

Try to get the manager/loan officer to leave their office and come to see your site; given them the tour. Getting them out of their environment into yours is good psychology, and it will help them see your proposal in a more substantial way. It will be real, not just a paper project.

It will take some time and effort to accomplish, but you want to draw your financier into a partnership-style relationship, where they will be more concerned with keeping your business afloat and helping you out, rather than worrying about their loan and wishing you'd take your business elsewhere.

Put yourself in their shoes and act accordingly. Keep them informed. Act like you are in a partnership relationship and treat them like your partner. Hopefully, they will respond in kind.

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## **APPENDIX IV**

### ***Calculation of Net Income, Cash Flow and Return on Investment***

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# APPENDIX IV

## ***CALCULATION OF NET INCOME, CASH FLOW, AND RETURN ON INVESTMENT***

This appendix presents methods of calculating return on investment, based on professional, accepted standards of analysis.

The proper way to determine the real profitability of a business and its return on investment is to first calculate net profit, in accordance with established accounting principles and in the way Revenue Canada calculates business income taxes. By following this method, it is possible both to determine your projected level of income taxes and determine the actual net cash return accruing to you and your investors.

However, there is also a shortcut method which is simpler and will also render a cash flow calculation, although the numbers will, in this case, be pre-tax. If it is your purpose to determine the basic viability of the business proposal by measuring return on investment, pre-tax returns can be just as useful as net returns. We will discuss this latter method first.

The short-cut way of calculating cash flow is simply to start with Operating Profit, deduct total mortgage payments (both principal and interest), and deduct any capital Asset Replacement allowance. This will give you the net cash flow, prior to business income taxes. It is simpler, by far, than going through a detailed calculation (which is only required to derive income taxes), and the pre-tax numbers can be just as readily used for return-on-investment analysis.

To complete a detailed analysis, we need to determine pre-tax profit, net profit, and net cash flow.

Pre-tax Profit is the Operating Profit minus all other charges against income. These are the non-operating costs of the business, and they include:

- Interest on long-term debt;
- Depreciation.

To calculate the interest on your proposed debt financing, we need to split the mortgage payments between the interest and principal portions for each year. A mortgage program can do this for you. Ask your accountant or your banker to run the numbers for you.

Depreciation should be charged at the Capital Cost Allowance (CCA) rates set out by Revenue Canada for each type of asset. Generally, these are calculated on a diminishing balance basis (a constant percentage is applied each year against the un-depreciated balance in the asset account), although some assets can be depreciated on a straight-line basis (an equal portion of the original amount each year). Check with your accountant or Revenue Canada for the CCA rates applying to the major asset items proposed for your operation.

Net Profit is Pre-tax Profit less corporate income taxes. Business income taxes are levied against pre-tax profit. Ask your accountant which tax rates would apply to your business.

The resulting figure, Net Profit, is the accountant's way of telling you what the real profit is in your business. It is a figure which includes the profit that is available to you and your investors at the end of the year as well as the principal portion of any debt that has been paid off, after adjusting for the amortization of the original cost of the assets in the business (depreciation or CCA). In other words, it's the accrued change in the book value of the net worth of the business (i.e. assets less liabilities).

However, this is not the same figure as the amount of real cash you have available from the business, since it includes the principal portion of mortgage payments which have been made and it also ignores any new capital expenditures which have been made over the year (expenditures which would have been capitalized rather than expensed against that year's income). Net Profit is also net of capital cost allowance or depreciation. Indeed, as this is a book entry and not a real cash flow charge, it only distorts the cash flow picture.

To calculate Net Cash Flow, which is the real cash figure, you need to start with Net Profit, add back the depreciation or capital cost allowance, deduct the principal portion of mortgage payments (the interest portion has already been deducted) and deduct an allowance for capital purchases (Asset Replacement) for the year. This is the real cash return - the cash flowing out of the business for the year and available for you and your investors to take out or re-invest.

The short-cut way of calculating cash flow is simply to start with Operating Profit, deduct total mortgage payments (both principal and interest), and deduct any capital Asset Replacement allowance. This will give you the net cash flow prior to business income taxes. It is simpler by far than going through the detailed calculation above (which is only required to derive income taxes), and the pre-tax numbers can be just as readily used for return-on-investment analysis. A worksheet is provided in Exhibit IV-1.

## **Return on Investment Methods**

Return on Investment is generally referred to as ROI. Another measure of value is Return on Equity (ROE).

These calculations give you a single measure of the income returned on the invested capital over a period of future years selected by the analyst to represent the life of the investment. ROI is a measure of the return on total capital, both debt and equity, while ROE is the return on equity only. These measures are universally accepted by investors, bankers, and other lenders as means of evaluating the income potential of a business investment.

**EXHIBIT IV-1**  
**CALCULATION OF PROFIT (LOSS)**

	<b>Mature Year</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Revenue						
Total Operating Expenses						
Operating Profit						
Less: Mortgage Payments (P & I)						
Less: Capital Replacement Allowance						
<b>PRE-TAX CASH FLOW</b>						

There are a number of ways to make these calculations, some more complex than others. The more complex methods are, of course, the better methods. We will start with the simplest.

#### Simple Average Pre-Tax or Net ROI/ROE

For a particular year, ROI is the pre-tax cash flow plus the interest for the year on long-term debt, as a percentage of the original total investment (equity plus long-term debt).

$$\text{ROI} = \frac{\text{Pre-tax or Net Cash flow} + \text{Interest on Long-Term Debt}}{\text{Original Equity} + \text{Original Long-Term Debt}}$$

ROE is the pre-tax or net cash flow as a percentage of the original equity investment.

$$\text{ROE} = \frac{\text{Pre-tax or Net Cash Flow}}{\text{Original Equity}}$$

These numbers can be averaged over a number of years, say ten years, to give an average pre-tax ROI or ROE figure.

These are the simplest calculations. However, they are not well regarded by serious financial analysts because they ignore the time value of money. What we mean is that they give the same value to a dollar earned in the tenth year as they do to a dollar earned in the first year. In reality the present value of a dollar earned in the tenth year is really only a portion of a dollar.

However, the simplicity of this method is its beauty and it is easy to understand. Most bankers will accept such numbers for their purposes. If you are not pressed for a more sophisticated calculation, leave it at this.

For a project to be commercially feasible, the ROI and ROE values have to be positive (i.e. the business is making, not losing, money) and they should exceed the costs of alternative, no-risk investments, such as bonds or guaranteed investment certificates. If they don't exceed these alternatives, why bother taking the risk? Just put your capital in guaranteed investments.

Another factor determining what is a satisfactory return is liquidity. Liquid investments, blue chip stocks and bonds, for example, can be readily and quickly sold, at little cost. An equity stake in a small campground business, however, may be difficult if not impossible to sell, and there may, in fact, be an agreement among the investors restricting their rights in this respect.

The degree these rates of return exceed no-risk investments is primarily determined by the level of risk inherent in the business proposal and, to a lesser degree, the level of liquidity.

Looking at a campground business, its advantages are:

- It has real estate which provides security for financing;
- It can, potentially, be converted to other uses.

Disadvantages include:

- High risk business;
- Can be difficult to get established, and the start-up period will extend two years or more.

Everyone has a different view on these matters, but we suggest the following guidelines:

ROI (assuming 50% debt and 50% equity):

- Double the interest rate on long-term debt is **excellent** (provides four-times coverage of interest on debt) (NB: - For the ROI to be double the interest rate, the ROE has to be three times the interest rate.);
- 150% of the interest rate is **good** (provides three-times interest coverage) ;
- 100% of the interest rate is **poor** from the investor's standpoint - there is no premium for risk - but not bad from the banker's perspective, he or she has two-times coverage on interest;
- Less than 100% - is **not a commercially feasible** proposition and probably not bankable, since the lender has little or no income protection.

Assuming the financing was 50/50 debt/equity and that the interest rate on long-term debt was 10% per annum, an ROI of 20% would produce an ROE of 30%.

ROE :

- Triple the interest rate on long term debt is **excellent**;
- Double is **good**;
- Equal to the interest rate is **poor**;
- Less than the interest rate is **unfeasible**.

#### Times Loan Payment Coverage

Bankers look at the income protection on their loan. Basically, they want to see operating profit of at least double the level of annual loan payments. Thus, if there was a 50% deterioration in net income, the business could still cover its loan payments. For higher risk businesses, they will want to see triple or better coverage.

This judgement will also be affected by the amount and quality of security you have put up for the loan. If they don't have to rely on business income for loan repayment, they may be a little less demanding on times coverage.

#### Detailed Return-on-Investment Methods

The more sophisticated methods of calculating return on investment are summarized below. Both of them share the benefit of accounting for the time value of money in calculating return on investment.

#### Internal Rate of Return (IRR):



This method calculates the percentage of rate of return generated from a stream of income over time, relative to the amount of the original investment. Net cash flow is usually used to represent income, although a pre-tax IRR can be calculated too, if you are using the simpler pre-tax cash flow method of projecting earnings.

Essentially, this method determines the discount rate (rate of return) that, when applied to each future year's cash flow, will result in a total cash flow for all the years equal to the original investment.

Ask your banker or your accountant to do this calculation for you. Most spreadsheet programs today will perform this calculation. To do it manually, you have to be a mathematician!

#### Net Present Value (NPV):

Net present value (NPV), sometimes called warranted investment, is a very useful ROI measure. Rather than determining the rate of return itself, it asks you to establish a target rate of return, and then discounts each year's cash flow at this rate to calculate the level of investment warranted for the project. In other words, it tells you how much you can afford to invest to produce the desired rate of return from the projected cash flow. If the warranted investment is higher than the actual investment required, the project will exceed the target rate of return and vice versa.

Again, the NPV calculation can be done by your accountant or banker.

### **Time Period for Projections**

#### *What time period should we use in measuring ROI?*

A primary consideration in this respect is the expected useful life of the investment. The useful life of an investment can be many years. Buildings, for example, can have an effective life of a century or more. Rolling stock may be good for twenty years or more. Other assets may have a much shorter useful life. Assuming, however, that you will be spending enough annually to refurbish or replace items on a periodic basis, the useful life of the assets in the business will be extended indefinitely into the future. On the other hand, new competition could weaken your ability to maintain the business on this basis and its life would be shortened as a consequence. As a result, the expected useful life of an investment is not a sufficient consideration, on its own, for determining the time line for ROI analysis.

A second important consideration is the reliability period of future projections. Some experts believe that any projections beyond five years are so speculative that they are useless. (Some others believe one year is speculative!)

However, the key question is not really how accurate future projections can be but, rather, is it reasonable for you to rely on future income from the investment you're contemplating today and, if so, for how many years can you reasonably expect to continue to earn this income?

We would suggest that a ten-year time line would probably be appropriate for a campground business. With reasonable management and investment in marketing, this should be readily achievable. In addition, there's not a lot of value in extending the time line significantly beyond this, since, with the time-sensitive ROI methods, the impact of cash flow more than ten years in the future is quite small.

With the simple ROI method, you should not include years beyond the tenth year in the calculation, since to do so would distort the result by giving too much weight to cash flow in the distant future.

## **Break-even Analysis**

Another useful analysis is break-even analysis. Some financial institutions like it, because it paints a picture of the degree to which a projected level of business exceeds the minimum necessary to survive and provides a measure of the down-side protection in the projected numbers.

The break-even point is the volume of revenue at which all costs are covered and the business breaks even on a revenue-to-cost basis.

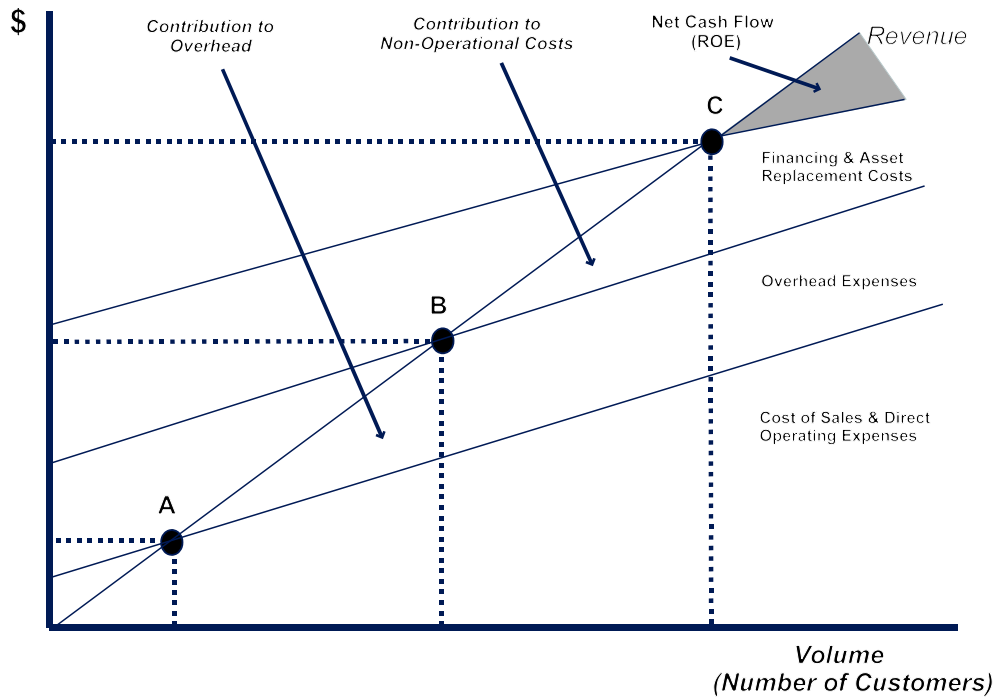
There are several different break-even points, as illustrated in Exhibit IV-2. The first comes when the intersection of volume of business and price produces enough revenue to cover variable operating costs (costs of sales and direct operating expenses). The amount of revenue in excess of variable costs is called Contribution to Overhead.

The second level happens when all operating costs, the variable costs as well as all overhead costs, are covered. The surplus is the Contribution to Non-Operating Costs or Contribution to Capital Related Costs.

The third level is when all costs of the business are covered. The surplus is Net Cash Flow or Return on Equity.

Break-even analysis is also very useful to management for the purpose of evaluating feasibility and also because it can be used in pricing and discounting strategies as part of a yield management process.

**EXHIBIT IV-2**  
**BREAK-EVEN ANALYSIS**



- A** Break even on variable costs (direct costs)
- B** Break even on variable costs & fixed (overhead costs)
- C** Full Break even - covers all fixed & variable costs, as well as financing & asset replacement costs

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## **APPENDIX V**

### ***List of Contacts***

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# APPENDIX V

## LIST OF CONTACTS

**Tourism Division - Tourism Development**  
Department of Tourism, Culture and Heritage  
1800 Argyle Street, 6th floor  
Halifax, NS  
B3J 2R5  
Tel: 424-5000  
Fax: 424-0629  
Website: [www.gov.ns.ca/dtc](http://www.gov.ns.ca/dtc)

**Tourism Division - Tourism Marketing**  
Department of Tourism, Culture and Heritage  
1800 Argyle Street, 6<sup>th</sup> Floor  
Halifax, NS  
B3J 2R5  
Tel 424-5000  
Fax: 424-2668  
Website: [www.gov.ns.ca/dtc](http://www.gov.ns.ca/dtc)

**The Nova Scotia Tourism Partnership Council**  
World Trade and Convention Centre  
Suite 603, 1800 Argyle Street  
Halifax, Nova Scotia  
B3J 3N8  
Tel: 424-0048  
Fax: 424-0723  
Website: [www.nstpc.com](http://www.nstpc.com)

### **Service Nova Scotia & Municipal Relations**

Access Nova Scotia  
Toll free: Throughout Province:  
1-800-670-4357  
Website: <https://www.gov.ns.ca/snsmr>  
*One-stop shopping for government programs and services. Maintain database of contacts for government departments in each region regarding appropriate permits, etc. Also contact for new Nova Scotia Business Registry.*

#### Regional Access Nova Scotia Offices:

Access Nova Scotia - Amherst  
Superstore Mall  
126 South Albion St.  
Amherst, NS B4H 2X3

Access Nova Scotia - Antigonish  
20 St. Andrew's St.  
Antigonish, NS B2G 2L4

Access Nova Scotia - Bridgewater  
77 Dufferin Street  
Bridgewater, NS B4V 2W8  
Tel: 1-800-670-4357

Access Nova Scotia - Halifax  
West End Mall  
6960 Mumford Rd.  
Halifax, NS B3L 4P1

Access Nova Scotia - Kentville  
28 Aberdeen Street  
Kentville, NS B4N 2N1  
Tel: 1-800-670-4357

Regional Access Nova Scotia Offices  
(Cont'd):

Access Nova Scotia - Port Hawkesbury  
218 MacSween St., Ste. 22  
Provincial Building  
Port Hawkesbury, NS

Access Nova Scotia - Sydney  
Moxham Centre  
380 King's Rd.  
Sydney, NS B1S 1A8

Access Nova Scotia - Truro  
35 Commercial Street, Suite 101  
Truro, NS B2N 3H9

Access Nova Scotia - Halifax  
West End Mall  
6960 Mumford Road  
Halifax, Nova Scotia  
B3L 4P1

Access Nova Scotia - Dartmouth  
Superstore Mall  
650 Portland Street  
Dartmouth, NS B2W 6A3

Access Nova Scotia - Yarmouth  
Provincial Bldg.,  
10 Starrs Rd., Ste. 127  
Yarmouth, NS B5A 2T1

Canada/Nova Scotia  
Business Service Centre  
1575 Brunswick Street  
Halifax, NS  
B3J 2G1  
Tel: 426-8604

Fax: 426-6530  
Toll free: 1-800-668-1010  
*Information on federal and provincial  
government programs and funding assistance  
under the Community Business Loan  
Program.*

Nova Scotia House of Assembly- Office of  
Legislative Council  
Website: [www.gov.ns.ca/legislature/legc/](http://www.gov.ns.ca/legislature/legc/)

*Statutes of Nova Scotia*

## **Government Departments**

### **Federal Government**

Atlantic Canada Opportunities Agency  
(ACOA)  
1801 Hollis St., Suite 600  
P.O. Box 2284, Station M  
Halifax, NS B3J 3C8  
Tel: 426-6743  
Fax: 426-2054  
Toll free: 1-800-565-1228  
Website: [www.acoa-apeca.gc.ca](http://www.acoa-apeca.gc.ca)

Business Development Bank of Canada  
Cogswell Tower - Scotia Square, Suite 1400  
Halifax, NS B3J 2Z7  
Tel: (902) 426-7850  
Fax: (902) 426-6783  
Toll free: 1-888-463-6232  
Website: [www.bdc.ca](http://www.bdc.ca)

Canadian Tourism Commission (CTC)  
55 Metcalfe Street, Suite 600  
Ottawa, ON  
K1P 6L5  
Tel: 613-946-1000  
Website: [www.canadatourism.com](http://www.canadatourism.com)

Canada Revenue Agency  
Business Services  
Website: <http://www.cra-arc.gc.ca>  
*Payroll, GST/HST  
Business Account Registration  
Corporations (taxation)  
Sole Proprietorships/Partnerships*

Canada Revenue Agency  
Tax Services Offices:  
Halifax  
Ralston Building  
1557 Hollis St.  
P.O. Box 638  
Halifax, NS B3J 2T5  
Fax: (902) 426-7170

Sydney

47 Dorchester St.  
P.O. Box 1300  
Sydney, NS B1P 6K3  
Fax: (902) 564-3095

Enterprise Cape Breton Corporation  
Commerce Tower, 3<sup>rd</sup> floor  
15 Dorchester St.  
Sydney, NS B1P 6T7  
Tel: 564-3600  
Fax: 564-3825  
Toll free: 1-800-705-3926  
Website: [www.ecbc.ca](http://www.ecbc.ca)

Fisheries and Oceans Canada (Maritimes)  
P.O. Box 1035  
Dartmouth, NS B2Y 4T3  
Tel: (902) 426-3760  
Fax: (902) 426-5995  
Website: [www.dfo-mpo.gc.ca](http://www.dfo-mpo.gc.ca)

Industry Canada  
Corporations Directorate  
365 Laurier Avenue West, 9th floor  
Jean Edmonds Tower South  
Ottawa, ON  
K1A 0C8  
Tel: 1-866-333-5556  
Fax: (613) 941-0601  
Website: [www.corporationscanada.ic.gc.ca](http://www.corporationscanada.ic.gc.ca)

Industry Canada  
Competition Bureau  
50 Victoria St.  
Gatineau, PQ  
K1A 0C9  
Tel: 1-800-348-5358  
Fax: (819) 997-4282  
Website: <http://cb-bc.gc.ca>

Industry Canada  
NUANS Search System  
C/O NUANS Administrator  
Hewlett-Packard Canada  
P.O. Box 13000  
100 Herberg Rd.  
Kanata, ON  
K2K 2A6  
Website: [www.nuans.com](http://www.nuans.com)

Office of the Privacy Commissioner of Canada  
112 Kent St.  
Place de Ville, Tower B - 3<sup>rd</sup> floor  
Ottawa, ON K1A 1H3  
Toll free: 1-800-282-1376  
Tel: (613) 995-8210  
Fax: (613) 947-6850  
Website: [www.privcom.gc.ca](http://www.privcom.gc.ca)  
*Personal Information & Protection of  
Electronic Documents Act*

Statistics Canada (Atlantic Office)  
1741 Brunswick Street  
Box 11, 2<sup>nd</sup> Floor  
Halifax, NS B3J 3X8  
Toll free: 1-800-263-1136  
Website: [www.statcan.ca](http://www.statcan.ca)  
*Population data, Canadian Travel Survey,  
International Travel Survey.*

Transport Canada, Marine Safety  
Tower C, Place de Ville  
330 Sparks St.  
Ottawa, ON  
K1A 0N8  
Tel: (613) 990-2309  
Website: [www.tc.gc.ca/marinesafety](http://www.tc.gc.ca/marinesafety)  
*Navigable Waters Protection Program  
Office of Boating Safety*

Transport Canada (Atlantic Region)

Dartmouth:  
P.O. Box 1013  
45 Alderney Drive  
Dartmouth, NS B2Y 4K2  
Tel: 426-7795

Port Hawkesbury:  
811 Reeves St.  
Shediac Plaza  
P.O. Box 2012  
Port Hawkesbury, NS B0E 2V0  
Tel: (902) 625-0803

Sydney:  
196 George St.  
Federal Arts Bldg., 2<sup>nd</sup> floor  
Sydney, NS B1P 1J3  
Tel: (902) 564-7002

Yarmouth:  
248 Pleasant St.  
P.O. Box 850  
Yarmouth, NS B5A 4K5  
Tel: (902) 742-6860  
Website: [www.tc.gc.ca/at/](http://www.tc.gc.ca/at/)

St. John Ambulance Training Offices  
Headquarters for Nova Scotia Council  
88 Slayter Street  
Dartmouth, NS B3A 2A6  
Tel: 463-5646  
Fax: 469-9609  
Website: [www.stjohnambulance.ns.ca](http://www.stjohnambulance.ns.ca)

Canadian Red Cross  
1940 Gottingen Street  
Halifax, NS B3J 3Y2  
Tel: (902) 423-3680  
Fax: (902) 422-6247  
Website: [www.redcross.ca](http://www.redcross.ca)  
*First Aid, Water Safety courses.*

## **Provincial Government**

Nova Scotia Department of Agriculture &  
Fisheries - Food Safety Section (Halifax)  
PO Box 2223  
Halifax, NS  
B3J 3C4  
Tel: (902) 424-1173  
Fax: (902) 424-3948  
Website: [www.gov.ns.ca/nsaf](http://www.gov.ns.ca/nsaf)

Nova Scotia Department of Agriculture &  
Fisheries - Food Safety Section (Truro)  
P.O. Box 550  
Truro, NS  
B2N 5E3  
Tel: (902) 893-7473  
Fax: (902) 893-6531  
Website: [www.gov.ns.ca/nsaf](http://www.gov.ns.ca/nsaf)

Nova Scotia Department of Natural Resources  
P.O. Box 698  
Halifax, NS  
B3J 2T9  
Tel: 424-5935  
Fax: 424-7735  
Website: [www.gov.ns.ca/natr](http://www.gov.ns.ca/natr)

Service Nova Scotia & Municipal Relations  
1505 Barrington St., 9<sup>th</sup> Floor, South  
PO Box 2271  
Halifax, NS  
B3J 3C8  
Tel: 424-5528  
Fax: 424-1298  
Website: [www.gov.ns.ca/snsmr](http://www.gov.ns.ca/snsmr)

Nova Scotia Department of Environment &  
Labour  
5151 Terminal Road  
PO Box 2107  
Halifax, NS  
B3J 3B7  
Tel: 424-5300  
Fax: 424-0503  
Website: [www.gov.ns.ca/enla/](http://www.gov.ns.ca/enla/)  
*Public Safety Division  
Occupational Health & Safety Division*

Nova Scotia Office of Economic Development  
P.O. Box 2311  
14<sup>th</sup> floor South, Maritime Centre  
1505 Barrington St.  
Halifax, NS  
B3J 3C8  
Tel: (902) 424-0377  
Fax: (902) 424-7008  
Website: [www.gov.ns.ca/econ](http://www.gov.ns.ca/econ)

Nova Scotia Human Rights Commission  
(Central Office):  
1690 Hollis St., 6<sup>th</sup> floor  
P.O. Box 2221  
Halifax, NS B3J 3C4  
Tel: 1-877-269-7699  
TTY: (902) 424-3139  
Fax: 424-0596  
Website: [www.gov.ns.ca/humanrights](http://www.gov.ns.ca/humanrights)

Nova Scotia Labour Standards  
5151 Terminal Road, 7th floor  
P.O. Box 697  
Halifax, NS  
B3J 2T8  
Tel: 1-888-315-0110  
Fax: 424-0648  
Website: [www.gov.ns.ca/enla/labstand](http://www.gov.ns.ca/enla/labstand)



Nova Scotia Alcohol and Gaming Authority  
40 Alderney Dr.  
P.O. Box 545  
Dartmouth, NS B2Y 3Y8  
Tel: 424-6160  
Fax: 424-4942  
Website: [www.gov.ns.ca/aga](http://www.gov.ns.ca/aga)

Nova Scotia Utility and Review Board  
Motor Carrier Division  
1601 Lower Water Street, Suite 300  
P.O. Box 1692  
Halifax, NS  
B3J 3P6  
Tel: (902) 424-3588  
Fax: (902) 424-3919  
Website: <http://www.nsuarb.ca>

Nova Scotia Workers Compensation Board  
Main Office (Halifax)  
5668 South Street  
P.O. Box 1150  
Halifax, NS  
B3J 2Y2  
Tel: 1-800-870-3331 (Halifax)  
Website: [www.wcb.ns.ca](http://www.wcb.ns.ca)

Nova Scotia Workers Compensation Board  
Branch Office (Sydney)  
336 Kings Rd., Suite 117  
Sydney, NS  
B1S 1A9  
Tel: 1-800-880-0003  
Website: [www.wcb.ns.ca](http://www.wcb.ns.ca)

Office of the Fire Marshal  
Nova Scotia Environment & Labour  
5151 Terminal Rd., 6<sup>th</sup> Floor  
P.O. Box 697  
Halifax, NS  
B3J 2T8  
Tel: 1-800-559-3473  
Fax: (902) 424-3239  
Website: [www.gov.ns.ca/enla/ofm](http://www.gov.ns.ca/enla/ofm)

Nova Scotia Transportation & Public Works  
1672 Granville St.  
PO Box 186  
Halifax, NS B3J 2N2  
Tel: 424-2297  
Fax: 424-0532  
Website: [www.gov.ns.ca/tran](http://www.gov.ns.ca/tran)

Provincial Tax Commission  
P.O. Box 755  
1505 Barrington St.,  
8<sup>th</sup> floor, Maritime Centre  
Halifax, NS B3J 2V4  
Toll free: 1-800-565-2336  
Tel: 424-6300  
Fax: 424-0602  
Web: [www.gov.ns.ca/snsmr/taxcomm](http://www.gov.ns.ca/snsmr/taxcomm)

Nova Scotia Registry of Joint Stock Companies  
PO Box 1529  
Halifax, NS  
B3J 2Y4  
Tel: 1-800-225-8227  
Fax:(902) 424-4633  
Website: [www.gov.ns.ca/snsmr/rjsc](http://www.gov.ns.ca/snsmr/rjsc)  
*Registration of company and NUANS search of  
business name.*

Nova Scotia Museum  
Website: [www.museum.gov.ns.ca](http://www.museum.gov.ns.ca)

## **Educational/Training Resources**

Cape Breton University  
P.O. Box 5300  
1250 Grand Lake Road  
Sydney, NS B1P 6L2  
Toll Free: 1-888-959-9995  
Tel: 539-5300  
Fax: 562-0119  
Website: [www.capebretonu.ca](http://www.capebretonu.ca)

Dalhousie University  
Henry Hicks Academic Administration  
Building  
6299 South St.  
Halifax, NS B3H 4H6  
Tel: 494-2211  
Registrar's Office:  
Tel: (902) 494-2450  
Fax: (902) 494-1630  
Website: [www.dal.ca](http://www.dal.ca)

Mount St. Vincent University (MSVU)  
166 Bedford Highway  
Halifax, NS B3M 2J6  
Tel: (902) 457-6117  
Fax: (902) 457-6498  
Website: [www.msvu.ca](http://www.msvu.ca)

Nova Scotia Community College (NSCC)  
Admissions  
P.O. Box 220  
Halifax, NS B3J 2M4  
Tel: (902) 491-4911  
Toll Free: 1-866-679-6722  
Fax: 424-0717  
Toll Free: 1-866-329-6722  
Website: [www.nsccl.ns.ca](http://www.nsccl.ns.ca)

Saint Mary's University  
923 Robie Street  
Halifax, NS B3H 3C3  
Tel: (902) 420-5400  
Website: [www.stmarys.ca](http://www.stmarys.ca)

Nova Scotia Tourism Human Resource Council  
1099 Marginal Road, Suite 201  
Halifax, NS B3H 4P7  
Tel: (902) 423-4480  
Fax: (902) 422-0184  
Website: [www.tourismhrc.com](http://www.tourismhrc.com)

## **INDUSTRY ORGANIZATIONS/ SECTOR ASSOCIATIONS**

### **National & International Organizations/ Associations**

Canadian Association of Foodservice  
Professionals  
1644 Bayview Ave., Ste. 1219  
Toronto, ON M4G 3C2  
Tel: (416) 422-3431  
Fax: (416) 421-1598  
Website: [www.cfsea.com](http://www.cfsea.com)

Canadian Culinary Federation (CCF)  
700-1281 West Georgia St.  
Vancouver, BC V6E 3J7  
Tel: (604) 681-6087  
Fax: (604) 688-5749  
Website: [www.ccfcc.ca](http://www.ccfcc.ca)

Canadian Restaurant and Foodservices  
Association (CRFA) - Atlantic Office  
5121 Sackville St., Ste. 201  
Halifax, NS B3J 1K1  
Tel: (902) 425-0061  
Fax: (902) 422-1161  
Website: [www.crfa.ca](http://www.crfa.ca)

Tourism Industry Association of Canada  
(TIAC)  
803-130 Albert Street  
Ottawa, ON  
K1P 5G4  
Tel: 613-238-3883  
Fax: 613-238-3878  
Website: [www.tiac-aitc.ca/](http://www.tiac-aitc.ca/)

## **Provincial Sector Organizations/ Associations**

### **Tourism Industry Association of Nova Scotia (TIANS)**

1099 Marginal Road, Suite 201  
Halifax, NS  
B3H 4P7  
Tel: (902) 423-4480  
Fax: (902) 422-0184  
Website: [www.tians.org](http://www.tians.org)

### **Affiliated Associations (Same address, phone & fax as TIANS)**

Campground Owners Association of Nova  
Scotia (COANS)

Nova Scotia Adventure Tourism Association

Nova Scotia B&B Association

### **Other Industry Organizations/Associations**

Canada Select (Nova Scotia)  
1800 Argyle St., Ste. 603  
Halifax, NS B3J 2R7  
Tel: (902) 424-8929  
Fax: (902) 424-0723  
Website: [www.canadaselect.com](http://www.canadaselect.com)

Check In Nova Scotia  
2695 Dutch Village Road, Suite 501  
Halifax, NS B3L 4V2  
Tel: 425-5781  
Toll free: 1-800-565-0000  
Website: [www.checkinnovascotia.com](http://www.checkinnovascotia.com)  
*Nova Scotia Travel Information and  
Reservations.*

Federation of Nova Scotian Heritage  
1113 Marginal Rd.  
Halifax, NS B3H 4P7  
Tel: (902) 423-4677  
Toll free: 1-800-355-6873  
Fax: 422-0881  
Website: [www.fnsh.ns.ca](http://www.fnsh.ns.ca)

Hotel Association of Nova Scotia (HANS)  
P.O. Box 473, Station M  
Halifax, NS B3J 2P8  
Website: [www.novascotiahotels.ca](http://www.novascotiahotels.ca)

Nova Scotia Association of Chefs & Cooks  
Howe Hall, 6230 Coburg Road  
Halifax, NS  
Tel: 494-1262

Nova Scotia Restaurant Association  
1161 Hollis Street  
VIA Rail Station  
Halifax, NS B3H 2P6  
Tel: 429-5343  
Fax: 429-0659

Taste of Nova Scotia  
P.O. Box 368  
29 Inglis Place, 2<sup>nd</sup> Floor  
Truro, NS B2N 5L5  
Tel: 895-3315  
Fax 895-1011

Nova Scotia Association of Unique Country  
Inns  
Website: [www.uniquecountryinns.com](http://www.uniquecountryinns.com)

## **Regional Tourism Industry Associations**

Antigonish/Eastern Shore Tourist Association  
(AESTA)  
RR #1 Musquodoboit Harbour, NS  
B0J 2L0  
Tel: 889-2362  
Web: [www.rewardyoursenses.com](http://www.rewardyoursenses.com)

Central Nova Tourist Association  
P.O. Box 1761, 577 Prince Street  
Truro, NS  
B2N 5Z5  
Tel: 893-8782  
Fax: 893-2269  
Website: [www.centralnovascotia.com](http://www.centralnovascotia.com)

Destination Cape Breton  
PO Box 1448  
Sydney, NS  
B1P 6R7  
Tel: 563-4636  
Fax: 564-5422  
Website: [www.cbisland.com](http://www.cbisland.com)

Destination Halifax  
1800 Argyle Street, Suite 802  
Halifax, NS  
B3J 3N8  
Tel: 422-9334  
Fax: 492-3175  
Website: [www.destinationhalifax.com](http://www.destinationhalifax.com)

Evangeline Trail Tourist Association (ETTA)  
654 West Main St.  
Kentville, NS B4N 1L7  
Tel: (902) 678-1728  
Fax: (902) 679-1396  
Toll free: 1-866-260-3882  
Website: [www.evangelinetrail.com](http://www.evangelinetrail.com)

Pictou County Tourist Association (PCTA)  
40 Water St.  
P.O. Box 1839  
Pictou, NS B0K 1H0  
Tel: (902) 485-6151  
Fax: (902) 485-4415  
Toll free: 1-877-81-OCEAN  
Web: [www.tourispictoucounty.com](http://www.tourispictoucounty.com)

South Shore Tourist Association (SSTA)  
Box 1390  
Lunenburg, NS  
B0J 2C0  
Tel: 634-8844  
Fax: 634-8056  
Website: [www.sssta.com](http://www.sssta.com)

Yarmouth County Tourist Association  
(YCTA)  
Tel: 742-5355  
Toll free: 1-866-850-9900  
Web: [www.aboutyarmouth.com](http://www.aboutyarmouth.com)

## Regional Development Authorities

Antigonish Regional Development Authority  
Farmer's Mutual Insurance Building,  
Suite 2-1  
188 Main St.  
Antigonish, NS B2G 2B9  
Tel: 863-3330 Fax: 863-4095  
Website: [www.antigonishrda.ns.ca](http://www.antigonishrda.ns.ca)

Cape Breton County Economic Development  
Authority  
338 Charlotte Street, 3<sup>rd</sup> Floor  
Sydney, NS B1P 1C8  
Tel: (902) 562-2201  
Fax: (902) 562-2866  
Website: [www.cbceda.org](http://www.cbceda.org)

Colchester Regional Development Agency  
P.O. Box 181, 966 Prince Street  
Truro, NS B2N 5C1  
Tel: 893-0140  
Fax: 897-1157  
Toll free: 1-866-227-6182  
Website: [www.corda.ca](http://www.corda.ca)

Cumberland Regional Economic Development  
Association  
35 Church Street, Box 546  
Amherst, NS B4H 4A1  
Tel: (902) 667-3638  
Fax: (902) 667-2270  
Website: [www.creda.net](http://www.creda.net)

Guysborough County Regional Development  
Authority  
P.O. Box 49, 46 Main Street  
Guysborough, NS B0H 1N0  
Tel: 533-3731  
Fax: 533-2064  
Toll free: 1-800-355-3731  
Website: [www.gcrda.ns.ca](http://www.gcrda.ns.ca)

Halifax Regional Development Agency  
11 Glendale Drive, Unit 9  
Lower Sackville, NS B4C 3P2  
Tel: 869-4040  
Fax: 869-4091 Toll Free 1-800-650-0039  
Website: [www.hrda.ns.ca](http://www.hrda.ns.ca)

Hants Regional Development Authority  
Box 2313  
Windsor, NS B0N 2T0  
Tel: (902) 798-2284  
Enfield Office: (902) 883-3338  
<http://www.hantscounty.com>

Straits Highlands Regional Development  
Authority  
P.O. Box 2200  
32 Paint St.  
Port Hawkesbury, NS B0E 2V0  
Tel: 625-3929  
Fax: 625-1559  
Website: [www.strait-highlands.ns.ca](http://www.strait-highlands.ns.ca)

Kings Community Economic Development  
Agency  
28 Aberdeen Street, Ste. #5  
Kentville, NS B4N 2N1  
Tel: (902) 678-2298  
Fax: (902) 678-2324  
Website: [www.kingsced.ns.ca](http://www.kingsced.ns.ca)

Pictou Regional Development Commission  
Business Service Centre  
980 East River Road  
New Glasgow, NS B2H 3S5  
Tel: (902) 752-6159  
Toll Free: 1-888-412-0072  
Fax: (902) 755-2722  
Web: [www.wearepictoucounty.com](http://www.wearepictoucounty.com)

South West Shore Development Authority  
P.O. Box 131  
Yarmouth, NS B5A 4B1  
Tel: (902) 742-3210  
Fax: (902) 742-3107  
Website: [www.swsda.com](http://www.swsda.com)

Western Valley Development Authority  
P.O. Box 278  
86 Atlantic Ave.,  
Cornwallis Park, NS B0S 1H0  
Tel: (902) 638-8100  
Fax: (902) 638-8101  
website: [www.wvda.com](http://www.wvda.com)

## **Travel Trade Organizations**

### **Canada**

Association of Canadian Travel Agencies  
(ACTA)  
130 Albert Street, Suite 1705  
Ottawa, ON K1P 5G4  
Tel: 613-237-3657  
Fax: 613-237-7052  
Website: [www.acta.ca](http://www.acta.ca)

Canadian Bus Association (CBA)  
451 Daly Avenue  
Ottawa, ON K1N 6H6  
Tel: 613-238-1800  
Fax: 613-241-4936  
Website: [www.buscanada.ca](http://www.buscanada.ca)

Ontario Motor Coach Association (OMCA)  
4141 Yonge Street, Suite 306  
Toronto, ON M2P 2A8  
Tel: 416-229-6622  
Fax: 416-229-6281  
Website: [www.omca.com](http://www.omca.com)

### **United States**

American Bus Association (ABA)  
700 13<sup>TH</sup> St., NW, Suite 575  
Washington, DC  
20005-5923  
Tel: 202-842-1645  
Toll free: 1-800-283-2877 (US and Canada)  
Fax: 202-842-0850  
Website: [www.buses.org](http://www.buses.org)

American Society of Travel Agents (ASTA)  
1101 King St., Suite 200  
Alexandria, VA 22314  
Tel: 703-739-2782  
Fax: 703-684-8319  
Website: [www.astanet.com](http://www.astanet.com)

Group Leaders of America, Inc. (GLAMER)  
P.O. Box 129  
Salem, OH 44460  
Tel: 1-800-628-0993  
Fax: 330-337-1118  
Website: [www.glamer.com](http://www.glamer.com)

International Association of Convention &  
Visitor Bureaus  
2025 M Street, NW Suite 500  
Washington, DC  
20036  
Tel: 202-296-7888  
Fax: 202-296-7889  
Website: [www.iacvb.org](http://www.iacvb.org)

CrossSphere (formerly NTA)  
546 E. Main Street  
Lexington, KY  
40508  
Tel: 606-226-4444  
Toll free: 1-800-682-8886  
Fax: 606-226-4414  
Website: [www.crosssphere.com](http://www.crosssphere.com)

Travel Industry Association  
1100 New York Avenue, NW, Suite 450  
Washington, DC  
20005-3934  
Tel: 202-408-8422  
Fax: 202-408-1255  
Website: [www.tia.org](http://www.tia.org)

Travel and Tourism Research Association  
(TTRA)  
PO Box 2133  
Boise, ID  
83701-2133  
Tel: 208-853-2320  
Fax: 208-853-2369  
Website: [www.ttra.com](http://www.ttra.com)

United States Tour Operators Association  
(USTOA)  
275 Madison Avenue, Suite 2014  
New York, NY  
10016  
Tel: 212-599-6599  
Fax: 212-599-6744  
Website: [www.ustoa.com](http://www.ustoa.com)

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## **APPENDIX VI**

### ***emerit Standards and Certification***

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# APPENDIX VI

## ***emerit STANDARDS AND CERTIFICATION***

The Nova Scotia Tourism Human Resource Council ( <http://www.tourismhrc.com> ) is a national partner of the Canadian Tourism Human Resource Council and has been actively involved in the development of National Occupational Standards for various occupations in the tourism industry, and is also the certifying body for non-apprenticeable trades in Nova Scotia. As well, the NSTHRC is the local partner for **emerit**, "Canada's best tourism training tools". **emerit** offers flexible learning options including on-line accessibility and traditional workbooks. This allows for self-directed learning of specific skill based modules and also permits individuals to challenge full certification.

### **Standards**

Standards presently (2005) exist for 49 occupations. These are listed on the following page.

### **What are Standards?**

Standards are statements outlining the attitude, knowledge, and skills required of an individual in order to be considered competent in an occupation. Standards clarify expectations and can be used to design consistent training, education, and professional development programs.

### **How are Standards Developed?**

The Standard development process is based on the philosophy that the tourism industry must determine its own direction. The individuals best suited to determine the content of the Standards are those directly involved in the occupation. The mandate of the Nova Scotia Tourism Human Resource Council is to bring together business, labour, education, and training, and other stakeholders to define the standards and to ensure that they guide education and training.

Standards for a specific occupation become National once seven provinces or territories and one national association validate and accept them.

### **Who Benefits from Standards?**

Eventually, everyone in contact with the tourism industry will benefit from the evaluation of performance in relation to industry Standards. As Standards gain recognition, industry professionals will maintain or increase personal skills, resulting in direct benefits to local and visiting consumers.



NATIONAL WORKBOOKS			
	PRICE	ENG	FRE
Bartender	75.00		
Campground Operator	75.00		
Entry Level Cook	75.00		
Food and Beverage Manger Set	275.00		
Food and Beverage Server	75.00		
Freshwater Angling Guide	75.00		
Front Desk Agent	75.00		
Guest Services Attendant	75.00		
Heritage Interpreter	75.00		
Housekeeping Room Attendant	75.00		
Hunting Guide	75.00		
Local Tour Guide	75.00		
Reservations Sales Agent	75.00		
Retail First Level Manager	75.00		
Retail Sales Associate	100.00		
Sales Manager	75.00		
Special Events Coordinator	75.00		
Special Events Manager	75.00		
Supervisory Skills (set of 4)	275.00		
Tour Director	75.00		
Tourism Essentials	75.00		
Tourism Visitor Information Counsellor	75.00		
Travel Counsellor	75.00		N/A
TRAINER'S GUIDES FOR WORKBOOKS			
	PRICE	ENG	FRE
Bartender/ Food and Beverage Server	150.00		
Food and Beverage Manager	150.00		
Front Desk Agent	150.00		
Guest Services Attendant	150.00		
Heritage Interpreter	150.00		
Housekeeping Room Attendant	150.00		
Local Tour Guide/Tour Director	150.00		
Reservations Sales Agent	150.00		
Sales Manager	150.00		
Tourism Visitor Information Counsellor	150.00		
Tourism Essentials	150.00		
CAREER PLANNING RESOURCES			
	PRICE	ENG	FRE
Career Awareness Video	27.50		
Career Expo Manual	45.00		
Career Planning Guide (Updated)	35.00		
The Student's Travel Map: 2002 (Updated)	35.00		
Tourism – A World of Opportunity (CD-Rom)	25.00		
HUMAN RESOURCE BUSINESS TOOLS			
	PRICE	ENG	FRE
Aboriginal Tourism - A Business Guide	25.00		
Performance First Series:	155.00		
Great Performances	25.00		
Less Talk, More Communication	25.00		
Making Training Work	25.00		
One-on-One Training	25.00		
Predicting Performance	25.00		
Setting the Stage	25.00		
Winning Ways	25.00		
Business Builders Series:	160.00		
Developing an Operational Plan	20.00		
Developing Your Business Profile	20.00		
Getting Your Business Market Ready	30.00		
Management and Labour Relations	30.00		
Managing Your Business Finances	20.00		
Marketing Essentials for Small Business	20.00		
Sales Forecasting	20.00		
Shaping Your Business Strategy	20.00		
HR Tool Kit	195.00		
Performance Paks (ELC,HRA, FDA, FBS, TVIC)	25.00		

To order please visit [www.emerit.ca](http://www.emerit.ca) or contact 1.800.486.9158.

OCCUPATIONAL STANDARDS			
	PRICE	ENG	FRE
Bartender	40.00		
Beverage Services Manager	40.00		N/A
Banquet Server	40.00		
Banquet Manager	40.00		
Campground Operator	40.00		
Catering Manager	40.00		
Casino Dealer	40.00		
Casino Slot Attendant	40.00		
Catering Manager	40.00		N/A
Director of Sales and Marketing	40.00		N/A
Door Staff	40.00		
Food & Beverage Manager	40.00		
Food & Beverage Server	40.00		
Foodservice Counter Attendant	40.00		N/A
Freshwater Angling Guide	40.00		
Front Desk Agent	40.00		
Golf Club General Manager	40.00		
Guest Services Attendant	40.00		
Heritage Interpreter	40.00		
Housekeeping Room Attendant	40.00		
Hunting Guide	40.00		
In-room Dining Server	40.00		
Kitchen Helper	40.00		
Line Cook	40.00		N/A
Local Tour Guide	40.00		
Night Auditor	40.00		
Outdoor Adventure Guide	40.00		
Professional Cooking	80.00		
Reservations Sales Agent	40.00		
Retail First Level Manager	40.00		N/A
Retail Sales Associate	40.00		N/A
Sales Manager	40.00		
Ski Area/Resort Occupational Guidelines	85.00		
Small Business Owner/Operator	40.00		
Snowmobile Operations	40.00		
Special Events Coordinator	40.00		
Special Events Manager	40.00		
Supervisory Skills	40.00		
Taxicab Driver	40.00		
Ticket Agent	40.00		
Tour Guide/Director	40.00		
Tour Operator	40.00		
Tourism Small Business Owner/Operator	40.00		N/A
Tourism Trainer	40.00		
Tourism/Visitor Information Counsellor	40.00		
Tourism/Visitor Information Supervisor	40.00		
Travel Counsellor	40.00		
Transferable Skills	40.00		
Wine Service	40.00		
ON-LINE TRAINING			
	PRICE	ENG	FRE
Bartender (Bundle)	125.00		
Modules	25.00		
Food and Beverage Server (Bundle)	125.00		
Modules	25.00		
Front Desk Agent (Bundle)	125.00		
Modules	25.00		

For Service Professionals, Standards:

- Identify career paths;
- Identify the skill and knowledge needed
- Enhance the public image of occupations;
- Provide a basis for challenge, self-improvement, and advancement;
- Provide the basis for certification based on competent performance.

For Employers and Owners, Standards:

- Define area where employees must be proficient, which assists in recruiting, training, and development of staff. It is important to understand that Standards are not a training program or a training manual in themselves; they do not specify learning objectives, learning activities or evaluation methods. To serve as a training tool, the Standards need to be translated into a learning experience with detailed objectives, activities, and evaluations.
- They can be used to create job descriptions and conduct performance evaluations, as well as to develop and enhance training programs
- Provide employers with a highly trained workforce, which can increase productivity and decrease costs incurred by staff turnover.

For Educators, Standards:

- Provide the basis for curriculum and program development;
- Identify areas of industry where educational expertise is needed and applicable.

For Students, Standards:

- Promote the tourism/hospitality industry as a viable and fulfilling career choice;
- Identify career options within the industry.

For the General Public, Standards:

- Increase the level of professionalism of employees in the tourism/hospitality industry. This results in a higher level of service to customers and a better image of the industry.

Many Standards are available in a Workbook that is a self-study guide including all the Standards as well as exercises, performance reviews and self-tests. The Workbooks are available through the Nova Scotia Tourism Human Resource Council and can be ordered on-line from their web site.

## ***National Certification***

### **What is National Certification?**

National Certification is a three step process. Professionals who achieve National Certification will be recognized across Canada for meeting industry requirements in their selected occupation. The candidate must be employed in the occupation and must have achieved a minimum number of hours work experience (varies depending on the occupation) prior to completing certification.

Candidates may challenge the knowledge component (i.e. the written examination) of the process at any time with no prerequisite. Study materials are recommended to assist in achieving optimal results.

The Certification process is as follows:

Step 1: Written Examination

The examination tests the candidate's familiarity with the knowledge component of the Standards. If unsuccessful, re-testing may be arranged. Oral examinations are available in special circumstances. Some certification exams are available on-line.

Step 2: Performance Review

The Performance Review is derived from the Standards and enables the candidate to practice performance skills on-the-job. The candidate is encouraged to practice the skills outlined in the Standards using the Performance Review as a guide. The review can be completed as it best suits the candidate's situation, but it is recommended that a candidate work together with his or her supervisor or a certified peer to complete it. The supervisor/certified peer can provide feedback for those skills which may need improvement.

When the candidate is ready to have his or her performance skills evaluated, the candidate contacts the Certification Team and requests an Industry Evaluation. In addition, the candidate must have a minimum number of hours experience (varies by occupation) before the Industry Evaluation can be conducted.

Step 3: Industry Evaluation

A trained evaluator observes the candidate on-the-job to ensure the candidate possesses the essential competencies of the occupation as established by the industry.

**Certification**

The Certification Team reviews the file to ensure that all requirements have been met. The successful candidates receive a certificate, a pin, and the Industry Evaluation comments. Unsuccessful candidates receive the Industry Evaluation comments and are encouraged to reapply.