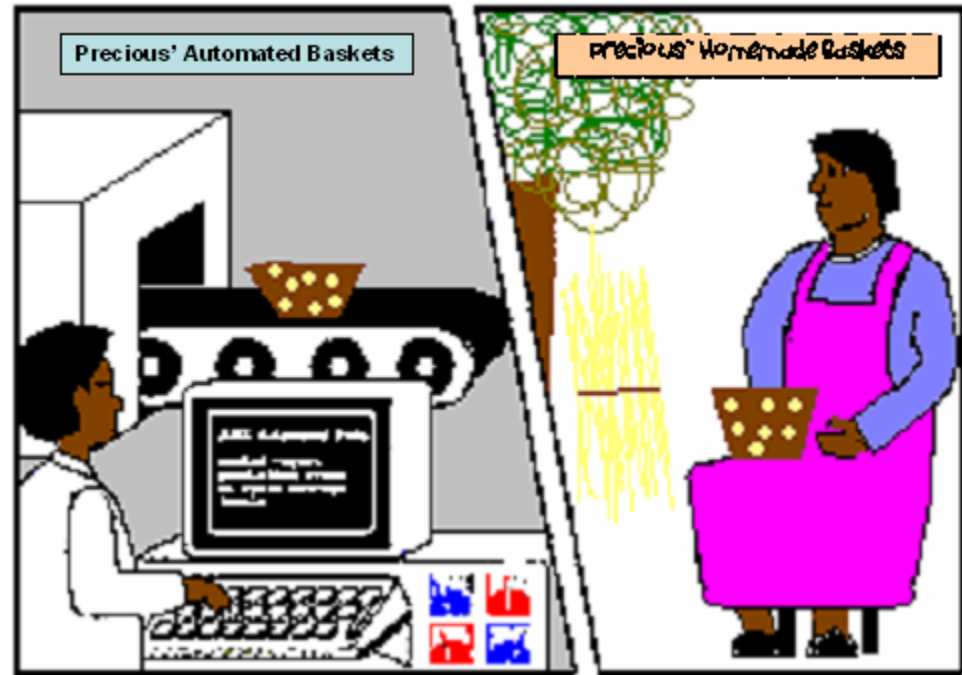


MODULE 2.0a, HANDOUT #1: How to keep your costs low

Maria Shikawe owns a craft shop at the Faraway Conservancy entrance gate. She must pay N\$100 rent to the Conservancy whether she sells 2 or 200 crafts a week. Salary for her shop assistant, insurance, and installments on a loan for her delivery car are other examples of costs Maria must pay regardless of sales. Expenses that must be paid no matter how many goods or services are offered for sale are called fixed costs.

Other types of costs change with the number of products offered for sale. These are called variable costs. Variable costs include the reeds used to make baskets, ostrich eggs bought to make jewelry, paint and canvas used to make paintings, and so on depending on the type of crafts she makes. These are all examples of variable costs.



Maria decides that baskets are her most profitable craft and wants to expand production of baskets to capture more of that market. In our example on the left, Maria has decided to build a factory and hire a staff person to produce more baskets for her. On the right, Maria is making her own baskets outdoors during her spare time and in the shop when there are no customers. She is using her own knowledge of weaving to make the baskets.

In which case is Maria in a better position to control her **fixed costs** of production if there is a decline in the demand for baskets?

What does this imply (show) about fixed and variable costs?

MODULE 2.0a, HANDOUT #2: Marketing mix of a campsite (page 1 of 2)

(If the Conservancy does not have a campsite, use another example of an enterprise and as a group, answer these questions :)

Who is using the enterprise's product or service?		
How old are they?	Children	
	Teenagers	
	Young adults	
	Middle aged	
	Pensioners	
What is their income level?	Budget traveller	
	Middle income	
	High income	
Where are they from?		
How did they travel to the Conservancy?		
What are their preferences, what do they want or expect?		
Why do they use this product or service?		
When do they use the enterprise's product or service		
How is it used?		
How often is it used?		
How many people buy the product or service?		
How is it bought, for example through bookings, on site, in groups, etc.?		
How do people hear about the product or service?		

Do you see more than one kind of "target market" for the Conservancy?

.....

What are the groups (known as "segments") of the market that you foresee using the Conservancy enterprise's products or services? How are these groups different in what they are expecting from the Conservancy enterprise?

.....

MODULE 2.0a, HANDOUT #2: Marketing mix of a campsite (page 2 of 2)

A successful “marketing mix” leads to customer satisfaction and profit. Does the Conservancy have a successful “marketing mix” today? Let’s fill in the blank squares for the Conservancy’s campsite (or another enterprise) in the blocks below.

Is the current marketing mix of the campsite capable of achieving customer satisfaction and profitability? Why yes or why not?

.....

.....

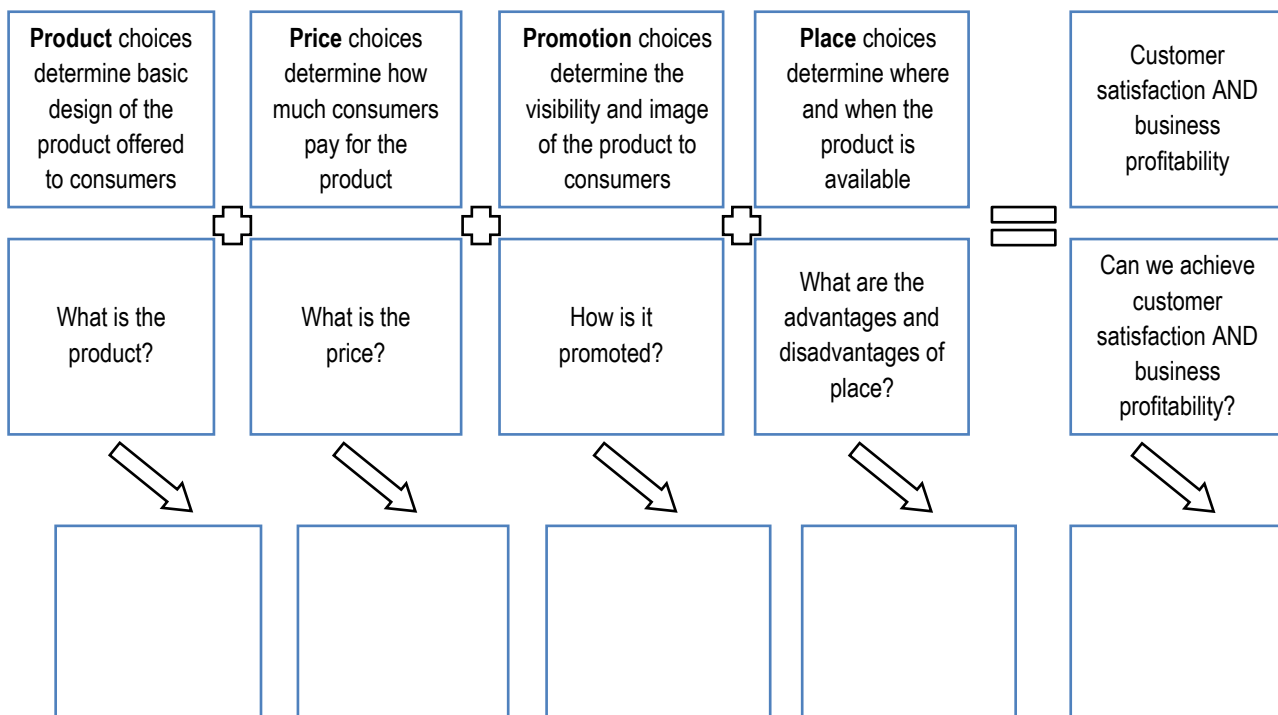
Where can improvements be made:

- Product
-

- Price
-

- Promotion
-

- Place
-



MODULE 2.0a, HANDOUT #3: 'To grow or not to grow'

The Makalani Conservancy Committee decided to run their craft production as a community-based enterprise. The Chairperson, Titus, wants to expand production drastically to supply a new craft centre located 100km away. Some new tools and materials will be needed, and the conservancy would need to borrow some money from a bank. The Vice Chairperson, Lloide, is afraid that the new craft centre is too close to another conservancy who will be selling similar crafts. She is concerned about borrowing from a bank if the conservancy won't be able to make enough money to pay back the loan.

The rest of the Committee and its constituents are split about whether to expand production to the new craft centre as they are unsure of the level of demand.

- What should the Conservancy consider when deciding on strategy?

.....

.....

.....

.....

- How would this decision-making process differ if the craft production had an individual manager appointed to make decisions on behalf of the enterprise?

.....

.....

.....

.....

MODULE 2.0a, HANDOUT #4: Skills, aptitude and expertise of a successful business person (page 1 of 2)

The world's best entrepreneurs have these business skills. Do you?

Planning, management and organisational skills are essential for your business to succeed. These are 5 of the best business skills you can't do without.

1. Plan Everything

Plan your business every step of the way. Set goals, analyze your business situation and make sure you write a business plan. Planning is an excellent business management skill that you need to develop so that you stay on top of business.

2. Manage Your Money

No business can run without cash flow (money) so you need to be money wise. Running a business means you have to constantly balance two things:

- The money customers pay you for your products or for your services (income)
- The money you spend to make your product or deliver your service (expenses)

The profit for your business is the money you get paid minus the money you spend.

3. Be Organised

To get (& stay) organised you need to create a system to manage your business. Everything must have a place and be put back in its place, filed and sorted. An effective routine will ensure that you stay on top of paperwork, admin and remember your appointments.

4. Design your workspace for Success

Carefully plan and design your business workspace to ensure you create a space in which you feel comfortable and able to work. A functional workspace will also help you to stay organised. Remember to always keep your workspace neat and respectable for visiting clients.

5. Build a Business Team

As an entrepreneur you have to take a hands-on approach to build your own business, but there comes a time where you can't do everything yourself. Know your strengths and weaknesses and learn to delegate tasks. Surround yourself with capable co-workers who are as committed to making your business a success as you are. Your business team may include, friends, family members, employees, suppliers, buyers, associates, and community or conservancy members.

MODULE 2.0a, HANDOUT #4: Skills, aptitude and expertise of a successful business person (page 2 of 2)

Are you motivated and capable to start an individual-run enterprise in your Conservancy? By working on your own, complete this short quiz to find out. This information will not be shared with anybody.

1. Do you believe that you can make a direct contribution to the success of an enterprise?

Yes

No

2. Do you like to be your own boss and be in control all of the time?

Yes

No

3. Do you see an opportunity in to provide a good or service from the location of your Conservancy? What is it? (if people are willing to share their concept!)

Yes

No

4. Are you prepared to take on the challenges involved in running an enterprise?

Yes

No

5. Do you want to make money?

Yes

No

If you answered "yes" to these questions, you are a strong candidate to be a successful entrepreneur. Get started!

MODULE 2.0a, HANDOUT #5: Accommodation capacity by Month by Region for 2010 (page 1 of 3)

Region	Month												Average Jan-Dec
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	
Caprivi													
Establishments	11	10	7	7	12	12	12	12	8	5	6	6	9
Rooms	107	87	61	61	119	104	156	141	97	47	85	85	96
Beds	225	181	126	126	230	251	530	934	306	186	178	178	288
Beds AVLBL	6,975	5,249	3,906	3,780	7,130	7,530	16,430	28,954	5,580	9,486	5,340	5,340	8,808
Beds Sold	947	826	812	1,200	2,250	2,330	3,301	3,979	1,444	2,108	1,095	994	1,774
Bed Occ.	14%	16%	21%	32%	32%	31%	20%	14%	26%	22%	21%	19%	20%
Erongo													
Establishments	297	291	193	183	226	225	273	260	80	70	206	203	209
Rooms	1,297	1,233	712	636	1,013	950	1,656	1,378	851	753	1,296	1,463	1,103
Beds	2,956	2,784	1,493	1,324	2,151	2,109	3,901	3,013	2,229	2,115	3,168	3,524	2,564
Beds AVLBL	91,636	80,736	46,283	39,720	66,681	63,270	120,931	93,403	66,870	65,565	95,040	109,244	78,282
Beds Sold	25,011	22,027	7,846	6,603	19,049	16,970	39,549	30,690	17,786	17,887	26,955	38,036	22,367
Bed Occ.	27%	27%	17%	17%	29%	27%	33%	33%	27%	27%	28%	35%	29%
Hardap													
Establishments	26	26	27	29	33	28	28	28	19	16	35	33	27
Rooms	287	325	125	136	336	270	336	353	152	131	222	191	239
Beds	617	689	259	281	735	592	719	753	317	281	508	448	517
Beds AVLBL	19,127	19,981	8,029	8,430	22,785	17,760	22,289	23,343	9,510	8,711	15,240	13,888	15,758
Beds Sold	2,915	2,813	2,085	2,785	6,246	3,446	8,252	10,748	4,144	3,714	5,230	3,549	4,661
Bed Occ.	15%	14%	26%	33%	27%	19%	37%	46%	44%	43%	34%	26%	30%
Karas													
Establishments	36	37	30	29	34	34	33	32	11	6	29	30	28
Rooms	485	480	71	71	426	431	448	422	188	36	420	184	305
Beds	1,031	1,021	150	150	901	908	952	905	380	85	437	402	610
Beds AVLBL	31,961	29,609	4,650	4,500	27,931	27,240	29,512	28,055	11,400	2,635	13,100	12,462	18,588
Beds Sold	6,332	6,787	926	1,238	8,581	9,409	9,850	9,950	4,051	677	3,589	3,012	5,367
Bed Occ.	20%	23%	20%	28%	31%	35%	33%	35%	36%	26%	27%	24%	29%
Kavango													
Establishments	8	7	8	8	12	10	11	10	8	8	9	10	9
Rooms	157	132	40	11	176	141	193	161	111	91	131	146	124
Beds	331	269	82	21	361	283	362	317	191	172	262	298	246
Beds AVLBL	10,261	7,801	2,542	630	11,191	8,490	11,222	9,827	5,730	5,332	7,860	9,238	7,510
Beds Sold	1,687	1,196	527	129	2,763	2,174	3,513	4,051	1,651	1,350	2,183	1,519	1,895
Bed Occ.	16%	15%	21%	20%	25%	26%	31%	41%	29%	25%	28%	16%	25%
Khomas													
Establishments	94	90	83	76	97	96	99	94	75	70	117	107	92
Rooms	1,951	1,870	1,042	967	1,608	1,632	1,528	1,500	1,091	996	1,479	1,452	1,426
Beds	3,965	3,845	2,583	2,394	3,206	3,141	3,406	3,311	2,939	2,774	3,186	3,131	3,157
Beds AVLBL	122,915	111,505	80,073	71,820	99,386	94,230	105,586	102,641	88,170	85,994	95,580	97,061	96,247
Beds Sold	27,795	29,433	21,425	18,175	31,515	29,248	30,895	39,156	28,216	23,716	31,549	21,066	27,682
Bed Occ.	23%	26%	27%	25%	32%	31%	29%	38%	32%	28%	33%	22%	29%
Kunene													
Establishments	32	33	24	23	24	25	26	26	20	19	34	33	27
Rooms	530	538	267	269	276	299	431	386	357	344	407	436	378
Beds	1,078	1,089	542	546	558	601	871	792	1,426	1,424	824	875	886
Beds AVLBL	33,418	31,581	16,802	16,380	17,298	18,030	27,001	24,552	42,780	44,144	24,720	27,125	26,986
Beds Sold	7,063	7,046	5,024	6,779	5,706	4,340	10,032	10,010	10,304	11,106	9,229	5,427	7,672
Bed Occ.	21%	22%	30%	41%	33%	24%	37%	41%	24%	25%	37%	20%	28%
Omaheke													
Establishments	10	10	8	7	11	10	10	11	3	4	11	11	9
Rooms	80	87	30	30	78	78	58	70	10	23	33	33	51
Beds	186	204	80	80	185	185	148	194	22	60	85	90	127
Beds AVLBL	5,766	5,916	2,480	2,400	5,735	5,550	4,588	6,014	660	1,860	2,550	2,790	3,859
Beds Sold	1,408	957	804	956	1,385	2,868	1,661	1,449	316	664	788	1,563	1,235
Bed Occ.	24%	16%	32%	40%	24%	52%	36%	24%	48%	36%	31%	56%	32%

MODULE 2.0a, HANDOUT #5: Accommodation capacity by Month by Region for 2010 (page 2 of 3)

Region	Month												Average Jan-Dec
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	
Oshana													
Establishments	10	10	5	4	10	11	13	10	6	5	10	7	8
Rooms	155	134	59	33	188	137	291	114	70	68	230	74	129
Beds	313	229	101	53	343	259	562	235	127	125	383	145	240
Beds AVLBL	9,703	6,641	3,131	1,590	10,633	7,770	17,422	7,285	3,810	3,875	11,490	4,495	7,320
Beds Sold	1,070	2,130	495	270	1,744	1,040	2,417	1,304	1,042	517	1,404	477	1,159
Bed Occ.	11%	32%	16%	17%	16%	13%	14%	18%	27%	13%	12%	11%	16%
Oshikoto													
Establishments	14	14	14	13	20	19	16	17	8	8	12	13	14
Rooms	307	305	217	181	370	325	352	352	242	241	245	265	284
Beds	641	637	452	380	751	669	750	750	505	505	547	587	598
Beds AVLBL	19,871	18,473	14,012	11,400	23,281	20,070	23,250	23,250	15,150	15,655	16,410	18,197	18,252
Beds Sold	4,489	4,339	3,203	3,056	6,960	3,892	9,014	9,004	6,735	7,000	6,525	4,586	5,734
Bed Occ.	23%	23%	23%	27%	30%	19%	39%	39%	44%	45%	40%	25%	31%
Otjozondjupa													
Establishments	44	45	36	35	41	41	42	41	24	20	62	55	41
Rooms	377	369	139	134	325	300	368	501	244	179	393	317	304
Beds	800	788	286	276	668	618	774	1,014	487	349	799	656	626
Beds AVLBL	24,800	22,852	8,866	8,280	20,708	18,540	23,994	31,434	14,610	10,819	23,970	20,336	19,101
Beds Sold	3,791	4,839	1,261	1,598	6,176	4,774	6,717	7,764	4,270	3,415	4,847	3,337	4,399
Bed Occ.	15%	21%	14%	19%	30%	26%	28%	25%	29%	32%	20%	16%	23%
Ohangwena													
Establishments	3	3	2	2	2	2	2	2	1	1	2	2	2
Rooms	42	42	24	24	24	24	32	32	24	24	34	34	30
Beds	48	48	30	30	30	30	100	79	30	30	40	40	45
Beds AVLBL	1,488	1,392	930	900	930	900	3,100	2,449	900	930	1,200	1,240	1,363
Beds Sold	473	400	108	100	92	104	114	120	150	150	188	204	184
Bed Occ.	32%	29%	12%	11%	10%	12%	4%	5%	17%	16%	16%	16%	13%
Omusati													
Establishments							1	1			1	1	1
Rooms							30	30			30	30	30
Beds							46	46			46	46	46
Beds AVLBL							1,426	1,426			1,380	1,426	1,415
Beds Sold							84	80			164	166	124
Bed Occ.							6%	6%			12%	12%	9%
Total													
Establishments	585	576	437	416	522	513	566	544	263	232	534	511	475
Rooms	5,775	5,602	2,787	2,553	4,939	4,691	5,879	5,440	3,437	2,933	5,005	4,710	4,479
Beds	12,191	11,784	6,184	5,661	10,119	9,646	13,121	12,343	8,959	8,106	10,463	10,420	9,916
Beds AVLBL	377,921	341,736	191,704	169,830	313,689	289,380	406,751	382,633	265,170	255,006	313,880	322,842	302,545
Beds Sold	82,981	82,793	44,516	42,889	92,467	80,595	125,399	128,305	80,109	72,304	93,746	83,936	84,170
Bed Occ.	22%	24%	23%	25%	29%	28%	31%	34%	30%	28%	30%	26%	28%

* Please take note that information is ONLY for those establishments who provided the data.

MODULE 2.0a, HANDOUT #5: Accommodation capacity by Month by Region for 2010 (page 3 of 3)

In your group, answer these questions:

- In which month did your region have the highest and the lowest occupancy? What percentage of available beds was occupied during the highest and the lowest months?

.....

- Which region sold the most beds? Why do you think that is?

.....

- What kind of accommodation (establishments) is the data referring to?

.....

- What kind of accommodation does your conservancy offer?

.....

- What leisure activities does your Conservancy offer?

.....

- What kind of leisure activities are tourists looking for in your region?

.....

- How do tourists get information about their trip to Namibia?

.....

- How would they find out what your conservancy has to offer? (Meaning, how would tourists know about your enterprises?)

.....

.....

- Who do you think is the competition for your enterprises? How would tourists find out about your competitors? How might they make a decision between you and your competitors?

.....

.....

.....

MODULE 2.0a, HANDOUT #6: Most common causes of business failure

Poor management skills

- Poor delegation and organizational ability
- Lack of depth in management team
- Lack of experience
- Entrepreneurial incompetence, such as poor understanding of finances and business markets

Inadequate marketing capabilities

- Difficulty in marketing the product
- Market too small, nonexistent or declines
- Too much competition
- Problems with transportation or distribution systems

Inadequate financial capabilities

- Weak skills in accounting and finance
- Lack of budgetary control
- Inadequate cash flow forecasts
- Inadequate costing systems
- Incorrect valuation of assets
- Unable to obtain financial backing

Inadequate production capabilities

- Poorly designed production systems
- Inadequate control over quality
- Problems with inventory control

Personal reasons

- Lost interest in the business
- Accident, illness
- Death
- Family problems

Disasters

- Fire
- Weather, flooding, drought
- Fraud or theft

Other

- Mishandling of larger transactions
 - Excessive standard of living (compared to profit)
 - Lack of time to devote to the business
 - Difficulties with associates or partners
 - Government policies change
-

MODULE 2.0a, HANDOUT #7: *Self-assessment evaluation for participants*

What do you understand by a tourism business? Name at least two in your conservancy.

Who are the main customers of your tourism enterprise?

Staff salaries are a variable cost of your business? Do you agree and why?

What kind of management would work best for a group of crafters in your conservancy?

Why do you think do community-owned businesses face challenges?

What are the 4 P's of the marketing mix? Under which of these 4 P's is marketing?

Do your tourism enterprises do any marketing? What kind and how often?

Why does your conservancy need a tourism plan? Give at least two reasons.

What is a cost-benefit analysis?