



# Hosting a Bed & Breakfast

## Factsheet Series: Planning for Your Bed and Breakfast

A well thought out thorough plan will assure an enjoyable and hopefully profitable bed and breakfast business. Since everyone in the family will have to live with the decisions, everyone should be involved in making them. The planning process should be done carefully and should take a lot of searching and study. Be realistic in what you have to offer potential guests. What do potential guests want? How can you bring your wants and their wants together?

Evaluate your progress periodically and update your plan. No plan is static. Things will happen that will cause you to make changes in your plans. Call on professionals for assistance; an attorney, accountant, insurance agent, a bed and breakfast organization director, and others you may know.

### B & B Plan Outline

Planning is a process to help you and your family consider and reconsider a variety of ideas. Think about each of the following points thoroughly as they apply to your situation. You should first prove to yourself that your ideas for a bed and breakfast will be a worthwhile venture for you and your family. Some of the elements of the plan will also be useful if you need to borrow money for the business in the future.

### What are Your Resources?

1. Your bed and breakfast home and grounds; its character, period and/or style, location, facilities and activities on the premises and within the community seasonal or year round.
2. The amount of free time you have available to manage and operate a bed and breakfast. Is it adequate?
3. Family members, bed and breakfast related skills, dispositions, and interests.
4. Available capital for bed and breakfast start up and on-going costs.

### Setting Your Goal

1. What are your reasons for considering a bed and breakfast operation? Are they just financial needs?
2. What is your desired income over a "pre-determined" number of years (net profit).
3. Do your bed and breakfast goals mesh with family goals, long and short term?
4. Modifying and prioritizing goals after making first decisions

### Bed & Breakfast Requirements Study

1. Check out what is needed in the way of licenses and permits: zoning, building and housing codes, health regulations, vendor's license, within your location.
2. Can you obtain and what is the cost to you for liability and other insurance: hazards to eliminate, liability insurance for a public place?
3. What are the tax requirements: local, state, federal, sales you will need to meet?
4. What sort of business structure: sole proprietorship, partnership, corporation if any, will work best for you?

## **Market Analysis**

1. Socio-economic characteristics of your targeted guests. Consider what you prefer and/or you will most likely attract.
2. Number and location of potential clientele.
3. Distances and routes to specific targeted areas close to your bed and breakfast.
4. Anticipated growth in socio-economic status.
5. Trends in bed and breakfast preferences.

## **Competition/Comparisons**

1. Quantity and quality of similar B & B's and attractions in your location.
2. Profitability of competitors' bed and breakfast and trends.
3. Competitors' locations to target guests.

## **Management System**

1. Type of records for tax purposes
2. Start up and maintenance costs (facilities, equipment, supplies and services).
3. Pricing bed and breakfast facilities and services.
4. Inventory and depreciation record keeping.
5. Bed & Breakfast Standard Operating Procedures ( with family members assignments).

## **Marketing Strategy to Targeted Guests**

1. Image building: logo, stationary, signs etc.
2. Sales strategy: uniqueness, quality, price, location, etc.
3. Promotion strategy: type of advertising and media; agencies and organizations

## **Action Plan**

1. Prioritized bed and breakfast goals (most desired results within six months to one year)
2. Tasks to accomplish goals. Set deadlines.
3. Needed resources: money, time, labor, etc.
4. Large action calendar (with task start dates and completion deadlines.)

## **Resources Available**

1. Check out other books on the subject from your state government.
2. Talk to local chamber of commerce, visitor's bureau, etc.
3. Contact Small Business Association in your location for assistance.