

Heavenly resort business plan



**ASSIGN
BUSTER**

The Heavenly Resort, Puerto Princesa Palawan Philippines is a boutique hotel within Palawan Island. Heavenly Resort is boutique hotel offering 32 exclusive rooms.

The Heavenly Resort property is convenient and strategic location within the city. Also with the high level of personal service guests receive, create a memorable experience and the extensive range of comprehensive business facilities available in unique settings.

The Heavenly Resort has 32 exclusive rooms with a pool on the roof top and is targeting corporate guests with a two to three night stay requirement. Foreign retiree guest with a three to six months stay, foreign and local tourist with a one to two weeks stay requirement and family, scuba divers, backpackers, trekkers, bird watchers, spelunkers, explorers and even honeymooners.

Differentiating the type of business service offered, and sustainable green innovation from that of the competition, will assist not only in building the Heavenly Resort brand as a whole, but will attract frequent touristtravellers, who require a higher level of personal service and recognition than they can receive at competitive boutique hotel in Palawan. This will provide the Heavenly Resort with an opportunity to leverage its core competencies as regards servicing the tourist traveller in a unique and innovative environment.

Description of the business concept

The first Exclusive Business Boutique Hotel/Resort with restaurant is wholly managed with five teams. The team specializes in occupying strategic, inner

city locations and serving primarily corporate clients, foreign and local tourist.

Market Needs

Palawan Island is one of biggest city in Philippines and the famous holiday destinations for foreign and local. Due to the influx of tourist in the area, there is lack of accommodation with little competition for a boutique hotel.

The Heavenly Resort offers value and benefits to our clients, over and above the standard of our facilities and affordable rates. We seek to provide our guests with an exemplary personal service, and level of recognition that they have come to rely upon. We provide our guest with a relaxed environment which they cannot find at larger, more impersonal competitors.

Our guests need to know that they can develop a relationship with the hotel that will ensure efficiency, value for their money and reliability in supplying them with the support they need, when they needed it. The Heavenly Resort operates in a city with a very strong sense of community, and we want to stay an integral part of that community.

The Target Market

The Heavenly Resort is a boutique hotel comprising 32 guest rooms, a pool, and restaurant and specializing in servicing corporate guest, foreign and local with the family.

Our key clients are originating from both international and domestic markets from Scuba divers, backpackers, trekkers, bird watchers, spelunkers, explorers—and yes, even honeymooners. The strategic location of the

property is the key to its success in these areas due to the proximity of the nearby white sand beaches and resorts where guests can take a plunge or bathe in the sun and beautiful scenery.

Key to our business success is the level of customer loyalty and repeat business. We offer our guests unique ambience amenities, when styled in a boutique manner both inside the rooms and within the hotel's conference facilities.

Our guests feel that they can conduct their business from within a less austere atmosphere than can be experienced in our competitive properties, where there is less personal recognition. They appreciate being called by name when they arrive, and having staff remember their specific requirements, time and again. This is the key in developing the relationship beyond an initial stay and evidences our added value in relation to competitive properties in the vicinity.

The Competitive Advantages (Innovativeness)(Arvind)

The Team (April & Chris)

Market Research and Analysis

Market Analysis

Table 1: Tourist Volume in Major Destinations, January-May 2010/2009

Destinations

2010

2009

Growth Rate

Metro Manila

848, 518

724, 572

17. 11%

Cebu

734, 531

703, 965

4. 34%

Boracay Island

378, 694

337, 664

12. 15%

Camarines Sur*

348, 139

344, 459

1. 07%

Baguio City

318, 677

373, 820

-14. 75%

Davao City

275, 658

273, 492

0. 79%

Zambales

159, 025

157, 591

0. 91%

Bohol

143, 276

139, 162

2. 96%

Camiguin Island

105, 262

90, 269

16. 61%

Negros Oriental

102, 394

98, 738

3. 70%

Cagayan

83, 822

80, 739

3. 82%

IlocosNorte

81, 724

88, 366

-7. 52%

Puerto Princesa City*

73, 986

54, 754

35. 12%

Total

3, 653, 706

3, 467, 591

5. 37%

* January-March data only. No data provided for April and May

Source of Data: DOT Regional Offices/Local Tourism Offices/Accommodation Establishment.

Market Demographics

Market Geographic's: Puerto Princesa, Philippines is a city centre in Palawan Island, with a population of 157, 144. Overall Island population is 640, 486.

Market Demographics: The community in Palawan are migrants from other regions in the Philippines and Foreigners who create business activities.

Market Psychographics: There is a strong 'small business' ethic in the community, and many family-run enterprises have been prospering for generations. There is also a strong sense of community and a high level of awareness as regards to caring for the environment.

Market Behaviours': Businesses in the area choose to support one another wherever possible, be remaining loyal to long standing relationships with

customers and suppliers. This acts as a means of investing in, and supporting the community structure.

Market Trends

Market trends can be categorized as follows: Foreign and Domestic tourist.

Puerto Princesa City tourist traffic grew by 21% with foreign and domestic visitors increasing at double digit level of 23% and 21%, respectively. The upgrading of Puerto Princesa Airport paved the way to increase flight frequencies from Manila and other island destinations in Central Philippines. Likewise, the efforts of the City Government of Puerto Princesa to develop new tourist products attracted more visitors and enabled prolonged stays.

By year 2010, total tourist traffic in the top destinations is forecast to grow by 15% as domestic travel movement continues to increase and international tourist markets recover from economic slack.

Market Growth

The growth rate of the target markets has been increasing over the past five years. The foreign tourist has grown at an average of 12.81%, and the domestic tourist has grown at an average of 2.12%.

Puerto Princesa City has 117,000 visitors annually. 41.78% are foreign and 35.4% are domestic. The tourist volume in 2009 is 54,754 and in 2010 are 73,986. The overall growth rate is 35.12% which is the highest among other tourist destination in Philippines.

The Company

The Heavenly Resort, Puerto Princesa City, Palawan Philippines, is a Boutique Hotel and Restaurant. Offering 32 exclusive rooms with complementary breakfast, and offer an affordable signature cuisine local and continental.

Mission

The Heavenly Resort is dedicated to providing its guests with the highest quality of service and creates a memorable experience. We seek to deliver on our promise of value and quality above all else. We value our place in the community and will work to develop those relationships and to respect and protect our environment.

We will continue to strive to create value for both owners and shareholders whilst honouring our brand values and encouraging our personnel to develop themselves in an environment of trust, loyalty and encouragement.

Service Offering

Service: high-quality facilities accompanied by exemplary personalised service, differentiated from competition in line with the overall brand strategy has proven to be a successful approach generating high levels of repeat business.

Positioning

The Heavenly Resort is positioned as a unique boutique hotel, foreign and local traveller's strategically located and offering a high level of personalised service. Our focus is on offering our guests value added and differentiating ourselves in our levels of personalised service. We provide a quality hotel

memorable experience where guests are valued, respected, delighted and their business is truly appreciated.

SWOT Summary

The following analysis highlights the internal strengths and weaknesses of our organization and the opportunities and threats facing the company in our external environment. We must work to improve our areas of weakness.

Organizational strengths must be leveraged in order to capitalize on external opportunities as they arise, and contingency plans formulated in order to deal with threats presented by the environment.

Strengths

Strategy: strong differentiation strategy.

Skills: diverse range of service skills within management and staff.

Style: strong, participative culture.

Staff: specialized and experienced staff that is motivated and highly skilled.

A well trained team who are proud of their hotel and respect and promote the brand values.

Shared Values: clear and well communicated.

Brand Strength: brand values well represented engendering brand loyalty amongst existing and new guests.

Reputation: a strong reputation within the local market and corporate and travel trade markets for reliability, exemplary service and quality.

Weaknesses

Strategy: differentiation strategy needs to be more clearly communicated externally, within local and national markets.

Systems: formal systems result from the detail oriented work and environment. Interdepartmental communications could be improved.

Staff: seasonal turnover requires ongoing training and orientation of new staff.

Facilities: certain rooms require renovation and upgrade as regards technical equipment, such as high speed Internet access and laptop links.

Opportunities

Market: high growth since a huge influx of tourist.

Competitors: no direct competition exists at present, in terms of the 'boutique business property' niche.

Suppliers: strong, long-term relationships established with suppliers.

Guest Dependency: repeat corporate clients based on personalised service and quality, in a small but unique and innovative environment.

Threats

Market Entry: potential for a competitive, global brand to enter the market with a similar product.

Substitutes: fully furnished and serviced business apartments offering lower daily rates.

Economy: recovery from slight recession may take time.

Competition

Although no direct competition exists, in terms of the boutique-style property, other five star hotels and serviced apartments, chalets do compete for the same business sector.

Growth and Share (Adam please produce a graph for this)

Competitor

Price

Growth Rate

Market Share

Casa Puerte (B&B)

\$60

—

—

Legend Hotel (3star)

\$150

—

—

Asturias Hotel

(4star)

\$200

—

—

Heavenly Resort

\$75

—

—

Average

Total

Competitive Analysis

#1

#2

#3

#4

Competitor

Legend

Asturias

Casa Puerte

Heavenly

Product and/or Service

Legend

Asturias

Casa Puerte

Heavenly

Quality

6

7

4

8

Selection

5

7

5

6

Price

6

6

6

6

Other

0

0

0

0

Location and Physical Appearance

Legend

Asturias

Casa Puerte

Heavenly

Traffic

4

5

7

7

Appearance

4

7

6

8

Visibility

7

6

7

9

Convenience Factors

7

6

6

8

Other

0

0

0

0

Added Value Factors

Legend

Asturias

Casa Puerte

Heavenly

Pre and Post Sales Service

3

5

4

7

Experience

7

8

6

9

Expertise

6

7

5

8

Reputation

5

9

6

8

Image

6

9

4

8

Stability

6

8

4

9

Strategic Alliances

0

0

0

0

Other

0

0

0

0

Other Marketing Activities

Legend

Asturias

Casa Puerte

Heavenly

Established Sales Channels

0

0

0

0

Advertising

0

0

0

0

Post-purchase Support

0

0

0

0

Incentives

0

0

0

0

Loyalty Components

0

0

0

0

Other

0

0

0

0

Total

72

90

70

101

Marketing Plan

Marketing Strategy

Our marketing strategy's objective is to communicate the unique set of services that we offer to discern hotel guests. We attempt to direct the focus of our guests to the issues of quality and value for the money as opposed to simply the bottom line costs associated with their stay.

Our marketing strategy will allow us to communicate our brand values, develop close working relationships with our customers and suppliers and to identify the needs of our guests in an effective manner. Continued differentiation and growth are two goals we have set for ourselves. Growth will take place by targeting Foreign and local tourist.

Value Proposition

Heavenly Resort offers the best, most personalized service for the corporate traveller, foreign and local. We provide good ambience facilities in every room. We include creative design in every room, such as a unique amenity according to their culture and nationalities.

Critical Issues

We have much strength including our differentiation strategy, and highly skilled and well trained staff. Our weaknesses involve the need to communicate our strategy more clearly in the external environment, our high staff turnover and training requirements due to seasonal fluctuations.

Although there is a low to medium threat of a competitive brand entering the market, there are also opportunities as regards the high level of dependency of our guests for our particular service and our strong position within the community with both customers and suppliers.

Critical issues for the Heavenly Resort include:

Continuing to differentiate from our competition and offering added value to our guests.

Retaining our current levels of repeat business and developing further customer loyalty in a competitive market.

Nevertheless, smart boutique hotels must continue to adapt to the incessantly changing needs, tastes, preferences, and fashions in order to remain competitive in the flourishing boutique hotel market.

Financial Objectives

Increase overall room revenue.

Accomplish growth within the given budget.

Increase corporate contracted rates to reflect the return of confidence in the tourist travel market.

Keep payroll expenses down and reduce the level of overtime within the workforce.

Marketing Objectives

To continue to communicate our strategic objectives to our target markets effectively.

To provide a positive hotel memorable experience to all our guests.

To accomplish our growth targets within the given time and budget.

Expand our markets and identify new markets for our product and services.

Messaging

It is critical to the success of the Heavenly Resort to make sure that the hotel is kept up to the highest level in order to keep the high quality service that Heavenly Resort properties are known for. Our messaging will reflect this high standard that we want to be associated with. We need to print brochures from the recycled material to retain our green environment in front of our customers

Branding

The Heavenly Resort, Puerto Princesa City, Palawan Philippines, is first boutique hotel in Palawan. Heavenly Resort is boutique properties, offering 32 exclusive rooms.

The Heavenly Resort property is convenient and easy access locations within the city. Also synonymous with the brand are the high level of personalised

service guests receive, with its unique architecture and design of every rooms.

Strategy Pyramids

Our marketing strategy is to focus customers' attention on the high quality of the services we offer. Within this strategy are three main points aimed at different market segments.

We will provide:

The Best and affordable facilities

Personalized Services

Unique and innovative Amenities

Marketing Mix

Place: product and service information are sold to the guest via personal selling, direct marketing, advertising and the Internet. Delivery channels include travel agents and international reservations systems.

Product Marketing

Product: green innovation with high quality ambience facilities accompanied by exemplary personalised service, differentiated from competition quality with the overall brand strategy to be a successful approach generating high levels of repeat business.

Pricing

Pricing strategy has been consistent with the differentiation objective, to provide added value for a reasonable rate as opposed to discounting and devaluing our products and services.

Room rates quoted are net of tax and service, are per night, per room with local and continental breakfast included:

Single – \$65. 00;

Double – \$75. 00;

Family – \$75++;

Deluxe – \$ 95. 00;

Suite – \$125 (maximum occupancy 2 persons).

Promotion

Promotion: primary focus will remain on mass communication via print ads in trade publications and on the Internet. Direct mail campaigns to existing and prospective clients will increase as a cost effective means of targeted campaigning.

Personal selling in the local market will remain an important element of the mix in order to continue to build long-term relationships within the local region and generate high levels of corporate activity.

Public relations activities will continue to play an important role in the marketing mix, presenting the hotel as a supportive member of the community and participating in significant local events.

Advertising

Direct Marketing

Our direct marketing will be handled by our PR agency. We will buy select targeted list of corporate companies and send them information about Heavenly Resort. We know that we are no experts in direct marketing so it will be important that our PR agency handles every aspect of direct marketing for us.

Web Plan Needed:

New home page design and navigation

Online reservations capability

Printable brochure

Website Goals

Our website needs to be able to do the following:

Convey our messaging of high quality, unique and innovative accommodations

Be indexed on major travel websites so that people find us

Be able to take reservations online and make changes to reservations online

Website Marketing Strategy

Our main website marketing strategy hinges upon making sure all major travel sites such as Expedia. com, Orbitz. com, and Hotels. com list our hotel when customers search for hotels in our area.

Development Requirements

To attain the level of interactivity we want in our design, we need to increase the features allowed (security for reservations and credit-card processing, daily back-ups, and real-time database linking) and service-level of our hosting service. This will slightly increase our monthly hosting fee.

Service

Our hotel provides guests with an alternative to the impersonal, boutique hotel properties in the city. Strategically located, our property enables our guests to be at the heart of the city and yet in an environment of calm, serene and professionalism. We seek to differentiate our product and services in the following areas:

Personal recognition of our frequent travellers who return time and again.

Unique rooms that offer a sense of relaxing and memorable experience.

Staff that have a strong customer-service ethic.

Green Innovation amenities second to none in town.

Sales Plan

Our sales plan hinges upon our sales strategy, sales process and, prospecting plan. As long as we follow the plans laid below we should be in good shape.

Sales Strategy

Riverview Hotel's sales strategy hinges upon repeat visits by key corporate accounts. We need to develop a relationship with the companies listed in our Sales Account Plan, as well as actively generate new accounts by soliciting first time corporate, foreign and local visitors.

It will be important to remain competitive on price, as well as amenities. The corporate accounting department wants to make sure they limit the amount of money spent per night per employee on a business trip, but the foreign/local traveller will be able to express preference. If the price is right, and the foreign/local traveller knows that they will have all amenities they need while at the Heavenly Resort, we will be assured of keeping and attracting key accounts.

Sales Process

We will be sure to mail out corporate packets every 6 months to our key accounts, as well as any new accounts we acquire. The packets will have information about corporate pricing and discounts, as well as information about rooms and amenities for the companies to share with business travellers.

The biggest piece of our sales process will depend on personal relationships. We will need to make every foreign/local traveller feel like we remember

them and we know their likes and dislikes. We also need to cultivate good relationships with the person at the company who makes travel arrangements.

Prospecting Plan

Whenever a new customer stays at our boutique hotel we need to be able to determine whether it is for leisure or business. If it is for business — we need to make sure to get the customers' business name and address so that we can send a corporate packet to the company letting them know about corporate pricing and special business amenities.

Management Team

Controls

Our marketing plan is structured to enable us to achieve the strategic goals we have set for ourselves, in terms of increasing overall revenue as a result of differentiating our products and services from the competition.

Our marketing team will ensure that the plan is implemented to the best of their ability and with the highest levels of efficiency and accuracy.

Implementation

All figures will be monitored on an ongoing basis in relation to projections versus actuals, and the ongoing plan will be altered or manipulated as necessary in order to react to and, wherever possible, anticipate external changes to the environment.

Annual results will be evaluated at the Region General Manager's meeting where the structure of the plan for the approaching year will also be established.

Keys to Success

Continue to develop ongoing relationships with frequent and new guests.

Continue to develop and implement a strong communications plan in both national and international markets.

Leverage our strength in the local market as a member of the community by supporting local events.

Identify new markets for our services such as University-based target groups.

Continue ongoing staff training and skill development to ensure the highest standards of service.

Contingency Planning

Contingency plans have been made for the following unexpected developments:

A slower recovery from the recession than public opinion: this has been reflected in the moderate increase in levels of corporate business expected.

The entry into the market of a competitively aligned hotel: differentiation would continue to be the strategic approach with the development of added

value and benefits to leverage long standing relationships and repeat business based on familiarity and personal attention to detail.

Marketing Organization

Our marketing director, April Huang, leads our PR and marketing team of four in all advertising, promotional and public relations related activities. April works closely with the members of the team, to implement and monitor the effectiveness of the marketing plan and evaluate results.

Design and Development Plans (Grace)

Risks Management(Grace)

- Risk reduction(grace)
- Exit strategy(Grace)

Financials (Sample Only for Adam)

Our annual marketing budget is \$100, 000. Sales are anticipated to achieve revenue of \$1, 172, 925. Our marketing expenses will equate to approximately 8. 5% of the overall revenue.

Break-even Analysis

Fixed Costs

Cost

Rent or Lease

\$0

Professional Services

\$1, 000

Payroll

\$10, 000

Interest Payments

\$2, 000

Utilities & Telephone

\$5, 000

Non-discretionary marketing expenses

\$0

Other

\$0

Total Fixed Costs

\$18, 000

Break-even Analysis

Monthly Units Break-even

145

Monthly Revenue Break-even

\$19, 929

Assumptions:

Average Per-Unit Revenue

\$137. 14

Average Per-Unit Variable Cost

\$13. 28

Estimated Monthly Fixed Cost

\$18, 000

Sales Forecast

Room revenue for this year is based on an average growth rate of 10%. This is based on the number of pre-contracted corporate rooms, and an anticipated return to business levels projected.

Sales Forecast

FY 2006

FY 2007

FY 2008

Unit Sales

Corporate Single

1, 925

2, 118

2, 118

Corporate Double

3, 665

4, 032

4, 032

Corporate Deluxe

2, 695

2, 965

2, 965

Corporate Suite

268

294

294

Total Unit Sales

8, 553

9, 409

9, 408

Unit Prices

FY 2006

FY 2007

FY 2008

Corporate Single

\$95. 00

\$95. 00

\$99. 00

Corporate Double

\$125. 00

\$125. 00

\$135. 00

Corporate Deluxe

\$175. 00

\$175. 00

\$195. 00

Corporate Suite

\$225. 00

\$225. 00

\$240. 00

Sales

Corporate Single

\$182, 875

\$201, 210

\$209, 633

Corporate Double

\$458, 125

\$504, 000

\$544, 253

Corporate Deluxe

\$471, 625

\$518, 875

\$578, 175

Corporate Suite

\$60, 300

\$66, 150

\$70, 560

Total Sales

\$1, 172, 925

\$1, 290, 235

\$1, 402, 620

Direct Unit Costs

FY 2006

FY 2007

FY 2008

Corporate Single

\$7. 86

\$11. 00

\$11. 00

Corporate Double

\$13. 92

\$13. 50

\$13. 50

Corporate Deluxe

\$17. 50

\$18. 50

\$18. 50

Corporate Suite

\$0. 84

\$0. 00

\$0. 00

Direct Cost of Sales

Corporate Single

\$15, 138

\$23, 298

\$23, 293

Corporate Double

\$51, 033

\$54, 432

\$54, 425

Corporate Deluxe

\$47, 163

\$54, 853

\$54, 853

Corporate Suite

\$225

\$0

\$0

Subtotal Direct Cost of Sales

\$113, 558

\$132, 583

\$132, 570

Expense Forecast

Marketing expenses are projected to be approximately 8. 5% of overall annual revenue. The breakdown of expenditures is as follows:

Marketing Expense Budget

FY 2006

FY 2007

FY 2008

Print Advertising

\$10, 600

\$11, 600

\$12, 826

Internet Advertising

\$21, 000

\$23, 100

\$25, 410

Public Relations

\$6, 000

\$6, 600

\$7, 260

Other

\$21, 000

\$23, 100

\$25, 410

Total Sales and Marketing Expenses

\$58, 600

\$64, 400

\$70, 906

Percent of Sales

5. 00%