

**Fairview Inn**  
1608 Tule Lake Dr.,  
Tacoma WA 98444  
Contact: Julia Rodrigues

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## Executive Summary

### Business Name: Fairview Inn

We chose the name Fairview Inn to suggest that the Tacoma/Seattle area of Washington had more to offer than just being a great cosmopolitan center. We would like our guests to have a positive idea of our inn, and since our inn is located on the scenic Tule Lake, we wanted to emphasize that it offered a getaway from the city by calling attention to the fair view we have to offer.

Diane MacDonald 5/21/09 12:31 PM

**Comment:** Interesting.

### Type of Investor Appropriate:

We're looking for investors who are willing to become partial owners of our Inn. As partial owners, investors will receive a share of the profits each year and be given opportunities to add input on future decisions for the Inn.

Diane MacDonald 5/21/09 12:32 PM

**Comment:** Be clear about how much management authority your investors will have, especially regarding day-to-day decisions.

### Description of Goods or Services:

At the Fairview Inn we provide guests with comfortable lodging and first rate breakfast. There are currently five rooms available to guests:

- ❖ The Victorian Suite - \$175 per night  
The Victorian Suite is the most spacious of our rooms with a large bathroom, jetted tub, king sized bed, and widescreen TV, and small refrigerator stocked with various drinks and snacks with no additional charge.
- ❖ The Country Cottage & Rose Garden Rooms - \$150 per night  
Both the Country Cottage and Rose Garden rooms are midsized rooms with a queen sized bed, TV, and bathroom, and small refrigerator stocked with various drinks and snacks with no additional charge.
- ❖ The Tulip Room - \$135 per night  
Although slightly smaller than the Country Cottage and Rose Garden rooms, this pleasant suite is a perfect choice for couples who are visiting the Tacoma/Seattle area and planning on spending most of their time enjoying the city and sights this area has to offer. Comes with a queen sized bed, TV, and bathroom.
- ❖ The Lakeside Room - \$120 per night  
This cozy room with a view of Tule Lake is designed for one-person business stays; includes a TV and small bathroom.

Additional features include a sauna, fishing and boating on Tule Lake, a game and media room, access to our movie library, complimentary bedside Lindor Truffles, organic cotton bath towels, and a van to shuttle guests to and from the airport and the cities of Tacoma and Seattle.

Diane MacDonald 5/21/09 12:33 PM

**Comment:** Good detail.

### Location of the business: 1608 Tule Lake Dr., Tacoma WA 98444

We chose this location because of its proximity to Tacoma and because it offers a scenic view and lakeside fun that other inns in the area don't have.

The Inn:



**Legal Form of the Business:** Limited Liability Corporation (LLC)

Because we are a small, new business, a limited liability corporation will be the best fit for both our management team and investors because it eliminates some of the risk that is associated with beginning and running a business, which is especially important during this time of economic uncertainty.

**Impact of Current Economic Environment:**

The current economic recession creates a difficult environment for new or struggling businesses to survive in, because many people are looking to minimize their spending. However, we plan to turn this challenge into an opportunity for our Inn by advertising it as an inexpensive alternate to traditionally spendy vacations. We feel that rather than simply cutting out vacations, people will begin looking for more local entertainment, such as a relaxing week spent exploring Tacoma and Seattle at the Fairview Inn instead of spending many times more money on a week-long trip to Hawaii or Mexico. In addition to marketing our inexpensive, but quality services, we can emphasize the local tourist attractions that come from our proximity to two of Washington's major cities; these attractions range from the Glass Museum of Tacoma to the Space Needle, in addition to the scenic settings offered by the Puget Sound.

### **Mission Statement**

Our goal as a bed and breakfast is to strive to be an oasis away from a customer's everyday life. To do so we concentrate on the customer's needs by creating friendly staff and an inviting environment that will make a stay at the Fairview Inn unforgettable.

### **Code of Ethics**

- ~ A high standard of cleanliness
- ~ Guests are to be treated with the greatest hospitality

- ~ All employees are required to guide guests in local attractions and assist them to find places of interest
- ~ A breakfast of the high quality included with the room rates
- ~ Services and accommodations are to measure up to advertisements
- ~ All employees will have liability insurance
- ~ A published cancellation policy
- ~ Adhere to guest's complaints in a written or oral fashion
- ~ A bathroom is to be available to every guest's room

Diane MacDonald 5/21/09 12:36 PM

**Comment:** I'm not sure how this fits into a code of ethics. Think of the code as a blueprint for behavior. The same comment is true for the breakfast included in room rates.

## SWOT Analysis

### Strengths:

- ~ few staff
- ~ location waterfront scenery
- ~ name recognition
- ~ availability to make the building unique
- ~ buildings for families and rooms for couples or singles
- ~ only one location
- ~ close to a popular city and airport
- ~ owners who are passionate about their work

### Weaknesses:

- ~ limited number of rooms means less sales
- ~ Lots of maintenance requirements

### Opportunities:

- ~ The ability to learn and become more efficient as years go by
- ~ Cheaper **then** flying somewhere for the weekend
- ~ Ability to tailor the building to area around it
- ~ Development of the food side of business

### Threats:

- ~ Competition with surrounding Bed and Breakfasts
- ~ Operations costs increasing
- ~ Slump in the economy
- ~ Neighborhood developments (noise, etc.)

### Strategic Plan:

In the next one to five years the Fairview Inn plans on generating a large returning based cliental along with new cliental as well. We hope to shape our business in the community as one that can be trusted, and recommended to other people by former guests as a place they enjoyed staying. If our cliental becomes **to** big we will plan on opening other locations within the city of Seattle.

## Marketing Plan

### Desirable Features of Service:

We provide our guests with a relaxing getaway from the hustle and bustle of everyday life. We provide a tranquil and beautiful environment for our guests to enjoy while escaping their usual obligations and taking a break from stressful responsibilities. We also provide excellent culinary services.

### Competitive Analysis:

Our Closest Competitors are: Green Cape Cod Inn (<http://www.greencapcod.com/>), Branch Colonial House (<http://www.branchcolonialhouse.com/>), Day Island B&B (<http://www.dayislandbb.com/>), Chinaberry Hill (<http://www.chinaberryhill.com/>), and The Villa Bed and Breakfast Inn (<http://www.villabb.com/>). These are all located in Tacoma.

Challenges presented by our competitors that we must overcome include that they have:

- ~More central/convenient locations (located in the city of Tacoma, closer to activities)
- ~Some have more/larger rooms
- ~Have existing reputations
- ~Most have views of Puget Sound

We can meet these challenges and distinguish ourselves from the competition by:

- ~Charging lower rates, which we are able to do because of our location (lower mortgage)
- ~Promoting our proximity to Mt. Rainier, the Washington Fair Grounds, and Olympia
- ~Supplying transportation to make traveling to city/activities easy and convenient

Diane MacDonald 5/21/09 12:52 PM

**Comment:** Good point.

### Marketing Strategy:

Demographics: We are tailoring our business and marketing strategy to promote our Inn to couples of all ages.

We are selling our Inn as a romantic and relaxing getaway to attract customers looking to spend time as a couple away from the stress and responsibilities of home.

### Promotional Plan:

We will promote our business using the following sources:

- ~ Websites for lodging (travel sites such as Orbitz and Travelocity)
- ~ Business website (Our own website)
- ~ Yellow Pages
- ~ Local Pacific Northwest travel catalogues/magazines (Northwest Magazine, etc.)

## Management Plan

### Marketing Manager: Airiell Geller

The Marketing Manager will be in charge of advertising the Fairview Inn, including creating a website, distributing flyers, and contacting various travelling agencies, magazines, and brochures to help spread the word about our new inn.

**Coordinating Manager:** Julia Rodrigues

The Coordinating Manager will be responsible for booking clients, setting up promotions, as well as taking care of general organizational needs such as assigning rooms.

**Operational Manager:** Jordyn Nelson

The Operational Manager will have the most direct contact with employees, and will be in charge of running the day to day functions of the inn. The Operational Manager will also be in direct contact with guests and will be an integral part of creating and maintaining the friendly atmosphere.

**Shared Responsibilities:**

In addition to each manager's separate responsibilities, all three will be in charge of managing finances, inventory, and deciding on themes and decorations.

**Employee Needs:**

- *Year One:* During our first year we will be needed a minimum of three part-time employees to help with running the inn. We will need a cook, a maintenance person (who can help both inside the inn and on the grounds), and finally an extra hand to help with cleaning in the Inn.
- *Year Two:* In addition to the three employees from year one, we'd like to add a part-time receptionist to help balance out the managers' time and provide extra support for guests.
- *Year Three:* By year three, we'd hope to be at full capacity which means that we could hire on some of our employees as full-time members of our team. Ideally we'd make the receptionist a full-time member and expand his or her responsibilities, as well as increase the amount of time our cleaning help will be available since we'll have more guests.
- *Selection Criteria:* We will be looking for friendly, outgoing people who will strive to help create and maintain the welcoming environment of our Inn regardless of their position.

Diane MacDonald 5/21/09 1:13 PM

**Comment:** Since employees will have access to guest rooms, property, etc. might want some sort of reference checking.

Otherwise, a good management plan.

## Financial Plan

### ***Year One Budget:***

30% Down on House:	\$270,000.00
Total of Monthly House Payments:	\$60,000.00
Bedding/Linens/Towels:	\$3000.00
Supplies:	\$1000.00
Food:	\$7800
Utilities:	\$24,000.00
Wages:	\$141,000.00
Vehicle:	\$15,000.00
Insurance:	\$3000.00
License:	\$160.00
Furniture/Decorations:	\$25,000.00
Advertising:	\$5000.00
<u>Repairs/Renovations:</u>	<u>\$20,000.00</u>
<hr/>	
Total:	\$574,960.00

Based on our first year's budget, we're looking for about \$650,000 in investments. This will fully cover our first year and also give us a cushion for our second and third years to safeguard against a future emergency.

### ***Pro Forma Balance Sheet:***

#### ***Assets***

Cash.....	\$328,200.00
Building.....	\$899,000.00
Vehicle.....	\$15,000.00
Kitchen Equipment.....	\$10,000.00
Furniture.....	\$15,000.00
Inventory.....	\$11,800.00
Food: \$7,800.00	
	Supplies and linens:
	\$4,000.00
<hr/>	
Total Assets:.....	\$1,279,000.00

#### ***Liabilities***

Bank Loan:.....	\$629,000.00
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#### ***Equity***

Contributed Capital:.....	<u>\$650,000.00</u>
Total Liabilities and Equity: .....	\$1,279,000.00

**Income Statement - year 1****Revenues**

Room Bookings.....	\$154,860.00
<i>Total Revenue.....</i>	<u>\$154,860.00</u>

**Expenses**

House Down Payment.....	\$270,000.00
Loan Payments.....	\$60,000.00
Utilities.....	\$24,000.00
Wages.....	\$141,000.00
Vehicle.....	\$15,000.00
Insurance.....	\$3,000.00
License.....	\$160.00
Furniture/Decorations.....	\$25,000.00
Advertising.....	\$5,000.00
Repairs/Renovations.....	\$20,000.00
Inventory.....	\$11,800.00
Food: \$7800	
Supplies: \$4000	
<i>Total Expenses:.....</i>	<u>\$574,960.00</u>
Net Loss.....	(\$420,100.00)

Total Loss To Date.....(\$420,100.00)

**Income Statement - year 2****Revenues**

Room Bookings.....	\$159,500.00
Event Revenues.....	<u>\$20,000.00</u>
<i>Total Revenue.....</i>	<u>\$179,500.00</u>

**Expenses**

Loan Payments.....	\$60,000.00
Utilities.....	\$24,000.00
Wages.....	\$141,000.00
Insurance.....	\$3,000.00
License.....	\$160.00
Advertising.....	\$5,000.00
Inventory.....	\$11,800.00
Food: \$7800	
Supplies: \$4000	
<i>Total Expenses:.....</i>	<u>\$244,960.00</u>
Net Loss.....	(\$65,460.00)

Total Loss To Date.....(\$485,560.00)

**Income Statement - year 3****Revenues**

Room Bookings.....	\$174,000
Event Revenues.....	<u>\$40,000</u>
<i>Total Revenue.....</i>	<i>\$214,000</i>

**Expenses**

Loan Payments.....	\$60,000.00
Utilities.....	\$24,000.00
Wages.....	\$141,000.00
Insurance.....	\$3,000.00
License.....	\$160.00
Advertising.....	\$5,000.00
Inventory.....	\$11,800.00
Food: \$7800	
Supplies: \$4000	
<i>Total Expenses:.....</i>	<i><u>\$244,960.00</u></i>
Net Loss.....	(\$30,960.00)

Total Loss To Date.....(\$516,520.00)

**Year One****Income:**

Based on estimation that we will have a total of 1,068 bookings for the entire year, 620 during the busy season (May through September) and 448 during the slow season (October through April).

**Expenses:**

Our expenses equal our first year's budget.

**Year Two****Income:**

We estimate our bookings will increase from year one to about 1,100. We hope to supplement our income by adding events such as weddings, reunions, etc. We hope to raise our income by at least \$20,000 by doing this.

**Expenses:**

Our expenses decrease because we don't need to include the start-up costs of our first year, only the operation costs of the business.

**Year Three****Income:**

By our third year of business, we hope to have established a good clientele basis and begin to see returning guests. Because of our greater clientele and reputation, we hope reach almost full capacity, with about 1,200 bookings per year. Event revenue should also increase to about \$40,000 as we book more events.

**Expenses:**

We estimate that our expenses will be about the same as year two's expenses.

Diane MacDonald 5/21/09 1:16 PM

**Comment:** Good job on financials.

Nicely done. Total Points: 250/250

## References

Competitors Websites (used for rates, locations, and amenities) accessed May 3, 2009:

Branch Colonial House - <http://www.branchcolonialhouse.com/>

Chinaberry Hill - <http://www.chinaberryhill.com/>

Day Island B & B - <http://www.dayislandbb.com/>

The Green Cape Cod Inn - <http://www.greencapcod.com/>

The Villa Bed and Breakfast Inn - <http://www.villabb.com/>

Morebusiness.com. (n.d.). *Sample Bed & Breakfast business plan*. Retrieved May 14, 2009 from <http://www.morebusiness.com/bed-breakfast-business-plan>

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Washington State Department of Health. (n.d.). *Transient Accommodations*. Retrieved May 14, 2009 from [http://www.doh.wa.gov/hsqa/FSL/arcs/TA/lic\\_fee.htm](http://www.doh.wa.gov/hsqa/FSL/arcs/TA/lic_fee.htm)