



ALASKA
NATIVE
HERITAGE
CENTER

Cultural Tourism Business Plan Model

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Instructions

Introduction

This model was created for Alaska Native cultural tourism businesses by Spruce Root, Inc. on behalf of the Alaska Native Heritage Center. Alaska Natives have stewarded the lands of what is now called the state of Alaska since time immemorial. With hundreds of distinct Alaska Native tribes, one of the state's greatest assets is its thriving Indigenous cultural diversity. Yet, in 2021 accessing Alaska Native cultural tourism experiences is difficult for prospective visitors to the state. A business plan is a strategy that leaders can follow to better ensure visibility, sales, quality of goods and services, financial growth, and other factors relating to success (for more information about why leaders should create a business plan, see Appendix 1). The purpose of this template is to provide a guide for creating an Alaska Native cultural tourism business plan. This template can be used by those with an idea for a business, for operating businesses seeking to improve their existing model, or by operating businesses looking to grow or pivot.

This template was informed through a combination of primary and secondary research on existing cultural tourism businesses both in and outside of the State of Alaska in 2021. The data was compiled into a summary document highlighting common themes, strategies, and practices of successful cultural tourism based businesses. Based on that summary document, this template was designed to ask strategic questions that will prompt an author to build a business plan appropriate for this unique type of business model.

How to use this Template

Business leaders should use this template as a guide for conducting the necessary research and planning to inform how the business will operate. Each section is composed of questions that represent strategic themes frequently found to be addressed by strong cultural tourism businesses. Leaders should seek to answer each question to the best of their ability and as it best fits their unique business. *Some sections may require additional research in order to find the answer or solution to the questions posed.* The end result should be a separate business plan (without the prompts, instructions, or suggestions from this template). In general, the business plan writing can be broken down in the following steps:

1. Start with the numbers! Prior to starting the narrative sections, use a financial model to project out revenue and expenses for 1-3 years of the business operations. Note any assumptions or logic used in projecting each revenue and expense. See Section 6 for further instructions.

2. Research answers to each of the following sections of the business plan, and draft answers within the template itself. Business plans are typically written in the 3rd person. For sections you do not currently have answers to, leave the section title and prompt in the template until you are able to circle back and complete that section.
3. Once a draft is complete, transfer the answers to a separate document, without the prompts in this template.
4. Share the finished version with key stakeholders to inform them of the business's vision and strategy, and note opportunities for improvement of the plan.

Update the business plan annually, semi-annually, or when significant changes to the business or market occur. Save new versions as separate documents so you are able to track the business's growth over time.

Additional resources including a financial forecast template, the definition of a cultural tourism business, reasons for creating a business plan, and guiding principles of cultural tourism businesses can be found in Appendix 1 at the end of the template.

Business Plan Model

Section 1: The Foundation

Many cultural tourism businesses are guided by Indigenous values, and by ensuring that businesses are led by Indigenous people. The Foundation section of the business plan proposes strategic questions to help articulate the core values that drive the business, the relationship that exists between the business and its community, and principles of environmental stewardship that drive operations. Answers to each of these sections should be driven by the beliefs and values held by the leaders of the business and the community they serve.

Background/History

When did this business start, or what stage of the business lifecycle is it at? Where are the business operations primarily located? Who founded the business, and what were the motivating factors for starting it?

Values

What are the core values (Indigenous or other) that guide the business? How do these values resonate with, or show up in the culture it is connected to?

As an organization that identifies as Alaska Native, having Alaska Native owners or stakeholders is a foundational part of the business. Which Indigenous leaders (individuals or organizations) will drive decision-making in the organization?

Community

How does the business define its “community”? What is the community’s vision for cultural tourism, and what role does the business play in making that vision a reality? How will community input continue to inform the activities of the business? What benefit does the business provide to the community?

Culture

What Indigenous cultures does the business represent? What norms or protocols exist around sharing the Indigenous culture? How will the business enable the perpetuation of the community’s Indigenous culture?

Environment

What natural resources does the business rely on (inputs)? What waste is produced during the lifecycle of the product/service (outputs)? Which of these inputs and outputs will be measured to ensure the business maximizes positive environmental impacts and/or minimizes negative ones?

Section 2: The Opportunity

The Opportunity section of the business plan clearly identifies the value its goods or services provide to its customers, who the core customers are, how the business will compete, and what it needs to do in order to legally operate. The opportunity should be based on data/research of existing (or potential) customers, similar existing businesses, and leaders’ past experiences or knowledge.

Keep in mind the answers in Section 1. Identify opportunities to form answers from the perspective of the business’s core values. For example, if authenticity is a core value of the business, the target market may be audiences looking for a cultural tourism product or service that reflects the experiences or values of Indigenous peoples as authentically as possible.

Value Proposition

What is the core problem or unmet need the business solves for its ideal tourism customers?

Target Market

Who are the ideal tourists or customers that suffer from the core problem the business is solving or who have a need the business is meeting? How does the target market further break down into more specific segments, or customer types? For example, if the target market is tourists looking for cultural tourism opportunity, customer segments could be independent travelers, and cruise ship passengers.

Competition

Who else do the business's customers purchase from to solve their problem? Why do customers buy from them? Complete this section for each customer segment, focusing on direct and indirect competitors. Is there opportunity for "co-opetition" (the idea that competitors can work together to better serve the customer's needs)?

Product and Services

How will the business's products or services address the problems identified in the value proposition? Clearly identify and describe each product or service in detail and describe how it meets each customer's needs.

Comparative Advantage

Why will customers choose the business's product or service over a similar product or service?

Regulatory or Policy Constraints

In order to legally operate the business, what permits, licenses, certifications, or credentials are needed, and how does the business plan to obtain those it does not currently have? Although they may not be prescribed, are there protocols the business should follow for appropriate culture sharing?

Section 3: Execution

The Execution section of the business plan details how the business will make the opportunity section a reality by becoming visible to its customers. This is done by reaching and informing its target customers about its products and services, identifying how its products and services will be distributed and priced, and how it will collect payment for its products and services. When completing this section, identify opportunities to incorporate the business's core values in each section. Make sure the marketing strategy matches up with the marketing expenses in the financial forecast.

Marketing Plan

What marketing channels (e.g. the online, physical, visual, or auditory locations) will the business use to attract each of its customer segments? In other words, through what marketing channel(s) would the customer segments be found?

How will the business share its identity as an Alaska Native business in its marketing?

Logo & Branding

What is the meaning behind the name of the company and what values are essential to the business? What is the business's logo, and who will create it? Consider how the name, logo, and brand all connect back to the core values the business represents.

Core Marketing Messages

What core messages will be conveyed in advertising, and why will these messages resonate with the business's target customers? Core marketing messages could include:

- The business's value proposition
- What customers can expect by purchasing the product or service
- How the product or service will support Indigenous cultures and ways of life
- The business's core values
- Educational content about Indigenous peoples, languages, and cultures

Visual Marketing

Where and what Indigenous art will be shown in the business's marketing? What photos of visitors experiencing the business's cultural products/services can be shared? What other visuals are important for advertising the business and communicating its values?

Distribution Plan

Where will customers buy the business's products or services (physical and online locations)? Be sure to consider all locations where the products or services are sold.

Pricing Plan

What will the business charge for each product and/or service? How does the price fit within the industry (luxury, low-cost, average, etc.)?

Sales Plan

What payment methods will be accepted? What system will be used to collect payments? How and where will those payments be collected? Who will interact with the customer at the point of sale? When will the order be fulfilled?

Section 4: Operations

The Operations section of the business plan explains where and how the business creates and sells its products and services. Concepts in this section address the daily internal activities necessary to operate the business. Done well, this section should show the capacity of the business to produce and/or sell the quantity of the products and services indicated in the financial projections. As with the other sections, consider how the business's values drive activities in each of these sections.

Locations & Facilities

What is the physical location from which the business plans to operate? Are there other facilities or infrastructure necessary for the business to conduct its operations?

Manufacturing & Production

What is the process for creating or sourcing the business's products or services? Who does the business source inputs from? Consider highlighting other Indigenous partners. How does the sustainable use of natural resources factor into the manufacturing process?

Operations Equipment, Tools & Technology

What important equipment, tools, and technology are required for the business to operate?

Partners & Resources

What key partnerships, business relationships, or legal agreements are needed for the business to operate? Are there other Indigenous partners the business can refer customers to?

Language & Culture

Are there opportunities for the business to encourage employees and guests to use Indigenous languages? What Indigenous language leaders can the business work with to verify that language is used appropriately?

Generational Involvement

What operational processes will enable Youth to learn from Elders, particularly in regards to cultural programming?

Indigenous Education for Customers

What key historical data and narratives, from the perspective of the Indigenous community, will the business include as it shares its community's history with customers? What permissions are required to tell these stories, and from whom? How will the product or service give customers the chance to experience and learn more about the Indigenous culture?

Risks & Mitigation

What are the most likely or substantial risks to the business's daily operations and achievement of its goals (i.e. loss of key employees, legal actions, competitors, etc.)? For each identified risk, what will the business do to mitigate and manage the risk?

Section 5: Company Description

This section will give a brief overview of the company and the team, making clear who is responsible for the operations and success of the business. Consider the core values of the business and how these values are evident in the Ownership, Structure, and Management Team.

Ownership & Structure

Who will own the company, and what legal structure will it have (i.e. sole proprietor, limited liability corporation, etc.)?

Management Team

Who are the members of the management team, and what relevant skills and experiences do they bring? Which key decision makers are Indigenous?

What hiring policies and goals will the organization have that will drive it towards hiring Indigenous community members, including Youth and Elders?

Which Elders or culture bearers can the business consult with, and how will they be compensated?

Section 6: Financial Analysis

Use a separate financial projections model to map out the business's expenses, revenues, and profit potential over the next two to three years. Write this section *after* completing a financial projections model. The financial analysis section of the business plan should highlight key numbers in the business's financial projections model, and

should explain the meaning (sources, computations, and assumptions) behind those numbers.

Revenues and Expense Projections

What is being projected for the business's future revenues and expenses (as annual totals)? What key underlying assumptions are these projected revenues founded upon? What net income will result if these projections are accurate?

Required Start-Up, Award, and/or Loan Funds

What funding is needed to start or expand the business, in alignment with the details proposed in this plan?

Section 7: Executive Summary

The Executive Summary is used to briefly summarize the most important aspects of the business plan. This summary should be one page in length, and should appear at the beginning of the business plan. **Write this section last.** Briefly touch on each of the following subjects to give an outline of the company and the purpose of the business:

- **Values:** What core values drive the business?
- **Problem:** What problem does the business solve for its customers?
- **Solution:** How does the business solve the problem your customers face?
- **Financial Goals:** How much revenue is the business expected to make in the first year of the projections? What kind of revenue growth is expected in the following years? When does the business expect breakeven?
- **Financing Needed:** Clearly state how much money you will need for the start or expansion of your business, a brief summary of how the funds will be used, and how the funding will leverage the growth of the business.

Appendix 1

What is a cultural tourism business?

For the purpose of this template, cultural tourism businesses are entities (whether it be for-profit, non-profit, or Tribal) owned and operated by Alaska Natives that provide products and/or services to visitors. As defined by the Alaska Native Heritage Center Advisory Committee on cultural tourism, these businesses, “educate visitors about traditional Alaska Native knowledge and ways of life while providing for the perpetuation of culture by offering opportunities to experience and learn about Alaska Native peoples, cultures, and history.” Examples of cultural tourism business industries and activities include:

- **Hospitality:** lodging, restaurants, tours, events;
- **Museums and Cultural Centers:** admissions, special speakers, artists at work, gift shops, cultural presenters;
- **Art:** galleries (in-person or online), artists;
- **Outdoor Recreation:** trails, camping areas, sports (e.g. zip lines, quad bikes), fishing, wildlife viewing;
- **Transportation Experiences:** busing through parks/nature preserves, trams, flights.

Additionally, there are businesses owned or operated in partnership with non-Indigenous government entities. When operated by or in partnership with Alaska Native communities, these entities also align with the working definition of cultural tourism businesses.

Why create a cultural tourism-specific business plan?

At its core, cultural tourism businesses are founded upon Indigenous values and implement guiding principles that spur the development of business activities that act in alignment with these values. By creating a cultural tourism-specific business plan, businesses methodically create businesses in line with these values and identify opportunities to implement the guiding principles (outlined below) of successful cultural tourism businesses. The action of researching and reflecting on how the business will operate, and putting this on paper, gives key stakeholders a clear vision for how their business will succeed, and what success could look like. Done well, a business plan can act as a guiding compass and save critical decision-making time as leaders carry out daily business activities.

Guiding Principles for Cultural Tourism Businesses

In conducting research for this template, numerous guiding principles were found to aid in the development and success of cultural tourism businesses. These guiding principles are:

- Base operations in Tribal values.
- Respect the community's vision for cultural tourism.
- Pursue ownership by Indigenous individuals, companies or organizations.
- Develop a clear business plan.
- Give the Indigenous community being portrayed a meaningful voice and solicit feedback on the content of cultural programming, following community protocols.
- Carry a sense of responsibility for the wellbeing of their Indigenous community.
- Consult elders and culture bearers and pay them for their time and efforts.
- Use Indigenous language, include phonetic spelling where appropriate, and may encourage guests to try using the language.
- Engage the next generation in learning and living the culture.
- Display Indigenous art.
- Share their history and values according to their perspective, assuming visitors are interested in learning but have little background knowledge.
- Provide an excellent product or service.
- Employ Tribal members.
- Receive permission to tell stories by those who pass the story down.
- Provide meaningful benefits to the Indigenous people and community where they are based.
- Create experiential, educational, personal, participatory, and intimate experiences for visitors.
- Encourage interaction between Tribal members and guests.
- Clearly articulate their unique value proposition to their guests.
- Market using pictures showing the culture and visitors experiencing the culture first-hand.
- Operate in a sustainable manner that enables the local community and environment to thrive.
- Preserve that which is culturally sacred, and communicate their expectations of respect to guests and staff.
- Clearly communicate what guests can expect through their experience.

Resources for Business Planning

Many resources exist on the internet for business planning. A few Alaska-specific resources include:

- The State of Alaska's Business website, which has information on rules, regulations, and resources available from the state to support businesses.
- [The Alaska Small Business Development Center](#) provides free business coaching and many other resources.
- [Spruce Root](#) is a Community Development Financial Institution that provides business planning courses, one-on-one business coaching, and loans to early-stage or growing businesses in Southeast Alaska.