TOURISM DEVELOPMENT HANDBOOK for the NORTHWEST TERRITORIES
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Acknowledgements

This handbook was prepared by Outcrop Communications for Tourism and Parks, Department of Industry, Tourism and Investment, Government of the Northwest Territories. Funding was provided through the Strategic Investments in Northern Economic Development (SINED) Program of Indian and Northern Affairs Canada.

We gratefully acknowledge the Government of Alberta, the Tourism Development Branch of Alberta Economic Development, for granting permission to use their Tourism Development Handbook for Alberta as a primary source.

This handbook examines the Northwest Territories tourism industry and provides an analysis of tourism development in the territory. The information abides by the regulations set by the Territorial and Federal Governments, making it a practical tool for the first-time business developer.

The handbook serves merely as an information guide, and prospective developers are encouraged to undertake their own independent studies and feasibility assessments to ascertain the viability of their specific projects.

While efforts were made to include current information, there is no guarantee that changes will not occur with regards to the various processes, contacts and regulations/permits outlined in this handbook. It is the responsibility of the developer/entrepreneur to check on permits, regulations and approval processes for his/her particular business opportunity.

The Government of the Northwest Territories disclaims any liability in negligence or otherwise for any loss or damage, which may occur as a result of reliance upon the material contained in this handbook.

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Cover photo: Fran Hurcomb, GNWT

ISBN 978-077-08-0168-7
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Tourism represents an area of significant opportunity in the Northwest Territories. This handbook has been prepared to assist anyone who is considering developing or expanding a tourism business in the NWT.

This development handbook is designed to help you assess, plan and implement your tourism project. The information provided is geared towards the first-time business operator, who may not be familiar with the development process in the NWT. For established operators, the handbook can provide assistance for expansion or diversification of tourism products. All prospective tourism business developers are encouraged to read the complete handbook before proceeding.

With the assistance of the material in this handbook, you will be able to gather all the required background information to develop or expand a tourism business. Charts are used throughout the handbook to help illustrate the development process. Checklists are used to highlight some of the many questions tourism entrepreneurs must ask themselves as they evaluate the potential risks and rewards of a prospective tourism business development. To further assist you, contacts and information sources are provided throughout the handbook, with a comprehensive listing provided at the end.

Developing a tourism business differs significantly from developing a more typical retail or service operation. The market for tourism facilities and services is more difficult to define because it is subject to changing trends, to the influence of high-and low-demand seasons and to the varying expectations of consumers. Demand may be influenced by culture, income, education, age, lifestyle characteristics and the nature of the service or attraction offered.
The tourism industry must respond to the changing wants and needs of consumers. The industry, and the entrepreneur to whom this handbook is directed, must be responsive to new demands and trends if the product or service provided is to succeed in the marketplace.

Tourism products are also extremely diverse. They may involve extensive land development and the construction of several buildings, such as a fishing lodge with individual cabins or an aurora viewing facility. On the other hand, there are tourism businesses that own no land and few, if any, buildings, such as flight-seeing or river-rafting operators. The scale of tourism developments is equally diverse, ranging from small owner-operated canoe rental outfits, to multi-million dollar four-season lodges.

A final aspect that is unique to tourism development is that many developments take place in less accessible locations or less populated areas to take advantage of scenic wilderness. This means that a developer must often evaluate unusual access or servicing requirements.

This handbook was created to provide information that addresses the challenges specific to developing a tourism business. It provides the key information required for a great start to an exciting and rewarding future in the Northwest Territories’ tourism industry.

For assistance in developing your business, contact your regional office of Industry, Tourism and Investment. Contacts are listed in Section 16.

Business or economic development officers are available to guide you through the process.
THE TOURISM INDUSTRY IN THE NWT

TERRY PARKER, NWT TOURISM
Background

The Northwest Territories has had an active tourism industry for over 50 years.

Initially the industry was made up mainly of fishing lodges, hunting outfitters, airlines and a few hotels. Today the Northwest Territories tourism industry includes over 400 companies providing direct visitor services, and many additional companies such as restaurants and gift stores, that serve both resident and visitor clientele.

Tourism operators first joined together in the late 1950s to form an industry association. Over the years the association expanded with the growth of the Territories, and in 1996 a new organization was established to both represent the interests of the tourism industry and to assume the role of tourism marketing agency for the Northwest Territories.

Today Northwest Territories Tourism (NWTT) administers a marketing and operations budget of approximately $3 million with a full time staff of eight people. Marketing funds are received from both the territorial and federal governments and are used to build a sustainable tourism industry for all residents.

A separate Tourism Marketing Advisory Committee was established in 2006 and is made up of representatives from industry and government. This group works with Northwest Territories Tourism on the development and approval of annual marketing programs.
General Overview

A healthy economy should be diverse and grounded in many sectors. In the Northwest Territories, tourism offers the potential to fulfill a long-standing vision of increased economic diversity. It can also offer a more equitable distribution of wealth to smaller communities. These goals have been identified as priorities in the Government of the Northwest Territories’ economic strategy “Economic Diversification – Equitable Access”. The Northwest Territories is in the midst of an unprecedented economic boom driven primarily by non-renewable resource development. With the increase in business travellers and new awareness of the NWT attracting leisure travellers, there is potential to fully realize tourism opportunity in the NWT.

The tourism industry is made up of a number of businesses including big game outfitters, fishing operators, outdoor adventure providers, as well as related sectors including transportation, accommodation and food services. Supporting tourism growth requires an inclusive approach that looks at the individual components of the whole tourism package.

Tourism is both an important and growing industry. It is becoming increasingly sophisticated, as evidenced by the varied segments and products that make up the industry. In Canada as a whole, tourism spending reached $66.8 billion in 2006, a 6.5% increase over 2005, and the third consecutive annual gain since the downturn in tourism in 2003. Overall, tourism employment in 2006 reached a total of 633,600 jobs. The importance of tourism to the NWT is illustrated by recent visitor statistics. In 2006-2007, an estimated total of 62,045 non-resident travellers visited the NWT and contributed approximately $110.2 million to our economy.

2 Source: www.iti.gov.nt.ca/parks/tourism/research_and_statistics.htm
### Types of Tourism Businesses

The diversity in the NWT tourism industry attests to the wide range of needs and expectations of the Northern traveller. The table below outlines examples of the different kinds of businesses that cater to tourists as well as a general overview of what they are coming to experience.

<table>
<thead>
<tr>
<th>Accommodation</th>
<th>Bed &amp; Breakfasts, Hotels, Motels, Lodges, Cabins, Campgrounds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation</td>
<td>Rental Cars, Taxis, Charters – Airplanes and Boats, RV’s, National and Local Airlines</td>
</tr>
<tr>
<td>Tour Operators</td>
<td>Fishing, Hunting, Aurora, Local sightseeing, Local Flightseeing, Adventure, Aboriginal Culture, Northern Heritage, Winter Activities, Canoeing/Kayaking, Wildlife/Birdwatching, Hiking, River and Lake Cruises</td>
</tr>
<tr>
<td>Highway Routes</td>
<td>Dempster Highway, Waterfalls Route, Heritage Route, Great Slave Gateway, Frontier Route, Ingraham Trail, Wood Buffalo Route, Liard Trail</td>
</tr>
<tr>
<td>Events and Attractions</td>
<td>National Parks, Territorial Parks, Caribou Migration, Mountains/Trails, Waterfalls, Mackenzie Delta, East Arm, Pingos, Aboriginal and Northern Culture, Historical Sites, Communities, Great Northern Arts Festival, Caribou Carnival, Folk on the Rocks, Snowking Winter Festival, Sunrise Festival and many more</td>
</tr>
</tbody>
</table>
A crucial part of tourism business development is the preparation of key documents that will provide a very clear idea of what you want to do, where you want to be and how you are going to get there. With the assistance of the material in this handbook, you will be able to gather all the required background information in order to prepare three key plans:

• The Business Plan
• The Marketing Plan
• The Conceptual Development Plan

In general, all plans and proposals should contain clearly stated and accurate information. Each plan or proposal must interest the reader in your project and be clear with any related request for assistance, particularly as it relates to financing. First impressions do count. An organized, professional looking presentation and well-documented information are definite assets. For most development applications, the proposal should also be easy to photocopy because it will be distributed to several people for review.

These three documents will guide you more easily through other steps of the development process, including securing financing and obtaining your licences and approvals. This section describes the elements of each plan so you have a good idea of what you will specifically need to do as you read through the rest of this handbook.

Greater detail and information requirements for these plans can be found in Section six: “Information Collection and Evaluation”.
Business Plan

The summary of all your financial research will be encompassed in your business plan. The plan describes your business goals and the business concept in relation to local/regional and tourism markets. It outlines the way in which you intend to finance and manage your project. It incorporates a detailed financial analysis, including cash flow forecasts, projected income statements and pro-forma balance sheets. The business plan is the basis of your submission to lenders and investors; be sure to present estimates of future profitability based on research and sound assumptions. This plan is also your own guide to what you expect your business to achieve. It should contain:

- A summary of your proposal, the intended product/service and target market group(s), a description of industry trends, your competitive positioning, management highlights and the financing request at hand.
- A description of your business goals/objectives, anticipated sales volume, market share, visitor satisfaction, repeat visitation and/or other similar targets.
- A marketing plan that includes a description of products/services to be offered and an analysis of the market, trends, competition and identification of your target markets. It should also highlight your sales and promotional strategy. This section may be presented in a separate plan.
- A financial plan, that includes projected income statements, cashflow statements and pro-forma balance sheets that provide detailed monthly operating forecasts for the first year of operation and annual forecasts for the next two to three years. (Includes opening balance sheet and statement of construction/start-up costs and sources of financing.) A discussion of debt/equity financing, and the corresponding ratio analysis are required. Include financial statements with the previous year’s balance sheets and income statements (for an existing business). (May also include personal net worth statements of the shareholders.)
• A management plan, which will set out the organizational form and structure of the business. It should highlight the skills, experience and responsibilities of the management team. This section should contain a discussion of the developer’s background – who is involved, what other business ventures is he/she involved in and what is his/her track record in business.

• An operations plan, discussing operational parameters such as hours of operation, insurance, risk management practices, cash/credit handling, procurement, staff training, etc.

• A project schedule, covering government and financial approvals, construction period and preparation time before the development opens its doors.

• A staffing plan, based upon detailed human resource requirements. Summarize duties, responsibilities and reporting relationships. You may choose to do a more detailed human resource plan to supplement the business plan.

For more information about developing a business plan, contact the Canada/NWT Business Service Centre (www.canadabusiness.ca).

Marketing Plan

Your marketing plan can take two forms. It is a major component of your business plan and it may also be a separate document that expands upon and details the marketing information contained in the business plan.

The supply and demand analysis undertaken as part of determining project feasibility gives you a clear picture of the people you are aiming to attract and the competition you are faced with. Your marketing plan outlines the strategy for achieving your targeted share of the market. This plan is an important step and should be started early in the development process. Your marketing plan should include:

• A definition of your target market(s) including type, size and geographic region. Provide a profile of the clients you anticipate attracting (Demographics: age, sex, household composition and income. Psychographics: interests, beliefs, values and activities).
• An analysis of the tourism supply, i.e. who your competition is, what their strengths/weaknesses are, how you will position yourself vis a vis the competition, what your competitive advantage is and what percentage of the market you feel that you can attract.

• A section on how you plan to initially attract your clients. Outline a campaign for marketing the development through various media (print, broadcast, etc.) complete with costs and schedules according to your proposed opening date.

• A section on future marketing efforts. Marketing efforts to launch a development often differ from ongoing marketing efforts. A section of the marketing plan should generally discuss the timing and shift of resources and strategy. This should also include additional market research, over and above that done to initially investigate the opportunity (e.g. customer feedback forms and customer databases).

• Overall advertising strategy. Contact local and regional media for reader/audience data, rates etc. Talk to other operators for proven techniques.

• Overall sales strategy. How will personal sales activities be utilized to capture business?

• Planned promotional campaigns. Determine the timing of these activities (discounts, contests, publicity, etc.) and estimate the associated costs.

• How you will use referral groups and associations such as NWT Tourism, tourism destination regions, destination marketing associations, Chambers of Commerce and tour companies?

• Examine road signage needs and restrictions (where applicable).

• Cooperative and joint marketing efforts with other operators.

• Dollar requirements and marketing budget.

• Method of evaluation. How will you measure the effectiveness of your marketing efforts?

NWT Tourism has developed two marketing guides to assist with marketing initiatives: Market Ready: the NWT Tourism Handbook and Online Tourism Marketing for Beginners. Both are available from NWT Tourism.
Conceptual Development Plan

The information gathered through the site evaluation process is used to prepare a conceptual development plan that summarizes all the site conditions and resources. It includes a schematic diagram of all proposed buildings and facilities and the intended means of servicing them.

This concept plan is the basis for obtaining land-use approvals and for developing cost estimates used in the financial analysis. Make sure all the questions have been answered and the concept plan is complete. If the project is large, it may be advisable to obtain the help of a professional consultant for concept plans and cost estimates for buildings and site development.

The physical concept plan is a combination of graphic and written information. This package should include:

- A *site analysis summary* outlining the physical features of the site and noting any deficiencies that must be overcome.
- An *environmental impact statement* reviewing the existing environment and its capability to adjust to the proposed development. Ways of mitigating and minimizing negative impacts are laid out as part of the development, community liaison and construction processes. This may be a separate document depending on the scale of your development and the requirements specified for land leasing and/or a development permit.
- A *program statement* describing the users, activities and interactions in physical design components and what is required in each.
- An *illustration* that generally places all the physical development components on a map of the site and shows all circulation patterns between active areas.
Stages of Product Development and Innovation

Product development for tourism businesses has a number of stages or approaches. For many, most time and effort remains focused on maintaining and delivering existing products to current customers. From time to time, existing products and experiences are refined to attract new customers and retain existing customers. Some operators commit to adding new products and experiences each year to retain existing customers.

The most difficult product development strategy, and the highest risk strategy, is to develop new products for new and/or existing customers. The Canadian Tourism Commission book *Passages to Innovation* provides one tool to support a strategy that includes the development of truly innovative and new products.
This model cannot be used to explain the industry as a whole. It must be taken within a specific segment for comparison.

For example, when speaking of “high yield” customers, the specifics of that demographic would vary significantly between Australian backpacking youth versus American empty nesters looking for spa vacations. However, within each of these segments, there are identifiable groups who are higher yield than the other (relative to that segment).

This said – details of any quadrant would vary in terms of return on investment (ROI) and potential depending on the industry segment.

**Quadrant I – Existing customer/existing products:**

This quadrant represents the lowest risk strategy.

In this instance, the organization is catering to its current market segments with its existing product range. Two examples of this would be: 1) a 16-person fishing lodge geared to attracting middle aged males from the U.S. Midwest, and 2) a caribou hunting operation that attracts 50 male hunters to its barren ground location each year.

Quadrant I is a familiar quadrant and remains a safe bet for many organizations. However, due to current events, such as changes in currency values and SARS, the tourism consumer is changing and organizations must not only react to the new trends, but also be proactive in order to be ready for the new market once the “dust settles”.

**Quadrant II – New customers/existing products:**

This quadrant represents a slightly higher risk strategy. An organization entering this quadrant should keep a portion of its efforts in quadrant I.

Selection of new market segments are made based on extensive market research and evaluation. Using this market information, a product may be modified to best reflect the needs of the new market – this does not constitute a new product.
For example, the NWT aurora viewing market has determined that upscale Americans are interested in aurora viewing and could be a potential market if some adjustments are made to the product.

**Quadrant III – New customers/new products:**

This quadrant represents the highest risk strategy.

New businesses all start in this category. It is very delicate and must be executed with caution. Research is the basis of success. Inventory, assessment, competitive analysis and clearly defining one’s unique selling proposition (USP) will be keys to success.

As an existing organization, creating a new product to deliver to new customers is “tricky”. It is important to continue to use the USP or brand proper to the organization and then, to convey that to a new market through new products.

(An example of this quadrant may be) an NWT fishing lodge that wishes to change its product from fishing to wildlife viewing, and is going after a younger European market.

**Quadrant IV – Existing customers/new products:**

This quadrant offers a potential high-risk strategy.

When presenting new products to your existing customers, you want to ensure that these new products will cater to their needs and not alienate them. Your existing customers will, however, be more willing to “try” new products coming from an organization that they have trusted. Don’t disappoint them!

An example of this could be a fishing lodge that retains fishing as a base product, but adds peripheral products such as fish preparation and cooking instruction, fly-fishing lessons or fishing competitions.
Innovation in Product Development

To understand the impact of innovative product development, here are two Canadian tourism examples that illustrate how operations must be open to reinventing themselves and responding to the needs of the marketplace.

Example I:
The Excellence and Innovation in Product Development Award was given to Upper Oxbow Outdoor Adventures (New Brunswick) in 2007. Upper Oxbow Outdoor Adventures is a family-owned Atlantic salmon angling business offering world-class experiences on the banks of the Miramichi River. After a successful 15 year run operating as a pure fishing lodge with four log cabin fishing camps and a cook house, Debbie and Dale Norton had a vision to expand and diversify. Their determination has turned the business into a four-star, year-round resort offering high-end accommodations. Their creativity lead to a number of new packages, such as the Women in Fly Fishing schools, a learn-to-fish program for women and their cultural sand bread package where anglers enjoy bread baked in the sand by the river as they fish. (Source: www.gnb.ca/cnb/news/tp/2007e0740tp.htm)

Example II:
The tourism season is also very short for most operators with businesses often being a seasonal operation. Visitors to Dunroven B and B and Sea Cottage are part of a working farm which not only offers accommodation but also an opportunity to take part in activities on the farm. Guests have the opportunity to take blacksmithing lessons on an on-site 1927 coal fired forge or take part in hands-on training of working Brown Swiss oxen. Access to television or telephone is non existent on the premises and there is a hot tub on a deck overlooking the ocean. Dunroven is a very unique business where...“people come to entertain themselves, not to be entertained and where guests can come relax and have an opportunity to sit back and watch the trees grow.” (Source: web.mala.bc.ca/trip/Dunroven%20Band%20B%20and%20oxen%20farm.pdf)
The Recipe to Product Development Success

Many tools are available to assist any organization in the development of products that respond to market demand. Based on the diagram on page 21, and referencing your organization with the quadrants on pages 22 and 23, it is clear that successful marketing requires innovative product development that clearly responds to market demand.

As such, the following “recipe” will assist you in developing your business and products for the consumer.

Before following this recipe, you should have identified where in the previous quadrant your business or partnership is situated. The location of your organization on the quadrant will determine the depth of activities in the “recipe” that you must follow.

The recipe will give you the basic understanding of the steps to be followed. What specifically you are trying to achieve should be determined with your position on the quadrant and your partnership’s objectives for the next 3-5 years.

Research

Research is the undertaking and collecting of relevant, timely data, which will ensure you are meeting market demand now, and will be market driven in the future. Depending on your position on the quadrant, research requirements will vary.

A step-by-step process for successful research in product development includes:

• **Inventory** – When identifying your organization on the sample quadrant, you must first, take an inventory of your existing product offering. This entails identifying all organizations involved in your market and taking stock of the various product offerings within each organization. The list should be exhaustive and include everything from week-long packages to merchandising.

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3 You are encouraged to seek out literature and resources that reflect your business and can enhance your development of product and market.
Assessment – This is a critical part of the process to identify your position on the quadrant model. Once you have completed the inventory of your various products, you must then assess them in terms of market-readiness and validate their existence. This step identifies your position and your strength in quadrant I and any other quadrant you may be positioned in. Once you have determined your position and strengths, you are ready to define your future objectives and move towards innovation.

Innovation

Market research – Before the actual "act of innovation", you must identify your market(s). You can build the nicest castle in the world, but if no one wants to see it, it would be a waste of resources!

When studying your market(s), identify current demands (which will strengthen your evaluation of your current position) and, identify trends (which will identify the upcoming demands over the future timeframe of your development). Identify demographics, psycho-graphics and socio-graphics. Look for long-term "desires" within your market. When working in product development, you are not responding to immediate needs from your consumers, but rather to those demands they will have in 3-5 years.

Gap analysis – Cross-referencing your inventory of "strongly" market-ready products with the identification of market trends over the next 3-5 years will allow you to identify the "gaps" in your current product offering. You must then define which elements from the "gap" are realistically achievable. This step identifies how motivated you are to achieve identified goals.

S.W.O.T. analysis – This is a brainstorming analysis to help you determine your current position (starting point). During this process, you should work with your partners to identify: strengths, weaknesses, opportunities and threats that can help (or hinder) you as you work towards creating your new products. This gives you your starting block to identify the distance between where you are and where you want to go.
• **Planning** – Planning is an integral part of the "Product Development Planning" phase of marketing. As such, it follows the extensive research component in order to become our "map to innovative product development" and, therefore, should include solutions to the next steps in the process.

Using the research conducted, determine a solid business plan, which gives you direction and step-by-step processes to follow. In your business plan, identify where you are, where you want to go, what it will take to get there and who is needed to do what. Be sure to incorporate an evaluation method to ensure that you are on track and an evaluation tool to determine the success of your business plan. Do not forget the infamous "feedback loop"; once your project is complete, it is never complete. You must evaluate it, identify the gaps between your ideal scenario and what actually happened, then, iron out the kinks and go for round two.

• **Partnership** – In tourism, product development is rarely (if ever) successful when conducted solely by one organization. Clearly each organization must have its own product offering, but when we refer to innovative product development, the strength is in QUALITY. To achieve recognizable quality, it is best to work in like-minded groups who share a vested interest in promoting a product (rafting the Nahanni) or a region (the Mackenzie River Delta) or a cultural cluster (Aboriginal tourism).

When working through this step, you need to identify:

• Who is interested in the project? Who shares a vested interest in developing and promoting the product?

• Who is missing from the original "brain trust" of the project?

• How do you recruit new partners? What's in it for them?

Some of this work should be done at the onset of the project. The answers to these questions should be a part of the planning process.
• **Product Development** – You have now identified the goal of the project and the players. So, put on your creative cap and start building!

Using the research, you have defined what you would like to create. Using the planning and partnership steps, you have identified how you would like to create and whom you would like to create with.

In this area, you want to work through the business plan, continuously looking back at your research reports, opening the conversation throughout the partnership to ensure the highest level of buy-in. In the end, you should develop experiences and packages that will respond to your market demand research and fulfill your business plan objectives.

• **Testing and Evaluation** – Once you have developed the product, the experience, the package or the brand, test it. Create a pilot project using a sample of your selected market.

You can test your product with a segment of your market, with travel agents and tour operators, media or other representatives who will "sell" your product.

In this phase, ensure there is an evaluation form that the participants can complete in order to give you feedback on successes and missing pieces. You'll use this information to iron out the "kinks".

The evaluation criteria need to be set out during the planning process.

• **Launch The Product** – Once you have developed your product and are comfortable with its strength, you are ready to deliver it to your consumers and continuously enhance it as time goes on.

Remember that continuous evaluation must be conducted to make enhancements and determine the product's long-term feasibility.
DEFINING THE PRODUCT

TERRY PARKER, NWT TOURISM
Initial Look at Market Supply and Demand

At the beginning of the development process, there is usually a good idea or an intuitive “gut-feeling” that a certain facility or service makes sense, or that a certain location has potential for tourist activities. This is an important place to stop and ask questions and do some brainstorming with people knowledgeable about similar developments.

Before proceeding into detailed development analysis, it is critical to determine who the potential customers are for this facility or service (the target market), and whether their demand is already being met by other businesses. If this preliminary market analysis does not favor development it is wise to rethink the initial concept. Ask yourself these questions:

- What competing facilities or services are in the area? How many are there? Are they full-time or seasonal operations? Have these operations been successful?
- What is the nature of the tourist traffic in the area - who visits, how long do they stay, what services do they use? Has tourist traffic to the area been increasing, decreasing or holding its own over the last several years? What share of the tourist market do you think your business will capture?
- If this is a new type of tourism business for an area that has not previously been developed for tourism, what information do you have that supports its potential to bring tourists to the area? Have other facilities failed in similar circumstances? Why do you think you can succeed?
You can answer many of these questions by talking to other tourism operators and agencies/organizations involved in tourism development.

Northwest Territories Tourism produced a booklet titled *Market Ready: the NWT Tourism Handbook* which clearly and concisely outlines the components of marketing, why it is important and how to undertake a simple marketing plan. A review of this booklet is useful as the long-term financial health of a business rests on its ability to attract and retain paying customers.

www.spectacularnwt.com

**Initial Look at the Development Process**

It is a good idea to have alternative locations for your project in mind, particularly if you are looking at developing a land-based project such as a fishing lodge or a wildlife viewing ‘safari’ area.

The land base of Northwest Territories is a mix of Crown, Commissioner’s, Municipal and Aboriginal-owned lands. There are a number of procedures for gaining lease rights to land and these will affect the length and complexity of the overall development process.

Most tourism projects will require development permit approval. It is prudent to be aware of the procedures involved in obtaining approvals for a development on a land base in that “perfect” location.

The Land Administration office of Indian and Northern Affairs Canada (INAC) is responsible for managing Crown land throughout the NWT.

Land Use information is available from the INAC regional office in Yellowknife. Visit their website at http://nwt-tno.inac-ainc.gc.ca/la_e.htm or call (867) 669-2500.

General information on land use planning approval process for Commissioner’s land is available from Lands Administration Office in the Department of Municipal and Community Affairs (867-873-7569 or www.maca.gov.nt.ca/lands/index.html).
Within city or community limits, land use planning, subdivision and development control are the responsibilities of NWT municipalities. For municipal government contact links, visit www.maca.gov.nt.ca/governments/index.asp.

For Aboriginal-owned lands, it is necessary to identify in which land claim area the site is located and approach the correct Aboriginal Organizations to discuss plans for potential tourism development. There are four (4) settled land claims in the NWT. Refer to the map on p. 34 for land claim boundaries and settlement status. For Aboriginal Organizations contact information and information about land claim agreements, visit the following links:

**Settled Land Claims**
- Tlicho: www.tlicho.com/
- Sahtu: www.sahtu.ca/sahtulc.html
- Gwich’in: www.gwichin.nt.ca/LCA
- Inuvialuit: www.irc.inuvialuit.com/about/finalagreement.html

**Unsettled Land Claims**
- Akaitcho: www.akaitcho.info/
- Dehcho: www.dehchofirstnations.com/negotiations.html

Other land use considerations include environmental and heritage or historical assessments. These will be discussed in Section 8.

An early look at financing is also critical to the success of a development. It is wise to examine the financial requirements of the total project as well as the current economic health of the community in which the project will operate.

A general idea of financial requirements should lead to an investigation into sources of financing. Information can be obtained through a number of methods and from a variety of sources, but a good place to start is with the Economic Development Officer (EDO) for your community.

Attention to this area will help you realistically assess the feasibility of undertaking your proposed project.
DEFINING THE PRODUCT
In summary, the focus of this initial look at the development process should consist of:

- an examination of the steps involved,
- an examination of the time involved in some of the steps,
- a broad financial picture, and
- a general picture of project timing.

**Developing a Business Concept**

If the initial review of the market looks positive and the development process looks workable, a clearly defined project should be outlined. This business concept can be simply stated as a goal, for example:

- To build an eco-tourism resort with rental cabins on Great Slave Lake and attract visitors from the US market; or,
- To open a seasonal specialty ice cream store for summer visitors; or,
- To provide evening dogsled rides for aurora viewing to the growing number of people on package tours from Germany.

The original concept will likely be altered throughout the process as more site information, development costs or licensing requirements become known. There may not be a commitment to a specific location at this point as this will be the result of detailed site analysis. An entrepreneur should, however, always maintain a clear statement of the business concept.
Project Feasibility

In determining the feasibility of a tourism project, as with any business, accurate market assessment and careful financial planning are critical to the success of the venture. For large or complex projects, professional help is recommended. In evaluating projects, the following steps should be completed, and all the questions should be answered.

These steps force even the most enthusiastic, idealistic entrepreneur with a brilliant idea to make a realistic assessment of the risks and rewards of a project. For some projects either the market or the financial analysis (or both) may prove the idea to be not feasible, and a re-examination may be required. The following steps highlight the need to complete an economic evaluation before any investment is made.

There are several sources of assistance available to a prospective tourism business developer. Private consultants can evaluate the project. Alternatively, assistance can be obtained from:

- GNWT Industry, Tourism and Investment,
- Canada/NWT Business Service Centre (federal/territorial agency),
- Community Futures offices (federal government program),
- Business Development Bank of Canada (federal crown corporation) and
- NWT Business Development and Investment Corporation (territorial crown corporation).
These government agencies, as well as charter banks, can provide a range of services and publications that can assist you with the evaluation of your project.

The steps that will help to determine how feasible your tourism product will be are discussed in detail in the following sections. The steps include:

• Tourism Market Analysis,
• Project Site Evaluation,
• Resource Assessments,
• Financial Analysis,
• Development and Licencing Approvals, and
• Packaging the Product
Market analysis is a critical component of business research, particularly in the tourism industry. The spending habits of tourists, their characteristics, their reasons for traveling and the experiences they seek are constantly changing.

The tourism developer must respond to emerging trends. If the proposed service or facility is intended to capitalize on an innovative new trend in the industry, the developer must research consumer appeal to be assured that there are enough people interested in the new concept, that they have enough money to spend on it and that they are willing to spend their money on it. Such concerns can be answered through a market research study.

Clearly defining the market for your tourism business enables you to determine your marketing objectives. These objectives will direct the marketing component of the business plan.
## Essential Research

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Market Analysis</td>
<td>Develop a concept for the right product or service in the right location</td>
</tr>
<tr>
<td></td>
<td>Research the current supply and demand for the product</td>
</tr>
<tr>
<td>2. Financial Analysis</td>
<td>Evaluate site location, costs, and infrastructure requirements</td>
</tr>
<tr>
<td></td>
<td>Evaluate capital debt repayment, cashflow and operating costs, profitability</td>
</tr>
<tr>
<td></td>
<td>Evaluate rate of return and feasibility</td>
</tr>
<tr>
<td>3. The Business Plan</td>
<td>Develop marketing, operations and human resource plans, and project schedule</td>
</tr>
<tr>
<td></td>
<td>Outline projected profitability, cashflow, working capital and financing sources</td>
</tr>
</tbody>
</table>
Types of Tourism Markets

Most travel surveys identify the main categories of visitors as people travelling for pleasure, business, visiting friends/relatives or for personal reasons. In your market research you should be more specific. For example, potential visitors to your area or facility may be:

- Hikers
- Hunters
- Wildlife and Bird Watchers
- Fishermen, Anglers
- Photographers
- Shoppers
- Sports Teams and Spectators
- Conventioneers (and Spouses)
- Government Employees
- Bus Tour Participants
- Overseas Business Visitors
- Overseas Package Tour Participants
- Educational Tour Participants
- Work Crews
- Commercial Travellers

Demand Analysis

Each visitor is looking for a different ideal experience and has specific preferences for type of accommodation, food services, recreation, etc. As a result, there are numerous ways to break the tourism market into sub-groups. The important thing is to identify the groups (segments) that will buy your product or service.

Once you have identified the one or more types of tourists you anticipate (or would like to attract) you can then develop a detailed profile of your target market(s). You should develop a clear understanding of this market in terms of:

- Who they are (age, income, marital status, education and lifestyle patterns)?
- Why they travel?
- When they travel?
- How many are expected?
- How often they travel?
- What interests them?
- How they travel?
- Where they come from?
- How they spend their money?
- How price-sensitive they are?
The Canadian Tourism Commission has a full range of market research and statistical data pertaining to Canadian and non-Canadian travel markets. These reports are available through the Commission’s intranet site (Canadian Tourism Exchange). The web link is: www.canadatourism.com/en/etc/etcindex.cfm

Tourism and Parks, a division of Industry, Tourism and Investment in the GNWT, provides support for tourism marketing, research, training, planning and product development. For recent market statistics, visit their website at: www.iti.gov.nt.ca/parks/tourism/research_and_statistics.htm

Supply Analysis
It is important to evaluate the existing supply of tourism services and facilities. You must determine:

• What competitive facilities are there in the market area?
• What are the current usage rates or occupancy rates for operators in the regular and off-season?
• What share of the market can you expect to capture?

Market Evaluation
The following list includes many of the critical questions an entrepreneur should attempt to answer before deciding to commit to a business concept.

Orientation
• What markets do you hope to attract or create?
• What is the nature of the area tourist traffic and what have been the recent trends?
• Will the project be the first of its kind in the area? Why do you think it will succeed?
• What recent surveys or market studies have been done for this area or market component?
• Does the local community support the project? Are there any land, environmental or socio-cultural issues that could pose a problem?
Demand Analysis

• How many tourists visit the area in the regular and off-seasons?
• How many of these tourists could potentially use your service or facility?
• When do people travel to this area or facility? Weekends? Summer holidays? During hunting season? Define the regular and off-seasons, and corresponding visitor profiles.
• What proportion of tourists require accommodations?
• What preferences have been shown for hotel, motel, bed-and-breakfast or campground accommodations? Is this pattern changing?
• What is the general origin of visitors to the area? How do they travel to the area?
• What is the average length of stay? Will your operation change any of these trends?
• What is the forecast rate of growth in the number of tourists to the area? Does the area actively promote tourism?
• If you anticipate a mainly local demand, what is the projected population growth, average income levels, spending patterns, demographics (age, sex, marital status) of the population?
• What are the main family types, income levels, lifestyles and socio-economic profiles of current visitors? Does this fit with your proposal?
• Are there specialized user groups such as large organizations, conventions or government frequenting the area?
• Is the demand mainly for a distinct season? Can this be extended? What demand might be developed for off-season use?
• What do you estimate the demand for your business to be for the next five years? What occupancy or usage rates are forecast for these types of facilities for the next five years?
Supply Analysis

- What competitive facilities are there in the market area? Which of these do you consider to be your primary competitors?
- What accommodation facilities are in the area? What is the history of occupancy rates? What are the seasonal rates? Is there enough available capacity in the area to accommodate an increase in tourist volume that may be caused by your tourism product/service?
- Are any other directly competitive operations planned for the area?
- What food and beverage facilities are in the area? What are their seating capacities, hours of operation and turnover rates? Are they tourism-friendly?
- How would you describe the area's tourism capacity? Under-supplied or over-supplied? What special attractions are in the area that would add to general tourist activity or complement your operation?
- Is the project entering a very competitive market with well-established competition? Are there substitute products/services available that could serve as an alternative to your proposed tourism experience?
- What has been the performance of other facilities over the past five to 15 years? Steady growth, no growth or negative growth?
- Will your project attract customers away from existing facilities? Why?

Summary Evaluation – Making Sure Your Concept Meets the Demand

- Does your project reflect market demand and consumer preferences for this type of facility or service? What do you base this assessment on?
- Does this area need a business like yours? Why? How will you generate community support?
- What share of the tourism market do you think the proposed project could capture? Why?
- How do you intend to attract these markets?
Tourism Market Data Sources

Detailed information on travel industry trends, demographics, visitor spending habits, means of transportation and destination is readily available. Both the Department of Industry, Tourism and Investment and NWT Tourism can be important sources of information.

Tourism and Parks Division

Tourism and Parks is a division of the department of Industry, Tourism and Investment of the Government of the Northwest Territories, Canada. Tourism and Parks provides support for tourism marketing, research, training, planning and product development. The division is responsible for developing, operating and maintaining facilities that include parks, visitor centres and interpretive displays.

Coordinator, Research and Planning, 867-920-3245
www.iti.gov.nt.ca/parks/tourism/research_and_statistics.htm

NWT Tourism

NWTT was established in 1996 as the collective voice of the Northwest Territories tourism industry and the destination marketing organization (DMO) for the NWT.

NWT Tourism, 867-873-5007
www.spectacularnwt.com
Publications that may be of assistance include:

*Canadian Travel Survey/International Travel Survey* – Statistics Canada’s Canadian Travel Survey and International Travel Survey
www.statcan.ca/english/Dli/Data/Ftp/cts.htm
www.statcan.ca/english/Dli/Data/Ftp/its.htm

*Travel Exclusive* – A bi-monthly newsletter for members of the Canadian Tourism Research Institute that keeps travel and tourism suppliers and executives up to date on the latest trends in the industry. Available through the Institute. (Note: Must apply for membership that involves a fee. Other travel research reports are also available from the Conference Board of Canada with a membership.)
www.conferenceboard.ca


*Canadian Tourism Exchange* – This is an intranet site operated by the Canadian Tourism Commission. Through it, you can access a range of statistics and research reports. www.canadatourism.com

**Other information sources:**

*World*

- World Tourism Organization – Is the leading international organization in the field of travel and tourism. It serves as a global forum for tourism policy issues and statistics. www.unwto.org
- World Travel and Tourism Organization – WTTC’s mission is to raise awareness of the full economic impact of the world’s largest generator of wealth and jobs. www.wttc.travel
Canada

- Statistics Canada – Maintains and interprets statistical data. www.statcan.ca/start.html

- Canadian Tourism Commission – Provides a variety of publications and market research on the tourism industry in Canada. (Note: You must apply for a login & password to access the site.) www.canadatourism.com

- Canadian Tourism Research Institute – Provides members with information and analysis on the Canadian tourism industry. This research organization is part of the Conference Board of Canada. (Note: You must apply for a membership, and this involves a fee.) www.conferenceboard.ca/ctri/default.htm

- Tourism Industry Association of Canada – Encourage the development of tourism in Canada as the national private-sector advocate for this industry, representing the interests of the tourism business community nation-wide. Its activities focus on legislative and regulatory barriers to the growth of Canadian tourism. www.tiac-aitc.ca.

Lists of territorial tourism related organizations, tourism destination regions, etc., can be found on the NWT Tourism website at www.spectacularnwt.com
Site selection is a key component of any business and is one aspect in which establishing a tourism business may differ significantly from establishing a business in another sector. A tourist may seek scenic beauty, wilderness, adventure and excellent fishing, yet demand relatively easy accessibility and amenities such as hot showers and a restaurant.

The rugged nature of much of the NWT may also require special attention. A prospective developer must be aware of all site conditions as well as know about the approvals necessary to use land in these areas. Evaluating sites under consideration is a challenge and requires thorough research.

Many of the permanent installations that a tourist facility requires, such as utilities, are the same as those needed by any operation.

This section provides guidelines as to:

- what types of physical resource information are required?
- who to contact?
- what approvals may be necessary?
- how to evaluate the site in terms of your business concept?
- how to prepare a physical concept plan as the basis of cost estimates and financial evaluation?
Where to Start

Some tourism ventures begin with an idea and then search for a suitable location for development e.g., a developer looking for a suitable site to develop a fishing lodge. Others begin with a fixed location that needs an evaluation for a certain project, such as proximity to a natural attraction like a waterfall. Developers may work with realtors, government departments or conduct their own site search. In either case, you need to obtain the following information on the potential site and related maps and drawings:

- suitability of the physical environment, including soils, slopes, water quality and quantity, tree cover, shoreline access, views, amount of snowfall, prevailing winds;
- status of the site including land ownership, land use bylaw classification, easements, long-term planning projections, caveats, restrictive covenants;
- servicing and utilities – water, power, sewer, telephone, natural gas;
- access - availability, special facilities needed, responsibility for maintenance;
- land development requirements – clearing, grading, reclamation, engineering; and,
- location analysis – does the site meet the needs of the target market?

The following checklists identify the specific information sources and the questions that all developers should seek to answer.

Location Analysis

People must be able to reach the site. The converse is also true: the site must be within a reasonable or conveniently accessible distance of the anticipated target market group(s). Also, the developer should have some understanding of the nature of the area – who lives there, what are the municipal development plans for the area, and what are the attitudes towards the development? Is the long-term future of the site reasonably secure?
Some questions to be answered include:

<table>
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<th>Data Needed</th>
<th>Contact/Data Source</th>
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<tr>
<td>How does the customer get there? What are the current and nearest transportation services? What are the costs of scheduled services?</td>
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<tr>
<td>• Roads</td>
<td>• GNWT Department of Transportation</td>
</tr>
<tr>
<td>• Air transport</td>
<td>• Transport Canada</td>
</tr>
<tr>
<td>• Public transport, bus</td>
<td>• Scheduled air carriers, bus lines</td>
</tr>
<tr>
<td>Does the developer need to provide or build access to the site? If access is by private plane or helicopter service, can the proper licences be obtained? What effect will poor weather or seasonal changes have on accessibility? What quality of access is needed? What are the safety considerations?</td>
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</tr>
<tr>
<td></td>
<td>• Travel agents</td>
</tr>
<tr>
<td></td>
<td>• Aircraft charter services</td>
</tr>
<tr>
<td></td>
<td>• GNWT Department of Industry, Tourism and Investment</td>
</tr>
<tr>
<td></td>
<td>• Internet</td>
</tr>
<tr>
<td></td>
<td>• Local and Regional Tourism Associations</td>
</tr>
<tr>
<td>How far is the site from the customer? How many people are within traveling distance? What is the historical traffic count?</td>
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<tr>
<td></td>
<td>• Transport Canada</td>
</tr>
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<td></td>
<td>• GNWT, Department of Transportation</td>
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<tr>
<td></td>
<td>• GNWT, Department of Industry, Tourism and Investment</td>
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<tr>
<td></td>
<td>• GNWT, Department of Municipal and Community Affairs</td>
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<td></td>
<td>• Local Municipality</td>
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</table>
### Data Needed

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<th>Question</th>
<th>Contact/Data Source</th>
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</table>
| What types of developments are in the adjacent area? Are they compatible with your project? Do they visually or acoustically infringe on the site? What are the long-term plans for this area? Will there be any foreseeable significant changes in transportation patterns, servicing or land use? | • Indian and Northern Affairs Canada  
• Site Inspections  
• Local Municipality  
• GNWT, Department of Environment and Natural Resources  
• GNWT, Department of Transportation  
• GNWT, Department of Industry, Tourism and Investment  
• GNWT, Department of Municipal and Community Affairs |
| What are the attitudes of community members towards tourism development?  | • Local Municipality  
• Local Aboriginal Organizations                                                                                                                     |
| What other tourist facilities or attractions are in the area? Do they complement your proposal? Are there any planned parks or other public facilities? | • Site Inspections  
• GNWT, Department of Industry, Tourism and Investment  
• GNWT, Department of Municipal and Community Affairs  
• Northwest Territories Tourism  
• Parks Canada  
• Local Municipality                                                                                                                                    |
| Is the proposed site on a Native Reserve or Land Claim Settlement area? Is the council active or interested in tourism as a means of economic development? | • Indian and Northern Affairs Canada  
• GNWT, Department of Municipal and Community Affairs  
• Local Aboriginal Organizations                                                                                                                     |
| If you aim to attract local/regional business, consider the socio-economic characteristics of area residents. What are average income levels, dominant age groups and occupations? How does this compare to your target market? What is the projected population growth? | • Local Municipality  
• GNWT, Department of Industry, Tourism and Investment  
• NWT Bureau of Statistics  
• Statistics Canada  
• NWT Chamber of Commerce  
• NWT Aboriginal Business Association |
Physical Resource Analysis

In this part of the site evaluation the developer must determine whether the physical conditions of the site are suitable for the intended use. These are the key questions to be answered:

<table>
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<tr>
<th>Data Needed</th>
<th>Contact/Data Source</th>
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</table>
| What are the soil types and slope of the property? Is it stable and suitable for building? | • GNWT, Department of Environment and Natural Resources  
  • GNWT, Department of Public Works  
  • Natural Resources Canada                                                     |
| Are there any natural hazards in the area that affect the site? Will the site be subject to flooding, landslides avalanches? What are the typical snow levels? | • Environment Canada  
  • GNWT, Department of Environment and Natural Resources  
  • Local Municipality  
  • Site Inspection                                                                |
| Are there any watercourses or areas of standing water on the site? Do these change significantly through the years? Will either extremely high or extremely low water levels affect your development? Is the site in a floodplain? Do other users have water rights on this? | • GNWT, Department of Environment and Natural Resources  
  • Environment Canada  
  • Mackenzie Valley Land and Water Board  
  • Site inspection                                                             |
| What type of forest cover is on the site? Is it within a Forest Management Area? Are there any cutting restrictions? Will the surrounding areas be logged in the near future? How will the view be affected? | • GNWT, Department of Environment and Natural Resources  
  • Local Aboriginal Organizations                                                |
| What are the shoreline or riverbank characteristics of the site? Can it be dredged for boat use? Can pilings be placed for a dock? Can you get a permit for use of this water edge? Is it eroding? Does the water level change seasonally? | • Local Municipality  
  • GNWT, Department of Industry, Tourism and Investment  
  • GNWT, Department of Municipal and Community Affairs  
  • Mackenzie Valley Land and Water Board  
  • Department of Fisheries and Oceans Canada  
  • Local Aboriginal Organizations                                               |
### Data Needed

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<th>Question</th>
<th>Contact/Data Source</th>
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| What are the main fish and wildlife species in the area? What is the most recent inventory? What management programs are in place? Are there any seasonal restrictions that will affect your development? What habitat protection is occurring to ensure the long-term viability of fish and wildlife? What are the hunting and fishing license requirements? | • GNWT, Department of Environment and Natural Resources
• Department of Fisheries and Oceans Canada
• Local Aboriginal Organizations
• Indian and Northern Affairs Canada |
| What is the climate of the area? What is the average annual rainfall and snowfall? Is the area subject to drought? Is it windy? Which are the sunniest months of the year? When does the first snow fall? When does it leave? How many hour of sunlight in summer, winter? | • Environment Canada
• GNWT, Department of Environment and Natural Resources |
| What is the status of this property? Who owns it? Who owns the adjacent properties? What easements and caveats are registered against the title? Are there any restrictive covenants in place? What is the assessed value? | • Local Municipality
• GNWT, Department of Municipal and Community Affairs
• Indian and Northern Affairs Canada |
| What is the current land use bylaw designation? What is the long range planning designation for this site and the surrounding area? What type of approvals are needed in the planning process? Is there an Integrated Resource Plan in place? | • GNWT, Land Titles Office
• GNWT, Department of Environment and Natural Resources
• GNWT, Department of Municipal and Community Affairs
• Local Municipality
• Local Aboriginal Organizations |
### Data Needed

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<thead>
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<th>Question</th>
<th>Contact/Data Source</th>
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<tr>
<td>Is there any archaeological significance to the area? Will a historical</td>
<td>• Prince of Wales</td>
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<tr>
<td>resources impact assessment be necessary? Will some form of mitigation</td>
<td>Heritage Centre</td>
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<tr>
<td>be necessary?</td>
<td>• GNWT, Department</td>
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<td>of Municipal and</td>
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<td></td>
<td>Community Affairs</td>
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<td>• GNWT, Department</td>
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<tr>
<td></td>
<td>of Education,</td>
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<td></td>
<td>Culture and</td>
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<td></td>
<td>Employment</td>
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<td></td>
<td>• Local Aboriginal</td>
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<td></td>
<td>Organizations</td>
</tr>
<tr>
<td>Is the site visually and physically attractive? Can negative attributes</td>
<td>• Site Inspections</td>
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<tr>
<td>be overcome?</td>
<td></td>
</tr>
<tr>
<td>Is the site on or near a “protected area”?</td>
<td>• Prince of Wales</td>
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<td></td>
<td>Heritage Centre</td>
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<td>• GNWT, Department</td>
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<td>of Environment and</td>
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<td>Natural Resources</td>
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<td>• Parks Canada</td>
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### Infrastructure Needs and Availability

This is a critical point in site evaluation. Tourists expect a high quality of services. Running water, clean washrooms, hot showers and power supply are standard in most facilities. Costs for providing these basic utilities can be high. It is important to carefully evaluate each of these costs, preferably with professional help. In rural or remote areas, some ingenuity and alternative solutions may be needed to provide services to visitors. Know these costs before committing yourself to a site.

It is important to ask:

- Does the site have a secure supply of water? What is the water quality? How many litres per minute are available? Is it adequate for fire protection? Is it available year round? What are the costs to obtain or develop a water supply?
• How will you dispose of sewage? Is there an existing system? What are the costs of hook-up? Can the site physically support a septic system? What are the standards for tourist use?
• Where is the garbage disposal site?
• What does it cost for disposal? Who is responsible for collecting it?
• What are the nearest sources of power or fuel for heat, light and other needs?
• What are the costs of using or developing the power supply?
• Is road access of sufficient standard to attract tourists in poor weather?
• Is the location easily accessible by floatplane or other suitable aircraft and are there refueling facilities if needed?
• What emergency services are available?
• Is there fire protection in the area? What about police, ambulance and doctors?

Basic Health Standards
As a general rule, all food-handling facilities (restaurants, pubs, etc.) are inspected regularly to ensure compliance with basic health standards.

In urban areas, the municipal health unit usually inspects public and commercial premises and enforces health standards. In smaller municipalities and rural areas the offices of the local department of health handle these functions. In either case, the Public Health Act is the basis of regulations, although municipal bylaws may supplement the Act.

To access the Public Health Act, please visit the website of Department of Justice at www.justice.gov.nt.ca/PDF/ACTS/Public_Health.pdf

Some aspects of health standards are enforced through the Good Building Practices for Northern Facilities, published by the Department of Public Works and Services. Such rules are specified whenever a building permit is issued (water supply, number of toilets). A single inspection usually follows.
Before building, please speak with the local health inspector. Obtain copies of the relevant Public Health Act regulations and any necessary application forms. These regulations will specify how you must handle sewage disposal, what minimum facilities you must provide, and the food-handling methods to be used. Notify the inspector when construction is complete.

**Water Supply**

A development must have access to an adequate supply of water. In a community setting, please check with the municipality to determine the costs of hooking up to the existing system and the existing development standards (e.g. pipe size requirements). Inquire about user rates, which can be a considerable cost for a busy tourist facility. The supply and quality of water is usually the responsibility of the municipality. However, for remote locations, water use is subject to licencing from different organizations depending on the ownership of the land.

The Northwest Territories Water Board is a good place to start with water licence inquiries. The NWT Water Board provides for the conservation, development and utilization of the water resources of the NWT. An application must be made to the Board and a licence issued prior to the use of any waters or disposal of any waterborne waste. To contact the NWT Water Board, please visit their website at [www.nwtwb.com/index.html](http://www.nwtwb.com/index.html) or call (867) 765-0106.

If the water is located within settled land claims, it will be necessary to contact the respective Land and Water Board responsible for managing land and water resources in the designated region of the NWT. Depending on whether the water is located within settled or unsettled land claim areas, you may have to contact the Land and Water Board of the specific region. For unsettled land claims, contact the NWT Water Board.

*Sahtu Settlement Region*

**Gwich’in Settlement Region**


**Tlicho Settlement Region**


**Inuvialuit Settlement Region**


**Mackenzie Valley Land and Water Board**


In a rural setting, a developer must often provide the project with its own water supply. The source will likely involve withdrawal and treatment of water from a nearby lake or river. If a lake, river, stream or ground water aquifer is to be used for water supply, a permit or licence must be obtained from the NWT Water Board or an appropriate regional Land and Water Board. It is very important to confirm the costs and availability of water supply before making a commitment to the site.

**Sewage and Solid Waste Disposal**

In an urban setting, it is wise to discuss the project with the municipal engineering department to find out the costs of hooking up to the sewage system. The developer should ensure that territorial standards are met with respect to the number of toilet facilities required.
For remote locations, commercial composting systems are available to handle both human and kitchen waste.

According to the *Good Engineering Practices for Northern Water and Sewer Systems* in Section 11.9.1., “Waste residual should be disposed of according to community water licence requirements, preferably directly to the sewage system. If returned to the water source, residuals must be disposed of downstream or otherwise separated from the intake by 90 m and must be approved by the authority having jurisdiction.”

The Department of Public Works and Services (PWS) has two publications available on water usage and disposal:

- *Good Engineering Practice for Northern Water and Sewer Systems – Guidelines*

The documents are on the PWS website: (www.pws.gov.nt.ca/publications/index.htm).

**Power Supply and Telephone Service**

Generally, power and telephone services in an urban setting pose few problems. Check for connection charges and structural requirements. In remote areas, these amenities may not be accessible. The developer is generally responsible for supplying power and/or telephone access to the site. Satellite phones, although expensive, are a good choice for isolated locations. When choosing a power source the developer must consider availability and accessibility. Alternative or multiple power sources may be a viable option to consider, such as:

- Diesel-powered generators- for heat/ hot water purposes.
- Wood – for heating and hot water purposes.
- Solar – for electrical generation.
- Wind turbines – for electrical generation.
- Propane – for heating and appliances
Public Safety – Police, Fire, Medical Service

Developers must ensure that adequate security, fire protection and medical services are available for the development. For many tourist activities, particularly those involving outdoor sports, ambulance service, local first aid and a nearby hospital are important concerns. Meet with local authorities to discuss the needs of your development and the ability of the local community to provide the necessary services. Security, fire protection and medical services can be a particular challenge in remote, isolated locations. Talk to:

- Municipal police or RCMP
- Fire departments and/or volunteer fire departments
- Local hospital emergency service, medical clinics, area doctor(s)

They can supply valuable information and potentially help you obtain a better insurance rating for the development. If your development is a seasonal operation, police and fire protection during the off-season are still important. Assess ways to provide security at remote sites during closed periods.

Building and Land Development Requirements

When evaluating a proposed site, the developer must carefully look at land development costs and the types of buildings and facilities needed. If the proposal involves purchasing or upgrading an existing facility, costs of renovation and meeting building codes must be carefully assessed. Professional help is recommended at this stage – architects, engineers, building – or land development contractors can help provide accurate cost estimates to help determine the feasibility of the site. Don’t base your site development evaluation on guesswork or one price quote – these capital costs are vital to your success.
These are the items to evaluate:

- Do the existing building(s) meet your immediate needs?
- What is the structural condition and life expectancy of existing buildings?
- Do the current structures meet building, health and safety codes?
- What renovations or upgrading of existing buildings or utility infrastructure is required? What are the estimated costs?
- What new buildings are needed for the development? What are the estimated costs?
- What special facilities are needed for this site? Can they be accommodated, and if so, what are the costs? Are they technically feasible? (Especially for marinas, helicopter pads, boat launches, etc.)
- What land development is needed?
- What are the estimated costs for clearing, grading and providing roads and parking, landscaping, and hooking up to or providing services and utilities?
- What are the off-site development costs?
- Is the site accessible to people with disabilities? Can this be improved?

**Building Codes**

The *Good Building Practices for Northern Facilities*, published by the Department of Public Works and Services governs building standards in NWT. Speak with the approving authority (the municipality) to determine any special requirements.

**Maps and Physical Evaluation**

Most of the physical resource information a developer needs has already been collected and compiled on maps by the relevant resource agency. A developer can benefit from the professional evaluations of biologists, pedologists (soils), foresters and geologists simply by referring to the maps.
The following bio-physical information may be of interest in the development process:

- aerial surveys
- large scale topographic mapping
- current land uses
- existing roads, rail lines, airports
- legal base maps (subdivisions, lots)
- land ownership maps
- resource capability maps for:
  - recreation
  - waterfowl
  - ungulates
  - mineral resources
- forest cover maps
- soil types and surface geology
- regional recreation inventories (parks, facilities)
- development constraints, natural hazards
- elevations
- significant biological and recreation areas
- land use bylaw and statutory plan designations

This information comes from many agencies including, but not limited to Land Claim Councils, Hamlet Councils, the Department of Environment and Natural Resources (www.enr.gov.nt.ca/), the Geological Survey of Canada (http://gsc.nrcan.gc.ca/map/index_e.php), and the GNWT Geospatial Data Warehouse (http://maps.gnwtgeomatics.nt.ca/portal/index.jsp).
Summing It Up – A Site Evaluation Matrix

Use this matrix as a checklist to make sure you’ve covered all the topics. Complete the checklist for each site being considered. Use it to compare sites.

<table>
<thead>
<tr>
<th>Excellent</th>
<th>Suitable</th>
<th>Needs Work</th>
<th>Not Suitable</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Location</td>
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<tr>
<td>Visibility</td>
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<tr>
<td>Adjacent Land Uses</td>
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<tr>
<td>Property Land Use Bylaw Classification</td>
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<tr>
<td>Scenic Views</td>
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<tr>
<td>Water Supply</td>
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<tr>
<td>Land Tenure/Ownership</td>
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<tr>
<td>Drainage, Watercourses</td>
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<td>Power Supply</td>
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<tr>
<td>Existing Buildings</td>
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<tr>
<td>Local Attitudes Towards Development</td>
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<td>Proximity to Market</td>
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<td>Current Land Use</td>
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<tr>
<td>Access</td>
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<tr>
<td>Long-term Outlook</td>
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<tr>
<td>Soils and Topography</td>
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<tr>
<td>Sewage Disposal</td>
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<tr>
<td>Clearing, Site Preparation</td>
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<tr>
<td>Environmental Quality</td>
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<td>Shoreline or Water Access</td>
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<tr>
<td>Local Labor Supply</td>
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<tr>
<td>Archaeological Concerns</td>
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</table>
As part of the information collection and evaluation stage, there are two assessment processes the proponent may be asked to participate in.

The Environmental Impact Assessment process is legislated by the Mackenzie Valley Resource Management Act (MVRMA) or the Canadian Environmental Assessment Act (CEAA). The Prince of Wales Northern Heritage Centre is responsible for Heritage Impact Assessments.

**Environmental Impact Assessment Process**

In 1998, the Parliament of Canada approved the *Mackenzie Valley Resource Management Act* (MVRMA). The MVRMA, described as an integrated resource management system, was given effect to provide a coordinated approach to the regulatory process in the Mackenzie Valley.

In the Inuvialuit Settlement Region, the *Canadian Environmental Assessment Act* (CEAA) and the *Inuvialuit Final Agreement* guide the EIA and regulatory process.

Besides ensuring increased public participation and a greater role for Aboriginal people in land-use planning, the regulation of land and water use and the environmental assessment and review process, the MVRMA also establishes a network of co-management boards, which are regionally organized throughout the Mackenzie Valley (e.g., Gwich’in, Sahtu and Wek’eezhii Land & Water Boards).

While allowing residents and communities to participate in managing the region’s land and water resources, each Review Board has a specific mandate for managing resources in the Mackenzie Valley in a sustainable manner.
The EIA process is composed of three successive stages:

- Preliminary Screening
- Environmental Assessment (EA)
- Environmental Impact Review (EIR)

The EIA process is designed to prevent significant adverse impacts on the environment. The process also ensures that the concerns of Aboriginal people and other members of the public are considered. Most proposed developments undergo preliminary screening only. If a proposed development must go through the other stages of the EIA process, it is because more information about the development is needed before a decision can be made on whether the development should be accepted or rejected.

No permit, licence or authorization can be issued until the EIA process is completed and it is determined that the proposed development is unlikely to cause significant adverse impacts on the environment or have significant public concern.

**Preliminary Screening**

The Mackenzie Valley Land and Water Board (MVLWB) and the regional land and water boards in settled land claim areas (i.e., the Sahtu, Gwich’in and Wek’eezhii Land and Water Board) conduct most of the preliminary screenings in the Mackenzie Valley, but Federal or Territorial Government Departments are also responsible for preliminary screening in some cases. Preliminary screenings are brief examinations of proposed projects that take approximately six weeks. During this time, preliminary screeners and other reviewers must determine whether a proposed development might have a significant adverse impact on the environment, and/or might be a cause for public concerns.
Environmental Assessment

If a proposed development is found by the preliminary screening reviewers as having the possibility for significant environment impact or be a cause for public concern the proposed project may be recommended to the Mackenzie Valley Environmental Impacts Assessment Board (MVEIRB) for an Environmental Assessment (EA). During the EA, MVEIRB works with the developer, public, Aboriginal organizations and relevant governments to identify and mitigate the impacts of the proposed development. Following MVEIRB’s process a final recommendations report is made to the Responsible Ministers to accept or reject the proposed project or accept MVEIRB’s recommendations with modifications.

Environmental Impact Review

If the MVEIRB concludes the impact and/or public concerns cannot be mitigated, the MVEIRB may reject the development or order an Environmental Impact Review. An independent Review Panel conducts this review, giving its members an opportunity to examine and assess specific details about the proposed development.

For more information about the EIA process under the MVRMA, please visit the MVILWB website at (http://www.mvlwb.com/html/introduction.htm) or the MVEIRB website at (http://www.mveirb.nt.ca/index.php).

For more information about the Canadian Environmental Assessment Act and process, please visit www.ceaa.ca.
The financial analysis gives the entrepreneur a detailed picture of the costs involved in starting up the enterprise, annual operating costs, projected income and the means of financing the operation. This analysis will determine whether the project is financially viable or whether changes are needed either to the initial concept or to the financing arrangements.

For the new or seasonal type of tourism venture, it is important to compare costs and revenues with other operations in the industry. If you are expanding an existing business, you must be sure that increased revenues will cover the costs of your changes, and provide an adequate return on your investment. Most small business failures are attributed to insufficient working capital to carry the business through its first two years of operation – be realistic and accurate through the financial analysis process.
This chart provides the basic steps in the financial evaluation process.

<table>
<thead>
<tr>
<th>Steps in Financial Analysis</th>
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<tbody>
<tr>
<td>Determine Capital Costs</td>
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<tr>
<td>Determine Profitability, Cash Flow and Working Capital</td>
</tr>
<tr>
<td>Pro Forma (Projected) Financial Statements</td>
</tr>
<tr>
<td>Financing Methods</td>
</tr>
<tr>
<td>Evaluate Rate of Return and Feasibility</td>
</tr>
</tbody>
</table>

The NWT Business Development and Investment Corporation promotes financial independence, assists communities in capturing economic development opportunities, and helps develop a diverse and viable northern economy. The BDIC provides a range of programs and services to help northern business succeed. For more information about financial analysis, visit the website for the Department of Industry, Tourism and Investment for their list of business assistance programs (www.iti.gov.nt.ca/iea/business/busprog.html).

Developers must also make a realistic assessment about the ability to finance initial (legal, banking) capital development costs with debt financing, equity financing and/or a combination of the two methods. Inability to finance the project may mean the concept should be scaled down, pursued on a phased basis or not pursued at all.

For more information on the types of financing methods, visit the website for the Department of Industry, Tourism and Investment for their list of business assistance programs (www.iti.gov.nt.ca/iea/business/busprog.html).
Your business plan should feature a statement of capital development and start-up costs, along with proposed financing sources. This statement should accompany the forecast for the projected financial statements (Balance Sheet, Income Statement and Cashflow Statement).

**Financial Analysis – Check Lists**

**Capital Development Costs**

Capital development costs include all physical development needs as identified in the concept plan. It is also important to determine which items will be financed and which will be paid for through investments and from earnings. A new business usually does well to minimize capital outlays as much as possible, thereby keeping cash resources available for current operating expenses and initial one-time costs.

As a general rule, a new operation should have working capital equal to projected expenses for at least six months.
Potential Capital and Start Up Costs

These costs may include:

<table>
<thead>
<tr>
<th>Cost Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land acquisition</td>
<td>$</td>
</tr>
<tr>
<td>Survey costs</td>
<td>$</td>
</tr>
<tr>
<td>Utility infrastructure</td>
<td>$</td>
</tr>
<tr>
<td>Engineering</td>
<td>$</td>
</tr>
<tr>
<td>Architectural design work</td>
<td>$</td>
</tr>
<tr>
<td>Professional fees</td>
<td>$</td>
</tr>
<tr>
<td>Insurance</td>
<td>$</td>
</tr>
<tr>
<td>Resource assessment fees</td>
<td>$</td>
</tr>
<tr>
<td>Fees, appraisal and permit costs</td>
<td>$</td>
</tr>
<tr>
<td>Site preparation</td>
<td>$</td>
</tr>
<tr>
<td>Landscape work</td>
<td>$</td>
</tr>
<tr>
<td>Building construction</td>
<td>$</td>
</tr>
<tr>
<td>Renovation costs</td>
<td>$</td>
</tr>
<tr>
<td>Access road</td>
<td>$</td>
</tr>
<tr>
<td>Furnishings, fixtures, equipment</td>
<td>$</td>
</tr>
<tr>
<td>Other leasehold improvements</td>
<td>$</td>
</tr>
<tr>
<td>Vehicle requirements</td>
<td>$</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$</td>
</tr>
</tbody>
</table>

Projected Income Statements

The income statement is a presentation of the revenues and expenses incurred by the business during a given period. The Income Statement uses accrual accounting where: 1) revenues are recorded at the time that the sale is made even though payment of cash for these sales may occur earlier or later and; 2) expenses are recorded at the time that their corresponding revenue was recorded regardless of when the actual outlay of cash was made.

Revenues and expenses are projected based on the results of previous action steps in this handbook. Income, expenses and profits are categorized in the income statement as follows:
Typically, the income forecast should cover these points:

- **Revenue**: Income generated from the sale of the company’s product or service.
- **Other Income**: Income earned from other activities (e.g. interest earned on bank deposits).
- **Costs of Goods Sold**: Expenses directly related to the production of goods and services including purchases of materials, freight and labour.
- **Gross Profit**: Revenue minus Cost of Goods Sold
- **Operating Expenses**: All selling, administrative and depreciation expenses.
- **Operating Profit**: Gross Profit less Operating Expenses.
- **Interest Expense**: Expenses resulting from debt financing.
- **Net Profit Before Tax**: Operating Profit less Interest Expense.

**Projected Cashflow and Working Capital Needed**

The cash flow statement records actual timing of cash receipts and disbursements. The cash flow statement is the most important forecast for a new business because it demonstrates whether or not you have the actual cash on hand required to meet your financial obligations when they come due. Cash receipts are cash inflows from cash sales, sales of fixed assets, collections of accounts receivable, loan proceeds, and the owner’s contributions. Cash disbursements are cash outflows for operating expenses, payments to suppliers, repayment of loans and the acquisition of fixed assets.

Not all sales are collected in the month in which they are made, and not all expenses are paid for in the month that they are incurred. The most important function of a written cashflow is its ability to provide an estimate of the amount of money required to finance day-to-day operations. It will forecast money coming in and money going out.
A cashflow forecast can be a complicated item to prepare for the first time. For a new entrepreneur, it may be difficult to predict sales and expenses. Talk to other operators in the area, contact relevant associations and or get some professional help. Realistic estimates are the key to business viability. Cashflow forecasts should be prepared for at least the first three years of operation. They will likely need revisions as the business situation changes. If the forecasted figures vary considerably from the actual, some changes in operation or financing may be necessary.

Review your cashflow with your lender, particularly if you plan to operate on a line-of-credit. Know beforehand whether you must maintain a minimum positive cash balance or whether you can operate on an overdraft. Determine what the requirements are to securing an overdraft/revolving line of credit.

Pro Forma balance sheets should be prepared for at least the first three years of operation. It is also recommended that three types of financial statements also be prepared for the construction/start-up phase prior to the venture opening for business.

To aid you in preparing your financial statements, visit the website for the Department of Industry, Tourism and Investment for their list of business assistance programs (www.iti.gov.nt.ca/iea/business/busprog.html).

**Financing Methods**

In order to determine the best financial arrangement possible, an entrepreneur must consider all potential sources of financing including:

- Owner’s investment
- Outside investment sources
- Loans from banks
- Other private lenders

The interest costs from each source must be calculated into the projected income statement, and the proposed scheduling of repayment must fit into the cash flow forecasts.
For more information about the various financing methods, visit the website for the Department of Industry, Tourism and Investment for their list of business assistance programs (www.iti.gov.nt.ca/iea/business/busprog.html).

It is important to determine at a very early stage if you can raise the necessary debt and equity financing for the project. Banks typically will not lend more than 50% of the costs required to construct a new tourism project. Developers therefore must have or be able to raise sufficient cash equity to undertake a tourism project.

Notice that the last item on the income statement is your projected net profit for the year. This forecast figure will be kept for comparison to the actual net profit figure. At the end of each year, a condensed income statement should be prepared. It will be similar in appearance to the projected income statement, but will be actual rather than estimated numbers. This is a valuable summation, as it will allow you to determine your projected and actual break-even points. Income Statement forecasts should be prepared for at least the first three years of operation.

They will likely need revisions as the business situation changes. If the forecasted figures vary considerably from the actual, some changes in operation or financing may be necessary. The Pro Forma Balance Sheets are a snapshot of the financial condition of the business at a fixed point in time. It shows what the firm owns (assets) and what it owes (liabilities and owner’s equity). The balance sheet has three major sections: assets, liabilities and equities.

Assets represent the total resources of the firm stated in dollar terms. Claims against these assets are the liabilities and equity. The two sides of the balance sheet equal each other - they balance. The excess of assets over liabilities represents the net worth of the firm’s owners. Assets are listed in order of liquidity, or nearness to cash. Thus, cash, being the most liquid asset, is listed first, followed by other “current assets”.
Current assets are assets, which will be turned into cash within one year and include cash, marketable securities, inventory, accounts receivable and prepaid expenses. Long term or fixed assets are those that are not intended for conversion into cash within one year. Fixed assets include land, buildings, equipment, furnishings and long-term investments. Liabilities are also classified as being either current (due within one year) or long term. Current liabilities include accounts payable, accrued wages and current portion of long-term debt. Current liabilities are recorded first, followed by long-term liabilities.

**Starting a New Business vs. Purchasing an Existing Business**

The previous topics of the financial analysis have been directed toward entrepreneurs interested in starting a new business. However, many tourism developers choose to purchase an existing operation. Most of the same steps in economic evaluation must be followed. In addition, a potential buyer must ask some very specific questions about the existing operation, its financial health, and the reasons why it is being sold. Some of the key questions are:

- Is the opportunity available to purchase an existing franchise business?
- Has the business declined or been unprofitable in recent years? Why?
- Does the business require considerable investment to upgrade facilities? Have you included these costs in your financial plan? Will you recover these costs?
- What improvements to the facility, operations, management methods or financing must you make?
- Do you have clear and professionally prepared financial statements from the vendor for each of the past three to five years? Have you reviewed prior years’ tax returns for the business?
- Do you have a current analysis of all assets (inventory, fixed assets, accounts receivable) and liabilities (loans, taxes due, trade creditors)? Does your financial analysis include projected cash flow and income statements? Are these positive? Will you make a profit? Will you generate sufficient cash flow? What about balance sheet ratios?
• How will you succeed in this business where previous owners failed or received inadequate return?

• Have you reviewed the business potential and sale details with a professional accountant and lawyer? Do you need to obtain an independent appraisal of the assets?

• Are there any legal judgments against the company?

• Will the key employees stay with the business?

The Bottom Line – Evaluating Business Feasibility

The first four steps of the financial analysis identify the information needed to determine projected costs and projected income. Now, you must compare these amounts to determine whether the business is really viable. There are several accepted methods of looking at business feasibility. Talk to your lenders/investors about their preferred approaches.

When you have finished the next series of steps, you should know whether the proposed business is worth pursuing:

• Break-Even Analysis shows the level of income needed to meet all expenses (variable and fixed). Sales above the break-even point will show a profit.

• Return-On Investment is expressed as a percentage and is the ratio of profitability to owner’s equity over one year. It is often used for comparing investment opportunities. If the return on investment is too low, investors may decide against the project and opt for investment opportunities that have higher returns.

• Debt-To-Equity ratio is a measurement used to compare the amount of debt to the financial risk assumed by the owner(s). Usually, a ratio of $1 or $2 borrowed for every dollar invested is viewed as acceptable (a ratio of 1: 1 or 2: 1); however, the acceptable ratio may vary by industry sector.

This is one of the ratios that is of particular interest to lenders. The summary of your financial research will be encompassed in your business plan.
• **Complete market analysis** – a comprehensive review of the customers, the competition, the demand for this project, the anticipated usage and occupancy.

• **Complete business plan**, including capital cost estimates for facilities, operating costs and a forecasted statement of income and expenses, projected cashflow statement and Pro Forma balance sheets.

• **Amount and purpose of the loan** and the term for which it is required.

• **The opening balance sheet or capital budget statement**, identifying all proposed sources of financing.

• **Repayment plan** – justify on the basis of cashflow projections.

• **Type of security** offered for the loan.

• **References** – business and credit related

• Does your market research support the viability of this business? Does it have a well-defined market?

• Has there been development of new competition for this service or product? Can the market support this amount of competition?

• Have other tourism-related businesses, or the area in general, suffered an overall decline in visitors? Why?

• Has the business developed a poor reputation among tourists, among the local business community, or among employees? Why? Will you be able to overcome this? How?

• Does the business receive a positive rating in the site evaluation criteria? Are there any land planning, regulatory or environmental issues that could impact the viability of the business in the future?

For further information the prospective buyer should also meet with lenders and with other members of the business community. Additional information on buying a business can be obtained by visiting the website for the Department of Industry, Tourism and Investment for their list of business assistance programs (www.iti.gov.nt.ca/iea/business/busprog.html).
Approaching Lending Agencies

Most businesses require financial assistance for capital and/or operating costs. To acquire such assistance, complete concepts plan and detailed business plan are very important.

In addition to the key plans (see Section 3), most lenders will require the following information and documentation:

- **Background information on the development** – where is it located, what facilities are involved, who owns the property. Include any maps, photographs or other visual displays.
- **Background information on the developer** – form of organization, who is involved, what other business ventures is he/she involved in, what is his/her track record, his/her assets and personal financial net worth.
Business Support Services

In NWT, there is an extensive network of support services available to potential tourism business developers or owners.

Public Sources

Government of the Northwest Territories

- Department of Industry, Tourism and Investment Programs include loans, contributions, grants and information services. Community Economic Development Officers will be able to answer questions about the programs available and what you need to meet the application requirements.

Business Development and Investment Corporation (BDIC)

- The BDIC supports the economic objectives of the Government of the Northwest Territories through a range of programs and services that:
  - Encourage the creation and development of businesses;
  - Provide information and financial assistance to businesses; and
  - Make investments in business enterprises.

The BDIC promotes financial independence, assists communities in capturing economic development opportunities, and helps develop a diverse and viable northern economy with local employment prospects. This role has both economic and social aspects.

Through the Canada/NWT Business Service Centre the BDIC provides a wide range of information on small business programs, services, and regulations to the public.

The Canada/NWT Business Service Centre offers:

- A business library—with reference and research materials
- Video conferencing—brown bag sessions and half-day seminars on a wide variety of business topics.
– Computer workstations—access to publications, directories and leading edge business products
– Online services—interactive business planner, online small business workshop and business start-up assistant

Community Futures Organizations

• ITI, which is responsible for the Community Futures Program, funds several fully operational Community Futures Development Corporations (CFDC) in the NWT. The Department views this program as a cornerstone of its economic development efforts. CFDCs are community-based non profit organizations dedicated to support small business development. They offer business financing through repayable loans, general business advice and training as well as monitoring and aftercare. The Community Futures Program has been well received by local residents and the business community.

Government of Canada

• The Business Development Bank of Canada (BDC)
BDC offers a number of loan programs. It also has programs to assist businesses with non-monetary problems. Industry Canada provides support to business in a number of ways, such as providing loan guarantees (Small Business Loans Act). Contact the Canada/NWT Business Service Centre for more information.

• Aboriginal Business Canada (ABC)
Aboriginal Business Canada (a division of Industry Canada) offers repayable and non-repayable contributions to business where the majority is owned by an aboriginal businessperson. When dealing with any of these it is best to talk to your local area Economic Development Officer, as he/she will be aware of all the latest programs.
Private Sources

Banks

The local bank of your choice or the nearest financial institution can provide you with a wide range of information and services useful in establishing a business. Financial assistance is their primary concern. They are constantly in touch with the local business scene and can provide information that is both accurate and up-to-date. The manager can evaluate your business plan expertly and objectively, pointing out areas that are both weak and strong. With their contacts throughout the business community, they may be able to recommend other possible sources of advice and information that relate specifically to your business. In addition, many of the chartered banks provide publications, brochures, and workbooks to assist with business planning.

Consultants

Consultants can provide you with expertise in many specific areas of business operation and market research, but they charge for this service. If you are planning a business that requires a great deal of technical research then consultants, despite the cost, could be the best source of information. Consulting services range from general business advice to specific areas of professional expertise such as engineering or industrial. Refer to the yellow pages of the NWT phone book and the NWT Business Directory, available from the Canada/NWT Business Service Centre.

Accounting Firms

Accounting firms provide information related to business planning, and in particular, financial management of your business. Many accountants will provide an initial consultation free-of-charge (always check first), and many of the larger or national firms also have a wealth of printed materials available for the asking including business planning workbooks and manuals, tax manuals, and periodic newsletters containing business advice. To identify accounting firms that may be able to provide assistance or publications, contact the Chartered Accounting, Certified General Accountants’ or Certified Management Accounting Associations.
Law firms

Like accounting firms, law firms can offer a great deal to the potential business owner. Information available from law firms will deal with the legal roles and responsibilities of a business, and will be able to advise on the best form of business organization. Many law firms provide complimentary publications and brochures on these topics, and have periodic newsletters that you can request at no cost. To identify law firms consult your phone book, or contact the Law Society of the Northwest Territories.

Other Sources

Private sources of advice, such as fellow businesspersons or friends with experience in the various aspects of your business, can provide valuable advice when planning your business. Although you may hesitate to confide in these people they should not be ignored as possible sources of information and advice. Most will give willingly of their time and knowledge as long as they are approached on a private, friendly basis.

Business organizations in the NWT

There are many business associations and groups that offer advice and seminars to members. Within the NWT, these groups include the Chambers of Commerce, Business and Professional Women of Yellowknife, Chamber of Mines, and Northern Manufacturers’ Association, among others.

Publications

There are a variety of publications available that offer advice and information on establishing a business. Visit the Canada/NWT Business Service Centre, which has an extensive library. You can also contact your local Economic Development Office, chartered banks, accounting firms, law firms, or a BDC office for current publications. Your local library or bookstore will also offer a variety of books, which may be of help to you.
TOURISM LICENSING

- Tourism Operator Licencing
- Other Regulatory Requirements

Tourism Operator Licence

In the Northwest Territories, tourism licencing applies to guided commercial tourism activities only. Operations such as hotels, resorts and equipment rental companies that do not offer these types of activities do not require a licence. Staff at any regional ITI office can explain in detail what types of business require a licence and the process through which a licence can be obtained. Regional staff will guide you through completing an application, describing activities you will offer and the area in which business will operate, payment of fees, and a mandatory consultation period with Aboriginal organizations and other stakeholders. They can also explain circumstances under which a licence application may be refused.

Regional staff and the ITI website are valuable resources for information on licencing issues such as:

- how to renew a licence
- how to amend a licence
- suspension or cancellation of licences
- Tourist Deposit Assurance Program
- Tourism Special Management Areas

Contact and website information is provided in Chapter 16 of this guide so that you can obtain personal assistance from ITI regional tourism staff.
Other Regulatory Requirements

In addition to the tourism operator licence, there are other business related licences that a new business venture may require before operating. To start a new business, there are a number of government regulations and legal requirements to fulfill. The following agencies should be contacted to ensure compliance.

Workers’ Compensation Board (WCB)

If you employ workers or carry on a business in the Northwest Territories you must register with the WCB regardless of your home jurisdiction. All employers who carry on business in the Northwest Territories even temporarily must register within 10 days of commencing operation. No industries are exempt from WCB requirements. The WCB can also provide guidance on issues regarding Occupational Health and Safety.

Business Licence

If you intend to establish your business within a community issues its own business licences, you must obtain a business licence from the local municipal office. These same offices also administer permits for bingos, lotteries, casinos and raffles.

If you intend to establish a business in a community that does not have municipal by-laws requiring a business licence, you may still require a business licence from the Department of Municipal and Community Affairs (MACA). MACA also administers permits for bingos, lotteries, casinos, raffles, direct sellers and collection agents for communities without a municipal office. Note that MACA’s legislation provides that holders of a Tourism Operator Licence are exempt from requiring a business licence.

Registering Your Business

All businesses, societies and cooperatives operating in the Northwest Territories must be registered with the Department of Justice. A business from outside of the NWT must also register an Extra-Territorial Business Registration.
Business Number (BN)

The Business Number is a numbering system that simplifies and streamlines the way businesses deal with government. Not all businesses require a BN. You only need a BN if you require one of the following accounts:

- GST
- Payroll
- Corporate Income Tax or
- Import/Export
- Other (registered charity, excise duty, excise tax, insurance premium tax, air travellers security tax.

More information on obtaining a business number can be found by contacting the regional ITI offices.
Insurance: Protecting Your Business

An important next step in your business start-up is to ensure that your investment is protected against various risks. Your insurance company or broker can guide you on the insurance coverage needed to safeguard your tourism business. The following are the most commonly required types of insurance for the tourism industry.

*Commercial General Liability (CGL) Insurance* insures you and your business against claims made against you by third parties that may arise out of your activities or operation.

*Property Insurance* covers losses from damage to or destruction of business property.

*Accounts Receivable Insurance* insures up to 90% of your receivables if a tour operator does not pay because of insolvency or default. For further information, visit Export Development Canada at: www.edc.ca.

To find out more about insurance requirements and insurance brokers, visit the Insurance Bureau of Canada website at: www.ibc.ca/bc.asp.
Risk Management

A Risk Management Strategy acknowledges actual and potential threats to the successful operation of a business and determines the activities required to minimize or eliminate the risks. Businesses having risk management plans and operating procedures in place could qualify for premium reductions from their insurance company.

The Canadian Tourism Commission has published two excellent resources to assist you with developing your risk management strategy:

- Risk Management Guide for Tour Operators

These in-depth resource guides can be ordered by emailing the Canadian Tourism Commission at: distribution@ctc-cct.ca and quoting #C50128E.

Outdoor and adventure tourism operators in all Canadian provinces and territories can now access the favourable insurance coverage and premium rates currently enjoyed by businesses in British Columbia. Thanks to a partnership between the Tourism Industry Association of Canada and the Council of Tourism Associations of British Columbia (COTA), the Tourism Industry Risk Management and Insurance Program is being extended to tourism operators across the country.

A wide range of activities are eligible for coverage under the program, which is administered by the Adventure Insurance Agency in conjunction with Pinnacle Risk Management Consultants, and backed by reputable insurers. Applicants are rated based on an expert assessment of the risk profile of individual companies that results, in many cases, in significant savings over other insurance options. Benefits include low minimum premiums and deductibles, up to $5 million in commercial general liability coverage, up to $5 million in property coverage and full protection across North America, including suits brought in the United States.
Applicants can enroll in the Tourism Industry Risk Management and Insurance Program at www.adventureinsurance.ca. There, they can download the Insurance and Risk Management Handbook, Risk Management Plan Sample, Application for Insurance Help Guide, and Activity-Specific Guidelines, as well as complete an online application that will be forwarded to Pinnacle Risk Management Consultants for a risk management review and assessment. In as little as three business days, the Adventure Insurance Agency will contact them with a quote.

**Useful Publications**

In 2003, the Canadian Tourism Commission published a study called *Insurance Issues and Alternatives in the Outdoor Tourism Sector in Canada* that explored a variety of issues and made a number of recommendations. (www.corporate.canada.travel/en/ca/research_statistics/productknowledge/product_research/adventure_outdoor/adventure_outdoor.html)

The CTC also produced a *Risk Management Guide for Tourism Operators* that contains industry-specific management tools that can be practically applied by businesses in all tourism sectors, and provides risk management best practices for the tourism industry (available for download at www.tiac-aitc.ca/english/insurance.asp).
The first question to consider is whether you are in the role of a tour operator or a services supplier. If you are the tour operator, all of the sections below will likely apply to you. However, if you are a services supplier you will only need to work on the sections that apply to your service. In some cases, this may be only one component. In other cases all of the sections may apply.

**Product Theme/Focus**

Consumers are not likely to understand or buy a product whose theme can’t be expressed in a few words. One word is best. However, it may be necessary to use five or six words. If you can’t do that you need to sharpen your focus.

This doesn’t mean that all of the elements in your package have to be the same. A package with the theme, “Experience the Best of the North”, is short and to the point. The package could include many different experiences – so long as they all tie back to a truly northern experience. On the other hand a package that tries to combine golf, canoeing and bird watching – all of which are done in the North - will lack consumer appeal.

**Travel Mode(s)**

Travel modes will be influenced by the type of package offered. Large group tours will almost always use a highway coach for ground transport or a commercial air carrier for air transport. On the other hand smaller group tours may involve chartered aircraft, mini-bus and even watercraft. Consider the comfort of those being transported, the reliability, safety and quality of the transportation services.
Consumer Time Commitment

Consider the length of time that your package will take. This is particularly important if the tour package is being combined with other packages. For example, if the tour operator already has a popular four-day package, they may be looking for an additional three day package to round out the total consumer time commitment to one week.

It may be important to consider how much time the consumer will need to get from their starting point to the place where the tour package begins. Travel agents and tour operators can be of considerable assistance in making sure the time commitment required by the consumer will fit the needs of the market.

Itinerary Importance

There are certain marketplaces that provide insurance against misleading information provided on an itinerary. If a guest arrives and does not receive what they were promised they are entitled to a full refund on their package. It is very important to guarantee only what you can provide. It is equally important to be very upfront with all possibilities of a tour being cancelled.

For example:

A day tour in the Nahanni is very weather dependant. Mr. Smith is booked to go into the Nahanni on Tuesday June 15th. He arrives on Tuesday June 15th, a beautiful sunny day in Fort Simpson, and is advised his tour has been postponed by a day due to weather. You can well imagine how upset he would be. Due to bad weather on Monday June 14th all flights were cancelled and rescheduled for Tuesday. That is exactly how it works in the Nahanni as well as many other areas of the NWT. So it is very important to advise Mr. Smith of this possibility and actually suggest visitors allow an extra day on the itinerary for this possible scenario.

Itinerary/Specific Activities

Work out a detailed itinerary for your product. This needs to be very precise, so that both the consumer and suppliers of services to you know exactly what is promised and what is expected. You will need to allow some time to accommodate unanticipated delays.
Where start times of a tour involve the prompt arrival of scheduled aircraft and the recovery of checked baggage, a single local activity or package orientation session may be used as insurance against delayed flights. Always remember that flights arriving later in the day may be somewhat more likely to have delays.

Generally, there should be reference in your itinerary for every couple of hours of time. Where an activity lasts more than a couple of hours it is acceptable to restate the activity title with the word “continues.” The itinerary reference should tell what is happening, what the consumer will experience and any demands this may place on the consumer. Allow for breaks to accommodate the personal needs of consumers.

Be clear that schedules will be followed and that it is the responsibility of the consumer to be available at the specific times noted in the itinerary.

Check the sequence of activities, each element of the package should flow naturally from one to the next.

**Bundled Services**

Sometimes it will be advantageous to have one supplier “bundle” a number of services together. For example, a hotel may wish to include meals that are selected from a predetermined menu. Or, a charter aircraft company that is providing a day trip to a scenic area may supply food and guiding services. In the case of buying bundled services, you may have another negotiating point to use in determining the price that you pay the supplier of the services.

**Market Position**

Market position most often refers to the demographics of your target market. Is this a luxury package or a standard package? Meeting the consumer’s expectations with respect to hotel rooms, meals, travel mode, guiding and other quality-sensitive services is very important. The consumer should not be surprised by substitutions that are not in line with those described in the marketing promotions. Do not exaggerate.
**Product Name**

Finally, the product name sets the tone for the entire consumer experience. It originates with the focus of the package. But, it also needs to consider factors like accommodation, transport mode and activities.

The right product name can have considerable impact on the consumer, from the initial consideration of the package, to its purchase and finally the experience itself. For example, a package could consist of visits to smaller Dene communities with an opportunity to see traditional tanning, making arts and crafts, sharing country foods, a visit to a special/historical site and, depending on the weather and the insects, a night sleeping in a tipi. In naming such a product, there is a great deal of difference between the titles “Visits to NWT Communities” and “Close to the Land: The Way of the Dene.”

**Market Ready**

There are many factors that need to be considered before you can go out and offer your product as “Market Ready.” It is important to make sure that your product works for you, the consumer and the distribution organization that will market your product.

**Have You Market Tested The Product?**

Before you attempt to promote your product to the travel trade, it is essential that you market test it. There are a number of reasons for this.

First, very few products are ever developed without the need for some significant adjustment. This could be a break-even cost issue, a supplier challenge, an activity sequencing issue, a transportation or accommodation issue, a pricing issue or a commission issue. Market testing your product will allow you to make needed changes before you offer it to the travel trade outside your area.

However, it may be a challenge to find enough consumers to do a market test. There are a few options you can consider. You could work with a local agent in your area to promote the product or it may be possible to associate the market test of your product with another event such as a conference.
Depending on the product, you may also want to offer a scaled down version to test the basics – for example, visiting one community rather than three in a cultural experiences program. You may also find tour operators who are willing to help you market test the product if you can demonstrate that you have done a thorough job on market research, reviewed the competition, contracted (or have commitment letters) for all essential package components and are willing to offer an attractive commission.

**What Did The Customers Think?**

It is important to keep detailed information on consumer demographics (gender, age range, city of origin, how they found out about your product, how they booked your product and what they liked and didn’t like about your product). You should ask your guests to complete a small survey at the end of the package. This information can be very useful in soliciting other operators to consider promoting your product.

Surveys that are sent home with the consumer for later return or those mailed after the tour has been completed generate very few returns and may tend to emphasize what didn’t work.

**Did The Pricing Work?**

The pricing has to work for both the consumer who bought the travel product and for you. Talking to travel agents or tour wholesalers who book tours into the North may provide you with some very valuable pricing feedback.

Of course the pricing has to work for you as well. Were there unexpected expenses that cropped up that could not be handled within the revenues you received? Was your own mark-up adequate to cover your own expenses and also make a profit?

**Were You Able To Afford The Commissions?**

Equally important to the question of how the pricing worked for you, and for the consumer, is the satisfaction of the other partners in the distribution chain with their commissions.
If you are not able to offer a satisfactory commission level, tour operators will not be interested in promoting or selling your product. They may choose a competitor’s product to promote or look for others to develop a product.

It is important to start with a commission level that can be increased if necessary. It is dangerous to start with a high commission level and then try to reduce it in subsequent years.

**What Liability Insurance Do You Carry?**

Did you have any difficulty in getting affordable insurance for the travel product you offered? Was the cost in line with your original business plan? Were there certain elements that may have increased the premium but could be dropped?

**Pricing The Product**

Pricing is the most challenging part of the process for many tour operators – particularly for those who are new at tour packages. At the end of the process you want something to show for all your efforts.

There are no exact pricing guidelines but we can offer you an example, using the most common guide. All pricing is negotiable between you and the trade.

**Published Prices Versus Net Prices**

To begin, there is a lot of confusion about “Net Pricing”. Net pricing is any price below your published price. Your published price is what you advertise, and what visitors would pay if they were to buy the package directly from you.

But before you price your product, you need to determine your break even cost. This must include all your costs. That is your time, gasoline, insurance, and meals, anything that is going to cost you money. Once you have determined your break-even cost then you add your profit margin, in most cases that will be 10 to 25%. This is often called the “base price”.
Commissions

To show how the pricing works with all levels in the travel industry we have developed an example.

If a tour operator prices their product at $100 per person (including their profit margin), the following commissions will have to be added to the base price depending on who is selling the product.

- Travel Agent Commission 10% – $10.00 travel agent has no middle person they will keep the 10%
- Wholesaler Commission 20% – $20.00 the wholesaler will sell to the travel agencies, they will keep 10% for themselves, they will pay the travel agency 10%
- Booking Agent Commission 15% – $15.00 the booking agent will keep 15%
- Inbound Agency Commission 30% – $30.00 the inbound agency can have various middle people. They will pay the wholesaler 20%, they will pay the travel agency 10%, and the amount they earn will depend on whom they sell to.

If you decide to partner with all sectors you need to mark up your price between 30% and 40%. This will provide enough for all the proper commissions.

So in the case of a tour that costs the tour operator $100 (including profit margin) the following prices would apply:

- Partner with travel agency only – your published price would be $110
- Partner with wholesaler only – your published price would be $120
- Partner with booking agents only – your published price would be $115
- Partner with an inbound agency – your published price would be $130

*If you chose to partner with all sectors your Published Price is $130.00*

Your net price will now vary with each supplier.

- Your travel agent net price is $120.00
- Your booking agent net price is $115.00
- Your wholesaler net price is $110.00
- Your Inbound Agency net price is $100.00
If you sell directly to a customer, your price would be the published price, which could be one of the above, depending on who you have partnered with to sell your product.

It is very important that you hold to your published price. For example if you advertise your product at the $130.00 and turn around and charge the visitor $100.00, the travel trade regards this as completely unethical and will not want to deal with you in future.

This section of the handbook can only give you an overview of pricing. More detailed information is available through on-line Internet courses and tourism reference books.

**Block Space/Release Dates**

Block Space means that a supplier (generally a hotel or a transportation company) allocates an inventory to a tour operator. If the tour operator does not sell the inventory by the date that the supplier has set, they must release any unbooked space back to the supplier. Blocking space is essential when planning group tours.

**Vouchers**

Vouchers are documents that tour operators provide to their fully independent travellers (FIT), which they turn in to the suppliers of services that have been pre-booked by the tour operator. The client has generally prepaid for these services.

**Insurance And Liability**

You will need insurance to cover the consumers who are on the tour. This will need to be negotiated with an insurer who can assess the degree of risk and recommend an insurance package. Rates and assessments vary. It is always good to shop around.
You also need to be aware of your liability to ensure that travel arrangements made at the time of booking are delivered to the traveller, exactly as sold. The Package Travel Regulations of the European Union set the standard.

If a European consumer believes an outbound tour operator has not delivered what was promised when they made their booking, the tour operator may be legally required to make financial restitution to the consumer. Suppliers may then be asked, by the outbound tour operator, to either provide the refund or share in the cost of the refund. It should also be noted that an upgrade provided to a consumer (better car, bigger room) may also result in a complaint that the exact contracted services were not supplied. If the consumer can give a reason why this was not acceptable, a refund may be required. Any changes from the package contract need to be agreed with the consumer, in writing, at the time of the substitution.

Marketing To The Travel Trade
What Are Tour Operators Looking For?

Tour operators look for suppliers that have competitive pricing, consistent quality and acceptable reliability standards within their market. They prefer suppliers who are located within the region in which the tours operate or the services are supplied. Some products are best suited to group tours and others to independent travellers. Some may be equally suitable to both. Tour operators will want to know if the same (or a similar) product is offered by their competition. In some cases this will work to the supplier’s advantage if they see the product as essential to delivering a good consumer experience. In other cases they may want to look for another product to differentiate themselves from the competition.

The season or timing for the availability of your product is also important. It is not good enough to describe the product as a summer or winter one. Offer information about the months in which the product is available.

Finally tour operators look for suppliers who are fully licensed and insured and understand how to work with tour operators and to service visitors, including international visitors.
The Product’s Main Selling Features

Know your product’s main selling features in relation to different target markets. Have a clear understanding of the demographics of the target market. Identify and describe the intended consumer experience. Assess the uniqueness of the product or service and the degree to which it is regarded as an essential visitor experience of your area. Identify the experience as participatory or passive. Describe the degree of experience, skill and any risk associated with the use of your travel product.

The Competitive Advantage Of Your Product

If similar products are offered by a number of suppliers in your area, be ready to describe your competitive advantage. It is not enough to describe your product as the “best”. It is important to tell exactly what advantage your product offers over competitive products. Be prepared to name your competition as the tour operator may want to verify with others the claims you are making about your competition.

What Commitments Do They Expect From You?

Tour operators want to partner with suppliers who provide a superior product at a fair price. They expect that every visitor be provided a fully satisfactory experience. You will have to deliver what you promise.

Additionally the tour operator wants to be able to have access to the supplier’s product inventory so that they can know how much they can sell. They need to know if your capacity to deliver the product might be compromised by overbooking. They prefer to have real-time access to your product availability so that they can immediately confirm the booking to their client. If they are willing to work with a supplier who does not have these real time resources, they may communicate with you by email and will need an answer to every booking inquiry within 24 hours. This is the maximum that any good tour operator will wait.
Timing/When Do They Do Their Planning?
Tour operators plan at least 9 – 12 months in advance. Receptive tour operators who contract services and resell them to tour operators need even longer lead times. They may start planning 18 – 24 months in advance. This means that suppliers who want to sell their products to national or international tour operators must be able to provide rates and availability information at least 12 months in advance.

In a few markets, the planning cycle is shorter as some tour operators no longer print brochures but rely on Internet based catalogues.

If a tour operator decides to feature a product or destination, it may take several years before the product meets sales expectations. Or, the product may never sell. It takes patience to work with tour operators and selecting the tour operator you want to work with is an important decision.

Working With Partners
It is important to remember that you are not usually offering your travel product in isolation from all others. What you offer is very often sold as part of a tour package. In that case the consumer is judging not just you, but also the complete range of companies and organizations involved.

You want to be part of a partnership team that delivers a positive experience that builds the reputation and credibility of all involved. Here we are using the term “partners” in a larger sense. The organizations involved in delivering travel products may not be legally in partnership. But, their reputations are often treated as though they were. No matter what your legal connection with other travel industry players, it is always best to think of them as valued partners.

If you find that you are part of a partnership team that frequently fails to meet consumer expectations, the reputation of your product or service will be harmed by the poor performance of others. If that happens, look for other partners. On the other hand if you are the one having problems, talk to your partners and tell them what you are doing to correct the problem and make sure it doesn’t happen again.
The tourism association for the Northwest Territories, NWT Tourism, was established in 1996 as the collective voice for the Northwest Territories tourism industry. NWT Tourism is responsible for providing tourism industry services and marketing programs.

NWT Tourism on behalf of the Government of the NWT, delivers the marketing functions and is designated as the Destination Marketing Organization (DMO) for the NWT. NWT Tourism is responsible for pan-territorial tourism marketing activities that includes media advertising, production of the Explorers’ Guide, media and trade relations and trade show attendance. The tourism association also manages the NWT Tourism office (Tourism toll free line and fulfillment service).

**Vision Statement:**
To develop a dynamic partnership of industry and government in support of our vital, viable and sustainable industry by marketing tourism and providing support to tourism operators and communities in the NWT in a fair and equitable manner.

**Mission Statement:**
To support the development of a strong tourism industry in the Northwest Territories for the benefit of visitors, our communities and our people, while protecting our environment and the northern way of life.
Marketing

NWT Tourism is responsible for:

- Brand development (fit within the NWT image brand), in consultation with the Government of the Northwest Territories (GNWT);
- Image development (in consultation with GNWT);
- Marketing strategy and plan(s);
- Marketing leverage plans;
- Marketing tactical, activity plans;
- Marketing operations:
  - NWT tourism publications;
  - Regional publications (shells, image controls etc);
  - Web marketing (including regional web and business support);
  - Visitor Information Centre marketing/promotion roles (racking, suggestive selling training);
  - Advertising and communications;
  - Consumer Shows, Trade Shows, Events;
  - Trade and Media Familiarization (FAM) Tours;
  - Publicity and public relations.
- All other marketing/promotion activities;
- Measurement of outcomes;
- Existing Commitments and Processes (ECP) approach – project budgeting and accountability system providing shared, ongoing data on activities and spending;
- Measurement and reporting;
- Audit of strategy and plans;
- Execution of strategy.
Advocacy
NWTT provides leadership and raises the profile of the tourism industry in the NWT through media and public relations and networking. They work cooperatively with government and private sector to establish and improve facilities, services and attractions that attract and serve tourists. In addition, they will be strengthening relationships in all parts of the territories in an effort to increase profitability and prosperity for the tourism industry.

Partnerships
NWTT works with the Canadian Tourism Commission (CTC), the governments and tourism associations in the Yukon, Nunavut, Alberta and British Columbia. By participating and working with partners, they can work on projects that benefit the entire NWT as a growing and vibrant tourism destination to promote the NWT as a great place to work, play and visit, while at the same time keep the tourism industry up to date on the bigger picture of tourism around the world.
Though many small tourism businesses are owner-operated, they almost all need employees to support the operation of the business. Before you hire anyone, there are many things to consider, including:

• how to recruit the right people for your business;
• compensation and salary levels;
• insurance and benefits;
• managing your staff;
• staff training;
• how to retain good workers.

You should also be aware of the current Guide to Employment Standards for the NWT. For information, visit the Department of Education, Culture and Employment website at: www.ece.gov.nt.ca/Divisions/Labour/PC_Guide_to_Employment_Standards.htm

**Staffing: Needs Change with the Seasons**

Seasonality usually means that staffing needs will fluctuate throughout the year. As a result, many seasonal tourism businesses rely on entry-level staff that may not have extensive work experience or training. Employee turnover can be high. If your business is seasonal, you will need to develop a strategy to meet these challenges.
Recruiting Options

*allnwtjobs.com*

This website is a FREE website providing employers and companies from Northwest Territories, Canada, including tourism businesses, to post job vacancy adverts and receive free applications from candidates. (www.allnwtjobs.com)

*jobsnorth.ca*

jobsnorth.ca is a new electronic labour exchange focusing on the unique needs of job seekers and employers in the Northwest Territories. Their aim is to give users access to resources and jobs they may not otherwise have known of with this easy-to-use site. (www.jobsnorth.ca)

*News North Classifieds*


*Human Resources and Social Development Canada (HRSDC)*

HRSDC offers a program called Canada Summer Jobs designed to assist full-time students in preparing for their entry into the labour market. The program provides wage subsidies to employers, including tourism businesses, who offer summer employment opportunities for students aged 15 to 30 years. For further information and to obtain an application, visit www1.servicecanada.gc.ca/en/epb/yi/yep/programs/scpp.shtml or call 1-800-935-5555.

*Canadian Tourism Human Resource Council (CTHRC)*

Established in 1993, the CTHRC promotes professionalism throughout the sector and addresses key labour market issues. Collectively, Council members and the CTHRC bring together Canadian tourism businesses, labour unions, associations, educators and governments to co-ordinate human resource development activities and contribute to a sustainable, globally competitive tourism sector. The CTHRC provides resources that
include more than 50 national occupational standards as well as on-line and paper-based training tools. (www.cthrc.ca)

Ready-to-Work

Ready-to-Work is a national skills development program designed to assist people with transitions in the workforce. The program offers a mix of classroom and on-the-job training that provides participants with the skills, knowledge, attitudes, and experience required for long term, stable employment in tourism - the world’s fastest growing industry. Information about this program is available through the Yukon Tourism Education Council (www.yukontec.com)

Hospitality Talent Network

The Hospitality Talent Network is a network of job boards dedicated to the food service, hospitality, travel and tourism industries. A job or resume posted on one job board is automatically posted on all job boards in the network.

Employers use the job board to post foodservice, hospitality, travel and tourism jobs and shortlist employees using Hospitality Talent Network’s advanced profiling and matching technology. Job seekers create profiles, attach resumes, apply for jobs, and monitor employer interest free! (www.tourismworkweb.com)

Training

Formal training can be short- or long-term:

• a few hours of professional development training, e.g. demonstration of how to cook a new menu item or a service excellence workshop;
• a few weeks of formal training, e.g. bartending school;
• a few months of intense training, e.g. flight attendant training school;
• several years of education, e.g. degree in Tourism Management, Master in Tourism Marketing.

Training can occur through your employer or company. Many employers provide on-going training in the workplace. (For example, emerit)
professional certification can be offered to employees and can be done at work.) Some companies offer both mandatory and optional professional development courses and programs.

Training may be offered through the community or industry. Community programs include courses and workshops, several of which are mandatory for some occupations. For example, the Foodsafe and Workplace Hazardous Materials Information System (WHMIS) programs, and some workplace safety, first aid and responsible alcohol service programs, are offered through community colleges, associations or organizations, and may be required for some occupations or regions.

Industry programs include those offered by professional associations and government or tourism departments, and can be anything from an annual tourism conference to speakers, presentations or workshops. The national, provincial and territorial tourism education councils/associations also offer seminars, service excellence workshops, and emerit national occupational standards, emerit certification and recognition opportunities, and on-line training.

The Yukon Tourism Education Council (YTEC) is an organization that addresses industry’s need for a coordinating body to undertake the human resource issues facing the Tourism Industry in the Yukon and the Northwest Territories. They provide training and education products to tourism and service businesses, in an effort to enhance the growth of a professional training culture in the industry, which leads to a stronger workforce. YTEC works in conjunction with the Canadian Tourism Human Resource Council. (www.yukontec.com)

YTEC is affiliated with emerit, Canada’s seal of excellence in human resource products and services. emerit tourism training offers the finest training resources in on-line, paper-based or instructor-led formats. Recognized across Canada, emerit tourism training provides a diverse range of products and programs designed to help employees and employers improve service delivery and enhance customers’ tourism experiences.
Emerit offers several relevant training programs in Outdoor Adventure and Ecotourism and in Travel. For complete information on training programs available from Emerit, visit their website at www.emerit.ca.

As part of the GNWT Tourism 2010 initiative, the Government of the Northwest Territories contracted the Northern Learning Institute (NLI) to develop and deliver training programs aimed at advancing training and human resource development in the Northwest Territories tourism industry.

The objectives of the Human Resource Training initiative detailed in Tourism 2010 are to:

- increase the number of skilled workers in the tourism industry and encourage development of new tourism businesses;
- help existing businesses grow;
- improve the profitability of tourism operators by providing a well-trained workforce that will improve customer experiences; and
- increase awareness of tourism careers.

The GNWT’s training plan has been developed to:

- increase the number of skilled workers in the tourism industry;
- improve the profitability of existing tourism operators by enhancing customer experience; and
- increase awareness of tourism careers in the NWT.

The Northern Learning Institute has developed a training plan to further these goals and will be offering training programs through this contract until March 31, 2011. For more details on tourism training programs available, contact NLI tourism training staff at 867-873-3456 or website: www.tourismtrainingnorth.com
1 Introduction

ITI Business/Economic Development Offices
North Slave Region ................................................................. (867) 920-8967
South Slave Region ............................................................... (867) 872-6430
Inuvik Region ........................................................................ (867) 777-7286
Sahtu Region ............................................................................ (867) 587-2900
Dehcho Region ........................................................................... (867) 695-7500

3 Key Plans

Canada/NWT Business Service Centre ........................................... 1-800-661-0599
www.canadabusiness.ca

5 Defining the Project

Land Administration office (INAC) ..................................................... (867) 669-2500
http://nwt-tno.inac-aunci.gc.ca/la_e.htm
Lands Administration Office (MACA) ................................................... (867) 873-7569
www.maca.gov.nt.ca/lands/index.html
NWT Communities ................................................................. www.maca.gov.nt.ca/governments/index.asp
Aklavik • Hamlet of Aklavik ............................................................ (867) 978-2361
Behchoko (Rae-Edzo) • Community Government of Behchoko ........ (867) 392-6500
Colville Lake • Land Corporation ..................................................... (867) 709-2700
Deline • Charter Community of Deline ........................................ (867) 589-4800
Enterprise • Settlement Corporation ............................................... (867) 984-3491
Fort Good Hope • K’asho Got’ine Community Council .............. (867) 598-2231
Fort Liard • Hamlet of Fort Liard ................................................... (867) 770-4104
www.fortliard.com
Fort McPherson • Hamlet of Fort McPherson ................................ (867) 952-2428
Fort Providence • Hamlet of Fort Providence ............................... (867) 699-3441
Fort Resolution • Deninoo Community Council ......................... 867) 394-4556
Fort Simpson • Village of Fort Simpson ....................................... (867) 695-2253
www.fortsimpson.com
Fort Smith • Town of Fort Smith ................................................. (867) 872-8400
www.town.fort-smith.nt.ca
Gameti • Community Government of Gameti .............................................. (867) 997-3441
Hay River • Town of Hay River ........................................................................ (867) 874-6522
www.hayriver.com
Hay River Reserve • Katlodeechee First Nation ............................................. (867) 874-6701
Inuvik • Town of Inuvik .............................................................................. (867) 777-8600
www.inuvik.ca
Jean Marie River • First Nation • Designated Authority ......................... (867) 809-2000
Kakisa • Ka’a’gee Tu First Nation • Designated Authority ...................... (867) 825-2000
Lutsel K’e • Dene Council • Designated Authority ...................................... (867) 370-3151
Nahanni Butte • Nahanni Butte Dene Band • Designated Authority .............. (867) 602-2900
Norman Wells • Town of Norman Wells ......................................................... (867) 587-3700
www.normanwells.com
Paulatuk • Hamlet of Paulatuk ...................................................................... (867) 580-3531
Sachs Harbour • Hamlet of Sachs Harbour .................................................. (867) 690-4351
Trout Lake • Sambaa K’e Dene Band • Designated Authority .................... (867) 206-2800
Tsiigehtchic • Charter Community of Tsiigehtchic ................................. (867) 953-3201
Tuktoyaktuk • Hamlet of Tuktoyaktuk ............................................................. (867) 977-2286
Tulita • Hamlet of Tulita ............................................................................... (867) 588-4471
Ulukhaktok • Hamlet of Ulukhaktok .............................................................. (867) 396-8000
Wekweeti • Dechi Laot’i First Nation .............................................................. (867) 713-2010
Whati • Community Government of Whati ............................................... (867) 573-3401
Wrigley • Pehdzeh Ki First Nation • Designated Authority ................. (867) 581-3321
Yellowknife • City of Yellowknife ................................................................. (867) 920-5600
www.yellowknife.ca
Yellowknife • Yellowknives Dene First Nation (Dettah) ......................... (867) 873-4307
Yellowknife • Yellowknives Dene First Nation (N’dilo) ......................... (867) 873-8951

Settled Land Claims
  Tlicho .............................................................................................................. www.tlicho.com
  Sahtu ........................................................................................................ www.sahtu.ca/sahtulc.html
  Gwich’in ..................................................................................................... www.gwichin.nt.ca/LCA
  Inuvialuit .................................................................................................... www.irc.inuvialuit.com/about/finalagreement.html

Unsettled Land Claims

118 – TOURISM DEVELOPMENT HANDBOOK FOR THE NORTHWEST TERRITORIES
Akaitcho (NWT Treaty 8) ......................................................... www.akaitcho.info
Dehcho ............................................... www.dehchofirstnations.com/negotiations.htm

6 Information Collection and Evaluation

GNWT Industry, Tourism and Investment ............................................................... (867) 920-3245
www.iti.gov.nt.ca/parks/index.htm

Canada/NWT Business Service Centre .....................................................................1-800-661-0599
www.canadabusiness.ca

NWT Community Futures office listing ..................................................................www.nwtcfca.ca

Business Development Bank of Canada ................................................................. 1 877 BDC-BANX (232-2269)
www.bdc.ca/en/home

NWT Business Development and Investment Corporation .................................. (867) 920-6455
www.bdic.ca

7 Tourism Market Analysis

ITI, Tourism & Parks.................................................................................................(867) 920-3245
www.iti.gov.nt.ca/parks/index.htm

Canadian Tourism Exchange (web only) .................................................................www.canadatourism.com/en/etc/etcindex.cfm

NWT Tourism .............................................................................................................. (867) 873-5007
www.spectacularnwt.com

World Tourism Organization ................................................................................. www.unwto.org

World Travel and Tourism Organization ............................................................... www.wttc.travel

Statistics Canada .......................................................................................................www.statcan.ca/start.html

Tourism Industry Association of Canada ..................................................................(613) 238-3883
www.tiac-aitc.ca

Canadian Tourism Commission ............................................................................. www.corporate.canada.travel

Canadian Tourism Research Institute ......................................................................www.conferenceboard.ca/ctri/default.htm

8 Project Site Evaluation

Sahtu Land and Water Board, Water Licence Process, and Land Use Permit Process,
Fort Good Hope ................................................................................................. (867) 598-2413
www.slwb.com

Gwich’in Land and Water Board, Land Use Permit and Water Licencing Process
Guide, Inuvik ................................................................. (867) 777-4954
www.glwb.com

Wek’eezhii Land and Water Board, New Land Use Forms and Water Licence Application, Wekweëtì ...................................................... (867) 713-2500
www.wlwb.ca/forms.html

Inuvialuit Environmental Impact Review Board, Environmental Screening Committee Operational Guidelines and Procedures, and Inuvialuit Settlement Region Community Conservation Plans, Inuvik
................................................................................................................................................ (876) 777-2828
www.bmmda.nt.ca/downloads.htm

Mackenzie Valley Land and Water Board, Land Use Permit and Water Licencing Process, Yellowknife ............................................................... (867) 669-0506
www.mvlwb.com

Mackenzie Valley Environmental Impact Review Board, Yellowknife
........................................................................................................................................... (867) 873-9636
www.mveirb.nt.ca

Department of Public Works and Services ................................................. (867) 669-8979
www.pws.gov.nt.ca/publications/index.htm

Department of Environment and Natural Resources ................................(867) 873-7654
www.enr.gov.nt.ca

GNWT Geospatial Data Warehouse http://maps.gnwtgeomatics.nt.ca/portal/index.jsp

Environmental Protection Division ......................................................... (867) 873-7654
www.enr.gov.nt.ca/eps/environ.htm

Prince of Wales Northern Heritage Centre ..................................... (867) 873-7551
http://pwnhc.learnnet.nt.ca/programs/archa.htm

9 Financial Analysis

NWT Business Development and Investment Corporation ............ (867) 920-6455
www.bdic.ca

Industry, Tourism and Investment list of business assistance programs
...................................................................................................................... www.iti.gov.nt.ca/iea/business/busprog.html

10 Tourism Licensing

ITI Regional Offices ........................................................................... www.iti.gov.nt.ca/regions/addresses.htm
North Slave Region • Yellowknife ........................................ (867) 920-3230
South Slave Region • Fort Smith ........................................ (867) 872-6430
Dehcho Region • Fort Simpson ........................................... (867) 695-7488
Inuvik Region • Inuvik ......................................................... (867) 777-7353
Sahtu Region • Norman Wells ............................................ (867) 587-3531
Workers’ Compensation Board ........................................ 1-800-661-0792
www.wcb.nt.ca
Consumer Affairs ................................................................. (867) 873-7125
www.maca.gov.nt.ca/resources/licensing/index.html
Legal Registries ................................................................. 1-877-743-3302
www.justice.gov.nt.ca/CorporateRegistry
Business Number (BN) ......................................................... 1-800-959-5525
www.cra-arc.gc.ca/tax/business

12 Insurance

Export Development Canada ............................................. 1-866-283-2957
www.edc.ca
Insurance Bureau of Canada .............................................. 1-800-377-6378
www.ibc.ca
Canadian Tourism Commission ......................................... (604) 638-8300
www.corporate.canada.travel

15 Staffing

Recruiting Options: ......................................................... www.allnwtjobs.com
www.jobsnorth.ca
News North Classifieds ..................................................... (867) 873-5924
www.nnsl.com/jobs/jobs.html
Human Resources and Social Development Canada ........... 1-800-935-5555
Canadian Tourism Human Resource Council (CTHRC) .... (613)-231-6949
www.cthr.ca
Yukon Tourism Education Council .................................. (867) 667-4733
www.yukontec.com
Hospitality Talent Network .............................................. www.tourismworkweb.com
emeri ................................................................. www.emerit.ca
Northern Learning Institute ............................................. (867)-873-3456
www.tourismtrainingnorth.com
**Federal**

Indian and Northern Affairs Canada ..................................................... www.ainc-inac.gc.ca
Industry Canada ............................................................................................................. www.ic.gc.ca
Statistics Canada....................................................................................................... www.statcan.ca
Department of Fisheries and Oceans ................................................... www.dfo-mpo.gc.ca
Canadian Tourism Commission ........................................... www.corporate.canada.travel
Transport Canada.......................................................................................................... www.tc.gc.ca

**Territorial**

ITI, Tourism & Parks........................................................................................................ (867) 873-7903
www.it.gov.nt.ca/parks/index.htm
NWT Tourism................................................................................................................. (867) 873-5007
www.spectacularnwt.com
Municipal and Community Affairs ........................................................www.maca.gov.nt.ca
Aurora College............................................................................................................. www.auroracollege.nt.ca

**Chambers of Commerce**

NWT Chamber of Commerce................................................................................ (867) 920-9505
www.nwtchamber.com
Yellowknife Chamber of Commerce................................................................. (867) 920-4944
www.ykchamber.com
Hay River Chamber of Commerce...................................................................... (867) 874-2565
www.hayriverchamber.com
Inuvik Chamber of Commerce............................................................................... (867) 777-8600
www.inuvik.ca
Norman Wells Chamber of Commerce ............................................................ (867) 587-3700
www.normanwells.com/business/index.html
Fort Smith....................................................................................................................... (867) 872-4213
A Guide for Tourism Business Entrepreneurs. British Columbia Ministry of Tourism, Sport and Arts. nd

How to Start a Business in the NWT. Canada/NWT Business Service Centre. April 2002

Market Ready: The NWT Tourism Handbook. NWT Tourism and Indian and Northern Affairs Canada. nd


Tourism 2010: A Tourism Plan for the Northwest Territories. Department of Industry, Tourism and Investment, GNWT. nd
