


# Financing Tourism Operations in BC



**Council of  
Tourism Associations  
of British Columbia**

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May 2006

Presented by

Council of Tourism Associations (COTA)  
Taylor Capital Corporation

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## EXECUTIVE SUMMARY

Securing investment capital for tourism businesses can be a real challenge, as tourism is generally considered a high risk industry by financial institutions. Of the 450 tourism operators who responded to a 2003 survey developed by the Council of Tourism Associations (COTA), 47% indicated that they had no access to investment capital.

However, there are a number of measures that existing or prospective tourism operators can take to improve their likelihood of accessing much-needed investment capital. This report discusses these measures, and provides an overview of the business financing environment in general for tourism operators. It also makes a number of recommendations for improving the overall financing environment, and offers a list of general and tourism-specific business planning resources for entrepreneurs.

## ABOUT THE AUTHORS



### **Council of Tourism Associations (COTA)**

COTA is a federation of tourism associations and businesses representing the interests of 18,000 tourism operators in British Columbia. It speaks on behalf of the provincial tourism industry, providing a tourism perspective to the public, government, business community and media.

COTA remains at the forefront working with industry and government to foster sustained growth. Principle areas of focus are: transportation infrastructure; a skilled tourism workforce; land use; taxation and regulation; and, marketing. The organization is committed to advising the federal, provincial and local governments on tourism policy development and ways to improve the business and investment climate to eliminate barriers to tourism growth.



### **Taylor Capital Corporation**

Taylor Capital Corporation (TCC) encompasses a team of experienced finance professionals linked to an extensive network of capital providers both in the private and public sectors. TCC is dedicated to providing capital arrangement services for mid-size companies located in British Columbia, and has been providing innovative financial solutions to businesses since 1993. Taylor has a long history of success working with tourism industry clients. TCC presently has offices in White Rock and near Kelowna, B.C.

Special thanks are extended to Robert Napoli of VanCity Capital and Karl Dopf of Prospera Credit Union for their contributions in reviewing drafts and providing comments.

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## INTRODUCTION

### A Growing BC Tourism Industry

Tourism is the biggest industry on the planet. In BC, visitors spend about \$9.8 billion a year taking in the sights, sounds and tastes of tourism products that span the province. There are nearly 18,000 tourism businesses in British Columbia. They range from businesses in transportation, accommodations, food services, attractions and many other sectors. Sixty-two per cent of tourism businesses have fewer than 10 employees.

According to recent figures, tourism is slowly making its way out of a slump caused by countless setbacks over the last four years. The industry posted a moderate increase between 2004 and 2005, growing from \$9.47 billion in revenue to approximately \$9.79 billion – an annual increase of 3.3 per cent. Responding to a challenge posted by the Government of BC, tourism is positioning itself to bring this rate of growth up to seven per cent in hopes of doubling revenues to the province by 2015.

Much of the needed momentum is expected to come from the impact of the 2010 Winter Olympic Games. If projections are realized, the games will attract nearly three million additional international tourists between 2008 and 2015. Media hype and publicity will put the BC experience centre stage on the global tourism scene. It is a once-in-a-lifetime opportunity that could generate billions in additional tourism spending. This spending would occur over several years: before, during, and after Vancouver hosts the world's largest sporting event.

The tourism industry in BC is busy preparing for this growth. Tourism BC saw its marketing budget increased by \$24 million in 2005. The Government of BC announced an additional \$14 million in February 2005, which included incremental funding of \$2 million for each of the province's six tourism destination marketing associations. The Union of BC Municipalities was also given \$25 million for community tourism development. As a result of these new programs, marketing and destination development efforts throughout the province are quickly ramping up.

The large number of tourists that BC is expecting to attract has senior industry leaders concerned that there may be insufficient market-ready product available to meet the coming demand unless immediate measures are taken to develop this product. The aforementioned goal of doubling tourism revenues to the province can only be achieved in three ways:

- 1) Add new capacity (build new product);
- 2) Maximize the returns from the products BC already has to offer (make product more effective and efficient), and
- 3) Upgrade existing product and charge a premium for it (enhance and diversify existing product).

Options one and three will require additional financial investment.

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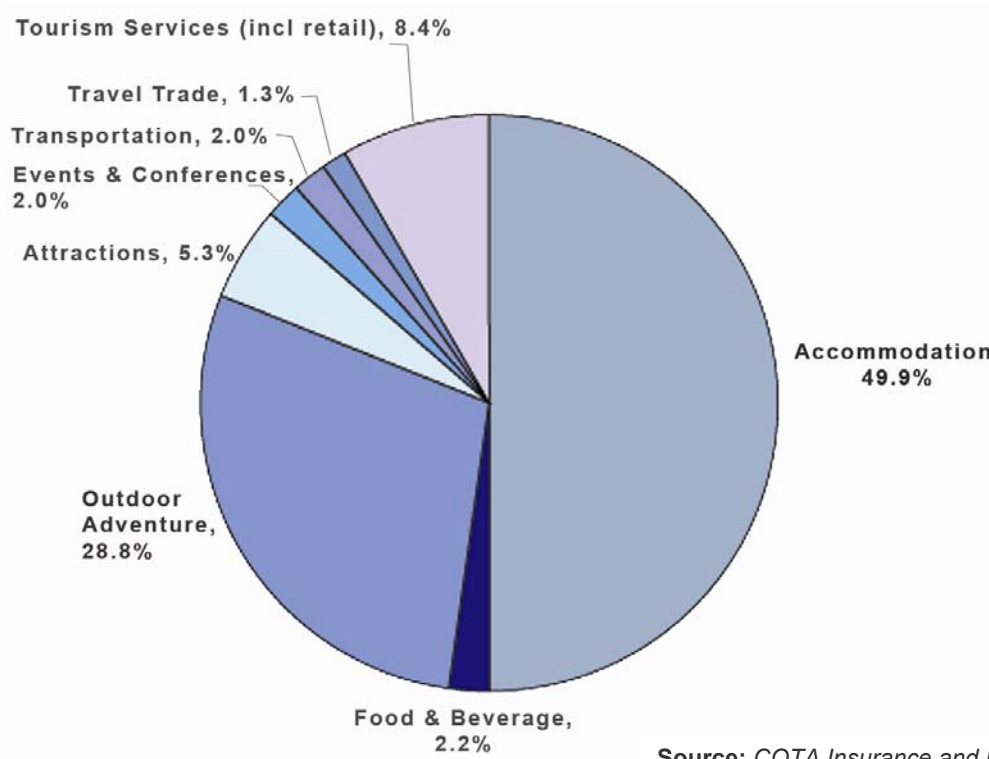


As excitement over the potential of tourism and word of the pro-tourism business environment grows, more and more tourism entrepreneurs, both new and existing, will begin expanding, diversifying and launching new lines of business. They will also be seeking out new sources of investment capital to finance these businesses.

## A FINANCING SURVEY OF BC TOURISM OPERATORS

In 2003, the Council of Tourism Associations undertook a survey of tourism businesses to assess the ability of tourism operators in BC to obtain financing. Responses were received by 451 businesses. Accommodation, outdoor adventure (nature-based tourism), and tourism service operators topped the list of respondents (Figure 1).

Figure 1: Survey Responses by Tourism Sector



Source: COTA Insurance and Financing Survey 2003

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The greatest number of respondents came from tourism businesses with fewer than twenty employees (77 per cent). Forty-eight responses however, did come from businesses with 50 or more employees.

Response rates by region reflected the concentration of tourism activity throughout BC and the accessibility and quality of internet access. The top response rate came from the Vancouver, Coast and Mountains tourism region, followed by Vancouver Island, Victoria and the Gulf Islands, BC Rockies, Thompson Okanagan, Cariboo Chilcotin & Coast and then Northern BC.

Overall, roughly half of respondents did not have access to investment capital. After 369 responses, 47 per cent indicated no such access. Only five per cent of these were new start-ups.

Tourism operators lean heavily on institutional sources of capital. Most rely on banks and credit unions. Moving down the scale, only 92 respondents (26 per cent) checked off private investors as a source of risk capital. The survey confirms the long standing notion that venture capital is largely unavailable to tourism businesses. Only two out of 358 respondents noted they had secured funds from venture capital funds.

Getting into the business of tourism means putting your own resources on the line; business equity, likely cash from operations (retained earnings + depreciation), and real estate were listed as a means to secure financing by about 45 per cent of respondents. The greatest source of security for operators came from personal credit. Just over sixty-three per cent put their own skin in the game to get the investment.

In the opinion and experience of tourism operators, commercial lending policies are seen as the greatest factor affecting an investor's assessment of financial risk. This could suggest that financial institutions see tourism businesses as risky investments and therefore try to limit their number in the institution's lending portfolio (a discussion as to why follows in the next section). Interestingly, government restrictions were seen as the least impacting on the outcome of the risk assessment.

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Overall, lenders assert that the tourism industry presents relatively high levels of risk vis-à-vis other industries. However, this perception is fuelled by the perception of risk presented by two of the sectors of the tourism industry: accommodation and food services.

BC Statistics shows that between 1999 and 2003, accommodation, food and restaurants accounted for 9.5 per cent of the total bankruptcies in BC. This is more than *entire* industry groups such as finance, insurance and real estate, transportation, communications and utilities, and primary resource industries.

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This is not to suggest that tourism businesses are disappearing at a faster rate than other industries or that they do not generate a return. In fact, between 1999 and 2001, tourism grew by over 900 businesses, while tourism GDP over the last decade grew 60 per cent. The accommodation and food services example simply outlines that the economy loses on average 100 of these businesses every year. There are over 18,000 businesses in the entire tourism industry in BC.

Many lenders note that the level of risk associated with the accommodation and the food and beverage sectors is not reflective of the overall levels of risk for the rest of the tourism sector. The tourism industry is composed of many sectors, of which these are only two. The restaurant sector in particular is very competitive, with high overhead costs and narrow profit margins, and as a result, it is vulnerable to shocks.

Other tourism businesses tend to be less risk prone, as they are less dependent on discretionary spending fluctuations, have less direct competition due to niche market development and unique products associated with specific natural endowments, and the barriers to entry can be higher if they are larger operations – especially those that require significant capital investments.

Both lenders and investors are cautious when providing capital to industry participants for many reasons. These reasons include:

## **Loan Losses**

Upon the failure of a business, the finance industry may experience greater losses per dollar invested in the tourism industry when compared to other industries. This is normally due to the services based nature of the businesses which have typically lower tangible assets that can be realized in the event of liquidation. Traditional senior lenders focus primarily on secured financing, against assets such as real estate or equipment. Tourism operators have limited tangible assets and more volatile working capital (in the form of accounts receivable and inventory, due to seasonality) making it hard to secure bank financing. However they may have viable business ideas and significant intangible goodwill. Specialist cash flow lenders (otherwise called mezzanine or subordinated debt lenders) can finance goodwill and intangible assets. However, there are fewer of these around, they are more expensive and they tend to want to finance only mid or large sized companies (loans >\$2 million). The “Valuation Issues” section of this report provides more detail on this point.

## **Seasonal Cash Flow**

Operators often have very short operating seasons in which they must generate the vast majority of their annual profits. This allows little room for management error. Additionally, the business is much more

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vulnerable to outside events, including events that may be short term in nature. It is well known in the lending community that lenders are seldom comfortable in situations where they receive payments less frequently than monthly. Flexibility in repayment structure is thus more difficult to source and may be more expensive.

## Outside Events

Forest fires, SARS, 9/11, and foreign exchange swings, are examples of recent events beyond the control of the industry, but which can have an adverse impact on all participants in the industry.

## “I Have a Dream”

The “build it and they will come” strategy remains a far too common approach to project planning in this industry sector. This often leads to a failure to properly plan and develop strong marketing strategies and relationships. This approach is often combined with:

### ***Management/Ownership Experience***

Some tourism entrepreneurs are new to the task of actually owning and operating a tourism business. While many may have front-line staff experience in the actual sector, the rigors of running a business demand a diverse skill set that may not be sufficiently developed.

### ***Insufficient Business Planning***

Related to the above issue of business experience, some tourism entrepreneurs may not have dedicated enough time to a well thought out business plan. In these cases, not enough effort is put into properly researching the market demand, product-market mix, innovation of the product, sustainability of the venture and resources required for success. Too often emotional desire gets in the way of objective analysis.

Additionally, operators are often not able to readily provide information required by lenders such as cash flow projections, forecast income statements and forecast balance sheets. If the financial projections are prepared, the underlying assumptions are often not well documented.

### ***Insufficient Financial and Accounting Expertise***

Well-managed businesses maintain comprehensive reporting systems including: daily, weekly, and monthly cash receipts, occupancy levels, trip summaries, cruise summaries, and customer databases, etc. with comparable figures over several years. Poorly managed businesses present a “Notice to Reader” Financial Statement six months after the year-end. Lenders experience far too many clients/applicants in the second category.

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## Valuation Issues

Institutional lenders note that some operators in the tourism sector often do not make the essential connection between the “real” value of their business and the cash flow generated by their business. This is the most critical issue to the lender. There are, however, appraisers who specialize in the hospitality sector.

It is not unusual for a lender, including a first mortgage lender, to realize a significant loss on its loan when a restaurant, hotel, motel, resort, or marina fails. The capital costs to develop these properties are often high, particularly if they are located in outlying areas. Failure usually occurs because the business has not generated sufficient cash flow to service its obligations, and all of the owners’ financial resources have been exhausted.

Hospitality businesses often require significant capital investment in furniture, fixtures and equipment. In many situations these assets are quite specialized, and in other situations are built in to the real estate assets (e.g. ovens, coolers etc). These factors cause lenders to provide very conservative lending values to these types of assets.

Not only are assets specialized but after-market liquidation values are low for restaurant and accommodation assets – often less than 25 cents in the dollar. This is due to the high attrition rate and rate of change in tastes in the industry.

With regard to tourism-oriented real estate, in situations where a lender must realize on its security, an appraisal is completed before the property is listed for sale. In virtually all circumstances, the property will be valued using the three traditional appraisal approaches, which are:

1. Income Approach
2. Market Comparables
3. Replacement Cost

The most significant weighting is given to the Income Approach, with the other two imparting less impact on the final valuation. This process sees the stabilized net operating income from the property capitalized at a rate chosen by the appraiser after considering comparable properties. It is not unusual for the valuation to be significantly less than the original cost of the assets and often less than the outstanding loan amount. This is usually due to the fact that the business has not generated the income projected when the loan was first established.

Often, where the hospitality development costs are significant, this process of failure will repeat itself at least one more time. This is usually due to the lack of working capital. Owners, managers and often lenders fail to conduct sufficient analysis during the financial planning of the business. When the forecasted income does not materialize there are often insufficient financial resources set aside to

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maintain obligations (see “I have a dream” planning philosophy). Working capital is seldom set aside for business downturns or a slow start-up, which can dramatically affect the liquidity of highly seasonal businesses.

One important tool used by all lenders to manage portfolio risk is the use of lending “caps.” This process sees lenders allocate available dollars to industry sub groups. There are several factors that result in this allocation. These factors include, for example, geographic location of the lender and staff experience. However, the most important factor is the risk of loan loss as described above. Interviews with senior industry lenders confirm that proportionately all conventional lenders allocate fewer dollars to tourism industry clients than to virtually any other industry group. This is widely know in the finance industry and will have been experienced by virtually all industry operators endeavoring to source capital. The lower lending cap is due to the fact that losses on failure to lenders are higher than in many other industries. Unfortunately this restricts lending to all participants in the industry, including good operators with strong businesses.

Mezzanine finance is an alternative type of term financing that is more suited to the needs of growth-focused and service orientated businesses. Also referred to as subordinated or sub-debt financing, mezzanine financing is based on the established cash flow of the business rather than the amount of tangible security a business can provide. Mezzanine capital is a hybrid of equity and conventional debt. Similar to equity, mezzanine capital is usually not supported by collateral assets. Like conventional debt, mezzanine capital typically requires regular monthly payments of principal and interest. Mezzanine finance can be used to fund working capital, marketing and other ‘soft’ costs, management buy-outs and acquisitions. As it is unsecured, mezzanine finance is more expensive at around 15-20 per cent per annum of the total cost of capital. Unfortunately, mezzanine finance in BC is can be difficult to access for small and mid-sized businesses.

Going forward it is unlikely that lenders will significantly change their lending policies to this industry. Therefore, individual participants in the industry will always be competing for their share of a scarce lending pool.

## **GOVERNMENT FUNDED INVESTMENT PROGRAMS SERVING TOURISM**

With small and medium-sized enterprises (SMEs) playing a pivotal role in the modern Canadian economy, governments have remained committed players in the financing of tourism operations. Over the past several decades most of the Provinces and Territories have set up Crown Corporations or other entities to provide loans or loan guarantees to various sectors of the tourism industry to help small businesses that have not succeeded in securing capital from traditional markets.

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Three main government funding sources in BC offer financing either directly from public sources or through partnerships with provincial credit unions. On the public side, the Business Development Bank of Canada delivers financial and management services, with a particular focus on the emerging and exporting sectors of the economy. Western Economic Diversification (WD) provides direct funding to community economic development through the various Community Futures Development Corporations established throughout the province in 1986. Its mission to help local economies diversify and grow has been an important partner in pan-provincial tourism growth.

Other partnerships between WD and credit unions have yielded other programs of note. *Growthstart* is a public/private partnership (P3) between WD and Savings and Credit Unions of British Columbia that provides funding to Community Futures Development Corporations. Considered an unconventional source of business credit, loans of up to \$500,000 are available to viable businesses.

The *Growth Capital Program*, started by WD and Vancity Capital, offers debt financing not normally financed by traditional institutions. Tourism, with its strong SME contingent and their lower need of expensive capital assets, is a prime market for the program. Under the program, WD provides partial loan guarantees for eligible investments that are considered to be providing incremental economic benefits and where financing would not otherwise be conventionally available.

The Government of Canada, through Industry Canada, also has the Small Business Loans Administration program, which provides up to \$250,000 in funding for companies whose sales are below \$5 million.

***Recommendation:*** COTA should inform the tourism industry of government and P3s designed to enhance its access to non-conventional sources of investment capital.

## HELPFUL PROFESSIONAL SERVICES

Investment professionals note that it is easier to secure funding for larger proposals than smaller ones. Factors that are often at play here that tend to favor larger proposals include:

- They often involve people with more industry experience with management teams evident. There is less reliance on one individual;
- They are found in recognized tourism areas; and
- They have greater market presence due to “branding.”

When applying for financing in any industry there are a number of practices or principles that should be adhered to. In the hospitality and tourism sector they are absolutely essential. The pool of lenders willing to participate in these industries in Canada is not deep, nor is it broad, which further obligates the owner to make the financing application a strong one.

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The use of professional business advisers, such as accountants, corporate finance advisers and mortgage brokers with real industry experience can assist an operator who may be otherwise unable to effectively present his or her value proposition to a lender.

For larger projects, professional consultancy firms such as PKF Consulting and HVS International often provide professional services to clients developing business proposals. For smaller projects (i.e., under \$1 million), local universities through their business faculties or student cooperative programs also take on research projects for smaller firms. The Risk Management Association also publishes papers on how lending agencies evaluate tourism businesses, and this information provides invaluable insight to potential borrowers.

**Recommendations:** *Given that access to financing is partially determined by the amounts sought, COTA should target support for:*

- 1) those seeking loans of less than \$1 million, and
- 2) those seeking more than \$1 million.

**Less than \$1 million:** *For tourism businesses seeking smaller funding amounts, the business section of [www.cotabc.com](http://www.cotabc.com) should provide educational and informational support, links to business planning suppliers, and financial institutions that have a history of lending to BC tourism operations.*

**More than \$1 million:** *Tourism businesses seeking larger funding amounts should engage the services of a professional business broker or consultancy firm knowledgeable about tourism prior to approaching lenders. Tourism operators do not have comparable expertise in approaching lenders, connections to non-traditional sources of capital, established credibility with lenders and the ability to bridge the communication gap between lenders and tourism entrepreneurs.*

## TOURISM BUSINESS PLANNING: SOURCES AND SOFTWARE

While the outcome of the search for financing is never certain, the hunt to find resources and professional assistance in the planning of a tourism business is certain. Government at all levels either directly or through partnerships, banks, and financial associations provide millions of internet pages worth of information.

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The first question an operator should have answered is whether or not her or his idea is the genesis for a viable business. Sufficient due diligence will prevent the tourism operator from pursuing projects that pose too great a financing challenge. Examples of questions operators should ask at the outset of this process include:

- Am I prepared to make the personal commitments and sacrifices required?
- Am I prepared to make the financial commitment required?
- Am I prepared to objectively listen to my advisors?

Once this first step is satisfied, operators should move into the planning phase.

There are countless planning resources available. The federal government provides research and business planning tools. Its provincial counterpart, Small Business BC, goes on to help with business registration and offers free business plan reviews. Others like Commercial Finance Online offer a search engine listing 14,000 debt and equity financing companies world-wide. If you are looking for someone more local, the Canadian Bankers' Association offers a drop-down menu on its website that will take you directly to any BC bank's small business office (see additional resource listings in Appendix I).

Tourism operators are not without their own industry specific materials. The Canadian Tourism Commission, the federal Crown Corporation responsible for marketing Canada's tourism products to the world, has published a series of guides that cover a range of topics, from sourcing funding to the ABC's of measuring financial performance.

Closer to home, Tourism BC publishes a series of *Tourism Business Essentials* that cover everything from hospitality law to the finer points of beginning a business. The aptly named document "Starting a Tourism Business" covers off everything from site evaluation to financial analysis. Like the numerous self-help guides and resources available to BC entrepreneurs, the guide stresses proper due diligence and business plans that contain more or less the following components:

1. Proposal synopsis
2. Business goals
3. Anticipated sales volume
4. Management plan
5. Staffing plan
6. Marketing plan
7. Project schedule
8. Projected income statement (includes monthly and annual forecasts)
9. Detailed financial plan
10. Financial statements
11. Cash flow forecast

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There is no lack of technology and software in the market designed to help the business community craft this primary building block. Software programs are available freely over the internet, or can be purchased from a wide variety of sources. A Google search of the keywords “Business Planning Software” yields nearly forty million results. However, financial experts caution that while these programs (books and other resources) are useful guides to the entrepreneur in the collection of information, they do not necessarily lead to a successful business plan or loan application.

Out of necessity the software programs are generic in nature and cannot be expected to address the unique strengths and weaknesses of each individual business. More importantly, the software does not always directly address issues a lender will be most interested in, such as:

- Lender specific security analysis and margining *-In other words, what is my security worth if this business fails?*
- Cash flow analysis and debt service coverage (historical and forecast) *-In other words, how much cash has there been available to repay debt and how much is expected to be available in the future?*
- Liquidity *- In other words, how much working capital and cash will the operator have available to meet unforeseen issues including losses?*
- Lender risk mitigation issues *-In other words, what can I do to lessen the risk on this loan?*

The fill-in-the-blanks type of business planning software is particularly vulnerable to misuse, and easily recognized by most lenders.

**Recommendations:**

- 1) *The business section of [www.cotabc.com](http://www.cotabc.com) should post a list of questions that operators should consider in order to determine if their business idea is viable.*
- 2) *The business section of [www.cotabc.com](http://www.cotabc.com) should provide links to reputable business planning services, publications and software.*

## SEVEN STEPS TO BETTER FINANCING

Investment brokers note that well documented and presented financing proposals for viable businesses can attract suitable financing even in situations where some lenders have previously said “no” to the application. The essentials to making a successful pitch for financing should include:

1. A well documented, professional loan application, which should include an extensive marketing plan that identifies from where the cash flow is coming.
2. An analysis of management experience and capability.

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3. A well documented, well supported financial plan which should include a cash flow projection through at least one complete operating cycle, on a monthly basis, in addition to forecast income statements and balance sheets for the next year.
4. An analysis of the historical performance of the business and industry.
5. Breakeven analysis and recourse security: identification in simple terms as to how payments to the lender will be made in the event business cash flow does not meet expectations.
6. Full supporting documentation which may include financial statements, personal net worth statements and other relevant documents.
7. Making a good first impression. First impressions are extremely important, and experienced operators know that they must be well prepared at the first meeting to present their application.

Tourism businesses which do not adhere to these principles will have difficulty attracting suitable financing even when they are viable.

Applications that come together piecemeal (as the lender asks for financial statements, appraisals, forecasts, management bios, environmental reports, customer lists, vendor lists, etc,) do not impress.

Lending officers do not have the time or the experience in some cases, to bring together a piecemeal application that will be approved by their credit department.

Operators who do not have the time or the expertise to develop a financing application incorporating the above essentials but who engage the services of an experienced business broker to do this essential work for them greatly improve their chances of seeing the loan approved.

**Recommendation:** *The business services section of [www.cotabc.com](http://www.cotabc.com) should provide a list of critical steps tourism operators should follow in order to increase their chances of securing a loan*

## CONCLUSION

The tourism industry is a vital economic sector in British Columbia. The 2010 Olympic Games and government commitment to the industry are both fueling major investments in tourism development around the province. Capitalizing on this opportunity is going to take additional investments on the part of tourism entrepreneurs. Otherwise, it is unlikely that the industry will be able to meet the pending wave of demand for BC tourism products.

Surveys show that tourism operators are having difficulties accessing sufficient capital to start new ventures and expand old ones. Reasons for this could include the higher failure rate of tourism businesses compared to other industry groups. Institutional lending policies themselves also contribute to the problem, as lenders limit the number of 'risky' businesses they are willing to allow into the lending pool.

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Regardless, because individual participants in the industry are competing for their share of a scarce lending pool, it is very important that owners do everything they can to improve their chances of being approved for financing.

Internet and publications shelves are overflowing with valuable business planning resources and expertise to assist tourism operators in their hunt for financing. Operators who understand the importance of being prepared know that well-researched and documented business plans as well as a professional presentation to lenders can make all the difference in securing needed capital.

Tourism industry representatives are also taking a number of measures that may improve tourism operators' overall viability, which in turn should improve the general financing environment for the industry. In 2003 COTA conducted a survey of 451 BC tourism operators and published the findings in the BC Tourism Industry Insurance and Financing Report. The report highlighted two main findings. One finding was that the limitations imposed by the tourism financing environment were impeding the industry's growth, which led to the development of this report. The other main finding was that insurance premiums were a significant and rapidly escalating business cost, sometimes leading to an inability of operators to purchase insurance, and in extreme cases, eventual business liquidation. In response, COTA and its partners developed the Tourism Industry Risk Management and Insurance Program ([www.adventureinsurance.ca](http://www.adventureinsurance.ca)), which was designed to lower tourism businesses' insurance premiums by having them adopt best practices for risk management. Due in part to this program, many tourism operators are now implementing rigorous risk management procedures, and have found that their insurance costs have decreased as much as 50% in some cases.

By taking a proactive stance through the incorporation of sound business management practices across the industry, the tourism industry, itself, can improve its overall viability and competitiveness. Through the ongoing development and promotion of best practices in business and financial planning, individual entrepreneurs and the tourism industry overall will benefit.

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## APPENDIX I.

### A Short List of Links to Business Planning and Financing Sources

#### [Business Development Bank of Canada Financial Services](#)

The Business Development Bank of Canada delivers financial and management services, with a particular focus on the emerging and exporting sectors of the economy.

#### [Canada Business](#)

Business planning, market research, financing sources, government regulations.

#### [Canadian Banks: Small Business Services](#)

Drop down menu of Canadian banks redirects user to that bank's small business services.

#### [Commercial Finance Online](#)

Commercial Finance Online is a database of over 14,000 debt and equity financing companies worldwide.

#### [Community Futures Growthstart Program](#)

Flexible loans for up to \$500,000 for viable business opportunities.

#### [Overview of Government Financing.](#)

The Small Business BC directory of government financing for small business.

#### [Ministry of Small Business & Economic Development- Business Equity Programs](#)

The Business Investment Branch of the Ministry of Small Business & Economic Development offers programs to help businesses gain access to capital. These programs provide tax incentives for investors so that both the investor and the business owner benefit.

#### [Small Business BC](#)

Free business plan reviews, market research, business registration, financing sources.

#### [Strategis Sources of Financing](#)

Sources of financing helps you to find the lender that meets your needs. Access a Canadian database of government and private sector sources of debt and equity financing.

#### [Vancity Capital Growth Capital Program](#)

Supported by Western Diversification, the Vancity Capital Growth Capital Program has been designed to benefit small and medium-sized companies through out BC., including tourism businesses. Vancity Capital provides \$100,000 to \$2 million in mezzanine financing for expansions, acquisitions and management buy-outs. Vancity Capital does not invest in start-up companies.