

## BUSINESS PLAN FOR ARRANGEMENT OF A AGRO TOURISTIC PENSION

Cornelia-Elena TUREAC<sup>1</sup>,  
Aurica GRIGORE<sup>1</sup>,  
Anca-Gabriela TURTUREANU<sup>1</sup>

<sup>1</sup> Universitatea „Danubius”, Galați  
e-mail: cornelia\_tureac@yahoo.com

*This project is materializing in a business plan for arrangement of an agro touristic pension with specific restaurant from county Galati. I chose this area of tourism because is in continuous development and is desired to be promoted more and more in our country, but also the desire to carry on tourism activities and to put in value my knowledge obtained on the go.*

*The present project is for the business initiators a unique opportunity to capitalize, with minimum costs and in a profitable way the space and construction already held.*

*On the other hand, for customers, a agro touristic pension is a recreation space, a sanctuary away from the urban congestion and the usual routine of life. A stay to a pension means recreation and in the same time spending the free time in a pleasant way trough some travels into various touristic objectives from the city Tecuci.*

**Key words:** business plan, pension, agro tourism, project

The touristic industry encompasses a variety of activities and branches of the economy whose common feature is satisfying the needs of tourists. The tourism as a commercial activity assesses both the output of some branches of material production and the services sector. The economic science is concerned with achieving a optimal use of the limited resources, many of them rare or even unique.

Starting from the fact that each person needs rest and recreation the demand of tourism will never disappear, on the contrary it will seek to diversify further. More and more are the tourists that are willing to spend several days in the middle of nature with little money. Important is that tourists know of the existence of the boarding houses, to know our offer and to prefer our pension instead of competition. The economy of Tecuci with a strong agricultural-industrial character is characterized by an upward dynamic and trough a wide range of economic activities belonging to a broad sphere of material production (industry, agriculture, transports, commerce, touristic circulation, etc.). It may be said that the municipality Tecuci bears the hallmark of Carpathians, Danube and Black Sea, geographical entities that are interfering on Romanian soil. Of these, the Danube is a major coordinate being the principal axe of Europe, oriented from west to east, which draws together important roads like that from Baltic Sea, trough Podolia or from Poland, on the Siret valley, and the Transcarpathian path trough the Oituz

step, establishing links of millennia between Transilvania and the Danube-ponto lands. Everything towards the river, is forwarding the water and Covurluiului hills, roads of local and regional interest, natural resources, but especially the people to the great urban agglomeration, industrial-port of Galati County.

### **Presentation the Pension**

The company S.C. Havana S.R.L. was founded in March of 2008 and the head office is in Tecuci, street: Tecuci, number 91, apartment 14, code: 400335 the Galati county, having C.U.I: Ro897126 and the registration number at the Commerce Register J12/6548/2008. The company has a single point of work “Green Pension” located in Tecuci, County Galati. Currently, the company doesn’t develop activities and will keep this situation until the opening of the pension. In the moment of starting the works at arrangement the “Green” pension is already the building that is owned by the current administrator of the pension. The building consists of ground floor, first floor and attic. The ground floor is composed of a large hall, a living room with bathroom and a kitchen. At the first floor are 6 rooms and the attic presents a single room. From the point of view of the surrounding area, in the rear of the building is a green space of approximately 500 m<sup>2</sup>, and in the front of the building is a courtyard. For arranging the building in which will be established the pension require some works of modernization and redevelopment of the existing space. Thus:

1. within the building: on the ground floor must be arranged the reception at the entrance in hall; at floor there are 6 rooms of which will remain only 4 rooms ( 2 simple rooms and 2 rooms with double beds) and from the rooms of the end of the hall will be arranged an apartment which will have 2 rooms ( one with 2 simple beds and the other will have a double bed). It must be mentioned that every room has its own bathroom which will be furnished and equipped by the standard of 3 daisies; at the attic will be necessary more expensive works. From the only existing room it will be arranged 3 rooms, each having approximately 13 m<sup>2</sup> all with 2 simple beds. Also in each room will be equipped bathrooms. For equipping the attic it will be extended the sanitary installations, heating and electric from the floor below;

After this arrangements the “Green” pension will dispose of 16 place of accommodation divided as follows: 3 bedrooms with 2 beds ( at the attic); 2 simple rooms ( from the first floor); 2 rooms with double bed ( first floor); 1 apartment (first floor).

The construction must be restored on the outside, in this sense the building will be plastered and painted accordingly; in the front of the building, where there is a courtyard, will be arranged the parking that will have 10 seats; in the rear of the building is meant the building of a new wing which to encompass the restaurant, and the existing kitchen will be increased to make face for food preparation for all the restaurant’s customer; in the back of the building will be arranged a play space for children. This will have several banks, a sand pit, and a mini roundabout; at the end of the land will be arranged a garden of vegetables and green goods that will be used in the food preparations that will be served at the pension’s restaurant.

It is estimated that this modernization works and arrangement will be completed at the end of September of 2009; and from the October the “Green” pension will start its work. The agro touristic pension “Green” is meant to be a pension of 3 daisies. The minimum criteria to cap this category are designed in accordance with the applicable law and the Order nr. 636/2008.

### The target audience

Our offer is addressed to all individuals in the country or abroad having in view all the groups of age and belonging to any social category. In particular our offer is offered to the tourists from neighboring cities from Tecuci. Following some studies carried out on the spot we can say that approximately 70% from the tourists from Tecuci are habitants of Tecuci, 15% of them come from other towns near the city, 10% come from other areas of the country and only a percentage of 5% of all tourists are from other nationalities.

### Offered services

Because the pension proposes it to work throughout the year the provided services can be grouped seasonally.

Table 1

Rates charged by the “Green” pension

Period	Offered service	Practiced tariff
Ianuarie – 15 Mai	<b>During the week:</b> - accommodation+ half board house	- 16 -18 Euro/pers.
	<b>In weekend:</b> - accommodation+ half board house	- 18 – 20 Euro/pers.
15 Mai – 30 Septembrie	- accommodation+ half board house	- 18- 20Euro/pers.
October – 20 December	<b>During the week:</b> - accommodation+ half board house	- 16-18 Euro/pers.
	<b>In weekend:</b> - accommodation+ half board house	- 18 -20Euro/pers
Other services	- supplementary bed	- 19.5 Lei/day
	- using the kitchen	- 15 Lei/day
	- children up to 6 years	- free
	- children between 7 and 10 years	- 50 % discount

Everyone who buys the promotional packages of holidays will have included in this package and free transport towards the Soveja resort for the passionate of winter sports. The prices for the services packages available from hostel are presented in the following table:

Table 2

Prices charged at the promotional packages

PACKAGES	PERIOAD	Tariff in 2008 (Lei)	Tariff in 2009 (Lei)	Tariff in 2010 (Lei)	Tariff in 2011 (Lei)	Tariff in 2012 (Lei)
Paste	Paste weekend	-	250	300	350	400
Christmas	24-26 December	240	270	350	400	450
New Year	31 Dec. - 2 Ian.	275	325	375	425	475
Christmas + New Year	24 Dec. - 2 Ian.	950	1000	1225	1475	1525

The package prices were determined according to the charges included in the package at which was practiced a 10% discount.

#### Sources of Funding

In developing the business plan we will start from the following information with financial character: the company has a paid up subscribed joint stock of 5000 Lei; the building where the house is arranged is a property of the unique associate and was transferred to the company free and on an unlimited period; the situation is similar and in concerning the adjacent building spaces: parking, the front yard and green space from the back of the house. Regarding the total value of investment is structured in the following table.

Table 3

**The estimate object: Modernization of the touristic pension "Green" in the town Tecuci at a course lei/euro: 1 Euro = 3,65 lei**

Nr. crt.	Name of the chapters and subchapters of expenditures	Values on categories of works excluding VAT	
		LEI	Euro
I –Construction works and installations			
1.	Embankments	0	0
2.	Constructions: resistance (foundations, structures of resistance and architecture)( exterior closings, subdivision and finishing)	91.250	333.063
3.	Isolation	17.520	63.948
4.	Electric installations	12.068	44.048
5.	Sanitary installations	10.950	39.968
6.	Heating installation, ventilation, air conditioning, PSI, Radio-TV, internet	21.575	78.749
	Other expenses		0
	Machinerie and transport Equipment	321.332	87.687
	Total	474695	731811,6
	VAT	90192,05	139044,2
	Total +VAT	564887,1	870855,8

As it can be seen and from the estimate object the total sum of investment is amounted at the value 564887,1 lei including VAT. The investment is divided into two major parts, namely: the restaurant construction and the interior rearranging of the building which amounts 183.775 lei ( VAT included), and the second part is represented by the purchase of a minibus in the amount of 80.000 lei (VAT included) and procurement of the endowments necessary to the pension to meet the rank of 3 marguerites, in value of 57,557 lei.

Most amount of money was used for endowment the rooms as much as possible not to miss anything during the tourists stay spend in out pension. An important attention has been given to the endowment of corresponding spaces of meal serving and of preparing the culinary preparations, because the main incomes from the tourism domain are those from accommodation and meal serving. The

living and outside building were arranged so that both the tourists and their children to spend more relaxed time.

The total of investment, consisting of: costs with the modernization costs of the building in which the pension will work, the necessary endowments for classifying the pension at the rank of 3 daises and purchase if a minibus, it raises to the amount of 321.332 lei. Of this total amount:45,4% of investment (145.306 lei) is the cumulative value of two bank loans;17,1% of investment (54.750 lei) is the own funds;37,5% of investment (120.049) is the grant funding within the program “FEADR”(Agricultural European Fund of Rural Development).

To purchase the necessary amounts to the investment project has taken into account the proportion of allocation of UE grant funds (source: “Practical Guide EAFDR”, 2007) and namely 50% from the amounts necessary to construction and arrangement of building and the same percent from the total amount necessary to purchase the endowments. Another factor that was taken into account was the available resources, and for the rest of the money contracting bank loans on long term.

Table 4

#### Source of funding

SOURCES OF FUNDING	Lei	Euro
Own sources	54.750	15.000
Bank loans	145.306	39.810
Grant program FEDR)	120.049	32.890
TOTAL NECESSARY	321.332	87.687

There were contracted two credits for 10 years from CEC (Home Saving Bank).The credit for the funds necessary to arranging the building are a part from a investment credit which has a yearly interest of 9,5%, and the credit for minibus has the same period of repayment but it has a annual interest rate of 9,75%.

The term of recovery (Tr).This expresses the time needed by the recovery of capital invested trough the net inflows of actualized average annual treasury ( cash flow updated/year).

$$Tr = \frac{I}{CFm}$$

Where: - I = investment,

- CFm = cash flow medium,

$$Tr = \frac{321.332}{138.876,6} = 2,31$$

Following the calculation shows that the recovery of investment is 2,3 years ( 2 years and 4 mounts).

## CONCLUSIONS

The most efficient method of analyzing the currently situation in the pension “Green” is a SWOT analysis.

Strengths:

Pension location: “Green” pension is situated in mountainous area, in nature, away from the urban excitement. This aspect is a strong point because one of the clients request is just leaving the crowded cities, seeking peace and relaxation. The high number of touristic attractions that the area offers. The variety and quality of services provided by the pension. The professionalism and warmth with which they are treated during the staying spent. The pension is the only that has a restaurant greater then 20 places from the competition. Another favorable aspect is the fact that in the locality is a medical unit, worthy element to consider when choosing the location for holiday spending. Another strong element is the adequacy of financial resources available, which are underlying the quality maintenance services and at enrichment the offer of services.

Weak points: the communication systems, although existing, works with a certain difficulty; the infrastructure, in certain areas and at certain times of the year makes difficult the access to the pension.

For a better performance of the activity must be proposed plans of improving the services and of diversification the range of services. To diversify the range of services offered to tourists, the pension plans to purchase from the profit of 2009 four horses. They will be used in the summer season for horsing and in the winter season will be used for walks with sledge on snow. With the acquisition of those the pension will have to construct annexes necessary for animal’s refuge. Also on this direction the pension will buy: bicycles, necessary utensils for fishing and two ATV. Thus, for no longer depending on the collaboration with some landlords in the area, the “Green” pension wants to reinvest a portion of profit realized in the acquisition of a own craft. This craft will be made available to tourists for walks on the Danube, in exchange of a payment.

## BIBLIOGRAPHY

1. Alecu, I. and collaborators, 2001 - *Particularly developer guid*, Technical Publishing, Iasi.
2. Radulescu, N., Adina, Camarada, 2004 - *Tourism management*, Ed. Omnia Uni SAST, Brasov.
3. Grigore, A, 2009 – *Agroturism si turism rural*, Ed. Zogotto, Galati.
4. Tureac, C., 2007 – *Managementul serviciilor*, Ed. Fund. Univ. Danubius Galati.
5. Turtureanu, A., 2008 – *Economia turismului*, Ed. Fund. Danubius Galati.
- 6 Turtureanu, A., 2008 – *Economia comertului*, Ed. Fund. Danubius Galati.