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A story of one guesthouse. Getting ready to take up a family business

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Theoretical research

Small business

Small businesses are privately owned corporations, partnerships, or sole proprietorships that have fewer employees and/or less annual revenue than a regular-sized business or corporation. Businesses are defined as "small" in terms of being able to apply for government support and qualify for preferential tax policy varies depending on the country and industry.

Characteristics

Small businesses in many countries include service or retail operations such as small grocery stores, bakeries, hairdressers, restaurants, guest houses, photographers and Internet-related businesses such as web design and computer programming. Some professionals operate as small businesses, such as lawyers, accountants, dentists and medical doctors (although these professionals can also work for large organizations or companies). Small businesses vary a great deal in terms of size, revenues and regulatory authorization, both within a country and from country to country.

Concepts of small business, self-employment, entrepreneurship, and startup

The concepts of small business, self-employment, entrepreneurship, and startup overlap to certain degree but also carry important distinctions. These four concepts often conflated with each other.

Below are the key differences of these concepts in summary:

- self-employment: an organization created with the primarily intention to give a job to the founders, i.e. sole proprietor operations.
- entrepreneurship: all new organizations.
- startup: a temporary new organization created with the intention to be bigger (at least have employees).

- small business: an organization that is small (few employees) and may or may not have the intention to be bigger.

Self-employment provides works primarily for the founders. Entrepreneurship refers all new businesses, including self-employment and businesses that never intend to grow big or become registered, but startups refer to new businesses that intend to grow beyond the founders, to have employees, and grow large.

Advantages

Many small businesses can be started at a low cost and on a part-time basis, while a person continues a regular job with an employer or provides care for family members in the home. In the 2000s, a small business is also well suited to Internet marketing; because, it can easily serve specialized niches, something that would have been more difficult prior to the Internet revolution which began in the late 1990s. Internet marketing gives small businesses the ability to market with smaller budgets. Adapting to change is crucial in business and particularly small business; not being tied to the bureaucratic inertia associated with large corporations, small businesses can respond to changing marketplace demand more quickly. Small business proprietors tend to be in closer personal contact with their customers and clients than large corporations, as small business owners see their customers in person each week.

Independence is another advantage of owning a small business. A small business owner does not have to report to a supervisor or manager, they possess the flexibility and freedom to making their own decisions within the constraints imposed by economic and other environmental factors.

Challenges

Small businesses often face a variety of problems, some of which are related to their size.

A frequent cause of bankruptcy is under capitalization. Start-up expenses are often grossly underestimated adding to the burden of the business. It is a common "rule of thumb" that the entrepreneur should have access to a sum of money at least equal to the projected revenue for the first year of business in addition to his or her anticipated expenses. For example, if the prospective owner thinks that he or she will generate \$100,000 in revenues in the first year with \$150,000 in start-up expenses, then he or she should have not less than \$250,000 available.. Failure to provide this level of funding for the company could leave the owner liable for all of the company's debt should he or she end up in bankruptcy court, under the theory of under capitalization.

In addition to ensuring that the business has enough capital, the small business owner must also be mindful of contribution margin (sales minus variable costs). To break even, the business must be able to reach a level of sales where the contribution margin equals fixed costs. When they first start out, many small business owners under price their products to a point where even at their maximum capacity, it would be impossible to break even. Cost controls or price increases often resolve this problem.

Another problem for many small businesses is termed the 'Entrepreneurial Myth' or E-Myth. The mythic assumption is that an expert in a given technical field will also be expert at running that kind of business. Additional business management skills are needed to keep a business running smoothly.

Another problem for many small businesses is lack of **a business plan, a tool that is considered one of the most important factors for a venture's success.**

Business planning is associated with improved growth prospects. A plan also serves as a strategic planning document for owners and CEOs, which can be used as a "bible" for decision-making.

Marketing

Although small businesses have close relationships with their existing customers, finding new customers and reaching new markets is a major challenge for small business owners.

To create a continual stream of new business and find new clients and customers, they must work on marketing their business continuously. Low sales (result of poor marketing) is one of the major reasons of small business failure. Common marketing techniques for small business include business networking (e.g., attending Chamber of Commerce events or trade fairs), "word of mouth" promotion by existing customers, customer referrals, Yellow pages directories, television, radio, and outdoor ads (e.g., roadside billboards), print ads, and Internet marketing.

Many small business owners find internet marketing, such as social media, more affordable. It is a fraction of the cost of traditional marketing and small businesses are able to do it themselves or find small social marketing agencies that they can hire out for a small fee. Statistically, social media marketing has a higher lead-to-close rate than traditional media. Many small business owners use Facebook, Twitter, Instagram, Vkonatkte as a way to reach out to their loyal customers to give them news about specials of the day or special coupons, generate repeat business and reach out to new potential clients.

Creating a business website has become increasingly affordable with many do-it-yourself programs now available for beginners. A website can provide significant marketing exposure for small businesses when marketed through the Internet and other channels. Some popular services are WordPress, Joomla Squarespace, Wix.

Marketing plan

- Market research – To produce a marketing plan for small businesses, analyzing the competitor's marketing strategies needs to be done, which should include desk (done online) and field research. This gives an insight in the target group's behavior and shopping patterns.

- Marketing mix – Is a crucial factor for any business to be successful. Especially for a small business, examining a competitor’s marketing mix can be very helpful.
- Product life cycle – After the launch of the business, crucial points of focus should be the growth phase (adding customers, adding products or services, and/or expanding to new markets) and working towards the maturity phase. Once the business reaches maturity stage, an extension strategy should be in place. Re-launching is also an option at this stage.
- Promotion techniques – It is preferable to keep promotion expenses as low as possible. ‘Word of mouth’, ‘email marketing’, ‘print-ads’ in local newspapers etc. can be effective.
- Channels of distribution – Selecting an effective channel of distribution may reduce the promotional expenses as well as overall expenses for a small business.

Sources of funding

Small businesses use various sources available for start-up capital:

- Self-financing by the owner
- Grants from private foundations, government or other sources
- Private stock issue
- Forming partnerships
- Angel investors
- Loans from banks, credit unions, or other financial institutions
- Crowdfunding platform

Business plan

One question which many entrepreneurs don't get right is 'what is a business plan?'. While it is fairly easy to answer it theoretically, a business plan is a lot more than just a write-up which tells about the business's goals when you get into the practical aspect of running a startup. It isn't just stating goals and the means to achieve them but stating how the business is going to work as a whole. A business plan is an important aspect of the startup process and should be crafted carefully before preparing your pitch deck and putting yourself in front of the investors.

A business plan is a guide which outlines the goals of the business and roadmap of how to achieve them. It is the written description of your business's future.

While many first-time entrepreneurs consider a business plan to be similar to what a preamble is to a constitution, but there's a big difference. A business plan isn't just an introduction of what the business is about. It is a written document explaining what the business will be after a certain period of time.

Simply stated, a business plan is a guide that conveys your business goals (both long-term and short-term), the strategies you'll use to achieve them, the problems and competition that you'll face and the ways to solve and overcome them, the people you'll involve in your business, the organisational structure, the marketing and the positioning strategies, and the amount of funds you'll require for the same.

Importance of A Business Plan

You need a business plan if you run a business. There are no exceptions to the type or an age of the business and unlike what many people say, business plans are not limited to startups. Even if you're running a 20 years old business, it's not late to write a business plan and dedicate your resources to your ultimate business goal.

That being said, a business plan is almost a necessity for startups as it helps entrepreneurs break the uncertainty into meaningful pieces and projections. It helps them to present their vision in a language investors and the world understand – which includes sales forecasts, marketing strategies, competition strategies,

milestones, expense budget, partners and employees, and the short-term and long-term goals.

The four reasons why a business plan is important for a startup are listed below:

- **Direction & Future Vision**

A business plan defines what the business intends to be over time. It includes a detailed description of the customer, the market, and the competition, and gives direction to all the current and future strategies and steps.

- **Funding**

Almost all of the prospective investors and banks require the entrepreneurs to prepare a business plan for their startups. The stats, facts, and figures in the business plan make it easy for them to decide whether the team and their business have the potential to earn a profit in the long run or not.

- **Management**

With a vision set for the future, it becomes easy to manage ideas and people to achieve what's desired.

- **Partnerships & Alliances**

A business plan helps in a smooth execution of the planned business model as it helps to get in the desired partners by explaining their clear roles and the future vision to them.

Components Of A Business Plan

The business plan should be clear and concise. A person outside of your industry should be able to understand it. It should contain all the key information about your startup from what your product is about to how much money you require to build it.

Here are the 11 key elements that should be included in every business plan:

- **Executive Summary** – This is a brief overview of the entire business plan. This section of the business plan decides whether the stakeholders or investors will continue reading the plan or not. It includes a brief overview of the business idea, the offering, business goals, target market, competition, USP, the team and the financial outlook for the business.
- **Company Description & Synopsis** – This section of the business plan explains the company’s mission, philosophy, goals, industry, legal structure, and USP briefly but is more elaborate than the executive summary. The details are followed by the problem the company is solving for the customers and the solution which makes it stand out of the competition.
- **Market Overview** – This section explains the current market scenario of the industry – the size of the market, market trends, success stories, what is working and what isn’t, and what is being favoured and expected by the customers in the market. This section gives the readers a reason to believe why the company chose the market stated. Usually, everything in this section is supplemented with a bundle of facts, stats, and figures to prove that the entrepreneurs have done their research before choosing this as an apt market for their offering.
- **Customer Analysis** – The customer analysis sections include the persona of the (prospective) customer, which includes his/her demographics, geographics, psychographics, needs, wants, desires, buying habits, etc.
- **Product/Service Overview** – This is a section dedicated to the offering the company is (or will be) providing to the customers. It answers all the what, why, where, and when questions related to the product and reiterates the previous stance of why it is the perfect solution for the problem stated.
- **Business Model** – The business model is the conceptual structure that explains how the company works or will work. This section will answer the question of how it will provide the offering in the market and why is the offering viable. If the company were Uber, this section would include how it would partner with cab

drivers and how would its business structure be viable for both the taxi drivers and your business.

- Revenue Model – The revenue model explains how the company is planning to earn money using the business structure explained in the business model section. It explains the intricacies of the expenses and revenue sources of the company.
- Competitive Analysis – This section is dedicated to explaining who are the competitors, what are their USPs, and what are the strategies used by the business to tackle them.
- Marketing Plan – The marketing plan acts as an inference of all the details explained earlier. This section provides the details on how the company plans to use the information mentioned above in formulating and executing their marketing strategies. The marketing plan is an important section of the business plan as it explains how the company is planning to reach out to the customers and stand out of the competitors. That being said, the marketing plan isn't limited to the promotion of the offering. It includes a holistic strategy to market the offering right from production to post-sales.
- Management Team – This section gives the information of all the members on board, their qualifications, experience, and their posts in the company.
- Funding & Financials – Funding and financials form the conclusion, but it is the most important section of the business plan for startups as it states the cost of the execution of the business plan. It includes all the short-term and long-term financial requirements and funding goals and how the investors can help the company achieve them.

Development of tourism in Altai Republic

Altai (Russian: Республика Алтай) is a republic in Western Siberia, which has an amazing variety of landscapes: from boundless steppes to impassable taiga forests.

The people are mainly ethnic Altai's, a Turkic related ethnicity, following a wide diversification of religions such as Russian Orthodoxy, Shamanism, Buddhism, thus having the honour of being Russia's most religiously diversified regions.

The modern Altai economy is based largely upon agriculture, but nowadays the tourism industry has underwent an exponential growth. The Altai Mountains are the highest in Siberia. The route goes through the spots of Roerichs expeditions, through southern Altai. The Altai Republic and nearby Altai Krai were very popular hunting, fishing and adventure tourist sites during Soviet times. The region is popular for rafting, kayaking, rock climbing, horse riding, fishing and hunting.

Despite the rapid growth of tourism, the region is one of the poorest and most underdeveloped places of Russia. However, if HDI (human development index) is taken into account (0.748), it remains as one of the richest places of Asia.

Culture

The indigenous Altai culture holds the lands of Altai to be sacred. The indigenous (Turkic) languages are focused on the stewardship of the lands. The Altai oral history is transmitted by throat-singers. The Altai culture was repressed during Soviet times and has been rebounding since then.

There is also a large contingent of "Old Believers" who fled to Altai when they split from the Russian Orthodox Church over 300 years ago. They were taken in by the Altai people, and are now integrated into the fabric of Altai culture.

The UNESCO World Heritage Site "Golden Mountains" protects the Ukok Plateau, on which there are many standing stones and kurgans. Although archaeologists consider kurgans to be burial sites, the indigenous people believe

that they are highly refined magnetic instruments for directing the flow of cosmic energy into the Earth.

Gorno-Altai is the location of the National Museum of the Altai Republic, which houses the mummy "Altai Princess", the National Library of the Republic of Altai, the National Theatre of the Republic of Altai and the Municipal House of Culture.

Economy

The Altai Republic is a highly agricultural region. However, it does have some industry which includes foodstuffs, non-ferrous metallurgy, chemicals, gold mining, footwear, dairying, and timber. Tourism has also begun to make its mark on the economy, and a large number of new hotels and resorts catering towards "New Russians" have begun to appear.

In the present day there are no industrial enterprises, but at the federal level a decision to develop factories and plants has been recently made.

Small and medium business is represented by shishkovanie (lumping/ gathering cones and pulling out nuts), tourism(hostels, camping sites, guesthouses), beekeeping, organization of horse rides and alloys.

Tourism

With the dissolution of the Soviet Union, the Altai Republic's tourism industry has greatly expanded. Although wealthy Russians from neighboring Russian regions are the most common sort of tourist in Altai, foreign interest has also grown in the area, especially due to the area's spiritual significance to New Age believers and others.

Popular tourist destinations tend to be concentrated in the north, where the roads are more accessible. They are also almost entirely located along the Chuiskiy highway(where the Guest House Altay Yard is situated), which is the main road from the north into the mountains (although it is currently only two lanes wide).

The north is also significantly warmer than the elevated southern areas, which tend to be chilly even in the summer.

Some of the more well-known tourist spots in the Altai Republic include Lake Aiya (a popular bathing spot), and the picturesque Chermal region. More adventurous travelers may wish to visit the more remote Lake Teletskoye or Mount Belukha in the south.

Introduction.

My family owns a touristic camp in Siberia. The Guest House “Altay Yard” is situated in a beautiful and becalmed place on Earth - Altai. My grandma, the founder of the business, lives in the mountains for all her life and is happy to run the hostel. The place consists of 7 houses, double and family rooms, provided with Wi-Fi, a kitchen to cook, shower and toilet rooms. The Guest house works from May to September inclusively.

The reason, why I have decided to give a talk on this certain topic is that I personally take part in managing the camp and know all the inner sides of running a small business in sphere of tourism. I spend the most of my summer in a little village of Altai working as a hostess, dealing with guests, mostly Russians and also foreigners. It’s actually a good way to practice my English skills and it’s the perfect pastime as it’s never boring and lets me chat with people from all over the world.

The business project itself is pretty profitable, successful at the moment and has a good perspective. At the same time it’s interesting and amusing, as it brings not only money, but also pleasure. The marketing line is supported by a personal website, booking.com account and an Instagram account.

Factors, which affected the choice of the sphere of a startup

Before starting a business project we have considered multiple factors, which can affect the prosperity of the hotel and further progress.

1. The personality of the hotel Owner

My grandma, Natali Malchinova, has always been a super-energetic woman. She was born in village Karakol, has studied in university of Gorno-Altaysk (nearby city) for a teacher profession and when returned, started working in a local school, where soon became the principal.

How? Natali has these inborn character traits, which have always helped her in life and even up to the present moment. They are enterprise, leadership, sociability and her eternal outgoingness. And most of all, she is strong, she has a power to live her life the way she wants to, reach goals and follow dreams.

All these qualities helped her further in life. Thereby in 5 years she was invited to become the head of the village and accepted it with gratitude. She was well-known and respected by the whole village. Her profession helped her get to know a lot of people, learn management and leadership. In 12 years she moved up the career ladder again and became the head of the department of Culture, Sport and tourism of the district center. During her experience she got to learn a lot of national artists and for the first time she saw real-life examples of people starting their tourism businesses from scratch and succeeding.

Now let's say a little about my grandfather. He deserves a whole chapter in this story. Without him none of the ambitions of my grandma would've come true. He is an ordinary self-taught builder with a big heart and "golden hands", how we would say it in Russian. As my grandparents had a little fund to start the business, he has built most of the buildings on the territory of the Guest house by himself. He is talented in any form of art. My granddad used to draw beautiful portraits when he was young, now he does wood carving perfectly and is good at putting a Russian stove. The whole village, where he lives, often invite him to do some building or reconstructing work about the houses.

My grandparents perfectly complement each other, in life and in business. He is calm, household, incredibly smart; she is active, gregarious, communicative.

To understand why there was made a decision to run a touristic business, I want to speak about Altay and its' perspectives.

2. Altai.

The Altai Republic is located in the West Siberia region of Russia, and is one of Russia's ethnic republics, representing the indigenous Altay people, a Turkic ethnic

group. The official languages of the Altai Republic are Russian and the Altay language.

On the territory of the Altai Republic there are five UNESCO World Heritage sites - Golden Mountains, Altai and Katun Nature Reserves, the Ukok Natural Park, Belukha Natural Park and Lake Teletskoe.

Altai is deservedly called the pride and pearl of Siberia. There is hardly a second such amazing corner that combines the beauty of Tibet and the Alps. Everyone who has ever been to Altai is delighted with this unique beauty. Altai in the language of the local people means "golden mountains".

The mountains of Altai are an amazing and very beautiful region, about which a lot of enthusiastic words have been said and written. European tourists often call Altai "Siberian Switzerland", due to the striking similarity of the Altai Mountains and the Swiss Alps.

The diversity and beauty of nature monuments lets us say that Altai is one of the richest places on the globe. There are waterfalls, sparkling in the sun and harsh rocks and cliffs. There are picturesque mountains and bizarre forms of a cave. There are fabulous beauty of the lakes and rapid, crystal-clear keys and rivers.

Altai has a unique historical and cultural potential and has thousands of archaeological and ethnographic monuments.

Altai is created for recreation. Due to its unique untouched nature, high mountains, berry-rich forests, rapid rivers, everyone can offer the type of rest that suits him best. Any travel is possible here - from a car ride to multi-day hiking expeditions. Tourist complexes, hotels, bases, campgrounds invite to relax in the most picturesque corners of the mountainous country. Nowadays, the Altai Republic can be called the largest tourist region with great development prospects.

Talking about contrasts, it is noteworthy that here are the highest peak of Siberia - Belukha Mountain (4506 m) and Russia's first deepest cave - Ecological (345 m), and also the third deep Lake Teletskoe in Russia.

Unique natural and climatic conditions create ample opportunities for the development of almost all types of tourism, the creation of spa centers, resorts and sanatoriums, travel arrangements and excursions of an exotic nature (hunting, fishing, adventure tourism). Of interest there are some types of special tourism and sports: horse trails, water and caving tourism, mountaineering, etc. The main tourist attractions are Lake Teletskoye, Belukha Mountain, Ukok Plateau, caves, burial mound, etc.

So, all this factors

1. my grandmother's character traits,
2. my grandfather's building skills,
3. the peaceful place in Altay on the river bank,
4. the development of tourism in Siberia;

have led to the family council, where a decision to run a Guest house has been made.

Launching business and statistics on the example of touristic season 2018

The idea of building a guest house didn't come to my grandma at once. She has been thinking about this for years before she finally had enough courage to try it.

In the early 2000's, while working in the department of Culture, Sport and Tourism, Natali has been working with hotel owners, documenting their stories, watching their actions and learning every day. This experience affected on her distant will to run a touristic camp.

Constructing of the camp

So when she retired, she knew what to do. She built her first two houses in 2013, but at that time Natali wasn't ready to go further. There were so many factors against her. She didn't get any support from her husband, she was working in a cosmetic company and wasn't ready to give away so much time. Natali wasn't sure in success of her campaign, she didn't know how to basically start and what next steps to take.

It took her 4 years to get out from stagnation and realize her dream. In the beginning of 2017 my grandma gathered all her confidence, strength and courage to build a full complex of buildings surrounding those which were built in 2013. She called her creation "The Guest House Altay Yard".

The Guest house now included five double houses, an ethnic kitchen-house Ail, a Russian sauna Banya. The territory was beautifully decorated with flowers and trees. Its' first official working day had been the 1 of May, 2017.

In 2018 two more family junior suite houses and two arbors were built. We put two BBQ sets on the territory and decorated it with small trees and flowers.

Marketing.

As soon as the Guest House Altai Yard was founded, an account on Booking.com was created. The online platform perfectly justified itself. It brings about 90% of our guests to the camp and the total rating had risen up to 9,2 points out of 10 by this moment. Booking.com lets travelers from all over the world book a room online by using geolocation services.

Moreover, in the same 2017 year the Guest House appeared on widely recognized maps such as Google maps, Yandex maps, 2gis and others. A lot of spontaneous travelers from the abroad turn up at the Altai Yard via online maps. Some of them are late-night guests, who were exhausted by the long-day journey and couldn't find a place to stay nearby.

In the second year, 2018, an account on Instagram has been opened. I personally help my grandma to attract visitors to the Guest house Altai Yard via Instagram. I lead the profile during my summer break from school, post new photos of the place almost every day and write some interesting stories about our guests from all over the world. Our Instagram account is not as promoted as the Booking account and yet doesn't attract many visitors, but it helps us inform our frequent guests about new facilities and advantageous offers.

According to the reviews the Guest House Altai Yard is most liked for hospitality, cleanliness on the territory and in rooms, simple facilities and attentive hosts.

Tourist consist/ Room occupancy

The majority of tourists visiting Altai Republic comes from the Western Siberia regions and neighboring cities such as Novosibirsk, Barnaul, Kemerovo. These are mostly young people and families with children who travel on their cars and have middle budget for accommodation, services and food.

Besides Russian nationalities, Altai attracts and welcomes into its mountains people from abroad, and not only from Europe countries, but from every continent of our planet. In particular, in both seasons 2017 year and 2018 year the Guest House Altai Yard had hosted guests from England, Switzerland, Italy, Germany, Spain, Canada and many others.

The hostess – my grandma Natali – doesn't speak English so she fully relies on me when it comes to meeting English- or Spanish- speaking tourists, as I know both languages. Thereby, every summer, as soon as my school finishes and tourist season starts, I have to take the next flight to the Gorno-Altaysk city and then a 2-hour taxi to the Karakol village to support my grandma in her business. However, it's only a pleasure and excitement for me. Moreover, Natali regularly takes private English lessons and I hope one day she will be able to chat with her guests on her own.

Difficulties and unexpected excitements

Staff

The season of year 2017 was not an easy one. The Guest House Altai Yard had been just founded, we started with welcoming family friends from other cities, worked on marketing line and were just getting to know how everything is done in hotel business. My grandma Natali is a self-made woman, she is tough in delegating powers and prefers to do everything on her own, just so all is done in a perfect way. She cleaned the territory and the rooms on her own, she cooked for her guests on her own and ruled her new business all by herself. Natali only let her oldest granddaughters (me and my cousin Sofia) help her in work.

In the second season of 2018 it gets harder. The Guest House Altai Yard is prospering and succeeding. Last-year tourists recommend the place to their friends, booking.com attracts about 200 tourists a month and reviews on maps only do us only good. Now we realize our family is not enough to manage the Guest House and we need help. Together we decide to hire a housecleaner who could work from eight to ten hours a day, tidy the rooms, pick up litter on the territory and etc.

However, now it's seems like it's almost impossible to find a responsible worker in the whole village. Most country inhabitants, especially in such regions as the Altai mountains, are involved in the agricultural sector and are used to earning money on their livestock (meat, milk, wool), breeding pedigreed horses, picking pine cones, beekeeping and etc. When an announcement about a free vacancy was put out in a local newspaper, there was no response.

Somehow, Natali managed to find a high schooler girl living in the next village, who wanted to earn some pocket money during her summer break from school. As from then the new cleaner began to work almost every day from three to five hours, depending on the occupancy rate. The salary was calculated by hours.

Sometimes we also hire a cook or two when big groups arrive. Our cooks make breakfast, lunch and dinner for organized parties.

Thus we can see that finding a dutiful employee was a complicated task at first.

Financing

Another problem we had to face is financing or budgeting. It is commonly known that a 60-year old woman living in a village can't possibly have enough money to build a presentable guest house. Of course, she worked in a cosmetic company, received pension, but it wasn't enough.

How she solved this problem – that is important. First of all, she turned to her closest family members – her children. My father helped her a lot with financing – about 50% percent of the whole investment sum. On the money she received, she could build her first twin-room houses and a kitchen. Secondly, Natali took several conventional bank loans, which she could, by the way, withdraw in two years. And last, my grandma had recourse to her connections, which she had built through her life working with communication skills. As everybody in Onguday district, where she lives, knew her, it wasn't a problem to take equipment, furniture and even kitchen-stuff in local stores for free and pay for them later.

A look into the future

Contest for governmental subsidy

Not a long time ago we got to learn about the governmental subsidies for small business owners in sphere of tourism in Russia. Each year the government arranges a contest - the conditions of participating are writing a short documentary about your business, attach some photos and tell what's the innovation in your project and how it helps to develop tourism in Russia. The reward of the winner is 1 million rubbles for development of your hotel.

We plan on participating in this competition in the nearest future.

Occupancy rate

In the past two years our approximate room occupancy rate in percentage was:

July – 80%

June – 95%

August – 70%

In the next seasons our goal is to increase this level up to 99-100% each month using such marketing methods as CEO promotion (personal website), WOM(word-of-mouth) marketing and others.

Extensive and intensive development

Above all said, we are planning on developing the Guest house Altai Yard not only extensively, but also intensively. By intensive development I mean working on the quality of provided services - increasing the level of W-Fi; offering a bigger spectrum of original ethnic products of Altai, for example souvenirs: honey, soaps, herbal teas gathered from the mountains; hiring more assistants, etc.

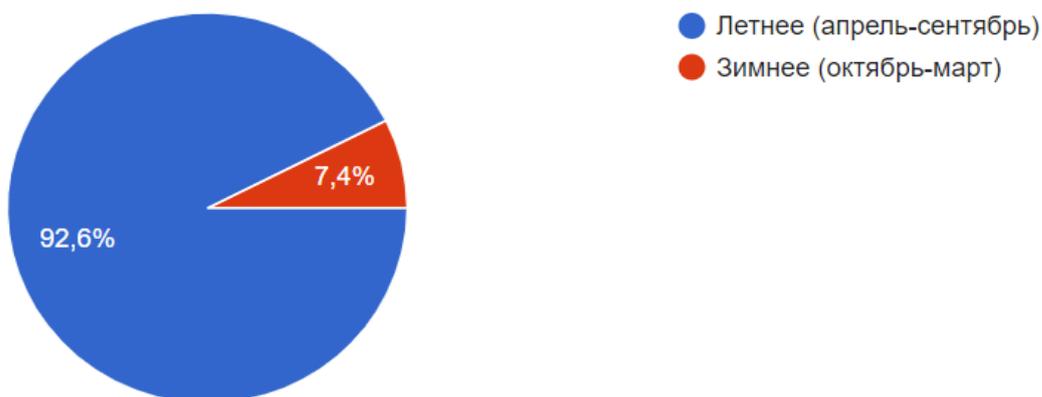
As for extensive development, several new houses with skyline windows with a view on the mountains are about to be built in the next few years. We also want to boost the range of provided spa-facilities by expanding our sauna and building a tiled swimming pool inside. Other ideas waiting to be put into action: changing the conception of the shower, expansion of the kitchen territory, buying a touristic bus, etc.

Of course, “Rome was not built in a day” and all of these set goals may not be realized any time soon, bit I promised my grandmother to follow her footsteps and improve what she started into something bigger, something that will remind us of her.

Practical Research. Survey

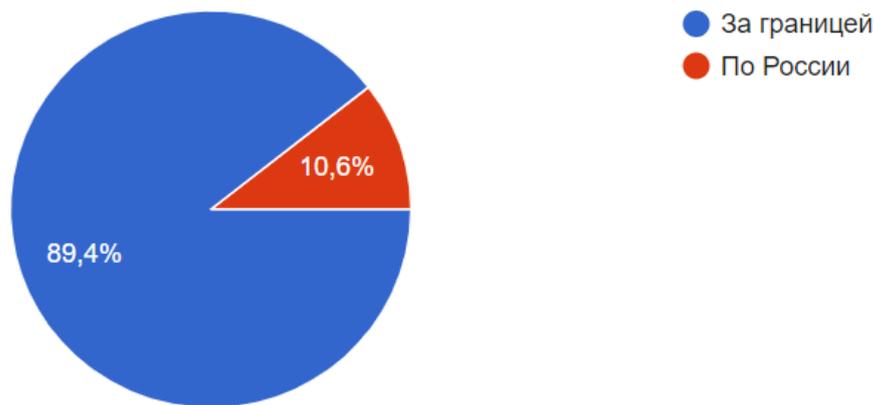
For the benefit of my project I have held an opinion poll via Google Forms. The total number of participants constituted 165. Here are some of the results and conclusions I made while analyzing the answers.

Question 1: What time of the year do you most often travel?



The research shows that the great majority of the interviewed travel mostly during the summer period. This aspect works to the benefit of all touristic camps situated in Altai Republic, in particular the Guest House Altai Yard, which works May-September inclusively.

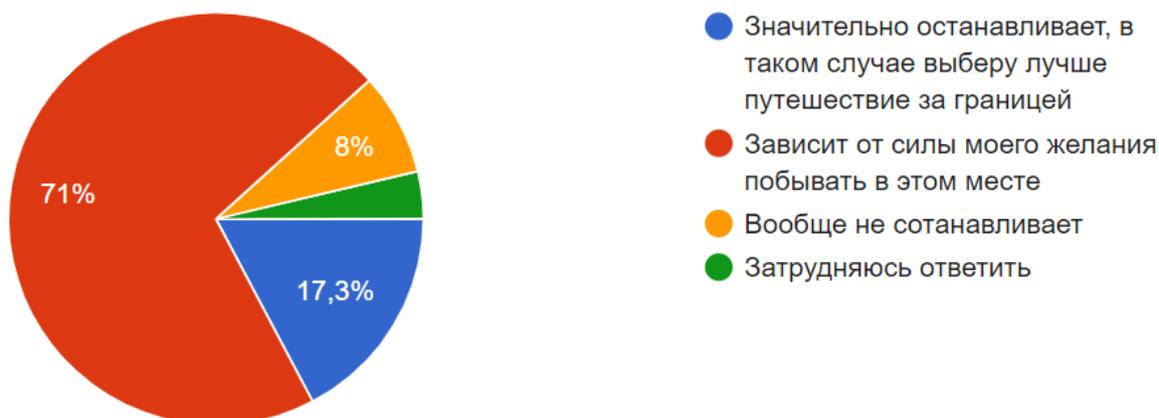
Question 2: Where do you most like to travel?



It seems like most interviewed people enjoy travelling abroad more than travelling within Russia. Our native land stays unappreciated while Europe flourishes.

The mission of my project suddenly arose after I saw the anonymous answers to this question. I want to show people that travelling in Russia can too be exciting and fascinating, full of beauty, nature and mind-blowing history.

Question 3: It is known that traveling to certain regions of Russia is more expensive than traveling abroad. How much does the idea of large expenses stop you?



As we can see from the above, 71% answered: “The idea of large expenses doesn’t stop me until I desire to visit that certain touristic place”. Such results were quite pleasing for me. They show that people are ready to give away much to follow their travelling dreams.

Not everyone knows it, but travelling to the Altai Republic can sometimes be pretty expensive in comparison to travelling abroad. However, there are several ways to cut down expenses on the journey. For example, one can drive a car or take a train instead of travelling by plane, as airplane tickets are the biggest spending on this journey.

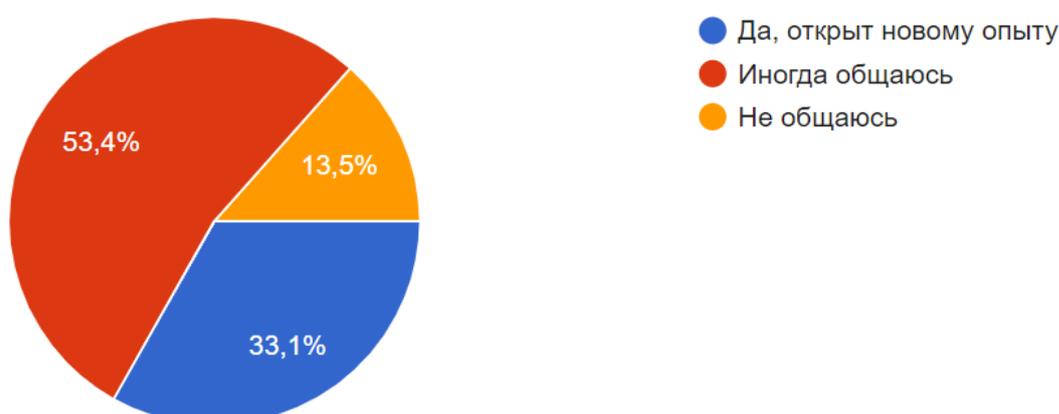
Question 4: Would you choose to live in the center of a big European city or close to nature and far from the bustle of the city while on holiday?



As it may be seen from the above, 59,5% chose to go on a journey to a big city and visit the main sights of the country rather than stay in a quiet close-to-nature place and take a break from everyday life (40,5%).

Strange as it may sound, these results satisfied me. I expected to see less people wanting to wander off the beaten track.

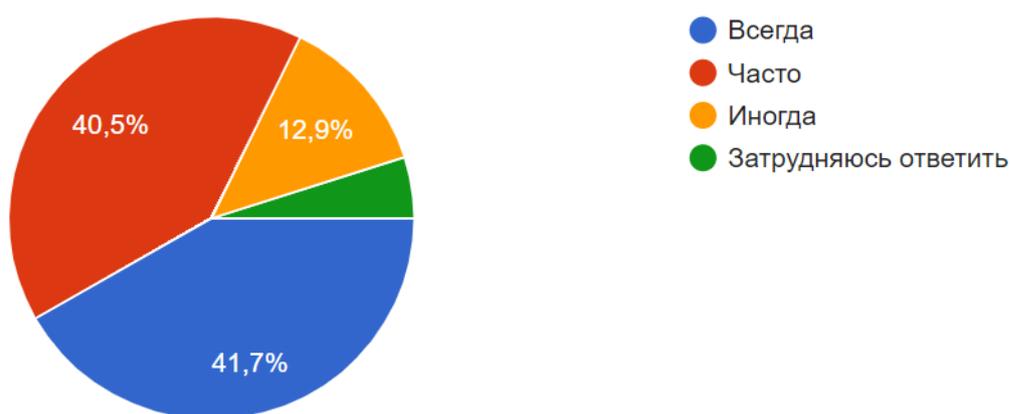
Question 5: Do you communicate with accommodation hosts and locals while on vacation?



This question was designed to show that as the Guest house Altai Yard is a family business, the staff here is the most outgoing and dedicated. The hostess herself meets and accommodates the guests, does her best to make their vacation a one to remember, which is rare for hotels nowadays. Moreover, we are situated in a village, which means associating with locals in a store or on a riverbank.

The research showed that most interviewed (53,4%) sometimes do communicate with hosts. It seems like people are still unaware of opportunities they miss: talking to hosts or locals is the best way to learn more about the place you're visiting and the real life of culture.

Question 6: Does your choice of accommodation depend on reviews on the Internet?



Apparently, 41,7% and 40,5% of interviewed always or often rely on reviews while choosing an accommodation. It shows that nowadays hosts ought to put more stress on online feedback of the guests. In the “Altai yard” we tend to ask the holidayers to leave a comment on our booking.com account, Instagram or the website. According on the reviews, other travelers may make their choice and hotels may improve their work.

Question 7: Are you open to new gastronomical experience while travelling?



It seems as though people enjoy trying out new things and seeking something out of the ordinary. In the Guest House Altai Yard we completely support this idea of having various experiences. As for instance, we offer our guests to try traditional Altai food (kurut – a milk product, kan – blood sausage, talkan – milk tea, etc.).

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