

MSU Extension Publication Archive

Archive copy of publication, do not use for current recommendations. Up-to-date information about many topics can be obtained from your local Extension office.

Tourist and Resort Services for Michigan, Suggestions for Prospective Operators
Michigan State University Extension
Tourism Resort Series Circular Bulletin
L.R. Schoenmann, Editor
Revised June 1947
24 pages

The PDF file was provided courtesy of the Michigan State University Library

Scroll down to view the publication.

TOURIST *and* RESORT SERVICES FOR MICHIGAN



SUGGESTIONS FOR PROSPECTIVE OPERATORS

•
SELECTING
THE BUSINESS

•
CHOOSING
A LOCATION

•
PLANNING
THE SITE AND
BUILDINGS

•
REGULATIONS
OBLIGATIONS

•
COSTS AND
RETURNS

•
PERSONAL
QUALIFICATIONS



Edited by L. R. SCHOENMANN

MICHIGAN STATE COLLEGE
EAST LANSING

EXTENSION SERVICE AND AGRICULTURAL EXPERIMENT STATION, COOPERATING

Foreword

Michigan's outdoor recreation activities and tourist services offer real opportunities for those who are seeking employment or business possibilities in a healthful outdoor environment. This new and fast-growing field of occupation needs intelligent, ambitious men and women who are willing to work hard to succeed. It has, therefore, a strong appeal for young people.

In the older occupations and professions, there is a long record of experience and a large accumulation of tested information on which the newcomer can depend for guidance. For years past, the farmers, for instance, have looked to Michigan State College with its Agricultural Experiment Station and Extension Service for help in their problems of farm development, improvement and management. The tourist and resort business needs similar guidance for its sound and enduring development.

In recognition of this need, the Michigan Tourist Council requested Michigan State College to develop a program of research and extension service for the tourist and resort interests similar to the services that the College has been providing for agriculture; i.e., *research* to compile helpful information and to work out answers to problems, and *extension* to bring the information or answers to those who need and want them.

This pamphlet has been prepared as a means of "getting acquainted." It is intended merely as an introduction of this new service to three groups of people: those now in the tourist service and resort business who want to expand or improve their facilities, those who are thinking of starting in the business of serving outdoor recreation trade, and those who are interested in building a summer home, cottage, hunting or fishing cabin for their own use and enjoyment. More direct and helpful service will follow through radio and news items, correspondence, group meetings, demonstrations and more complete bulletins on specific subjects.

For further information or service, see your County Agricultural Agent, who is the representative of Michigan State College in your county, or write to the Conservation Institute, Michigan State College, East Lansing, Michigan.



Michigan's Place



IN THE TOURIST AND RESORT INDUSTRY

Vacationing away from home is becoming a custom of the American people. Once, it was the privilege of the wealthy. Now, it is the opportunity of many. This custom of leaving the normal working and living place for healthful outdoor recreation, relaxation or rest, away from the familiar scenes, is becoming a part of our American way of life. Every year millions more join those who already enjoy this stimulating and satisfying custom.

The seacoast areas of the South and Southwest with their warm sunny days offer the strongest appeal during the winter season. In summer, the scenic attractions and comfortable climates of the New England states, the Great Lakes region, the Rocky Mountains, Washington, Oregon and Alaska draw the tide of vacationing interest. On this seasonal recreation map, the Great Lakes region is the nearby vacationland for a third of our nation's people.

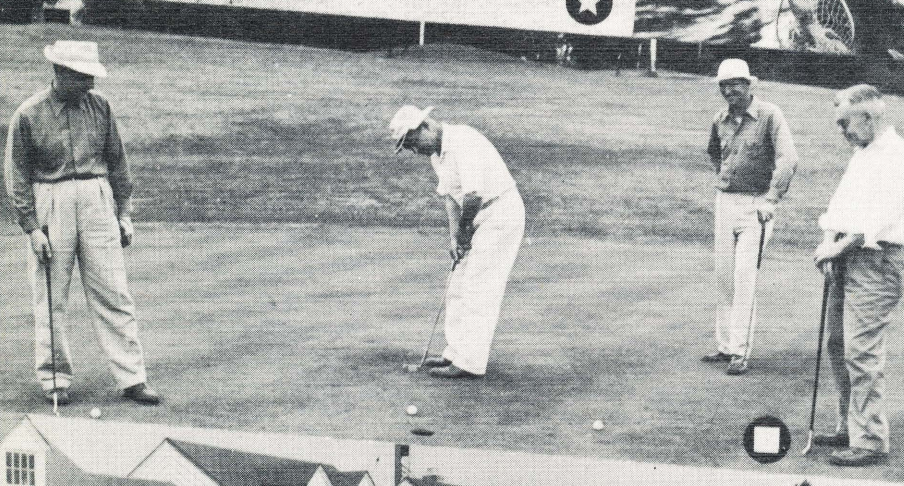
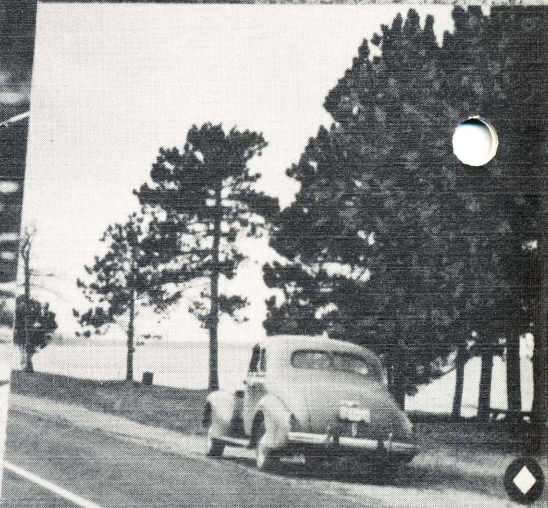
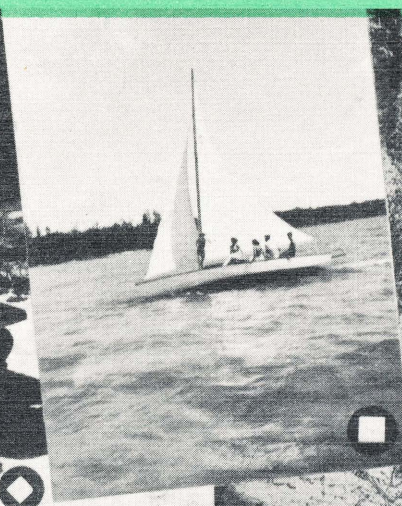
Michigan is the very center of this inviting northern playground. Here the lake-cooled breezes that keep our summer months enjoyable have attracted vacationists to Michigan's summer resorts since before 1900. These early resorts were limited, however, to those lake side locations which could be conveniently reached by lake boats, railroads and horse-drawn vehicles. The resort business of those days counted its patrons by the tens of thousands.

Since then, good roads and the automobile have spread the tourist and resort business over the map of Michigan. Hitherto inaccessible woodlands, lakes, streams and beauty spots in the interior of the two peninsulas now draw annually hundreds of thousands of vacationers who come and go when they please. Early spring brings trout fishermen to wade the ice-cold streams. Summer fills the warm and sunny bathing beaches of the lake shores. The colorful autumn season draws its quota of touring parties and duck and other bird hunters who are quickly followed by a swarm of red-coated deer hunters. Winter sports enthusiasts, ice fishermen, rabbit and wildcat hunters close the year-around outdoor recreation season.

Now we stand on the threshold of a third expansion in year-around outdoor recreation. Our natural facilities and attractions are here and well known—our invigorating climate, our tremendous sweep of Great Lakes shoreline, our 10,000 inland lakes, our 20,000 miles of fishing streams, our broad expanses of cool green woodlands, our interesting and varied wildlife, our scenic spots and historic sites. We do not need to sell these natural features. They sell themselves. They have brought Michigan its recreation business in the past. They will bring Michigan its justified share of recreation business in the future, if we can give a favorable answer to one all-important question: *Will Michigan make suitable preparation to house, feed and entertain the expected volume of outdoor recreation business of the future in a manner that will satisfy the customers?*



Michigan has many



Photographs courtesy of:



Michigan Highway Dept.



East. Mich. Tourist Assn.



Mrs. Earl A. Ferns



Michigan Department of Conservation

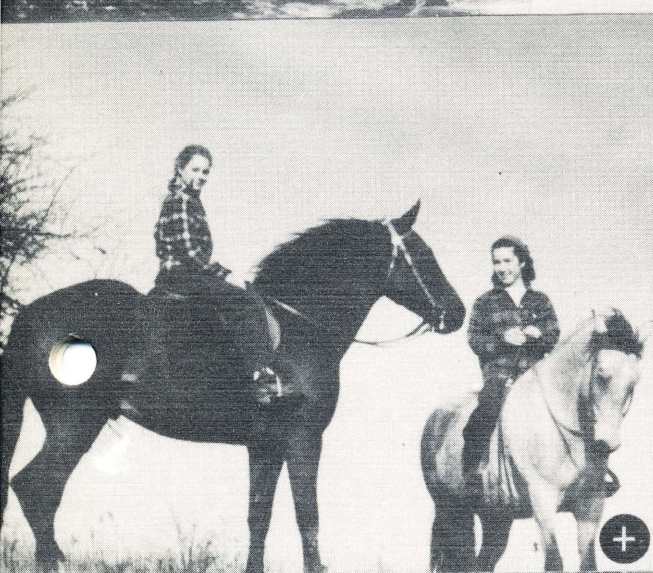


A.-O. Haugen



M. D. Pirnie

recreational activities and...



FOUR SEASONS FOR
OUTDOOR ENJOYMENT —
SPRING, SUMMER, AUTUMN
AND WINTER

.. *there are many*

TOURIST

Any business that serves the needs of those who are traveling for pleasure, vacationing or engaging in some form of outdoor recreation is part of "the tourist and resort business." Consequently, a drugstore, grocery store, hardware store, or garage may be as definitely in that business as a resort, a boat livery or a guide service.

Tourists and resorters begin to spend money and contribute to business profits even before they leave home. They create more business by their travel. They all need a place to sleep, three meals a day and a variety of equipment and services. They are cash-paying customers.

Some tourist and resort businesses require a large amount of invested and operating capital. Such enterprises are usually hazardous ventures except for thoroughly experienced operators. Aside from these large businesses, there are many income-producing services to the tourist and resort trade that can be started as small or part-time enterprises and expanded as income and experience accumulate. Examples of both types are included in the following list.

LODGING ENTERPRISES

Tourist Rooms—A person having a modern home located on a well traveled highway may be able to rent some of the rooms to tourists. It is possible to get started in this business with a small amount of capital and obtain some income from the rentals.

Tourist Cabins—Of the many types of lodging provided for tourists, perhaps none is more popular than the tourist or overnight cabin. An operator with limited capital can get started in the tourist cabin business with just a few cabins. Then, as his capital and experience grow, he can add as many units as his patronage justifies.

Tourist Courts and Motels—It usually requires a larger investment to start a court or motel than the cabin group. The housing units are either joined or placed fairly close together around a court. A driveway and parking area make the lodging units readily accessible. Motels ordinarily include a dining room and lounge along with the lodging facilities.

Rental Cottages—Cottage developments can usually be located more remote from the main traffic routes than the tourist cabins or courts. Some natural feature such as a lake, a stream or an outstanding historic or scenic site is used as the business attraction. Cottages are generally rented by the week, month, or season to parties of several persons or family groups.

... and so you are going into the resort business?

Well, - - - - think it over carefully and fully. It's a business you are starting, not a year-around vacation.

Not all persons are suited to the resort business. Some would be happier if they were working for someone else in a store or a factory, in a mine or on a farm. Then they would know about what to expect and what would be expected of them.

If you go into the tourist or resort business, you will be your own boss, but you will be assuming all of the risks. The business might fail. On the other hand, if the business succeeds, you will get the profits.

Before you go into the tourist and resort business

AND RESORT BUSINESSES

Resort Hotels—Hotels remain one of the principal types of tourist accommodations in Michigan. Some of the country's finest are located in this state. Rates depend upon the type of accommodations provided.

Miscellaneous—Trailer parks, boys' and girls' camps, hunting and fishing clubs are additional types of tourist and resort businesses.

FOOD SERVING ENTERPRISES

Lunch Rooms—The lunch business specializes in quick service and provides either short orders or conventional meals over the counter.

Restaurants—Table service and a menu with a wide meal choice characterize the restaurant. Some restaurants specialize in steaks and chops, chicken, or fish and sea foods. The inn or tea room is another popular type of food serving business. They often feature special atmosphere and service rather than wide variety in menu.

Hotel Dining Rooms—In some instances, owners of hotels do not operate their dining rooms, but lease them to outside management that takes the responsibility of providing a dining service which is an asset to the hotel.

Farmers' Roadside Markets—Tourists enjoy buying locally grown products and are counted among the best patrons of farmers' roadside markets. Farmers, who are located on a well traveled road, may be able to operate a stand and realize a considerable income in this way.

OTHER SERVICES

A number of other services are well suited to be conveniently operated along with the major tourist and resort business. These may be souvenir and gift shops; filling stations; car storage; boat liveries; bait sales; fishing, hunting and outing equipment sales; guide service; cottage and cabin construction and sales; transportation and sightseeing services; saddle horse rental; golf courses; bowling alleys; archery ranges; shooting galleries; taverns and dance halls.

Such combination enterprises are common. The operator may, for example, have the bulk of his investment in overnight cabins and also run a small grocery and filling station. Or, he might operate a large resort and also offer a guide service and have family sized cottages and boats for rent. The best combination for a particular location can be determined only by careful study, planning and experience.

... *You* WILL WANT TO GIVE CONSIDERATION TO:

- SELECTING THE BUSINESS
- CHOOSING A LOCATION
- PLANNING THE SITE AND BUILDINGS
- REGULATIONS - OBLIGATIONS
- COST AND RETURNS
- PERSONAL QUALIFICATIONS

• *Selecting the Business*

Eeny, meeny, miny, mo? That may be a good way to decide who shall be "it" in blindman's buff, but chance is a poor way to choose your tourist or resort business.

First of all, the experience and training you have acquired in other kinds of work or business can be used as a good starting point for arriving at your decision. A skilled garage mechanic who is also handy with wood-working tools, might be well fitted to operate a boat livery and outboard motor repair shop. A commercial fisherman could offer a service in boat trips and deep lake trolling, or a farm-reared boy, who is skilled in handling and caring for horses might run a riding stable. Carpenters or masons may find it profitable to build cottages or cabins for sale or rent. Many returning veterans acquired training and experience during their war service that they can use in a tourist and resort business.

Your own personal aptitude should weigh heavily in the decision. Do you have a particular knack or liking for doing some kinds of work? If you have, then it may be wise to follow that lead. An experienced cook or baker might undertake to operate a resort dining room, restaurant or lunch room. Are you a good woodsman and deeply interested in hunting, fishing and camping? If so, you have some of the principal qualifications for serving as a professional guide. If, as a salesman, store clerk, or hotel worker, you discovered that you like to meet and serve the public, then you may have an aptitude that will be worth a good deal to you as a resort operator, cottage rental or overnight cabin proprietor.

The amount of money that you have on hand to start in the tourist and resort business will be a very real influence in fixing the limits of your range of choice. Resorts require a large investment in land, buildings and equipment, as well as some additional money for operating expense. Courts and food serving units also require considerable money to "open for business." Rental cottages, overnight cabins and a variety of small service ventures can, in most instances, be started with less capital and expanded as their patronage grows.

Finally, be certain that you know enough about the business you choose to be able to serve your customers to their satisfaction.



• *Planning the Site*

After the type of business has been decided and its location carefully selected, then the more detailed planning of the buildings, including their design and arrangement on the tract, is the next important step. Even the location of the necessary drives and service areas, open lawn spaces, the particular trees or shrubs to leave or plant and other details should be thoughtfully considered. It pays to lay out the complete development on a carefully drawn plan before starting any construction work in order to fit the whole development to the site and its natural features. In this, the help of building and landscape architects can prevent costly or regrettable mistakes and oversights.

• *Choosing a Location*

Stop, look and listen when choosing the location for your tourist and resort service business. Stop long enough before buying the site to be certain it is well suited to your purpose. Look critically at both the site itself and its surroundings. Listen to what the local residents can tell you regarding the advantages and disadvantages of the tract.

Cost of the land is normally a small part of the full development cost, but in spite of that many operators make the mistake of acquiring too small a tract. Experienced operators recommend a gently sloping rise of ground with a few good native trees. Some sunshine and some shade is better than too much of either. Densely wooded tracts may appear inviting but are costly to clear for buildings and service areas.

Is expensive filling or grading necessary? Is the soil wet, soft and boggy with a high water table, flat heavy clay, or dry blow sand? Does any part of it flood in the spring or after heavy rains? Are the slopes such that the natural surface runoff can be disposed of without trouble—or so steep that driveways and footways may be expensive to construct and maintain?

The preferred location for an overnight cabin court or group is an attractive site on a main trunkline highway, either at a busy crossroads or near the edge of a town where good garage and food service is conveniently available. A clear view of the court or cabins for a considerable distance from approaching cars traveling at normal speed is essential.

Rental cottages prove most popular if located on an inviting lakeside or streamside site where fishing, boating and swimming can be enjoyed and there is space for other outdoor recreation. Patrons will come a reasonable distance from the trunkline highways to such a cottage colony.

Resorts are exacting in their site requirements, but less rigid in their location requirements than overnight cabins or cottages. Either a secluded woodsy lakeside tract of generous acreage, or a more formally landscaped site with pleasant views in a quiet lake side village may be safely chosen for resort development provided the standards of comfort in lodging, quality in food and variety in indoor entertainment and outdoor recreation satisfy people.

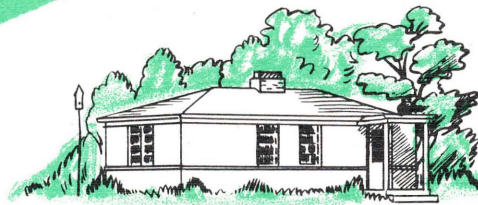


and Buildings

An accurately surveyed plat of the tract boundaries is the first requirement for planning the development of any site. This plat should be drawn on a scale that is large enough so that existing roads and buildings, the areas in trees and cleared land, high and low ground, slopes, water courses and shorelines can be accurately shown. On this foundation plat a suitable plan can then be made that will result in an attractive and serviceable development, whether for overnight cabins, a motor court, cottages, a resort, an inn, a hunting or fishing cabin or some other particular use.

• Planning the Site

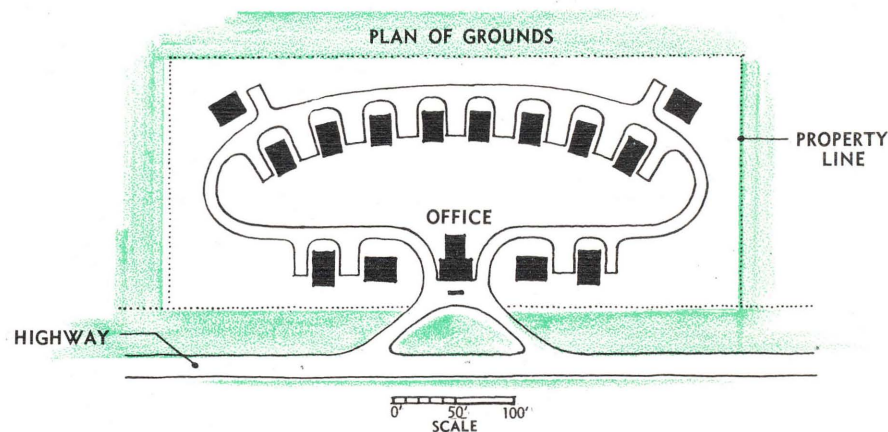
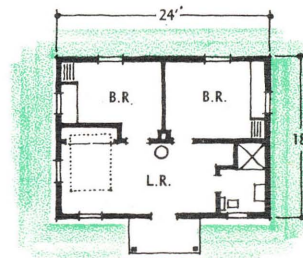
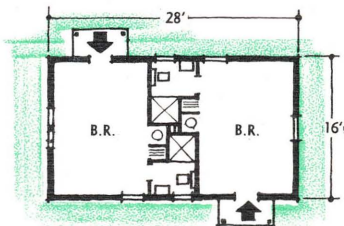
OVERNIGHT CABINS



TWO ONE-ROOM UNITS



ONE THREE ROOM UNIT

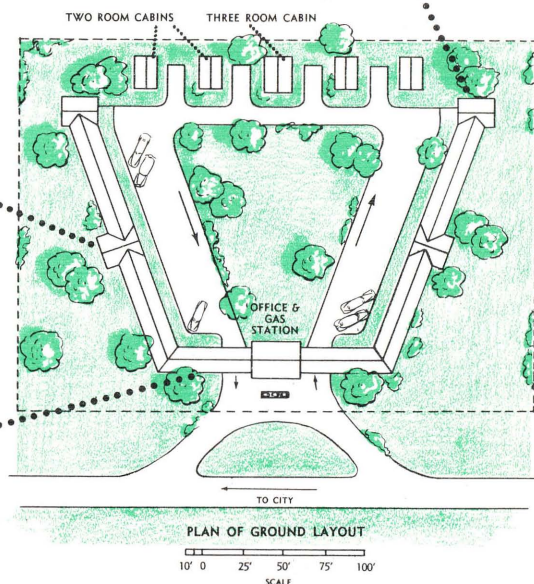
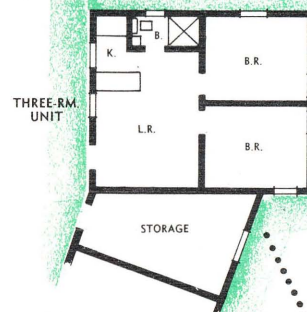
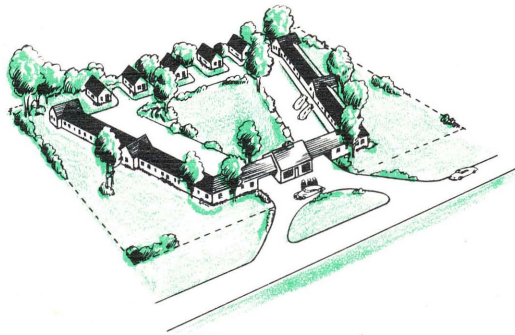


In the Overnight Business...

You will be dealing with the traveling public. Your customers will be people who are moving from one destination to another; arriving today and leaving tomorrow. They may not all be vacation-bound, but all of them will want a good night's rest. To get their business, it will be advisable to spend more thought and money on providing them with clean, comfortable and restful accommodations than entertainment and diversion. Cabins or courts? Many considerations will influence this decision. Sites of limited area, in or on the edge of town, intended for year-around operation and expecting a variety of transient patrons may favor the court style of development. More spacious sites in woodsy settings, for a warm weather operating season and a high percentage of vacation patrons may be better suited to the cabin group

and Buildings

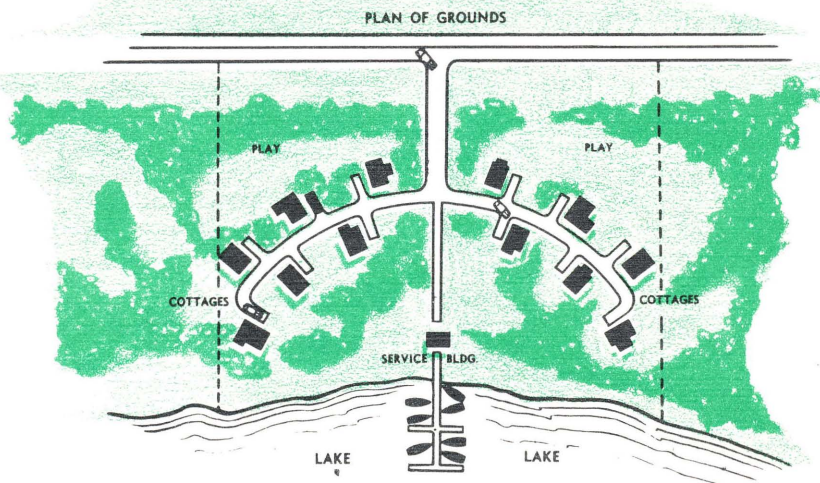
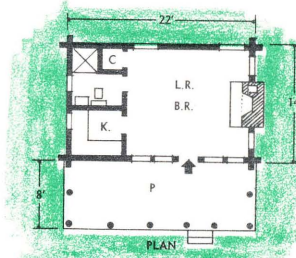
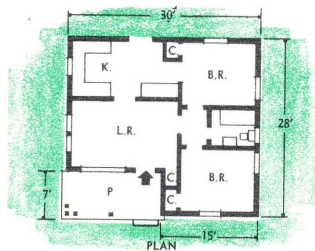
MOTOR COURTS



arrangement. Introduce your cabins or court to the prospective customers by a single well designed sign. Most of your customers will be motorists. Do not offend them by stringing numerous cheap, gaudy signs along the highway for miles to disfigure the scenery that they came to enjoy. One simple, fresh appearing sign of few words, that can be easily and completely read from automobiles moving at normal traveling speed, will command attention. The last few hundred feet from your entrance sign is the critical distance. Within that short distance, the new customer must decide whether to stop or drive on. Here is where landscaping, building and grounds design, upkeep, the entrance drive, day and night legibility of your sign and night lighting of the grounds pay for their cost.

• Planning the Site

COTTAGES



The cottage is a home away from home where the cares of life can be forgotten and the joys of living renewed.

Choose a site that nature has beautified, and disturb its naturalness as little as possible. Use building materials and a design that fit harmoniously into the natural character of the landscape. Invite the outdoors in through wide windows and a roomy, screened porch. Provide a generous living room with sturdy comfortable furniture and a fireplace, if possible, for evening cheer and warmth. Have the kitchen small but convenient and the bedrooms not large but airy.

Cottages should not be crowded close together. Space for outdoor living and play give the cottage its strongest appeal and make of it a place where tired minds and bodies can find relaxation and refreshment, where vigorous youth can find wholesome, active enjoyment.

and Buildings



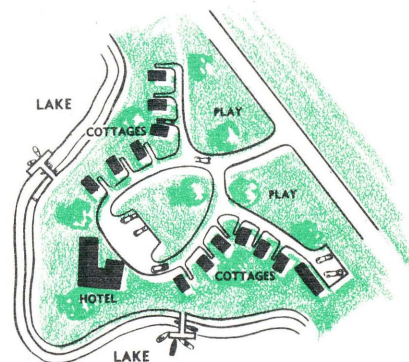
On a Bay

An attractive natural setting of woods and water is the basic requirement for a Michigan resort site, but its actual business drawing appeal will depend considerably on how well the site has been planned and developed. Good sites can be depreciated by improper development, but almost any site can be enhanced by suitable improvement.



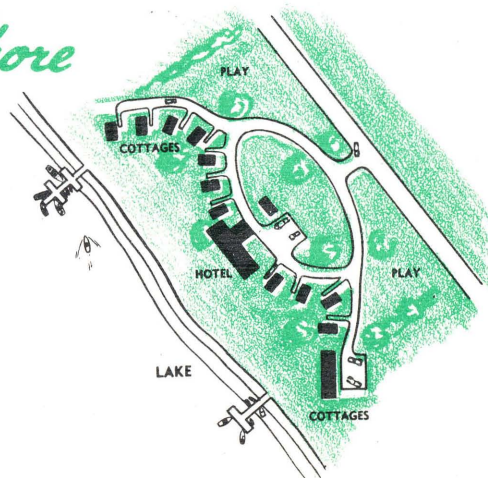
On a Point

There is no standard plan for a resort. Each resort venture must be planned to take advantage of its particular location and the natural features of the site. This requires careful consideration of the design and placement of the buildings as well as the proper location of drives, service and activity areas on the tract.



On a Straight Shore

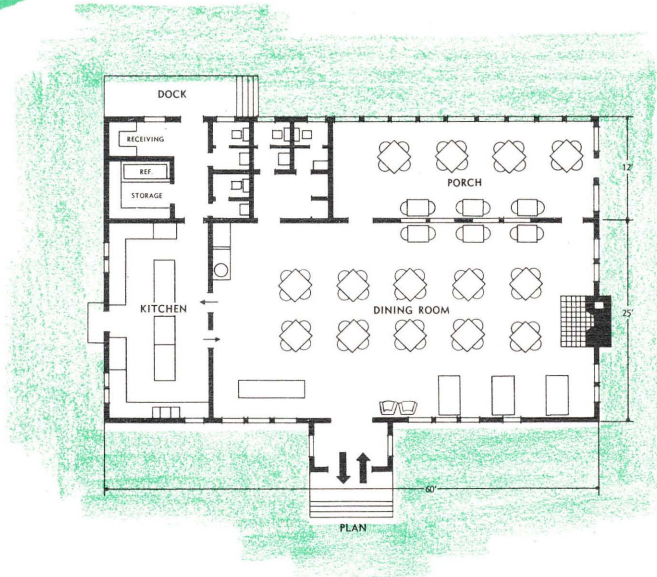
Many Michigan resorts cater particularly to the lake or stream fishermen. Some specialize in providing the restful environment that is appreciated by guests beyond middle age. Others offer outdoor activities that appeal to family groups and young people. Beyond all else, however, good food, attractive surroundings and comfortable lodging facilities are still the most dependable means of bringing guests back season after season.



RESORTS

• Planning the Site

FOOD SERVICE



Operation of a food service unit is an important business—important to the operator as a means of earning a living, but important too, because good food is a very essential part of recreation for the vacationist.

Careful consideration needs to be given to the type of establishment to be operated. Camp, lodge, cafeteria, grill, tearoom, lunch room, restaurant or resort dining room are examples of the types at present operating in the state. The type is not an isolated consideration, but is tied up with other items such as location, capital required, kind and number of workers needed, layout, equipment, furnishings, etc. The type is, however, the first consideration because it largely determines other important factors.

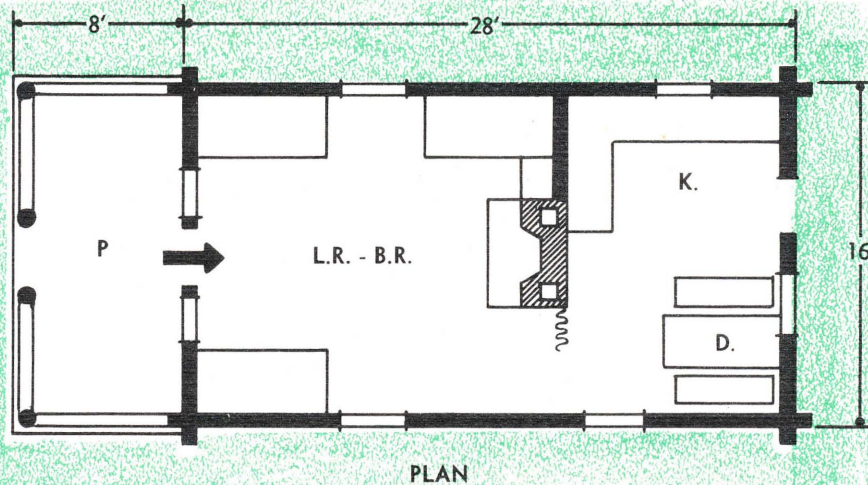
The layout for an average food serving unit usually requires sections for cooking, baking, salad preparation, dishwashing, scullery work, supply storage, refrigeration, laundry, serving equipment and linen storage, and an office. The space available—its shape and size—too often determines the layout. The layout and the relation of its parts are best made on a functional basis for the work to be done. To save time and expense, the desirable layout provides for the easy movement of food from storage through preparation to service.

There are many aspects of food service which must be given careful and constant attention. Buying, storage and storeroom control, menu making and recipes, food preparation and service, cleaning and sanitation, training of workers, use and care of equipment, management problems and office records suggest the various fields in which problems usually arise.

and Buildings



SPORTSMAN'S CABIN



The hunting or fishing cabin is the oldest type of recreation structure. It requires isolation and seclusion and must be located either in good hunting territory, or near good fishing, or both. This will place it back in the woods, remote from other habitation and usually on a road that is passable, but not good enough to invite much other travel. Logs cut on the site or nearby and stone found in the vicinity are the building materials most commonly used.

Build the hunting and fishing cabin in rugged, rustic style and for rough use. Omit refinement, but not comfort. Roomy double-deck bunks for six or eight suit the needs of most hunting or fishing parties. Have the pump inside, unless there is a good spring handy, and set the privy back in the brush. For summer use, a screened porch is needed, and for deer hunting a wood-burning heater may be wanted in addition to the fireplace. There will be a lot of hearty eating in a fishing or hunting cabin, so have the cooking facilities handy and suitable for man-made meal production. Wood and water are two things you won't want to carry very far, so choose the cabin location with that in mind.



• *Related Businesses*

The operators of courts, cabins, cottages and resorts quite commonly have some additional enterprise or occupation either to help attract patronage for the main business or provide more income.

These related activities are in many instances carried on in close association with the main business during the usual "open season." For example, an operator of a motor court or group of overnight cabins might install a gasoline filling station, car washing and greasing service. The owner of a group of rental cottages on a lake shore might have boats for rent, bait for sale and perhaps a guide service for fishermen.

At resorts which are located near interesting scenic or historic features, a sightseeing service may pay well. The amusement enterprises offer a number of possibilities; a bowling alley, golf course, archery range, shooting gallery, skeet and trap shooting, or a movie theater, tavern or dance hall, — depending on the type of resort that is being conducted.

Others that fit in well in some situations are riding stables, boat liverys renting canoes, boats, outboard motors and possibly even speedboats or sailboats with skilled operators. The sale of souvenirs and vacationer's supplies, or hunting, fishing and other sports equipment are other possibilities. Launch trips, deep lake trolling or servicing duck, bird, deer or bobcat hunting, ice fishing and winter sports parties are becoming more common. Some of the less rugged operators seem to prefer to operate a grocery store, property rental service or cottage and cabin construction and sales.

In some instances, the related business is not so closely associated with the main enterprise and may be chiefly for the purpose of occupying the operator's time and ability during the "closed season." Trapping for furs, bounty hunting, working in the woods, mines or local industries are examples. Cutting and delivering cabin logs or fireplace wood, getting out ties, posts, poles, pulpwood, chemical wood, excelsior bolts, mine props, rustic fencing material, gathering and shipping forest greens or moss, cutting and shipping Christmas trees or serving as watcher, repair and maintenance man for private owners of cottages, hunting and fishing camps, or building fireplaces, installing wells and septic tanks are good active labor jobs.

Handicraft work presents many interesting opportunities to those who have an aptitude for making rustic furniture, fragrant pine and balsam pillows, Indian dolls, baskets, blankets, rugs, drapes and other trinkets for cottage and cabin decoration and furnishing. Other handicraft products requiring hobby interest and skill are the construction of rowboats, duck boats and canoes, snowshoes, skis and toboggans, bows and arrows, ice fishing shanties and equipment, trout flies and fishing rods. Hand-made articles of this nature, if skillfully and honestly made from local materials, are readily salable to tourist and resort customers.



• Regulations-Obligations

Operating a business that serves the public places the proprietor under an obligation to comply with those laws and regulations which affect the conduct of his business and the welfare of his customers. Consult the "Source of Detailed Information" indicated below, regarding the requirements of those particular laws or obligations that may apply to your business.

REGULATIONS OR OBLIGATIONS	WHEN APPLICABLE	SOURCE OF DETAILED INFORMATION
3% Retail Sales Tax	When tangible personal property is sold at retail	Michigan Department of Revenue 200 Tussing Building Lansing, Michigan
Unemployment Compensation Tax	Eight (8) or more employees work some part of 20 different weeks out of any one calendar year, or longer	Michigan Unemployment Compensation Commission Detroit, Michigan
Federal Income Tax (Withholding)	Employee must earn enough to be subject to withholding	Collector of Internal Revenue Detroit, Michigan
Social Security Tax (Old Age Benefit)	Must deduct from all employees' wages	Collector of Internal Revenue Detroit, Michigan
Children's Camp License and Inspection	When children under 17 years of age are accepted for board and care apart from their parents, relatives or legal guardians	State Department of Social Welfare Lansing 4, Michigan
*Workmen's Compensation Insurance	When employing eight or more persons (Obtainable with less than eight)	Local Insurance Agency
*Public Liability Insurance	Protects operator from losses in injury claims	Local Insurance Agency
*Fire and Extended Coverage	Protects against fire, explosion, wind, and others	Local Insurance Agency
Sanitation	Food handling, water supply, dish washing, garbage and sewage disposal, bathing beaches	City, Township, or County Department of Health; or Michigan Department of Health Lansing 4, Michigan
Liquor License	Any establishment selling beer or other alcoholic beverages	Michigan Liquor Control Commission, Lansing, Michigan
Fire Safety	All cabins, cottages, hotels, resorts, restaurants, filling stations, etc.	Chief, Fire Bureau, State Police Headquarters East Lansing, Michigan
Trailer Coach Park	To all camps having 3 or more trailers	Michigan Department of Health Lansing 4, Michigan
Highways and Driveways	When driveway is to open into any road or trunkline	County Highway Commission or State Highway Department Lansing, Michigan
Hotels and Lodging Houses	All those providing public lodging	Bureau of Labor and Industry State Office Building Lansing, Michigan
Zoning Ordinances or Building Codes	May be enacted by cities, villages, townships, or counties	City, village, township, or county clerk.

*Recommended to most operators.



• Costs and Returns

Dollars and common sense are as important in the tourist and resort business as any other business venture. How long you will be the proprietor of any tourist and resort business that you start, will depend on whether the business costs and returns balance out black or red under actual operation.

The amount of money to be invested in land, buildings, and equipment, the annual fixed and operating expenses and the probable income will all need to be carefully estimated and checked. Prospective operators must do this for themselves since no dependable examples can be given because the conditions vary so widely for different locations, types of business and individual operators.

Annual expenses are of two kinds—fixed and operating. The annual fixed expenses chargeable to buildings and equipment ordinarily run from 15 to 25 percent of the investment in those facilities. Operating expenses will depend on the nature of the business. For tourist courts, these expenses have been found to average about 40 to 50 percent of the total income.

Borrowing should be undertaken with caution. Your own funds should provide for at least half of the total cost of the land, buildings, equipment and furnishings plus the expense of operating through the critical period before the business begins to pay its own way.

Amount of gross income will depend on patronage and rates. Some businesses may be organized to include more than a single enterprise. Generally speaking, those having several different enterprises and a patronage which justifies operating longer than the summer season have a better chance of financial success than a small business that operates only a few months each year. Such related enterprises as cottage rental, grocery store and boat livery may increase the gross income and profit possibilities. Ways of extending the season include catering to commercial travelers, fishermen, hunters, or winter sports enthusiasts.

To assist you in making your own calculations, the following table has been prepared:

ESTIMATED ANNUAL OPERATING STATEMENT

Year 19____

		Total Investment \$_____			
<i>Fixed Expenses:</i>				<i>Operating Expenses:</i>	
Taxes	\$ _____			Wages	\$ _____
Insurance	_____			Supplies	_____
Repairs	_____			Laundry and Cleaning	_____
Interest Paid	_____			Printing and Advertising	_____
Depreciation	_____			Telephone and Telegraph	_____
Total	\$ _____			Heat, Light, Water	_____
				Other (_____)	_____
				Total	\$ _____
Income:		Room Sales (_____) x (_____)	\$ _____		
		Food Sales (_____) x (_____)	\$ _____		
		_____ (_____)	\$ _____		
		_____ (_____)	\$ _____		
		Gross Income		\$ _____	
Summary:		Gross Income	\$ _____		
		Less: Cost of Goods Sold	\$ _____		
		Less Total Expenses	\$ _____		
		Gross Profit	\$ _____		
		Net Profit	\$ _____		



• Personal Qualifications

In order to size up your personal qualifications for doing business with the tourist and resort trade, it is suggested that you compare yourself with the average successful operator.

A companionable disposition and a desire to provide for the needs, comfort and enjoyment of his customers are essential characteristics of the successful operator. He enjoys meeting people and dealing with the public. Many Michigan resort operators are serving second and third generations among their guests. Their guests come back year after year because they like the place and feel a strong good will towards the operator.

Much of your success will depend on your knowledge of the business. If you don't have enough experience to feel that you can go ahead safely on your own, then arrange to work for an operator of a well-managed establishment to absorb as much of the "know-how" as you can. If you start operating your own business without previous experience, you are beginning under a handicap. This handicap may be partly overcome if you are strong on other qualifications, however.

The good business manager likes responsibility and is able to develop a well organized enterprise. His finances are efficiently managed so that payrolls are met on time and expenses for supplies, taxes, insurance, interest and operating costs are promptly paid.

Good financial management is dependent on adequate bookkeeping and accounting. In many small businesses, the operator keeps these accounts himself.

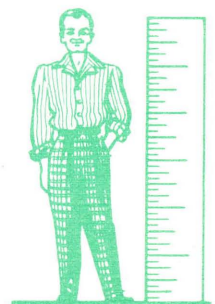
The successful operator has to be able to boss himself as well as his employees. He must have self-discipline, imagination, energy, initiative, and be willing to work long hours.

Ability to do simple repair work like fixing a faucet or light switch, or odd jobs of carpentry, painting and equipment repair is important to keep down operating expenses and get things done without delay.

High standards of cleanliness, good taste and good order are important. The good operator keeps his buildings and grounds clean, neat and orderly. Sanitary regulations are observed to the letter. Dishes, bed linen, plumbing fixtures, furnishings and equipment are always clean and sanitary.

The successful operator feels a sense of responsibility to his community. He is proud of the recreational resources of Michigan and those that his community has to offer. He will strive to make his business an asset to the community and a contribution to the happiness and well-being of his patrons.

Good relationships with its patronage help most of all to insure the continued success of any business.



• Comments of



"Experience Is a Good Teacher." The comments quoted below were selected from the statements of several hundred successful operators of overnight cabins, rental cottages and resorts in

Overnight Cabins

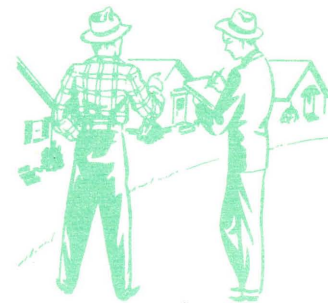
- Good cabins in the right location will give a good income, but I think the operating season should be more than three months.
- Locate near the edge of town on main highway but not too close to the road, on high well drained ground near water, if possible, but away from noise, dust or bad odors. Have some trees on your location and landscape suitably later. Insulate the cabins and furnish them comfortably and attractively.
- I would plan the final layout before turning the first spade of dirt so that the developed site will eventually appear like a small colony of friendly homes.
- Equip your cabins with the best beds obtainable and furnish fresh clean linen. Patrons will go away satisfied and advertise your cabins if they have had a good night's rest.
- Landscaping and outside appearance sells the cabins from the roadside. Friendliness, inside appearance, cleanliness and comfort fill the cabins with paying guests.
- Competition is good as groups of cabins become stopping places. However, they also become shopping places for price, but as long as my grounds look better and my cabins are better, I'll get the better class of trade.
- We have had 16 years experience in the cabin business. It is not as easy as it appears from the outside.

Rental Cottages

- Our cottages are just a sideline as I have only three. I intend to build more cottages so I can devote full time to the business.
- Select a tract of land, not less than 10 acres, on a good fishing and swimming lake. The land should be high, dry and well shaded. A cottage set in the open sun stays empty.
- I have been in the cottage rental business for 10 years. My cottages have electric stoves, electric refrigerators, hot and cold running water, shower bath, inside flush toilets and inner-spring mattresses. The inside walls are finished in knotty pine. Floors are inlaid linoleum. Everything is furnished including laundry facilities.
- Your grounds, your cottages, your help and you yourself must always be clean. These are the first things an operator must learn.
- You must like people, be pleasant and congenial. The same goes for your wife. She is a good half of a successful resort business. Start with a few cottages and then build more as your business grows. About eight or ten cottages are all that a man and wife can take care of and they must give all their time to it and always be right there during the open season.
- Don't go into debt. Build only what you can pay for until income permits expanding.
- The demand is for better accommodations than those of 5 years ago; clean, modern cottages with running water and flush toilets, comfortably furnished so that the average person will be well satisfied and willing to come again instead of hunting for something better.

Present Operators

this state. Their advice is offered here as "the voice of experience" speaking to those who are planning to establish themselves in a similar tourist service business.



Resorts

- In choosing a location for a resort, look for good swimming conditions; a dry, fairly shady site; accessible by auto and reasonably near train or bus service; not too far from golf, dancing, movies and close to sources of supplies and operating necessities.
- Good service, good food and personnel with a pleasant attitude are the most important items. Meals and lodging alone are not enough; offer your guests plenty of activities and amusements. A liberal advertising budget is the key to your success for the first few critical seasons.
- We have been in business since 1909. Built a nice dining room and large living room with fireplace. Our cabins have a fireplace and accommodate two to four persons. This is a good set-up.
- You must understand about plumbing, carpentry, painting and electrical repair work. Be friendly and honest, willing to do for and serve your guests as you would want to be served. Know something about advertising. Belong to associations that advance the tourist business.
- Employ enough help to give each one a rest period every day and an evening off once a week, otherwise the strain of a busy season can ruin a good organization and reflect back to the guests.
- Build with an eye to maintenance, foundations and roofs that won't sag, floors that will stand tracking of sand. A separate recreation building is desirable to keep as much noise as possible out of the hotel building. Build cottages to accommodate two independent parties or a family group of five or six persons; put modest-size sleeping rooms in the hotel building, some with hot and cold water only, and some with full bathroom equipment; use a comfortable cot to accommodate three persons per room when desired. Insulate all buildings and install plumbing so the system can be used or drained in winter.
- A resort must have attractions for all members of family groups. There is no such thing as a standard or ideal plan, size or cost for a resort, since it should be designed to take advantage of its location and the distinctive natural features of the site. A resort has to be designed and operated according to the kind of patronage that may logically be expected. There are distinctly different price classes of resort patronage. In going into the resort business, it is therefore necessary to have in mind the price class one wishes to serve. This does not necessarily have any relation to the size of the resort. However, if attractions such as swimming pool, golf course, riding stable, etc. are provided, it is necessary to have accommodations for enough guests to warrant the investment in such recreational facilities.

• Ask Yourself...



In going into the tourist and resort business you will be investing **YOUR** time, **YOUR** money and **YOUR** effort. You will therefore be deeply interested in the possibilities of your success or failure. You will want to fully test both possibilities for yourself by giving your own answers to such questions as those listed below.

Am I certain that I will really enjoy operating the kind of tourist or resort service business that I am planning to start? Will my wife like this kind of business? Will she be satisfied to live under the conditions that this business requires?

What reasons can I list for choosing the location I have selected for my business? Are these reasons based on significant facts, a hunch or what?

Do I have enough experience in this kind of business to operate it successfully from the start? Would it be wiser for me to gain more experience in this kind of business by working for other successful operators before starting my own business?

Do I have enough money to set up my own business and operate until it is earning a reasonable net income? If not, then where can I borrow the additional amount of money that I will need? Would it be safe to start my business with that amount of borrowed money?

How large an income will I need to provide a satisfactory living for my family? Will the business I am planning to start provide that amount of income above expenses? If not, then what else can I do to obtain that amount of income? Will this other work or business fit in well with my tourist or resort service business?

Have I really thought my whole program through carefully in all details? Do the blueprint plans for my buildings and grounds seem sound and practicable? Does my banker think so? My contractor? An experienced operator in the same kind of business?

Do I know where I can obtain the materials and equipment I will need when I want them? Will the cost of these items actually be within my estimates? Have I allowed enough in my estimates to cover any extra or unforeseen costs?

Am I fully informed regarding the laws and regulations that my business must comply with and my responsibilities in meeting them?

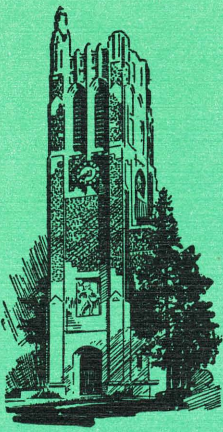
Am I a good business manager? Am I willing to work hard and stay on the job during the business season?

Will I be able to find and hire competent help if I need it? Will I be able to supervise the help I may hire and get along with them satisfactorily?

Do I know enough about the recreation attractions and facilities of the region to help my customers find and enjoy them?

Do I like to meet and become acquainted with strangers? Do I like to wait on others and do things that will add to their comfort and pleasure?

Do I think that a tourist or resort business of my own will let me spend most of my time hunting and fishing?



How **MICHIGAN STATE COLLEGE** *can help you*

It may seem strange to many people that Michigan State College should undertake to serve the tourist and resort interests like it has been serving the farmers for years. To be honest, that idea seemed a bit strange to the College Administration when it was first proposed by the Michigan Tourist Council at a meeting in President John A. Hannah's office.

The first thing the College men said was, "We've never operated a resort, a group of rental cottages or even a boat livery. Just how do you think the College could help those who are in the tourist and resort business or think they want to start a business of that kind?"

To that question the Tourist Council men responded with, "Doesn't the College have staff members teaching hotel operation and others who are running the dormitories, dining rooms, cafeterias and grills that serve thousands of students and many smaller groups that come to the College Campus for meetings? Surely they have experience and information that would be helpful to those who are offering lodging and food service to the tourist and resort trade.

"Your agricultural engineering department makes plans for farm homes, barns and other buildings. They give advice on installing lighting, heating, water supply and sewage disposal systems. Can't their service be adapted to cabin, cottage and resort construction needs?

"What about landscape architecture? Certainly this would apply to resort buildings and grounds. And for larger tracts of resort woodlands the forestry department should be able to advise on protection and management.

"Wouldn't the home economics staff members, with their knowledge of home furnishing, meal planning and household management have a great deal to offer? And why couldn't the business administration department help with financial and business problems?"

The foregoing statements are a sample of the suggestions that pointed the way. On assurance of cooperation from the Tourist Council and the provision of funds by the State Legislature, Michigan State College is now organizing its facilities to serve the tourist and resort interests. Short courses can be offered at the College, bulletins are being prepared, extension specialists are meeting with groups and individual operators out in the state for discussion of their problems, and the county agricultural agents have accepted this service as a part of their program.

To make this new service handy for everyone, the county agricultural agent for your county will serve as the local representative of Michigan State College on tourist and resort service just like he does on farm service.

For further information, call on your County Agricultural Agent or write to Conservation Institute, Michigan State College, East Lansing, Michigan.

Issued June 1946
First Revision June 1947

Cooperative extension work in agriculture and home economics.
Michigan State College and the United States Department of Agriculture cooperating. Michigan State College, Extension Service, R. J. Baldwin, director, East Lansing. Printed and distributed under acts of Congress of May 8 and June 30, 1914.



7.5M