



Setting Up and Running a Successful B&B

Packed with advice and tips on how to
make money from a B&B that guests
will want to revisit time after time



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Founder of the 'Bed & Breakfast Academy'

This is an excerpt from Lawpack's *Starting Up and Running a B&B* guide.

To find out more about starting and running a successful bed and breakfast, [click here](#).

Free downloads for B&B owners are available to purchasers of this book including:

- Invoice template
- B&B guest registration form
- B&B booking form
- Example accessibility statement
- Financial projections spreadsheet

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Introduction

Many people dream of running their own B&B. It's a great opportunity:

- to escape the rat race;
- to run your own business and make money from your home;
- to give you the flexibility to live your life on your own terms;
- the potential to create a good income and the chance to meet lots of interesting new people.

But maybe you're unsure about what it all entails...

- Have you got the right skills, experience and personality?
- What do you have to consider from a legal perspective?

And will you actually make any money? There are lots of things you need to consider before setting up your own B&B. This eBook has pulled all that information together in one place, to give you an easy reference guide to setting up your B&B, helping you to avoid mistakes that could prove expensive.

The order of chapters in the book follows the order in which I run my successful Bed & Breakfast Academy courses, which I find works well: chapters 1 to 10 focus on the issues surrounding setting up a B&B and getting the basics right. In chapters 11 to 16, I'll be looking at how to create a gold star customer service that will have guests returning again and again.

CHAPTER 2

Planning and research

The very first thing any prospective business owner should do is research their market. Is your business viable? Will it make any money? Is there a gap in the market locally? Are there specific markets that you can tap into?

Do some research, then do some more! The more research you do, the more chance you have of creating a successful B&B business that gives you a good income.

If you are buying an existing B&B you will still need to do your research. Speak to the existing owners and find out what the turnover (e.g. how much money they actually take in a year from guest bookings) is and how much they pay out in expenses (e.g. food, replacing bedding, utility bills). This will give you a good idea of how much you can expect to earn.

Also find out why they are selling the business. There is an increasing number of businesses being put up for sale or closing down because of the changes to fire regulations and quality standards. Existing owners may be faced with large bills to install new bathrooms or in-room sinks to maintain their existing rating, or wired smoke alarms and fire doors to comply with fire safety regulations, and they may decide the costs are not worth it. These needn't be a reason not to buy, but you need to be aware of them so you can factor in any additional costs. Please note that the measures that you need to take to comply with fire regulations will depend on your property.

Bear in mind that a B&B business is only as good as the person who runs it, so just because the previous owners have run a successful B&B doesn't guarantee that you'll be able to generate the same income. Also, if the B&B

is assessed under the Visit Britain, Visit Wales, Visit Scotland or the AA quality schemes, the rating will not be transferred to the new owners. You will need to be reassessed.

So even if you are buying an existing business, you still need to do your research!

Understand why you want to run a B&B

It's important to be clear on your personal objectives for running a B&B as this may have a significant impact on where you decide to set up your business, the style of B&B etc.

In some areas, no matter how fantastic your B&B is or how good you are at marketing, you will struggle to get high occupancy levels.

There are probably two reasons that people set up a B&B:

- To create a business which is a primary source of income
- To create a better lifestyle – the B&B creates a second income

If you are doing it to generate an income to replace existing jobs please remember that, unless you are buying an existing business, it will take time to get your business up and running and earning its way.

You will also probably have large expenses setting up the business – I spent about £20,000 putting in an en suite bathroom, improving the other en suite bathroom, decorating, buying furniture, linen, setting up websites and initial marketing costs.

So, unless you are buying an existing very successful B&B, you will need to ensure that you have enough money to live on – either savings or another job or business – until your business is running at full speed. You should bear in mind that it can take up to three years to get your business as full as you're able to get for the area you're in.

Knowing when your slow times are likely to be is essential. This allows you to plan for these times, ensuring that you have enough money saved up, create a clever marketing scheme to get people in at these times or plan to take a second job.

Many B&Bs tend to be seasonal and it really is very tempting when the money is rolling in in the summer months to spend, without saving enough for the winter months (of course if you're near a ski resort or have mostly business guests you may have year-round guests or have different slow times).

Where to go for help with your research

The very first thing you need to do is find out about the B&B market in the area you're hoping to start up in. Your first port of call is your local Visitor Information Centre (VIC).

A lot of information is very specific to the location: occupancy levels, the amount you can charge, the types of people that visit your area, so you'll need to find out the local information for yourself and not rely on national statistics.

The VIC will have statistics for occupancy. They will know why visitors come to an area and what they are looking for in accommodation. They should also be able to tell you about the types of people who come and visit you, gaps in the market and how much you can charge.

It is really useful to be able to speak to other B&B businesses in the area. This can be a bit of a minefield. When I tried to speak to local businesses I had variable success. Some people refused point blank to speak to me and others were very cagey.

However, since I've been in the business myself I've joined associations, such as our local tourist association, and our local farm holiday group and found some very friendly people who are willing to share information. I suggest you ask the people at the VIC for the names of people who will be helpful, or to let you know of any associations or networks in the area.

Contact Business Link, www.businesslink.gov.uk or your local tourism association and find out if there are any tourism business advisers in your area. They know the area inside out and will advise you on what and how to set up your business.

VisitBritain's website has lots of useful statistics and information www.visitbritain.org/ukindustry.

The internet is, of course, a fabulous place to get information. You can find out what your potential competition is doing and how much they are charging without having to speak to anyone.

And the very best research you can do in deciding how to set up your B&B is to actually stay at some B&Bs. Choose some that are a similar style and rating to the one that you hope to set up – preferably in the area in which you wish to have your business.

It's only by actually staying overnight that you can really get a feel for what's good and what's not. For example, that dainty little sink might look good but it's really difficult to clean in or get the kettle under. The iron bed looks fantastic but you keep knocking your leg on it when you get into bed. You want to wash your face but there are no flannels, etc.

The questions you should ask

Why do visitors come to a certain area?

If you're in a tourist area, it may seem obvious to you why people stay at local B&Bs. However, you should be careful of making assumptions. I visited a B&B in a very rural part of the Peak District, which I assumed catered mostly to the walking market. However, the majority of their guests were actually business people who worked at a local company during the week and went home at weekends.

This B&B had researched their market, and had ensured that their business catered to business visitors by providing wireless internet access, writing desks with adequate lighting, good quality showers, simple evening meals and early breakfast times. Had they not done this they would have considerably reduced their income.

What do visitors do when they come away?

Knowing this will help you design your B&B appropriately, get your pricing right and target your market. Again, don't make assumptions based on what you think people do or what you would do yourself.

Things people could potentially do:

- Walking (serious day-long ramblers or two- to three-hour hikes)
- Visit local attractions such as museums
- Enjoy the countryside
- Shopping
- Visit the beach
- Fishing
- Touring on cycles
- Mountain biking
- Visit gardens
- Visit National Trust properties and gardens
- Visit towns
- Eat at nice restaurants
- Visit relatives
- Visit wildlife parks
- Attend weddings

I made a wrong assumption when I set up my own B&B. I assumed living in an area known for its walks that I would attract a lot of serious ramblers, so spent a lot of money advertising with the Ramblers' Association. However, I'm not actually located on any major walks and I'm also quite expensive, and have never had one enquiry from that advertising!

Generally, serious ramblers just want a comfortable bed, bath and good home-cooked meal and they don't want to pay my sort of prices.

Luckily this wasn't too bad a mistake because I do attract lots of guests, but generally my guests want to be in the countryside, close to local market towns to explore and visit good quality restaurants. They do go walking but only two- to three-hour walks, combined with other activities. They want somewhere with a bit of luxury where they can relax and unwind at the end of the day.

I am also the only B&B within five miles of a famous mountain bike trail. I've only ever had one mountain biker stay and that was with his mum who wanted luxury. Generally speaking most mountain bikers don't care about luxurious accommodation. They just want a shower and bed at the end of the day.

If, for example, you are near a famous fishing area and you want to attract fisherman, you're likely to get single men or parties of men. So you'll need flexible accommodation that offers single or twin rooms rather than doubles. They'll want a place to store their fishing gear, maybe a wet room where they can leave their clothes to dry, somewhere to gut fish, a home-cooked evening meal or a local pub that serves food. And they probably aren't interested in designer furnishings or paying a lot.

Or maybe you could put packages together for anglers who come with their non-fishing wives. Whilst the husband is off fishing you could arrange a visit from a beauty therapist or transport to a local shopping centre.

You may think I'm generalising and typecasting a bit too much. There will always be exceptions to the rule and there are probably lots of female anglers out there and male anglers who love luxury, but when you're thinking about your target market you do have to generalise a bit.

Do be a bit careful about your target market. Just because you could attract a certain market doesn't mean you necessarily want them staying at your B&B. Remember that your B&B is also most likely to be your home and you need to feel comfortable with the guests who stay with you; for example, a lot of people come on my courses excited about the fact that they live near a wedding venue so they can attract lots of wedding guests. I'm generalising again but on the whole, wedding guests are not the ideal guests! They usually only want to stay one night on a Saturday, they want to turn up early to get showered and changed, they'll be out late and may be too hungover to make it on time for breakfast and then want a late checkout. Of course not every wedding guest is like this, but in my experience the scenario is very common. I get round it by having a minimum two-night stay policy.

How old are the people that come to the area at different times of the year?

Knowing how old your guests are and at what time of the year they holiday will help you plan your accommodation and marketing appropriately.

Generally, my guests are internet-savvy in their 30s to 50s, with plenty of spare cash. They come away to relax. They like to go to nice restaurants, eat a good breakfast, go for two-hour walks and visit National Trust Properties. So on my website you'll see a description of a relaxing place, with descriptions of good restaurants and some local walks.

If you live in a seaside area you may find your two main markets are people with young families and elderly people. You may tend to get young families in the school holidays and elderly people in the winter.

Many potential B&B owners are worried about limiting their market to certain groups of people. I don't take children under the age of 14, which of course limits my market in that I don't get families coming to stay. However, I have found that I attract people who want a restful weekend away, who wouldn't go to a B&B that accepted children. During the school holidays I fill up with teachers who don't want to face someone else's children at breakfast.

So hopefully you can begin to see why it's important to find out what people do when they come to the area, how old they are and how much money they're prepared to spend.

Doing a survey

Quizzing friends, colleagues and relatives is an excellent way to help you with your market research when setting up your B&B. It can help you test out your ideas and see if you need to tweak them.

I was quite surprised by some of my survey results and did adjust the way I set up my B&B as a result.

When you're selecting people to survey, try and get a good cross-section of people, age groups and price brackets.

These days it's easy to set up and send out a simple survey online. Take a look at www.surveymonkey.com.

Gaps in the market

If there are already lots of B&Bs in your area you need to ensure there will be enough clientele for you. To succeed in the market you will need to do things differently or better than the competition!

In my area, for example, there is a shortage of very high quality accommodation. More and more people have more leisure time and more money and are taking short breaks away.

There are also very few local B&Bs that are children or pet friendly. So if you have children or pets (or even if you don't), you may want to consider designing your B&B to meet the requirements of these groups of people. You could offer babysitting, cots, high chairs, children's toys and evening meals with children having an earlier tea.

You could offer pet-sitting when guests go out. Some people may have pets they don't want to leave in the car, especially in hot weather.

VisitBritain offers a number of schemes that you can join in addition to the basic star rating. These include 'Walkers and Cyclists Welcome', 'Families Welcome' and 'Pets Welcome'. You have to pay to join these schemes and to meet the criteria they set. They may be useful for you if you particularly want to appeal to any of these markets.

Other potential markets include the gay and disabled markets. Traditionally gay couples tend to have more money to spend. And, because of the shortage of good quality accessible accommodation, disabled guests tend to provide excellent repeat business.

There are hundreds of different target markets out there. If you find a gap in the market locally you will potentially generate more business than your competitors.

As well as gaps in the market you might want to consider piggy backing on someone else's marketing. For example, if there is a very successful five-star boutique restaurant with rooms locally that is the only one of its quality in the area you may be able to benefit by setting up a similar type of property to take their overflow guests.