

CULTURE HOTEL

Description of the Business Idea

We will give every motivated young person an opportunity to pursue their dreams and become admired creators by helping them to become more employable.

Inspired by creative incubators and artist residencies we will combine and develop their methods further for creating a novel kind of organization – Culture Hotel. It will regularly organize and host learning-programs (workshops + networking) for young people with world-class masters. It will open them doors to become appreciated specialists – we will provide them with sophisticated skills and elite contacts necessary in pursuing their careers. Participants don't have to have previous university degrees but burning desire to learn and after graduating from the program they will be issued with a certificate of completed studies.

In addition Culture Hotel will operate as a sophisticated boutique hotel. It will be the place where influential thinkers and innovators want to meet to pioneer novel ideas in relaxing and inspiring atmosphere. Also it gives young people attending the learning-program opportunity to meet them.

"I very much like the idea. The plan is well conceived and the name Culture Hotel is intriguing and strong. The vision is clear and the high profile nature of the plans could attract funding from a variety of sources. I started to feel my own personal investment in the idea (indicative of a good strategy and great idea)! The combination of training facilities, space for ideas/ creative entrepreneurship and also a boutique hotel would need testing of course – but it just might work."

- Peter Thorton, expert on culture and creative industries.



Market Situation

According to European Commission MEMO from 8 November 2013 “EU measures to tackle youth unemployment” 5.6 million young people were unemployed in the EU-28 area in September 2013. This represents an unemployment rate of 23.5% (24.1% in the euro area). More than one in five young Europeans on the labour market cannot find a job; in Greece and Spain it is one in two. (European Commission 2013)

7.5 million young Europeans between 15 and 24 are not employed, not in education and not in training (NEETs). In the last four years (2009 - 2013), the overall employment rates for young people fell three times more than for adults. (European Commission 2013)

The gap between the countries with the highest and the lowest jobless rates for young people remains extremely high. There is a gap of nearly 50 percentage points between the Member State with the lowest rate of youth unemployment (Germany at 7.7% in September 2013) and with the Member State with the highest rate, Greece (57.3% in July 2013). Greece is followed by Spain (56.5%), Croatia (52.8%), Cyprus (43.9%), Italy (40.4%), and Portugal (36.9%). (European Commission 2013)

The potential of job mobility to help tackle youth unemployment could be further developed: the workforce in employment in the EU is around 216.1 million persons of which only 7.5 million (3.1%) are working in another Member State. EU surveys show that young people are the group most likely to be mobile. (European Commission 2013)

Culture Hotel Mission

We will give motivated young people with various backgrounds robust opportunity to pursue their dreams and enhance their creative careers.

Culture Hotel will regularly organize and host learning-programs (workshops + networking) for young people with world-class masters. It will open them doors to become appreciated specialist – we will provide them with sophisticated skills and elite contacts necessary in pursuing their careers.

Culture Hotel welcomes all motivated young people - they don't have to have previous university degrees but burning desire to learn and after graduating from the program they will be issued with a certificate of completed studies.

Culture Hotel Vision

Within five years Culture Hotel is a well-established brand, highly valued organization by professionals in culture sector and most preferred self-development platform by young people in the EU.

Culture Hotel will be an institution that is known in the field for providing high quality education and attracting creative and motivated young people from all over the EU to take part in the program. Our vision is that our graduates are competitive in the creative sector and are the most preferred choice as a workforce among cultural and creative organisations.

Culture Hotel Values

Creative

- We believe every motivated young person can be creative.
- We provide novel self-development methods nurtured by creativeness.

We believe that creativity is something that comes from within and with the right techniques and people it can be brought to its highest possible performance level. For achieving this we put creativity as a primary component of the whole program, we address the phenomenon from a new and creative angle.

Open

- We welcome all motivated young persons.
- We believe that open and friendly environment is crucial for learning.

Culture Hotel welcomes all motivated young people - they don't have to have previous university degrees but burning desire to learn and after graduating from the program they will be issued with a certificate of completed studies. There is a significant amount of emphasis put on networking and communication in our program.

Professional

- We engage with mentors highly regarded in their professional fields.
- We cherish high quality in everything we do.

For high quality and valuable results we offer only high quality services. The program from the content's perspective is carefully and specifically put together and thought through. Also the delivery is done by professionals in the specific fields.

Culture Hotel Strategic Goals for the Next Five Years

In principle we have two major strategic goals regarding Culture Hotel - to run innovative learning-program to make young people more employable as well as to become highly appreciated marvel holiday provider for tourists with exclusive requests. We have created Business Model Canvases for both goals, which can be found in relevant paragraph.

In five years Culture Hotel is a well-established and highly valued organization and brand within EU, which assures young people with various backgrounds have access and knowledge to successfully operate as valued experts of the field as well as develop it further. We have at least one graduate success story, which has been published and covered in different magazines across EU and has been portrayed in TV. Professional from different creative sectors are approaching us to discuss different ways of cooperation for next learning-program rounds.

We will regularly organize and host one month long learning-programs five times per year in cooperation with world-class creators like Wes Anderson and Vivienne Westwood as well as help to nurture novel kind of creative business ideas, for example with Richard Branson. We already have had ten rounds of successful learning-programs with young people from almost every EU member state. The competition level for applying to our program is high - at least 10 people for one position.

It all supports the image of a place where great things are happening. Culture Hotel is a place where for example Michael Keaton, Stephen Hawking and Quentin Tarantino are regular guests, which also creates spill over effect of growing tourism in the area opening us new funding opportunities. New innovative business ideas being born in Culture Hotel within creative sector invite well-established pioneers and innovators to also participate and engage with the program and hotel further.

Certificate issued by Culture Hotel works as a strong reference for young graduates making it easier for them to find relevant jobs in the future. Average employment rate after graduating our program is high - more than half of participants are able to find jobs or become successfully self-employed within three months.

Value Proposition

- Make young motivated people more employable
- Culture hub for visionaries and game changers
- High-end boutique hotel

We give young motivated people unique access for becoming more employable, while enriching culture scene with innovation and serving tourists with very exclusive requests.

Our value proposition holds qualitative values by promising brand/status, exclusivity/uniqueness and access.

According to 5 types of generic strategies by H.W. Volberda (Tšukrejeva 2015) we are using focused differentiation, meaning our competitive advantage is uniqueness and competitive scope relatively narrow target. When we look at three types of differentiation strategies by Kaplan and Norton (Tšukrejeva 2015) we use product leadership strategy because we develop and offer our clients new and innovative services.

We have also mapped our value proposition using Alex Osterwalder's Value Proposition Canvas. The Value Proposition Canvas has two sides - with the Customer Profile we clarify our customer understanding and with the Value Map we describe how we intend to create value for that customer. (Osterwalder et al 2014)

The Value (Proposition) Map describes the features of a specific value proposition in your business model in a more structured and detailed way. It breaks your value proposition down into products and services, pain relievers, and gain creators:

- products and services - this is a list of all the Products and Services a value proposition is built around;
- pain relievers - describes how our products and services alleviate customer pains;
- gain creators - describes how our products and services create customer gains. (Osterwalder et al 2014)

The Customer (Segment) Profile describes a specific customer segment in our business model in a more structured and detailed way. It breaks the customer down into its jobs, pains, and gains:

- customer jobs - describes what customers are trying to get done in their work and in their lives, as expressed in their own words;
- pains - describes bad outcomes, risks, and obstacles related to customer jobs;
- gains - describes the outcomes customers want to achieve or the concrete benefits they are seeking. (Osterwalder et al 2014)

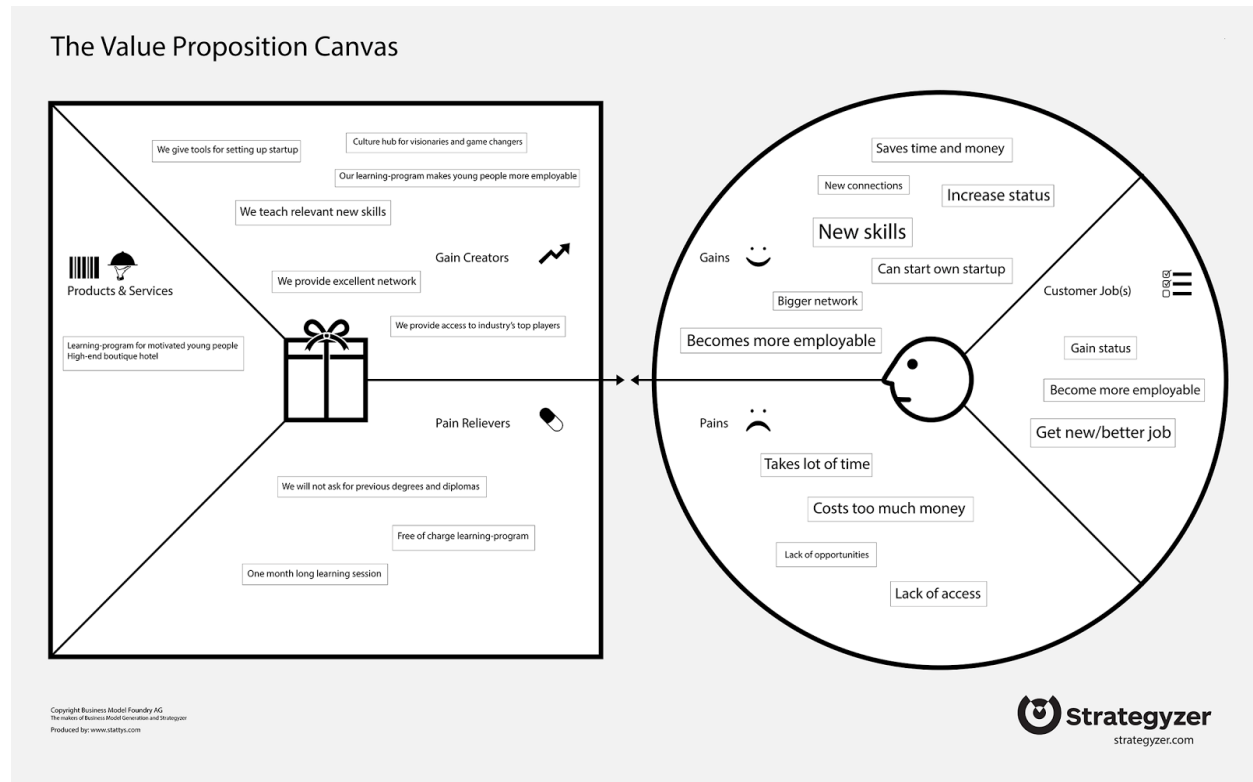


Figure 1. The Value Proposition Canvas

Value Curve

In our value curve (Chart 1) we have listed all the factors where Culture Hotel and our competitors compete in. All of these factors are important to us and resources of different nature are invested in them. All the factors are put into the scale of high/low, high being represented by the value of +5 and low by -5. The market average in this chart is marked with 0. This value curve is fully subjective and does not represent the statistical market situation.

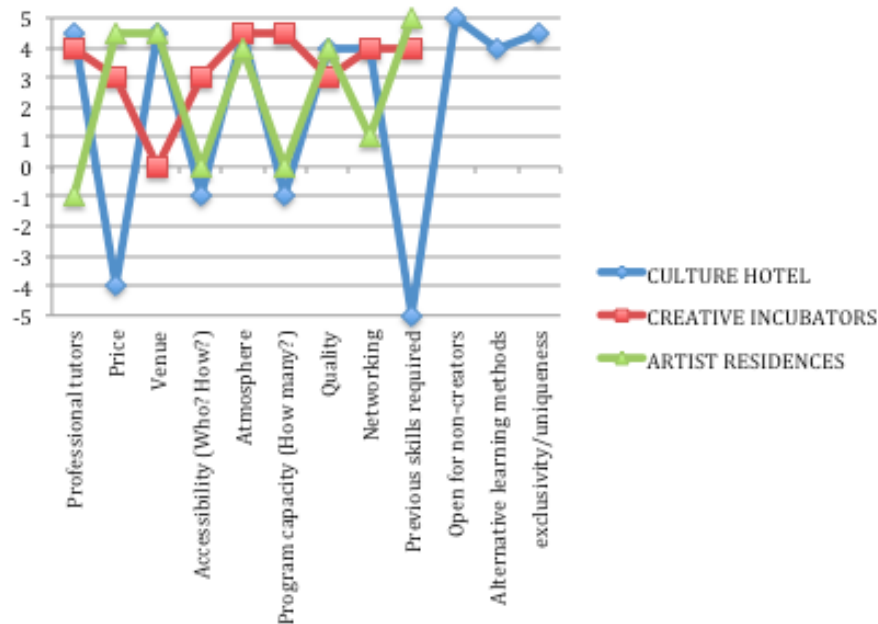


Chart 1. Blue Ocean Strategy Value Curve

Next we will open up the meanings behind the factors listed in the chart. First we will begin by the values that we think are shared both among us and our competitors:

- Professional tutors - the use professional and acknowledged tutors throughout the program.
- Price - participation price for the service consumers (in case of Culture Hotel both program participants and average hotel guests).
- Venue - the uniqueness of the venue, the compliance between the venue and the nature and aim of the program.
- Accessibility - is it limited who can participate in the program and also what are the requirements for consuming the service (forms, documents, age etc.)?
- Atmosphere - the compliance between the atmosphere and the nature and aim of the program.
- Program capacity - how many people can participate?
- Quality - the quality of different parts of the service.
- Networking - the amount of effort put into creating an atmosphere for networking. Is networking valued, is it something where effort is put into?
- Previous skills required - does the program require the existence of previous skills in a particular cultural field?

From the Blue Ocean Strategy's aspect we also have put down three values that in our opinion are focussed on only by our Culture Hotel:

- Open for non-creators - knowledge in some specific cultural field and previous diplomas are not a prerequisite for participating in our program.
- Alternative learning methods - our whole learning-program is based on alternative learning environment, methods and techniques, this is a strong value to us and something that we aim towards to.
- Exclusivity/uniqueness - as this idea is a further development of our main competitors and we are first in the market we value uniqueness and exclusivity in everything we do.

Currently the values in which we see competitive advantage the most are price, since our educational service is free of charge for the participants (which is also our primary action and service) and only the hotel guests have to pay for their rooms and services. Also the fact that our program does not put the need of previous skills and diplomas in a specific cultural field as a prerequisite for participating in the course (incubators' and residences' non-customers are attracted). And finally, above mentioned three values from the Blue Ocean Strategy's aspect.

Our main competitors

We see our main competitors being creative incubators and artist residencies.

Incubators

European Commission has set business incubation activities as a crucial instrument in conceiving and fostering competitive and self-sustainable SME's. In 2014 European Court of Auditors conducted an extensive audit of 49 incubators across EU to find out that audited institutions significantly underperform to the benchmarked criteria set by EU. Also, it is expected that incubation activity should be sustainable after the ERDF (European Regional Development Fund) co-financing comes to an end. The sustainability criterion is embedded in the project selection criteria. In line with the principle of sound financial management, the continuity of the operation should be ensured without full reliance on public financing. Most of surveyed incubators failed these criteria. (European Court of Auditors 2014)

An incubator provides primarily rental space for hosted companies, especially at an early stage of its business life cycle. In order to ensure financial viability, potential applicants are welcome to occupy the available space.

Ideally incubators cover a wide terrain when it comes to forming a startup. Also it provides coaching, mentoring and training service the same way Culture Hotel intends to, however content of educational program differs as incubators target business skills and Culture Hotel will be preoccupied with developing a wide range of creative assets associated with Creative Industries.

Artist Residencies

Artist-in-residency and creative residency programs are time limited and location specific support mechanism aimed to promote individual or group creativity. Most art/creative residencies induct their resident members through an application procedure, which is, either have national/regional age or generic restrictions or is open to all artists, with or without deadlines. Most often artists are requested to send in application, and additional documentation such as curriculum vitae, a motivation and if necessary a project

proposal and work examples. In some cases direct application is not allowed and somebody else must nominate the prospective resident. Each institute has its own policy of adjudication. Participation is planned a long time in advance, usually six months, sometimes years ahead.

Participating in an artist-in-residence program in most cases is not free. Some residency programs cover all costs, some even offer stipends, others don't cover any costs at all. In general residential art centers cover the costs for some part, which makes it necessary to find additional funding.

In comparison to majority of the artist-in-residency programs, Culture Hotel offers certain similarities: limited time residency, with all expenses paid, which puts it in the neighbourhood of about two dozen residency programmes in Europe, Culture Hotel however doesn't provide an individual artist studio for participants as studio arts is not its targeted area; and a few major differences: unlike all the other residency programs Culture Hotel offers educational programme, encourages team-work and provides assistance with business start-ups.

Customer Segments

Our customer service type is diversified, meaning our business model serves two unrelated customer segments with very different needs and problems.

Our first client group is highly motivated young people, who will participate in the learning-program. They are interested in a cultural genre and also in entrepreneurship. Their aim is to become more employable.

The second customer segment is tourists with very exclusive requests, who will be the guests at the boutique hotel. They search for high quality, unique experiences and are financially very well off. Second customer segment also include influential thinkers and innovators who want to meet to pioneer novel ideas in relaxing and inspiring atmosphere.

Our first and main client group is more specifically described in the Empathy Map section below.

Empathy Map

Following we will describe in more detail one of our customer segments - motivated young people who will attend in learning-program.

Anna is a young and energetic person living in Berlin, Germany. She lives alone and works as a bartender in a café in a district where all the creativity gathers - Kreuzberg. Her true aspiration is to establish her own design company and become a creative entrepreneur - she is very interested in graphic design but she does not own a degree on it. She has seen in the café lots of designers work on their projects and she has tried Adobe Photoshop program at home and enjoys it a lot. She feels that being a designer is something she would love to do and make a living of it but it is impossible for her to go to university and study it because of the difficult vicissitudes in her life. Her only possibility is to join this program to live her dream.

Anna has an older and a younger sister - her older sister is a lawyer in a reputable law firm and her younger sister is a troubled teenager. Her family is rather rational and do not think about art and design as a career option and her parents are not happy about her choices, so she is not very close to her family. "You should find a proper job." and "Designer is not a profession." are the sentence she always heard from her parents and older sister, her little sister did not mind her business.

After moving from Frankfurt to Berlin to finally make a step forward to her dream, she found so many like-minded friends around her. It was always interesting for her to hang around with them, to hear the news from the creative field and astound about how creative people can be - for example one evening two of her friends just daydreamed while drinking a wine how cool it would be to open a fully ecological shop where's no plastic bags or any other packages - the people just come with their own jars and boxes and pay for the weight of the goods. In three months, they opened their shop "Original Unverpackt" and it is very successful. She is happy to have such friends, but also she feels kind of a pressure to do something great with her life, too, so this is also a drive for her to establish a design company.

Berlin, especially the district of Kreuzberg is perfect for her - it is rather green with many parks, you can access everywhere by bike (and luckily for her, bike riders are favoured as she do not own a car!) and there

are so many different people from different backgrounds living side by side. Also, you can find art everywhere - on the streets, on the houses, you may even say the people themselves are like walking pieces of art! She sometimes enjoys to go to the park, read some contemporary books and also observe the surroundings to gain inspiration for her hobby - graphic design. She knows that the world of graphic design is tough especially in Berlin, but she stills enjoys and luckily she has also made some posters for the café where she works.

Her workplace is actually pretty good even though she do not enjoy being a bartender that much after five years of work. Her boss is very friendly and appreciates her pursuits in the graphic design, however this might mean that he will lose one of his best employees, but he can see the sparkling in Anna's eyes when she talks about design and arts. Also, her colleagues are friendly and helpful, but they are not that close and she do not spend a lot of her free time together with her. Her salary is for a bartender pretty good, but of course it would be great to have a bit more money to use it for her other passion - travelling and not to worry about the increasing costs for living.

Her dream is to be independent and make a living of what she loves, so she thinks that being a creative entrepreneur is the perfect profession for her. She also likes to take risks, which might be sometimes useful for an entrepreneur. There are no threats that you might get used to a certain routine and to bond something as being self-employed. Anna has made a decision - she wants to take the next step and quit her job as a bartender to join the program to start living her dream as a creative entrepreneur.

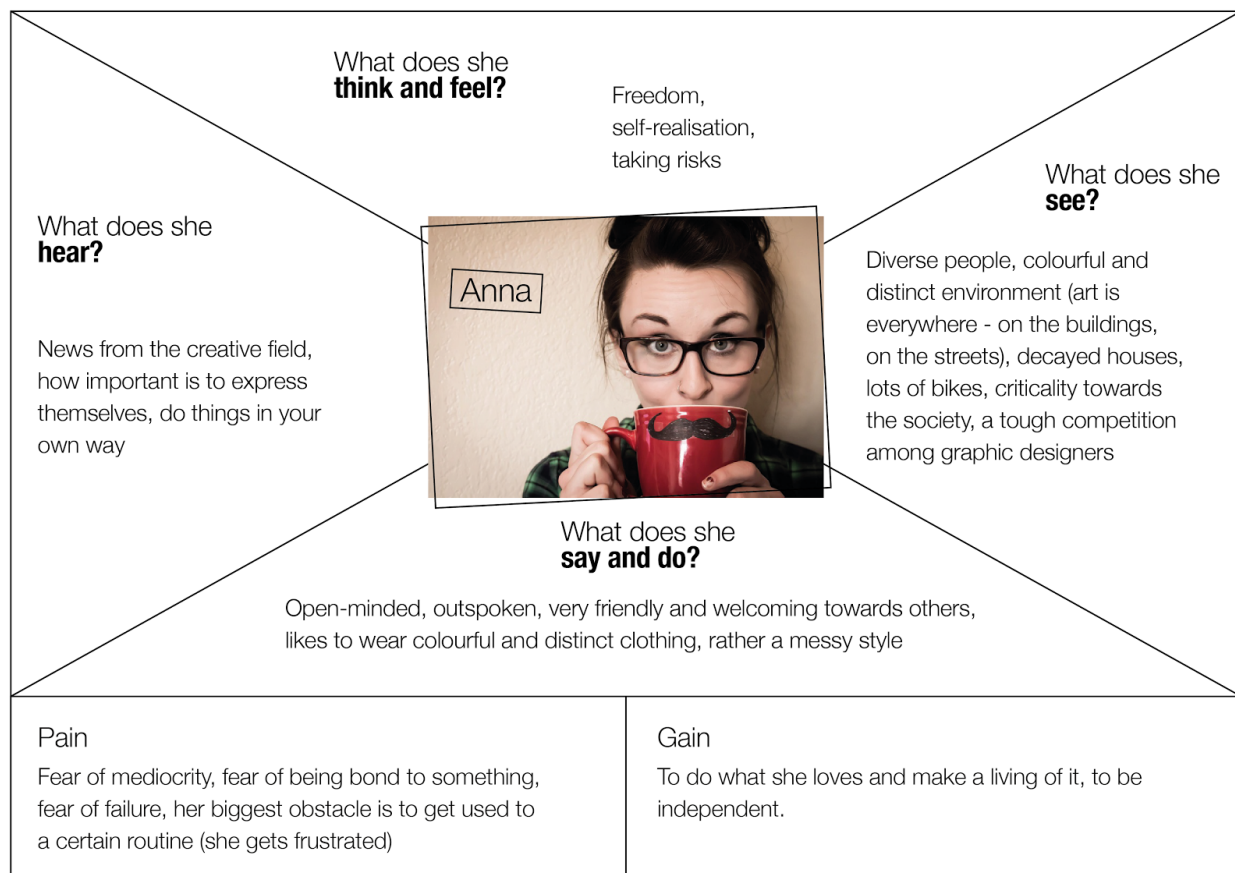


Figure 2. Culture Hotel Empathy Map

SWOT Analysis About Culture Hotel

<p><u>Strengths</u></p> <ul style="list-style-type: none">• Location• Motivated and professional team• Unique idea• Contributes to decreasing youth unemployment• High-end professional tutors• Novel teaching method	<p><u>Weaknesses</u></p> <ul style="list-style-type: none">• Access• Previously untested idea• Establishing stable revenue (learning-program is free of charge for young people)
<p><u>Opportunities</u></p> <ul style="list-style-type: none">• Interaction with other sectors• Expansion to other countries• EU funding• Cooperation with universities to research and develop our approach• Spillover effect on a regional tourism	<p><u>Threats</u></p> <ul style="list-style-type: none">• Unclear focus of the program• No interest in the service• Not enough participants over the years• Certification not accepted by the industry

What are our strengths?

Culture Hotel will be located in the heart of EU in Germany and it fosters growth of the social capital by combining human capital with cultural capital and business know-how in a novel business model. It also provides a chance for un/under-employed young person to actively shape his/her career choices rather than relying on social services.

How do we tackle threats?

Our unique idea, motivated and professional team as well as novel teaching method will ensure clear focus of the program for the main target groups as well as for public. Highly recognised professional tutors and Culture Hotel location in the center of Europe as well as supporting and creative atmosphere will create strong interest in the service and strong competition among possible participants to ensure excellency of the learning-program. This all will build solid imago of high quality of the certification acquired in our learning-program.

Weaknesses nurturing opportunities

We are operating with a novel idea, which is previously untested. Therefore we can cooperate with universities to find people interested in researching and developing our business model, which can be interesting and beneficial for both parties.

We expect Culture Hotel to create a spillover effect on a regional tourism in terms of growing popularity of the location, which also helps to improve our issues related to access and popularity of the town, where our hotel will be located. In addition the city, where the hotel is located, has successful history of being a film location. Due to the historical parts of the city, many moviemakers have used the various sites as backgrounds. Quentin Tarantino shot the movie-in-a movie "Stolz der Nation" for "Inglourious Basterds" in oldest parts of the city. Also it was used as the primary shooting location for the Wes Anderson film "The Grand Budapest Hotel". All of this we can use in our marketing strategy for making the location very appealing and therefore ease access to it.

Our aim is to provide learning-program free of charge for the participants, which creates an issue of providing stable revenue. To overcome it we will use European social funds to cover participant costs as well as European structural funds for building the hotel. To become more independent from funding we will work on increasing revenues generated by the boutique hotel.

PESTEL Analysis About Culture Hotel

	Trend name	Manifestation	Effect on our sector	Effect on our company
Political	Support to creative industries	More recognition and funds to creative organisations / entrepreneurs	Supporting transnational cooperation projects involving cultural and creative organisations (Culture 2015)	More funding possibilities
	Austerity policies in the EU	Cutting regional funds	Cuts in culture funding	Less opportunities to cover participants costs. Solution - generating revenue from running a boutique hotel.
	Russian aggression	Tension between EU and Russia	Trade will be disrupted and unemployment increased.	Increase in possible learning-program participants.
Economical	Growth of creative industry	Creative industries are supported and recognised	More creative entrepreneurs	More competitors, but also more potential funds
	Startup revolution	Forming startups becomes extremely easy and popular	More small businesses	More competitors
	Economic regression	Purchasing power will go down	Clients are more price-sensitive	Loss in hotel clients
Social	Unemployment	Unemployment of young people is increasing (Eurostat 2015)	Growing need to change profession and/or field to become more employable again	Bigger need for our learning-program
	Mobility	(Young) people are crossing borders to study and to work (Eurostat 2015)	More international cooperations	More people from nearby countries are willing to participate in our learning-program
	Learning attitudes	Lifelong learning is a growing trend (Eurostat 2015)	More informal education opportunities are required	More people are interested in our learning-program

Technological	IT revolution	All sectors of the society will become IT-driven	More attention goes to creating online identity of organisations	The need to combine IT and creativity
	E-learning	Online courses and other e-learning possibilities are getting more popular	More online learning possibilities are required	The need to organise online courses
Legal *				
Environmental	Rural areas	Population density in rural areas is decreasing (Rural development statistics 2014)	Less visitors in institutions in rural areas	Reaching bigger area (including cities) to find participants
	Green thinking	Focus on eco lifestyle	Growing need of innovative green ideas	We will develop new green learning-programs

** Legal trends - necessary only when you have a legal agency or company directly connected with legal issues. In case of cultural sector, the trends go under "political".*

Since PESTEL analysis is very wide and capacious, we will be monitoring only some of the trends listed above. Most important trends for our organisation are determined with a matrix - trends are evaluated based on the probability and impact. For Culture Hotel, they are: Growth of Creative Industries; Support to Creative Industries; Green thinking; Unemployment (of young people); Austerity policies in the EU.

Our marketing manager will be monitoring those trends in every six months and reporting result to the project manager.

Porter's 5 Forces Model About Culture Hotel

Existing competition (Rivalry among competing firms)

- Although there's no direct competition as proposed product is unique, there are however some overlapping elements in proposed service. Primarily they come from two sources: creative residencies programs and creative incubators.
- Industry growth: the actual tendencies of growth in this particular sector are not clear, however customer base is rapidly growing. Potential customers of the product are NEETs (Not Employed not in Education and not in Training). 7.5 million young Europeans between 15 and 24 are not employed, not in education and not in training —NEETs.
- Product differentiation is important aspect as it touches upon the key elements of the strength. Proposed services are custom designed for a target audience, addressing its the key strategic needs.

Entry barriers (Threat of new entrants)

- Our business model derives from market-driven need, it is not a top-down initiative.
- Entry barriers due to existing competition are not high because market is not full, there is enough room for new-comers.
- Entering the market: we need to align our actions with local municipality regulations.
- Since offered product is unique, there's no direct competition in the field. Successful entry depends upon ability to acquire initial capital, attract residents and initiate ongoing educational action.
- Product is different and offers a unique combination of existing services.
- Brand will establish itself through the steady growth of the user group(residents). Initial marketing and advertising actions will be necessary.
- There's no associated switching costs as economic entity will be build from ground up to deliver envisioned product.
- As product is location-special and location is part of business entity, the access to distribution channels will be full as distribution channels will be part of the business model.
- Capital requirements will be initially high, but since envisioned product is of a high social value, it is not unrealistic to expect significant public support.
- Access to latest technology is not crucial due to the character of expected product, which lies within the field of human capital.
- Experience and learning effects are the key elements of the proposed package.

Selling power (Bargaining power of suppliers)

- In our business model we have no direct suppliers, rather important copartners.
- Our model is dependent on attracting highly recognized professionals to become tutors.
- For successful marketing we need success stories provided by our learning-program graduates.

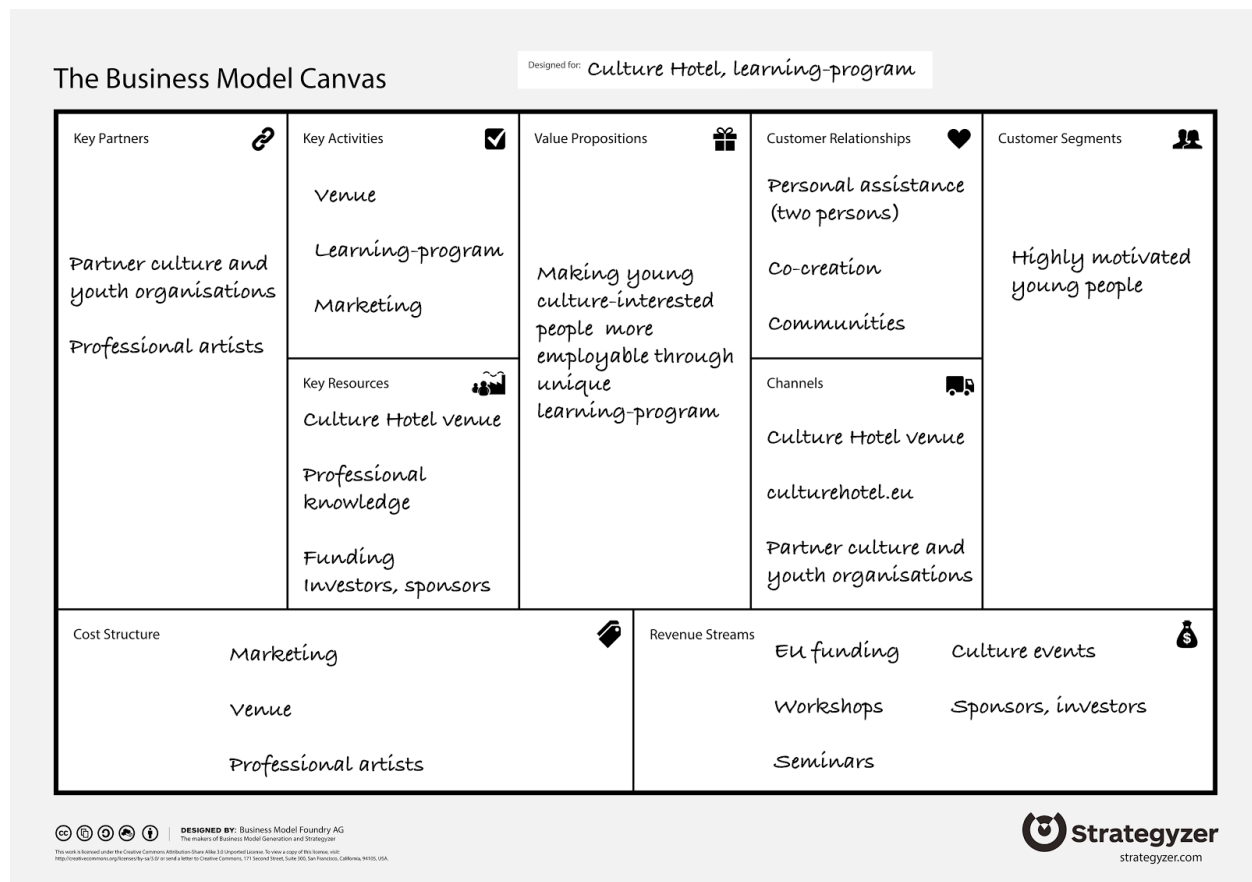
Buying power (Bargaining power of buyers)

- We have two main customer segments - hotel guests and program participants.
- Third customer segment stems from those two - professional tutors.
- Our hotel guests segment demands very high quality service.
- To generate independent revenue we need high number of hotel guests.
- Celebrity tutors should also attract hotel guests segment.

Substitutes (Threat of substitute products)

- In our case our competitors (artist residency programs, creative incubators, EU employment agencies, European Youth Guarantee Programme) are our possible substitutes.
- In comparison to majority of the artist-in-residency programs, Culture Hotel offers certain similarities: limited time residency, with all expenses paid, which puts it in the neighbourhood of about two dozen residency programmes in Europe, Culture Hotel however doesn't provide an individual artist studio for participants as studio arts is not its targeted area; and a few major differences: unlike all the other residency programs Culture Hotel offers educational programme, encourages team-work and provides assistance with business start-ups.
- Creative incubators provides coaching, mentoring and training service the same way Culture Hotel intends to, however content of educational program differs as incubators target business skills and Culture Hotel will be preoccupied with developing a wide range of creative assets associated with Creative Industries.

Business Model Canvas (learning-program)



Customers Segments

- Highly motivated young people

Our first client group is highly motivated young people, who will participate in the learning-program. They are interested in a cultural genre and also in entrepreneurship. Their aim is to become more employable.

Value Proposition

- Making young culture-interested people more employable through unique learning-program.

We give young motivated people unique access for becoming more employable, while enriching culture scene with innovation.

According to 5 types of generic strategies by H.W. Volberda (Tšukrejeva 2015) we are using focused differentiation, meaning our competitive advantage is uniqueness and competitive scope relatively narrow target. When we look at three types of differentiation strategies by Kaplan and Norton (Tšukrejeva 2015) we use product leadership strategy because we develop and offer our clients new and innovative services.

Channels

- Culture Hotel venue
- culturehotel.eu
- Partner culture and youth organisations

Awareness: web (homepage, social media), Partner culture and youth organisations, Culture Hotel venue

Evaluation: web (homepage, social media), Partner culture and youth organisations, Culture Hotel venue

Purchase: web (homepage), mail

Delivery: Culture Hotel venue

After sales: web (homepage, social media)

Our most important channel for reaching and making the target group of highly motivated young people aware of our existence would be through partner culture and youth organisation channels (the organisations will be explicated in the “Key Partners” sector) - we will provide information to their websites and our leaflets will be available in their physical offices. Also an official webpage (www.culturehotel.eu) and social media sites (Facebook, Twitter, after a while also Instagram) will be established to get more in depth information about Culture Hotel.

Another channel is the venue itself, where the organisation is situated - it will be a castle in the city where passersby are welcome to step in and check out what is it all about and afterwards the participants of the program will spend the time in the building. The information about making contact with the hotel and applying for the program will be on the official webpage.

Questions or problems and everything linked with after-sales can be written in a form on our webpage and of course to our social media channels. We will ask for a written feedback from the participants after the program has finished.

Customer Relationships

- Personal assistance (two persons)
- Co-creation
- Communities

We ask from the participants, what are their expectations, interests and wishes and try to implement them as much as possible. We will create the program in cooperation with the participants, so they do not feel like school students with no power to decide anything, but rather like partners for the organisers and tutors and co-creators of the program.

For this to happen we will create and maintain online communities as part of our web page, which allows learning-program participants to exchange knowledge and also help to solve each other's problems. In addition we will invite learning-program participants to write reviews about the program on our web page.

Our team members, both tutors and supporting staff, are very motivated and professional, setting inspirational examples for the participants. We will have two personal assistants managing the application process of the learning-program making it for the applicants as convenient as possible.

Revenue

- EU funding
- Workshops
- Seminars
- Culture events
- Sponsors, investors

Since our program is free of charge for the participants, we do not get any revenue from them. This is why we put all the emphasis regarding income for the program on EU funds. EU strongly supports self-development and learning programs for young people since youth unemployment is a great issue in the EU (more in the “Market Situation” section above). Also, since the program welcomes people from many different countries, there also is a globalizing effect, a phenomenon that also could influence the EU funds’ support positively.

Additional revenue that is connected to the learning-program side of Cultural Hotel comes from open single events, seminars and workshops conducted in the Hotel. These are open for everyone who are interested in the content and are willing to pay a symbolic amount of participation fee for them. For example this could be a great opportunity for the candidates that have not previously succeeded in joining the full program, to see what Culture Hotel is all about and make them want to try even more and harder during the next registration period for the next full program.

Also as a start-up type of a company, the support from sponsors and investors greatly affects our revenue. In case of sponsors and investors the evaluation criteria are somewhat the same as for the EU funds.

Key Resources

- Culture Hotel venue
- Professional knowledge
- Funding
- Investors, sponsors

For delivering our value proposition we have listed key resources - physical, intellectual, human and financial. One of our main resources is the Culture Hotel venue hosting among other things contemporary accommodation building for participants and well equipped rooms for learning-program. Second biggest resource is professional knowledge and highly valued artists, both needed for granting the best quality of the learning-program. Also for setting up and running the program we will need financial resources, such as funding and investors.

Key Activities

- Venue
- Learning-program
- Marketing

Our key activities are setting up and maintaining the venue of the learning-program - contemporary building with accommodation and classrooms. Second key activity is to develop, establish and run the

learning-program for the young people. To assure high competition among applicants we also need to pay a lot of attention on marketing our program.

Key Partners

- Partner culture and youth organisations
- Professional artists

Our key partners are the culture and youth organisations which provide information about education, self-development and art residency programs. These partners can make us more visible and bring young people to apply for our programs. Also, working together with them we can get information about the current situation of the youth employment and the trends among young people - what are they interested in, where are they situated, etc.

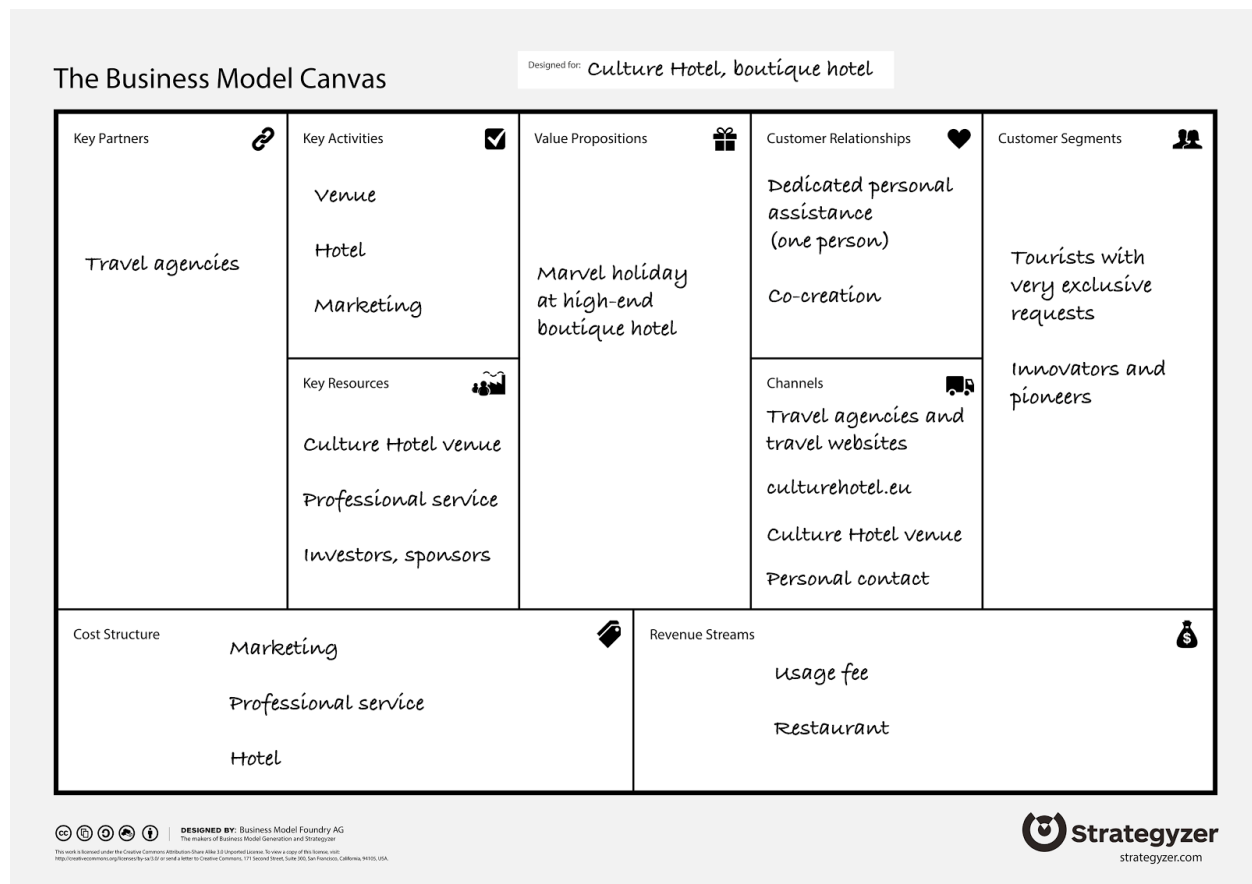
Another key partners are the professional artists who provide the knowledge to our program's participants. The value of our program depends highly on the professionalism and the high quality of the knowledge of our tutors. The more we get high quality lecturers involved with our programs, the more successful the program is.

Costs

- Marketing
- Venue
- Professional artists

Our main costs are related to the primary necessary steps to secure Culture Hotel as a service what it is ultimately meant to be. They are marketing, as in promoting the program to the potential participants and getting acknowledged by potential investors and sponsors. Also the costs related to the venue (electricity, catering, water, staff etc.). Since we also want to provide the best and top quality service and program for the participants, we also consider the professional artists and lecturers as a significant cost to the program (honorary and additional costs - accommodation, catering, transportation etc.).

Business Model Canvas (boutique hotel)



Customers Segments

- Tourists with very exclusive requests
- Innovators and pioneers

The second customer segment is tourists with very exclusive requests, who will be the guests at the boutique hotel. They search for high quality, unique experiences and are financially very well off. Second customer segment also include influential thinkers and innovators who want to meet to pioneer novel ideas in relaxing and inspiring atmosphere.

Value Proposition

- Marvel holiday at high-end boutique hotel

We are serving tourists with very exclusive requests - Culture Hotel will operate as a sophisticated boutique hotel. It will be the place where hotel guests will have a chance to meet celebrities from various creative

fields (actors, directors, singers etc) as well as place where influential thinkers and innovators want to meet to pioneer novel ideas in relaxing and inspiring atmosphere.

Our value proposition holds qualitative values by promising brand/status, exclusivity/uniqueness and access.

According to 5 types of generic strategies by H.W. Volberda (Tšukrejeva 2015) we are using focused differentiation, meaning our competitive advantage is uniqueness and competitive scope relatively narrow target. When we look at three types of differentiation strategies by Kaplan and Norton (Tšukrejeva 2015) we use product leadership strategy because we develop and offer our clients new and innovative services.

Channels

- Travel agencies and travel websites (physical and web)
- culturehotel.eu
- Culture Hotel venue
- Personal contact

Awareness: web (homepage, social media), Personal contact, travel agencies, Culture Hotel venue

Evaluation: web (homepage, social media), Personal contact, travel agencies, Culture Hotel venue

Purchase: web (homepage), phone

Delivery: Culture Hotel venue

After sales: web (homepage, social media)

One of the most important channels to reach the target group of tourists with very exclusive requests is via travel agencies - information about us and our offerings on their websites and on booklets and information and afterwards customer feedback on different travel websites (TripAdvisor, etc). Also, all the information about us will be on our official website (www.culturehotel.eu) and on social media channels (Facebook, Twitter, Instagram, etc).

Similarly to the first business model, the venue itself is also a great channel, because in the beginning it is open to everyone to step in and check out the place. The castle is situated in a town in Eastern Germany with an interesting history, which attracts tourists to the town and the higher is the possibility that tourists might by chance step to our building.

We also try to do direct marketing via personal contact. Our aim is to be there where our target group is - in boutiques, museums, clubs, etc and introduce our exclusive hotel to them.

Our services can be ordered via web (official webpage, travel agencies and websites) and on phone. We will ask for feedback from our customers right after the stay and it is possible to address us via our website and social media channels and of course via hotel's phone.

Customer Relationships

- Dedicated personal assistance (one person)
- Co-creation

We will make our guests feel good and welcome before, during and after the visit to our hotel. We will offer hands on personal assistance, hotel staff handles all the needs and questions of the guest.

Before, the guests are asked questions to make the visit more personal, for example about special needs / requests about the room or food, also if the guest has been in the area before and what is the purpose of the trip, in order to plan additional information and potential services when the person arrives. Throughout the entire booking process the guests are communicating with one concrete person, the contact is 100% personal.

During the stay, our staff is always available, friendly, personal and flexible, helping the guest with all wishes, organising leisure time and giving information about the education program happening at the moment and all the participating opportunities.

After the stay, we will send a thank you note, give an opportunity to write a review about the visit to our Facebook page or web page and let them know, they are always welcome back.

We will ask for feedback from our customers both during the stay (personally) and after (by e-mail), and take it into consideration.

Revenue

- Usage fee
- Restaurant

Regarding the hotel side of Culture Hotel the main revenue generators are usage fee and in-house restaurant. From the usage fee's side, the hotel functions as any other hotel, depending on how many nights you wish to stay, your final costs are calculated. Also, as mentioned above, in the program revenue section, there is a possibility for every hotel guest to participate in the single events and workshops held in the hotel in addition to the main program.

Because of the unique atmosphere and great cuisine, also our restaurant is preferred amongst tourists and locals as a great place to dine at. Because the restaurant only fits a selected amount of people, it is necessary to make a reservation beforehand. For the guests who only come to the hotel to dine, there is an option of fixed menus offered. Each of them also consisting of the hotels commission.

Key Resources

- Culture Hotel venue
- Professional service
- Investors, sponsors

Key resources for our high-end boutique hotel are naturally its venue and location. It will be located in an old castle in Germany, which assures necessary environment and atmosphere for our customers, who value high quality. To be able to fully deliver it we also need to provide extremely professional service within the hotel starting with hotel staff, accommodation opportunities as well as catering. To keep hotel running on a high level and develop it further, which we constantly need to do, we will also need investors and sponsors for our hotel. This is crucial in the phase of setting up the hotel as well.

Key Activities

- Venue
- Hotel

- Marketing

Our main key activity at the current stage is acquiring premises for the hotel as well as remodeling it to the highest standard. The next key activity is to set up the hotel to get it running as well as start marketing Culture Hotel as a brand as well as desired location for tourists with exclusive requests.

Key Partners

- Travel agencies

Our key partners are the travel agencies mostly in Germany and in the EU. The information about us and our offerings on their websites impacts our visibility and special deals and offerings in co-operation with travel agencies can provide us more clients. Also, working together with travel agencies can help us to track on the trends among tourists and travellers.

Costs

- Marketing
- Professional service
- Hotel

Much as the costs for the program, the costs for the hotel are related to the primary necessary steps to secure Culture Hotel as a service what it is ultimately meant to be. They are marketing, as in promoting the program to the potential guests. Also the costs related to the hotel venue (electricity, catering, water etc.). Since we also want to provide the best and top quality service for the guests, we also consider the professional staff as a significant cost to the program.

Action Plan for establishing Culture Hotel learning-program

Key activity	Indicator and objective	Projects and initiatives	Deadline and person in charge
Finalizing the business idea	<ul style="list-style-type: none"> - Strategies - Brand - Marketing - Finance 	<ul style="list-style-type: none"> - Creating and defining business strategies - Establishing Culture Hotel brand - Creating general marketing plan for Culture Hotel - Developing financing plan for Culture Hotel 	III month Project manager
Funding and investors	<ul style="list-style-type: none"> - Gain necessary initial investments 	<ul style="list-style-type: none"> - Applying for EU funding (social and structural funds) - Pitching for investors 	End of first year Financial manager
Acquiring and setting up Culture Hotel venue	<ul style="list-style-type: none"> - Prepared venue for the project 	<ul style="list-style-type: none"> - Acquiring suitable location (an old castle located close to German-Polish border, near Czech Republic and Berlin. It will be located in the center of Europe making it convenient to access from all around the world) - Remodelling old castle into contemporary house for the learning-program residencies 	End of the second year Site manager
Developing learning program	<ul style="list-style-type: none"> - Fully functioning learning program 	<ul style="list-style-type: none"> - Developing learning-program concept - Organizing brainstorming among top professors, trainers, educators etc. - Wording best innovative method for learning-program 	End of the second year Education program manager
Marketing	<ul style="list-style-type: none"> - Marketing strategy for EU 	<ul style="list-style-type: none"> - Creating marketing strategy for the learning-program for EU market 	End of the second year

	<ul style="list-style-type: none"> - Key co-operation partners - Participants 	<ul style="list-style-type: none"> - Finding key co-operation partners - Finding participants to the learning-program 	Education program manager
Establishing the Culture Hotel learning-program	<ul style="list-style-type: none"> - Establishing the learning-program 	<ul style="list-style-type: none"> - Marketing, PR - Announcing applications round for young people 	<p>Beginning of third year</p> <p>Marketing manager</p>
Managing and maintaining the learning-program	<ul style="list-style-type: none"> - Sustainable learning-program 	<ul style="list-style-type: none"> - First round of learning-program - Graduation - Publishing success stories - Building imago of the place where great things are happening - Organizing and announcing new learning-program rounds - Organizing workshops and culture events for public - Inviting more professionals to engage with the Culture Hotel 	<p>III year - ...</p> <p>Project manager</p>

Action Plan for opening Culture Hotel boutique hotel

Key activity	Indicator and objective	Projects and initiatives	Deadline and person in charge
Finalizing the business idea	<ul style="list-style-type: none"> - Strategies - Brand - Marketing - Finance 	<ul style="list-style-type: none"> - Creating and defining business strategies - Establishing Culture Hotel brand - Creating general marketing plan for Culture Hotel - Developing financing plan for Culture Hotel 	III month Project manager
Funding and investors	<ul style="list-style-type: none"> - Gain necessary initial investment 	<ul style="list-style-type: none"> - Pitching for investors 	End of first year Financial manager
Acquiring and setting up Culture Hotel venue	<ul style="list-style-type: none"> - Prepared venue for the project 	<ul style="list-style-type: none"> - Acquiring suitable location (an old castle located close to German-Polish border, near Czech Republic and Berlin. It will be located in the center of Europe making it convenient to access from all around the world) - Remodeling old castle into boutique hotel and building necessary side-buildings - Setting up hotel (staff, security, catering and etc.) 	End of the second year Site manager
Marketing	<ul style="list-style-type: none"> - Marketing strategy for EU - Key co-operation partners - Participants 	<ul style="list-style-type: none"> - Creating marketing strategy for the boutique hotel - Finding key co-operation partners 	End of the second year Marketing manager
Opening the Culture Hotel	<ul style="list-style-type: none"> - Opening the hotel 	<ul style="list-style-type: none"> - Marketing, PR 	Beginning of third year

		- Organising the opening event	Marketing manager
Managing and maintaining the hotel	- Sustainable hotel	- Building imago of the place where great things are happening - Growing tourists numbers - Establishing special vacation packages	III year - ... Site manager

Following we will describe the key managers responsible for establishing and opening the Culture Hotel learning program and boutique hotel:

- Project manager - the general manager of the entire Hotel (both learning-program and boutique hotel), a visionary of the idea and concept. Constantly not physically present at the venue.
- Financial manager - person responsible for the funding, investments, accounting and budgeting.
- Educational manager - person responsible for the learning-program side of the Culture Hotel. Communicating with both the professional artists and participants.
- Site manager - person constantly physically present at the hotel, so-called “hostess” of the hotel.
- Marketing manager - person responsible for the promoting the program and the hotel, also for the promotional events. Responsible for increasing the awareness of the general public and potential customers about the Culture Hotel.

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