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ASSESSMENT OF THE ECONOMIC AND FINANCIAL VIABILITY OF A RURAL TOURISM ENTREPRENEURIAL INITIATIVE IN ȘANDRA COMMUNE

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Abstract: *Rural tourism represents an opportunity for economic diversification for rural communities by leveraging local heritage, traditions, landscapes, and agri-food resources. In this context, this paper aims to establish the foundation for an entrepreneurial initiative—the development and operation of a rural guesthouse in the commune of Șandra, Timiș County—by integrating strategic analysis with a preliminary assessment of economic and financial feasibility.*

• Introduction

The research is based on an analysis of local resources, an evaluation of internal and external factors using the SWOT method, an estimation of the initial investment, and a simulation of revenues and financial flows under two occupancy scenarios: 25% and 60%. The estimated initial investment is 21,560 euros—equivalent to approximately 109,820 lei, based on the exchange rate of 5.0937 lei/euro used for the calculation. The simulation results indicate that economic viability depends significantly on the occupancy rate, the control of operational costs, and the ability to differentiate the tourism offering. Under the stated working assumptions, the investment could be recovered within a relatively short period; however, this conclusion is preliminary and must be validated through a comprehensive business plan that accounts for actual costs, the applicable tax regime, and the actual demand for tourism services.

• Material and method

The economic analysis is based on investment estimates and operational parameters considered in the preliminary project. As there are no firm commercial offers, financial records from similar establishments, or verified local data regarding occupancy rates, the figures used are for guidance purposes only.

• Results and discussions

SWOT analysis of the rural guesthouse project in Șandra commune

Category	Relevant elements
Strengths	The potential to utilize an existing dwelling; the rural character of the locality; the opportunity to develop an offering with a local identity; the flexibility of a small-scale business.
Weaknesses	Potentially limited entrepreneurial and managerial experience; constrained initial financial resources; the need to adapt the building to meet accommodation requirements; uncertainty regarding demand and actual costs.
Opportunities	Diversification of the local economy; collaboration with agri-food producers; accessing eligible funding programs; digital promotion; development of thematic tourism packages and local partnerships.
Threats	Seasonality of demand; rising utility and maintenance costs; competition from other establishments; economic shifts; the emergence of unforeseen situations; and a slower recovery of the investment.

Estimated financial results for the first year

Indicator	Scenario A: 60% occupancy	Scenario B: 25% occupancy
Annual revenue (lei)	420,480.00	175,200.00
Estimated operating expenses (lei)	273,312.00	113,880.00
Estimated operating result (lei)	147,168.00	61,320.00
Hypothetical 16% tax (lei)	23,546.88	9,811.20
Simplified financial flow (lei)	123,621.12	51,508.80

• Conclusions

- The financial simulation indicates annual revenues of 420,480 lei for a scenario with a 60% occupancy rate, and 175,200 lei for a scenario with a 25% occupancy rate. Applying simplified assumptions regarding operating expenses and taxation, the estimated financial flows amount to approximately 123,621 lei and 51,509 lei, respectively, for the first year. In the model, the investment could be recouped within the first year under a favorable scenario, or during the third year under a low-occupancy scenario.
- These results should be interpreted with caution, as they rely on assumptions that have not been validated by local empirical data.