



Integrating Business Skills into Ecotourism Operations



KUONI EST. 1906

Imprint

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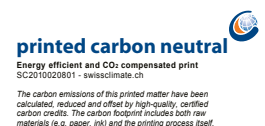


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About this Book

This book is designed to help conservation organisations, community-based organisations and protected area managers plan and run effective ecotourism businesses. It was created as part of the Business Skills Transfer Programme for Ecotourism Development, a joint effort by IUCN and Kuoni Group aimed at supporting conservation organisations in managing ecotourism-related businesses through business skills, knowledge and experience sharing.

This joint Programme includes capacity-building workshops in selected destinations, which are targeted at enhancing the business skills of participants, who may have had limited experience with the tourism industry in their roles as conservationists. The workshops feature presentations by tourism sector leaders, aimed at providing participants with a strong foundation in business skills that will better enable them to design and run successful ecotourism businesses. This book has been developed with the cooperation of several of these tourism industry professionals, who lent their time and expertise to the development of the chapters.

The book is divided into six sections: Understanding your Market and Product, Developing a Sustainable Business Plan, Running Sustainable Operations, Marketing and Sales, Human Resources, and Health and Safety. These chapters are based on interviews with tourism industry professionals from around the world, as well as presentations given by business leaders at IUCN-led workshops in Barcelona, Spain (October 2008), near Phnom Penh, Cambodia (January 2010), and Nairobi,

Kenya (June 2011). Each of the six sections includes a discussion of why that particular topic is important, what it means, and how it applies to ecotourism businesses. Each section also includes case studies, checklists and revision questions. At the end of the book, there is a list of resources that may be useful in developing your ecotourism business.

While the principal intended audience of this book includes conservation organisations, community-based organisations and protected area managers planning and running ecotourism businesses around the world, it will also prove useful to anyone looking to develop an ecotourism business, by providing a foundation in business skills that can help a project become market viable and a more effective and successful tool for conservation.

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ABOUT IUCN

IUCN, International Union for Conservation of Nature, helps the world find pragmatic solutions to our most pressing environment and development challenges.

IUCN works on biodiversity, climate change, energy, human livelihoods and greening the world economy by supporting scientific research, managing field projects all over the world, and bringing governments, NGOs, the UN and companies together to develop policy, laws and best practice.

IUCN is the world's oldest and largest global environmental organization, with more than 1,200 government and NGO members and almost 11,000 volunteer experts in some 160 countries. IUCN's work is supported by over 1,000 staff in 45 offices and hundreds of partners in public, NGO and private sectors around the world.

www.iucn.org

ABOUT THE KUONI GROUP

Kuoni's head office is located in Zurich, Switzerland, where Alfred Kuoni founded the company in 1906. Over the years Kuoni has developed into today's global travel services company, now employing around 12 000 people in more than 60 countries. In its European source markets the company has more than 160 of its own retail outlets and tour operating offices. Its global destination travel services business has several different types of office: sales offices in the source markets, particularly in Asia for group travel business; agency offices that look after guests at the destinations; offices dedicated to buying in and selling online-based destination services; and offices specialising in MICE business (meetings, incentives, conferences and events). Visa services provider VFS Global (external consular services) runs a worldwide business through more than 500 offices spread across every continent. Overall, counting all business activities, Kuoni has more than 700 offices in 62 countries around the world. Kuoni has been committed to a sustainable development of the tourism industry for many years and strives to act as a good corporate citizen which takes into full account the current and future economic, social and environmental impacts of its business.

www.kuoni.com



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Introduction

Many conservation organisations see tourism as one of the sectors with the greatest potential for linking conservation to economic development. However, as conservation organisations often have limited experience in tourism and marketing, tourism products and services can fail the market test. Therefore, it is necessary to inject some business expertise into the many projects that build conservation strategies on tourism development.

Demand for sustainable tourism is on the rise. According to a study by the Association of British Travel Agents (ABTA), one in three travellers now believes that their vacation products should have an environmental rating. In ABTA's 2011 study, 19 percent of consumers said they were willing to pay more for a product from a company with a better environmental and social record, a substantial increase from 2 percent in 2010. Furthermore, ecotourism is one of the fastest growing segments of tourism, experiencing an annual increase of approximately 10-15 percent. As consumer awareness about the environmental challenges facing our world grows, the travel industry is developing new ecotourism products and services, and governments are encouraging such ventures.

Ecotourism can be an extraordinary tool for conservation. By creating a value for an ecosystem, species or landscape, ecotourism can raise much-needed funds to protect and conserve these natural resources. Ecotourism can also be a support mechanism for poverty alleviation, providing employment and income for local people and offering them an alternative means of livelihood to those that may result in the destruction or overuse of natural resources. On a broader scale, ecotourism can be a driver of sustainable development in a region or even a country, if it is carefully conceived, well-managed and strictly controlled. However, despite its potential for positive contributions, ecotourism is not always the solution to conservation challenges. There may be some areas that are just not appropriate for ecotourism development and some businesses that just won't work in the larger tourism market. That is why it is so important to understand the basic fundamentals of developing and running a successful business, to ensure that your business idea is viable and will be profitable, allowing it to most effectively benefit the surrounding environment and communities.

This book is targeted at conservation organisations that are developing ecotourism businesses, providing them with an introduction to the business skills required to manage such businesses as market viable and effective tools for conservation. Generally, these businesses will be relatively small. Though many of the concepts presented here may be applicable to larger businesses and mass tourism, it is not the objective of this book to be a resource for greening mass tourism.

ECOTOURISM VS. SUSTAINABLE TOURISM

The purpose of this book is to help organisations involved in ecotourism to develop products and services that are suited to the market they intend to operate in. The fundamental essence of ecotourism is sustainability, which encompasses environmental stewardship, social responsibility and economic viability. Nevertheless, it is important to differentiate between ecotourism and sustainable tourism:

- ▶ Ecotourism, according to the International Ecotourism Society, is "responsible travel to natural areas that conserves the environment and improves the well-being of local people."
- ▶ Sustainable tourism, as defined by the U.N. World Travel Organisation, is "tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities."

Ecotourism can include nature-based tourism, community-based tourism, homestays, visits to world heritage sites and other forms of responsible travel. While the term ecotourism is often used to refer to smaller-scale businesses and operations, the principles of sustainable tourism are applicable to all forms of tourism in all types of destinations, from mass tourism to small niche markets.

Skills Map

CHAPTER	AFTER READING THIS CHAPTER, YOU WILL:
1 UNDERSTANDING YOUR MARKET AND PRODUCT	<ul style="list-style-type: none"> › Have an understanding of how to determine which tourism products/locations have the greatest potential to succeed, and what elements determine their success. › Be familiar with techniques for analysing your market (customers and competition) and your product (unique selling propositions and other key tangible and intangible assets). › Have an overview of why it is important to understand your impact on and relation to the local community.
2 DEVELOPING A SUSTAINABLE BUSINESS PLAN	<ul style="list-style-type: none"> › Be familiar with the key steps to developing a sustainable business plan. › Have an overview of the financial, market and organisational evaluations that you need to conduct to ensure that your business will be economically viable.
3 RUNNING SUSTAINABLE OPERATIONS	<ul style="list-style-type: none"> › Be familiar with the main pillars of sustainability (environmental stewardship, social responsibility and economic viability) and how they apply to ecotourism. › Know how to best engage your staff and suppliers in your sustainability efforts. › Have an overview of the benefits of sustainability certification schemes.
4 MARKETING AND SALES	<ul style="list-style-type: none"> › Be familiar with the key steps in developing a marketing plan. › Have an overview of the most effective tools for marketing an ecotourism business. › Understand how to choose the right tools for your business.
5 HUMAN RESOURCES	<ul style="list-style-type: none"> › Have an overview of how to find and hire the right people, and to ensure that your employees are satisfied and want to stay working for you. › Be familiar with the kinds of benefits you should offer to employees. › Understand how to effectively plan for succession.
6 HEALTH AND SAFETY	<ul style="list-style-type: none"> › Have an overview of how to conduct a health and safety risk assessment. › Be familiar with the key elements of a health and safety action plan. › Understand ways in which you can involve your staff and suppliers in your health and safety efforts.





1

Understanding your Market and Product

Which tourism products/locations have the greatest potential to succeed? What elements determine their success? This section provides information on how to analyse both your market (your potential customers and your competition) and your product (your unique selling propositions and other key tangible and intangible assets) in order to most effectively match the two and increase your chances of success. It also discusses the importance of understanding your impact on and relation to the local community.

The tourism industry is demand-driven and often complex, with numerous small enterprises needing to come together to form a whole package. Hence it is not immediately obvious which products, services or locations will succeed in the industry.

There are several important questions you need to ask yourself about your market and your product, so that you can more effectively match the two to each other. At a very basic level, there is a demand side (the customer) and a supply side (the product) to any ecotourism business, and you need to make sure they match. A fantastic project will fail if there is no market for it. Conversely, even if there is a huge market for ecotourism in an area, if your product fails to meet the interests and demands of that market, it will not succeed.

Understanding your market and product will also help you figure out what makes your business unique. No matter what type of ecotourism business you are developing, it is rare that you will be the only business of that type in a particular location. Thus, the key is to fully understand your market and your product so that you can figure out where to get the most gains from your business. If you are providing the exact same product or service as your competitors in the exact same place, you won't be as successful as if you manage to differentiate yourself in some way.

Understanding the market: Your customer and your competition

In order to create a successful ecotourism business, you need to define and truly understand your target market. Although this may sound easy, it can be very difficult. You need to ask yourself: What type of person would be interested in your product and why? What would they be willing to pay? What level of style and comfort do they expect? You should also understand your clients' motivations. Are they coming to your region for an unusual or novel experience? Do they want to do something others haven't done?

It is also important to understand the market context in which you will be introducing your product. This requires an evaluation of your competition, to determine what value your product adds to the overall market. It is important to define this market not just from your perspective, but also from your customer's perspective. Thus if you are a rainforest ecotourism lodge, your competition is not just other lodges in that area, but also lodges from a different area or even a different country, particularly if your customers will be coming from around the world.

“Don't make the mistake of defining the market only from your point of view.”

JAN SEDLACEK – Head of Marketing, Kuoni Switzerland

Your product should also provide good value to the customer, relative to other options. This does not always mean that it is less expensive. A more expensive option that provides more benefits will be considered better value than a less expensive choice with less benefits. Value will also mean different things to different people. For example, families in a tourism complex have very different needs and interests than single travelers or couples.

The key points in effectively evaluating your market and product include:

- ▶ Ensuring that there is tourism appeal: Does your site have genuine value for tourists? Will they want to come? Does it meet their needs and interests? Does it provide an authentic experience? Does your product offer something different or additional?
- ▶ Ensuring that tourism is possible: Does the site have enough potential for ecotourism? Are there attractive elements that you can offer? Can the area accommodate it? Is there access to the area? Is there adequate transportation and security?
- ▶ Ensuring that tourism is wanted by the host community: Will the project be accepted and supported by the local host community? Does it create value for them?
- ▶ Ensuring that your product is viable and sustainable: Does it protect and conserve the local environment? Does it benefit local communities? Is it economically viable in the short and long run?

Understanding your competition and the overall tourism market in your area is important for another reason, too. Travellers generally seek out clusters of tourism products on a holiday, including hotels, restaurants, visitor's centers, cultural and historical attractions, activity providers and more. So you need to understand where your product fits in, asking yourself: Are there other, complementary services? How far is my product from the other attractions? How easy is it to combine it with the other attractions? How will it increase the overall attractiveness of the area as a tourism destination, specifically an ecotourism destination?

Ironically, the more ecotourism businesses there are in an area, the easier it may be to promote your business and attract customers. The more ecotourism attractions there are, the more likely it is that a certain kind of customer will visit that area. The amount of travellers who are looking for an ecotourism experience is still relatively small, and this valuable target market will be attracted by clusters of eco-businesses. Costa Rica is an excellent example of a market that supports a large number of ecotourism businesses, because people are attracted to its eco-friendly image.

A key way to obtain the information necessary for this analysis is to talk to customers and travelers in your region, trying to understand what is behind their decision making. Market surveys and statistical information on travelers to your area can also help you understand the market. The better you understand your customer, the easier it is to define what will be appealing to him.



Understanding your product: What are your unique selling propositions?

As you come to understand your target market, you can more easily design your product with their interests and needs in mind. Understanding the different attributes of your product, what it has to offer and its unique selling propositions, will make it easier for you to sell your product to that target market and help to increase your chances of success.

From a basic business perspective, determining the potential of a product involves analysing the fundamentals of the business and the tangible assets that are available in the area. For example, is the location accessible to tourists? How will they get there? If you are not providing accommodations through your business, where will they stay? Is there adequate infrastructure in the area, including transportation, waste management and water supply? Is there an adequate supply of labour in the area, and do they have the necessary skills?

You also need to evaluate the intangible assets of the product, by defining what exactly you will be selling. What are the attractions that will draw people to your area - landscapes, culture, history, activities and wildlife - and what kinds of activities are possible in the area? Are there significant natural attractions in the area, such as protected areas, world heritage sites, distinctive natural landscape features, unique ecosystems or rare species (see box on IBAT right)? Will this product or experience have value to your customers, and how will you differentiate it from other products or experiences in the area? You should also look at the long term and try to understand how long the novelty or uniqueness of your product might last and whether it will attract repeat visitors.

“Hiring local people is a good selling point. You don’t want to travel 10,000 miles just to find that your cousin from America or Europe is the one serving you at dinner.”

MICHAEL NJOGU – Head of Marketing and Sales, Private Safaris, Kenya

A unique selling proposition, or USP, is something that stands out and attracts visitors to your product and makes it special. It can be real or perceived, but either way, it gives the visitor a logical reason for choosing your product over another. For example, if you are building a lodge, maybe it is using local materials, local products and local foods. If you are sourcing everything from the local area, then you may be able to show that you are limiting your impact on the global environment and supporting local

communities. You can also highlight your impact on the local community, by hiring local staff, offering training and education to local communities, and involving local people in your project and business.

While you are focusing on the ecotourism attributes that can help you differentiate and promote your business, however, it is important not to lose sight of the core value proposition of your business, in other words, the basic benefit that your customer gets from your product. For example, if you are a hotel, then your core value proposition has to be to do the hotel business right. All the local materials and recycled products in the world will not attract customers if the toilets are constantly overflowing. People don’t want to know just that you are the most eco-friendly hotel in an area, but also that you are a good hotel in the first place. Similarly, even if you are the most ecological restaurant in town, you will not succeed if your food is terrible.

THE INTEGRATED BIODIVERSITY ASSESSMENT TOOL

The Integrated Biodiversity Assessment Tool (IBAT) is a useful tool for gaining an overview of the natural assets that are present in your area, and which may impact the ecotourism potential of your site. The tool, which was developed by BirdLife International, Conservation International, IUCN and UNEP World Conservation Monitoring Centre, provides integrated information about biodiversity resources on a site-specific basis, for instance within an individual park, concession or other management unit. The data is also presented in the context of broad-scale global conservation priorities, administrative boundaries and populated places.

Two main types of sites are included in the IBAT dataset:

- ▶ Legally protected areas, such as national parks, reserves, indigenous areas, World Heritage Sites and Ramsar Wetlands of International Importance; and
- ▶ Globally important sites for biodiversity conservation, both protected or unprotected, that hold one or more globally threatened species, endemic species, globally significant concentrations or populations of species, significant examples of biological communities or any combination of these features.

IBAT is available free of charge for use by conservation practitioners. Please see www.ibat-alliance.org/ibat-conservation.

Understanding your potential impact on the host community

Even the most well-designed, attractive and desired ecotourism products will have a difficult time succeeding without the support of the local/host community. Thus, in evaluating the potential of a site for ecotourism, it is very important to understand the views of the host community about the project.

The first question to ask is whether there is already an established level of interest and enthusiasm for tourism among the host community. If you are planning to create your business in an already well-developed area, then it may be clear what the views of the local people are in relation to tourism.

Nevertheless, even if you feel that their views are obvious, it is still important to establish clear lines of communication with local leaders and groups and to make sure that they have a full understanding of the project and its benefits. You should also consult closely with communities to discuss how they might participate in your project, if there is interest. Will you be hiring local people? Are they interested in helping develop your project? It is key to ensure that you have contact with all groups within a local community. While you may have strong support from the group of people who will participate in the project, you

should also know the views of the non-participants and be aware of any potential rifts within the community.

In your discussions with the host community, you can help determine whether and how your project can benefit them, and how these benefits will be shared. This will mean not just financial benefit from employment or increased presence of tourists in the area. They can also benefit through training and skills development, new language skills and exposure to other cultures or technologies, for example for farming or power generation.

Any benefits may also be accompanied by costs. You should fully understand and be ready to address any possible negative impacts on local communities. This might include dilution of strong cultural traditions in the face of exposure to other cultures or technology, the creation of a culture of dependency, or diminished income streams rather than increased, for example if the business affects their access to water or agricultural land. You should also discuss what might happen if your business fails, and what financial or psychological impacts this might have on the local community.

Understanding whether your business is sustainable

In addition to evaluating whether tourism is appealing, possible and wanted in your particular target area, as a potential ecotourism business, you need to determine whether your enterprise will be sustainable. This analysis should include environmental, social and economic sustainability. From an environmental perspective, this means understanding how your project and your visitors will affect the ecosystem and impact the local environment, as well as whether your business can contribute to biodiversity conservation in the area. Your analysis of the project's effect on the host community can help determine whether it will be socially sustainable, and how it will affect local practices, activities and values and contribute to cultural conservation. It is also important to determine if you have enough "buy-in" for the project, both from local communities and local authorities. Through the proc-

ess of developing a business plan, you can determine whether the business can be economically sustainable, with enough financial, human and other resources to sustain it in the long term. Economic sustainability will also depend on being able to survive when other, similar businesses move into the area. Your success might attract others to the area who could take business away from you.

Finally, you should also spend some time thinking about what might happen to the business if you, or the NGO that might be funding you, left. Would the local staff/community be able to sustain the business? What would be the impact of closing the business on the local area? For more on sustainability, see **Chapter 3: Running Sustainable Operations.**

Case Study: African Conservation Centre

Supporting community-based tourism development

The African Conservation Centre (ACC), a nonprofit nongovernmental organization based in Nairobi, has helped to establish three community-based tourism businesses in the Magadi region of Kenya, southwest of Nairobi in the basin of the Rift Valley. These ventures include the high-end Shompole Lodge, the mid-range Loisiiyo Bandas and the more rustic Sampu Lodge, which is a tented camp. All three accommodations attract tourists from around the world.

Until the 1990s, tourism development in Kenya had been concentrated in protected areas and, though it contributed significantly to the national economy and the private sector, this development came at the expense of communities living around the parks and reserves. Tourism is the fastest growing industry globally and in Kenya. However, this growth has not been proportionally reflected in the development of community areas and in the improvement of the livelihoods of local communities. It was under this premise that ACC approached the Shompole community about tourism development in the area. With support from ACC, the communities set up community conservancies for two main reasons. The first was to develop tourism enterprises as alternative means of income for improvement of their livelihoods. The conservancies are intended to deliver real benefits to the communities and ensure that tourism contributes to poverty alleviation. The second reason was to sustainably conserve the natural resources of the area, including wildlife, for present and future generations. The conservancies serve as resources for dry season grazing and refuge areas for these pastoralist groups.

The Magadi area had a number of unique selling propositions that made it stand out from other, more popular and more developed tourism areas in Kenya. Because there were no government parks nearby, the area was still relatively undeveloped and pristine, with high levels of wildlife and traditional communities. This meant that it didn't have the impacts that huge numbers of tourists or extensive development has had in other areas of the country. Yet it still had large amounts of wildlife to attract visitors. And, importantly, it was still easily accessible from Nairobi, just two hours away.

Today there are significant wildlife attractions that draw tourists to the area. Since the communities set up their

community parks, wildlife numbers have increased significantly. In addition, Lake Magadi is an important breeding ground for the Lesser Flamingo, giving the area a unique selling proposition that is not common in other wildlife areas.

An important selling point of any of the three Magadi-based accommodations is the authenticity of the lodges, because the people involved in creating and running them are from the local community. So when tourists come to the region, they not only get a great wildlife experience, but also have the opportunity to interact with local people and communities.

For more information, see www.conservationafrica.org, www.loisiiyolodgeshompole.org, and www.soralo.org/sampu/.





Case Study: Soneva

Offering a different view of luxury

Soneva Resorts has 3 luxury properties in the Maldives and Thailand. The company has created a unique and inviting product by presenting a different view of luxury to its guests. Instead of fancy, material offerings, they offer the luxury of a sense of space and time surrounded by nature. Soneva recognised that their high-end customers have a lot of material possessions, and are not necessarily looking for that on a holiday. Soneva has coined the term Intelligent Luxury. This is in line with their guiding principle: SLOW LIFE (Sustainable-Local-Organic-Wellness Learning-Inspiring-Fun-Experiences). Their strategy is based on the idea that what people are missing in their busy, hectic, urban lifestyles is open space, a connection with nature and the time to relax and enjoy themselves.

Thus, instead of air conditioned restaurants, they offer open-air restaurants, close to nature. They grow their own herbs and vegetables so they can serve freshly picked produce. And although their villas have all the conveniences of things you'd expect in higher-end resorts, their focus is on creating extra space and openness. Three years ago, the company stopped importing bottled water and began producing their own drinking water on site. They have since had very few complaints from guests who have, for the most part, responded very positively to the practice.

This redefined view of luxury is the aspect that the company uses in targeting its high-end customers, rather than information about energy- or water-saving appliances or other environmental initiatives. Though they do use such appliances and do have an extensive environmental sustainability program, they have chosen not to emphasize these things to their guests. Rather, they want their guests to enjoy a sustainable experience without being “preached to” about environmental practices. So they emphasize their different approach to what constitutes a luxury experience.

Overall, Soneva has gotten an excellent response from their customers. A lot of guests are very appreciative of the image that they are projecting, and this satisfaction has resulted in an extremely high rate of return. About 50 percent of their business is repeat guests who come back year after year, either to the same resort or to a different Six Senses property. As a result, they have found that they don't actually have to spend a lot of money on marketing or advertising in the traditional way, as their “internal marketing” to existing guests is so successful.

For more information, see www.soneva.com







Checklist for Success

Your Market

- What is your target market? Domestic or international visitors? Long-term travellers or short-term tourists?
- Do people want your product? Why?
- How much would they be willing to pay?
- What are their expectations?
- Who are your competitors? Complementary businesses?
- How does the competition compare with your product?
- Have you identified your distribution channels and talked to distributors and partners?
- Have you identified all income streams?

Your Product and Assets

- Can people get to you? Can they find you?
- Where will people stay?
- Are there adequate facilities? Waste management? Water supply?
- Can the site handle the tourists you will bring?
- Can you find the people you need to make it all work?
- Have you identified genuine tourist appeal?
- Have you identified and highlighted your unique selling propositions (USPs)?
- Will the appeal/USPs stand the test of time?
- Will people come back?
- Will people tell their friends and recommend your experience?
- Are you also doing your core business right, in addition to being eco-friendly?

The Host Community

- Are you dependent on a host community?
- Does the host community want tourism?
- Do they understand the project and all its consequences?
- Have you identified community leaders?
- Will the benefits reach the community?
- Have you established communication channels?
- Have you set a timetable, arranged meetings, prepared literature, communicated effectively with all local people?
- What are the potential negative cultural impacts?

Sustainability

- How will your visitors affect the ecosystem?
- What are the possible environmental impacts of your business?
- What is the potential cultural impact of the project?
- Do you have the necessary resources to maintain the project in the long run?
- Where do you expect/imagine your project will be in one, two, five and ten years?
- What happens if you are copied?
- What are the consequences of increasing tourism beyond your expectations?
- What possible variables could change your vision?
- Will it all work when you/the NGO leave?

Note that the checklist above is not exhaustive and should be adapted to suit individual businesses.

Revision Questions

1. Why is it important to fully understand your market and product and be able to match the two together?
2. What are the four key points to consider in evaluating your market and product?
3. What do you need to understand about your target market?
4. What do you need to understand about the market context for your business?
5. How can the presence of similar ecotourism businesses in your area hurt or help you?
6. What should you consider in analysing the ecotourism potential of a site?
7. What is a unique selling point and how can it help you differentiate your business?
8. Why is it important to have the support of your host community?
9. What topics should you address in discussions with local community members?



2

Developing a Sustainable Business Plan

A successful business needs to be supported by a long-term and well-designed business plan. This section summarizes the key steps in creating a business plan and the basic financial, market and organisational evaluations that you should conduct to ensure that your business will be economically viable in the long run.

No matter how unique or attractive your product is, it could fail miserably if it is not supported by a long-term, well-considered business plan. What are the development and running costs? What level of income is necessary to make a profit? What would be the break-even point? What price should you charge? A business plan should address these and many more questions.

A business plan outlines a path for a business to follow, and describes the core goals and strategies the business will pursue. Through the development of a business plan, the key participants in the business will learn more about the present situation and create a road map for long-term success. Your business plan is the practical tool that brings business sense to a creative idea and gives it strength in terms of potential financing. The plan can be used to attract financing for start-up or expansion and provides potential investors with valuable information about the business.

Creating a business plan

The same general principles apply to business planning for an ecotourism business as for any other business. You might consider your plan a business plan for a sustainable business, rather than a sustainable business plan. Yet, there are some additional considerations in developing an ecotourism business plan. Such a plan may differ from other business plans in that it includes socio-economic and environmental factors. While all business plans for any business really should include these factors, ecotourism businesses by their very nature will always take them into account, as these businesses are initially conceived and developed with conservation and local community benefits as their primary goals.

Depending on what kind of product you are planning to develop, you will need to involve different people at different stages of development of a business plan, in addition to yourself and any partners. At the early stages, it is important to involve a financial analyst or someone else who can help you with any financial questions. A lawyer can help with any legal advice. And, particularly if you do not have prior experience with tourism, it will be useful to involve someone with tourism knowledge, to help you understand the particulars of the tourism market and operations.

The first step in creating a business plan is to identify a rough concept of what you will want to include in the plan. This concept will guide you in collecting more detailed information on financial issues, competition, market characteristics, accessibility, organisational needs and sustainability considerations.

A business plan can also be a good “reality check,” allowing you to visualize the big picture of a finished product before you begin development. As you work through the different points of the business, understanding the pros and cons of each, it can help you determine if the product is really a good idea. Sometimes, business planning can reveal that it is actually not practical or feasible to start a business, even if it seemed so at first. For example, it may be too expensive or too complicated to access the site, meaning that tourists will not be able or willing to reach you. Or, you may discover that the market is already saturated with similar products, meaning that you would have a difficult time attracting clients.

The basic questions to ask in developing a business plan include:

- ▶ **Financial:** What kind of investment is it? What is the cost of investment? How will you finance it - through equity, loans, bank financing? What will the operating expenses be? What are your expected levels of income and what would be required to break even and then to make a profit? Is it affordable - both to build and for the clients to pay for the product or services?
- ▶ **Competition:** What kind of other similar products exist? How do they run their businesses and are they successful? Comparing your business plan with what other people are doing can help reveal if it is actually feasible.
- ▶ **Market:** What is your intended source market? Where do you expect most of your clients to come from? What do those clients want from you and from the destination? Is there a demand for your product, or can you create that demand?
- ▶ **Accessibility:** Is your product in an area that is accessible? How will clients get to you? Is there flight access? Access by road/train/bus/private vehicle? You can have a beautiful project, but if nobody can reach you, you cannot succeed.
- ▶ **Organisational:** What will the organisational structure be? What are the different staff positions? Is there enough manpower available in the area? How will you recruit? Do these potential employees have the necessary skills?
- ▶ **Sustainability:** How have you integrated sustainability into all areas of the business plan, from financial to human resources? How is your business eco-friendly? It will be important to be clear on these answers, so that you can effectively communicate them to your target market.

Financial planning

Subsequent chapters in this book address issues related to competition, market, accessibility, organisation and sustainability in more detail. Here we present more information on the different components of financial planning, which is vitally important to get right in developing a sustainable business plan and a successful business.

A business plan should include three different kinds of financial statements:

- ▶ The cash flow statement, which reports income and spending at the time money comes into and out of the business (i.e. if a customer books and pays three months in advance, the cash they pay is recorded then).
- ▶ The income statement, which reports the income at the time the customers stay at the lodge (this is when the money is actually earned, even if it came in three months earlier).
- ▶ The balance sheet, which lists the values of the assets (things the business owns from buildings to furniture) and liabilities (things the business owes, such as bank loans) of the business.

An important part of financial planning is developing both a long-term and a short-term budget, to quantify your expectations regarding future income, cash flows, financial position and supporting plans. Long-term budgeting involves decisions on which assets you will purchase and what projects you will select in the long run, in order to ensure a sufficient return on investment to your enterprise and the maximum possible value added. Short-term budgeting includes both your day-to-day operating budget and your financial budget, allowing you to understand the financial implications of various business decisions. In addition, mid-term budgeting would include yearly forecasting and budgeting.

How to get started

A thorough SWOT (strengths, weaknesses, opportunities and threats) analysis of the intended product is recommended to truly understand the full risks and opportunities that come with the product or business. A SWOT analysis is an excellent tool for long-range strategic planning, as it can provide a guide for a business to build on its strengths, correct its weaknesses, be ready to respond to any opportunities and protect against internal and external threats. Among the questions that you might ask in this analysis are: What are our human and financial resources (strength)? Are there any potential drawbacks to our product in the long term (weakness)? Are there plans for future infrastructure or transportation developments in the area that might make our product more desirable and accessible (opportunity)? Do we expect any problems with employees in the area or increased competition that might lead to excess capacity in the area (threat)?

Publicly available market information can help in answering many of these questions. You should first visit local tourism boards to obtain official information, and then arrange inter-

The main operating budgets for an ecotourism enterprise would include sales and marketing; operations; payroll and related costs; furniture, fixtures and equipment (FF&E)/repairs and maintenance (R&M); and conservation.

It is also extremely important to get the pricing right on your ecotourism enterprise. Although your principal goal may be conservation of local ecological or community resources, if you don't get the pricing right in order to attract a large enough client base and make a reasonable profit, your business will not succeed and neither will your environmental and social goals. There are three traditional ways to determine pricing: cost-based (based on what it costs you to provide the product), demand-based (determined by the level of demand) or competition-based (determined by what your competitors are charging). More recently, enterprises have used a dynamic pricing method, whereby the optimum price reflects customer needs, market position and economic aspects. In this approach, you would segment your customer base into different types of demand, based on willingness to pay, weather and seasons, level of interest and other factors, and determine the optimum price for these different segments. So on any given day, your clients might be paying several different rates, depending on when they booked, what the demand and market conditions were at that time, and their level of interest and willingness to pay for the product.

Once the business plan has established that the business is feasible from a financial perspective, you will need to create and implement different financial systems, such as payroll and procurement, to ensure that day-to-day operations run smoothly.

views with relevant people in the local tourism industry. You can also contact tour operators, destination management companies, guide books such as Lonely Planet, other local businesses, or other sources to get more information about your target market.

As you embark on your business plan, you may find yourself changing your mind about what your business is and how you plan to run it. This is a very common and also very important part of business planning - predicting and understanding any challenges in advance and addressing them before they become real-life obstacles.

And once you have completed an initial business plan, it is not set in stone. Circumstances may change that will require periodic review and possible adaptation of the business plan. You should create an annual budget based on the plan and review that quarterly, comparing actual figures with the projected figures. Through regular review, your forecasted budgets will become more accurate and more closely aligned with your financial reality.

Case Study:

The Blue Yonder

Involving local people to create a unique, local product

The Blue Yonder is a tour operator that offers responsible and sustainable travel experiences throughout India. With more than 100 sustainable and responsible tours and initiatives focusing on culture, people and wilderness throughout the country, The Blue Yonder seeks to give travelers a unique experience, while building a sense of pride and dignity among local people.

The company grew out of the Nila Foundation, which was established in 2004 to study the causes of environmental degradation along the Nila River in the Indian state of Kerala. When the Foundation ran out of funds after several months, its founders sought a sustainable source of income to support their research and contribute to the local economy. They decided on responsible tourism, as a way to engage local people and support local traditions.

The first Blue Yonder tours focused on the rich cultural traditions that thrived in communities along the shores of the Nila River. Because the company was staffed and run by local people, they knew the people and the social dynamics in the area and came up with a local solution. They began to work with local musicians and put together a programme to showcase the distinct musical culture of the region. Many of the musicians involved had previously been excluded from the local music scene because of various caste practices.

What began as a small initiative in 2005 has now grown into a renowned programme that offers lessons to hundreds of musicians from all castes in the area. These musicians give performances for tourists as part of Blue Yonder tours. In keeping with the company's focus on preserving local culture, the local musicians and other artists never go to a hotel or resort to perform; the tourists always go into the villages to see the performances. The demand is now so high for performances that it is sometimes difficult for The Blue Yonder to book them for their own tours.

The Blue Yonder was very successful in bringing tourism into an area where there previously was none. Even now, it is not the most popular tourist destination in India. However, the company was passionate about their product and, even though there was not a readily available market, they created one, by talking to tour operators and promoting their product as a new and different option. Eventually, people began listening to them

and paying attention. The Blue Yonder is now an official sustainable tourism partner of ITB Berlin, the world's leading travel trade show. They have also won a number of sustainable and responsible tourism awards.

A new Blue Yonder project aims to map 12,000 km² of the Nila River basin, working with thousands of local people to define what the river means to them. They will be mapping natural features, cultural sites and places of interest, as well as recording local heritage, legends, folklore and uses of the area. The idea is to create a master plan for sustainable tourism on a larger scale, to present to the government and other international bodies and donors. The entire initiative is being run by a core team of about 20 people, all from the local area, in keeping with The Blue Yonder's philosophy that tourism cannot be developed with a top-down approach, but rather has to involve local people.

For more information, see www.theblueyonder.com.





Case Study: Zeitz Foundation and the Caiman Ecological Refuge

Developing a plan for a sustainable future

Founded in 2008 by business entrepreneur Jochen Zeitz, the Zeitz Foundation is a non-profit organisation with the mission to create and support sustainable, ecologically and socially responsible projects and destinations around the world to achieve long-lasting impact and sustainability through the holistic balance of conservation, community, culture and commerce (the 4Cs) in privately managed areas.

The Long Run Initiative, which was launched in 2010 as the flagship initiative of the Zeitz Foundation, is built around Long Run Supporters, Long Run Alliance Members and Long Run Destinations. To become a Long Run Alliance Member, potential destinations have to complete a comprehensive self-assessment on their management practices with respect to each of the 4Cs. To “graduate” from a Long Run Alliance Member to a Long Run Destinations - Global Ecosphere Retreats® (GER) certified destination, requires a rigorous planning and external assessment process, which assesses the sustainability of the management practices and activities in accordance with each of the 4Cs.

Before an enterprise can be designated a Long Run Destination - GER® certified, the Zeitz Foundation sends an assessment team to the destination to spend four days with the owners, managers and employees of the business in an intensive participatory strategic planning exercise and to assess compliance with a range of criteria that have been developed by the Zeitz Foundation. The team looks at the bigger picture of the enterprise, analysing the long-term vision, desired outcomes and impacts, and what actions will be necessary to achieve those goals. The assessment is organized around the progress that has already been made on the 4Cs pillars and priorities for the future. Interviews are conducted with management, employees, community members and guests, assessments are made of back-of-house facilities and other infrastructure to ensure compliance with environmental management criteria, and visits are made to community and cultural initiatives in which the potential Long Run Destination is engaged.

After this planning exercise, the assessment team puts together an extensive External Assessment Report for the destination, based around the 4Cs. For each of these areas, the report outlines the impacts the destination is working towards achieving and the specific outcomes and results under each of the impacts. The report includes an annual activity plan with actions for each outcome. The Zeitz Foundation Specialists, who are internationally recognised experts in each of the 4Cs, then review the reports and determine whether or not to grant GER®

certification. If GER® certification is granted, ongoing annual reporting and monitoring is undertaken to ensure continued compliance. By getting everything down on paper, this exercise allows the business to get a clear picture of what they are doing, where their strengths and weaknesses are, and what they need to achieve in the future.

In May 2011, the Long Run Initiative’s assessment team carried out an external assessment for the Caiman Ecological Refuge, a 53,000-ha property in the Brazilian Pantanal region that includes two ecolodges, a nature conservation program and an operating beef cattle ranch. The team spent four days meeting with Caiman’s owner and his team and visiting sites around the property, including the cattle ranching operation, ecolodges, school, Environmental Interpretation Centre, infirmary, recycling centre, employee housing and canteen. Together, they developed a plan that included specific outcomes under each of the 4Cs. These outcomes included increasing knowledge of Pantanal ecosystem structure and functioning through monitoring and assessment, enhancing the conservation status of key Pantanal bird and mammal species, improving environmental management practices and infrastructure, promoting sustainable land management with neighbouring landowners, expanding training and capacity-building activities for employees, and increasing the number of cultural activities and presentations available to visitors. From an economic perspective, the plan recommends flexibility in product offerings to take advantage of different levels and types of demand and visitors, development of other sustainable economic and land-use enterprises in the property and development of a management plan for the entire refuge to coordinate day-to-day management of the lodges, reserve and cattle ranch.

For more information, see thelongrun.com and <http://en.caiman.com.br/caiman-ecological-refuge/>.





Checklist for success

The following are the basic elements that should be included in an ecotourism business plan:

Executive summary

- Highlights of the business plan

Company description

- Details of the services or product offered
- Mission statement for the business
- Value for conservation/communities

Industry Analysis

- Evaluation of the standards, trends and characteristics of the ecotourism industry
- Evaluation of eco-certification in tourism

Competition Analysis

- Identification of the major competitors for your target market
- Comparison of your strengths and weaknesses versus theirs

Marketing Plan

- Description of the target customers, their needs, motivations and purchasing patterns
- Estimate of the market size and number of customers expected
- Details of the promotional and sales activities that will be used to sell the product to overcome the competition and industry challenges

Operations

- Details of the daily business functioning

Management and organisation

- Overview of the business structure – organisational chart
- Identification of who will fill key positions and descriptions of their backgrounds, especially where they have experience relevant to the proposed business

Financial Projections

- Historical, current and projected financial data (for existing businesses)
- Includes a pro forma (projected) cash flow, income statement and balance sheet
- Potential investments in conservation/community projects (ecotourism premium)

Monitoring and evaluation

- Criteria for success and method for monitoring the business

Contingency Planning

- Evaluation of the “what if” scenario and business alternatives

Appendices

- Additional information that reinforces the business plan conclusions

Note that the checklist above is not exhaustive and should be adapted to suit individual businesses.

The Checklist is based on Drumm et al 2004 (see resources on page 81)

Revision Questions

1. Why is it important to develop a business plan for your ecotourism business?
2. What is the basic purpose of a business plan?
3. Who should be involved in the development of a business plan?
4. What kinds of questions should you ask in developing a business plan?
5. Where can you get information to help you develop a business plan?
6. What are the basic components of a business plan?



3

Running Sustainable Operations

This section presents the three main pillars of sustainability - environmental stewardship, social responsibility and economic viability - and their applicability to ecotourism businesses. It also offers tips for engaging your staff and suppliers in sustainability efforts and discusses the benefits of sustainability certification schemes.

By definition, an ecotourism business should be a sustainable business. But that does not just mean environmentally sustainable. True sustainability encompasses environmental, as well as socio-cultural and economic criteria. Sustainability may be good for the environment and local people, but it is also economically good for business in many ways: operating sustainably can generate cost savings, help satisfy customers and be a source of innovation.

Running a sustainable operation can lead to higher customer satisfaction. In our daily lives, we are confronted with growing environmental, social and economic challenges. People these days are more and more aware of climate change, the value of clean air and water, high levels of poverty and the interconnectivity of global economies, and it may improve their impressions of your business to know that you are addressing one or more of these areas.

While there is growing demand for sustainable travel, the majority of travellers today may not choose travel destinations solely on the basis of their ecotourism attributes. Nevertheless, the customers you are most likely to target are aware of sustainability issues. And as this awareness grows, businesses that are already operating sustainably will find themselves reaping the benefits from this changing market.

There is no single definition or list of criteria that will make a business sustainable, and it can be difficult to compare one business to another, as much of it will depend upon the specific context of the business. For example, is a hotel that has replaced all of its light bulbs with energy efficient bulbs but has no local involvement more or less sustainable than one that still uses traditional bulbs but supports the local hospital and schools? The most sustainable options may vary from destination to destination. Nevertheless, there are some general criteria that can be used to evaluate a business, within the three pillars of sustainability (environmental, social and economic).

“We used to win many awards, but we don’t qualify for a lot of sustainability awards anymore, because a lot of them require solar power. However, the electricity in South Africa is still too cheap to warrant solar. I’d rather take the \$350,000 and train 70 people to have jobs to support their families than put something on the roof that is not economically sustainable for me. The payback period and the lifespan of [currently available] solar power does not justify it.”

MICHAEL LUTZEYER –
Owner/GM/MD, Grootbos Private Nature Reserve, South Africa

ENVIRONMENTAL SUSTAINABILITY

Environmental sustainability includes minimizing your impact on biodiversity and ecosystems, as well as contributing to conservation and the protection of species and habitats.

To reduce your impacts, you should ensure that your use of resources such as water and energy is sustainable. Reduction of energy consumption through the use of energy-saving practices and equipment, as well as the use of renewable energy sources, when feasible, can help contribute to more efficient and sustainable energy usage. You should also implement responsible procedures for the handling of solid waste and wastewater that include waste reduction and recycling measures and effective systems for the treatment and disposal of wastewater.

Your purchasing decisions can also contribute to the environmental sustainability of your business. For example, you should avoid the use of products derived from endangered or threatened species or ecosystems, choosing instead sustainably certified products or those produced in a sustainable manner. You can buy products in recycled or recyclable packaging and purchase items in bulk to reduce solid waste generation. In addition, purchasing local products will reduce your environmental footprint because they require less transport and in some cases less packaging.

To make a positive contribution to conservation, you can support programs that protect endangered species and ecosystems, contribute to local efforts to conserve and enhance the natural heritage and biodiversity of the area, and promote environmental education and outreach among your guests and the local community.

SOCIAL SUSTAINABILITY

Social sustainability requires respect for and protection of the social and cultural heritage of local host communities. Where these local communities include indigenous or tribal people, there is a special responsibility to ensure that you do not cause adverse harm to their traditional culture or way of life.

In addition to avoiding negative effects on local communities, your business should provide benefits for local people, for example by using local suppliers for goods and services; promoting local art, food and businesses; empowering local people through employment and training; and offering opportunities to improve their livelihoods.

Working conditions at your business will also contribute to the social sustainability of your business. For example, you should provide fair pay and working conditions for all employees as well as equal opportunities for women and men. Both at your business and in the surrounding community, you should help ensure that children are protected from economic or sexual exploitation.

ECONOMIC SUSTAINABILITY

Economic sustainability from a business perspective can be achieved by establishing a viable, long-term economic operation. In addition, your presence in an area should generate job creation, contribute to poverty alleviation and provide economic benefits for local people that are fairly distributed. Your business can be an important and secure source of business for local suppliers or goods and services.



Engaging your staff and suppliers in sustainability efforts

It is very important to involve your staff and your suppliers in your sustainability efforts, educating them on your practices and goals and encouraging their support and involvement. If your staff understands and supports your sustainability agenda, they will better be able to communicate that vision to your clients and the community.

When you first hire your employees, you should make sure they understand how you work and how you expect them to work. Expectations and policies should be written into contracts and employee handbooks. The policies need to be very clear and they need to come from the top. You should communicate that this is just the way that you work – as opposed to making sustainability policies extra add-on incentives, they should just be presented as the regular way you do business.

One of the best ways to involve employees is through regular training programs that explain your sustainability policies and programs and, importantly, the motivations behind them. When speaking with staff and suppliers, it can sometimes help to translate the idea of sustainability into more concrete, easily understandable concepts, such as cost savings, customer demand and satisfaction, or protection of local resources.

Sustainability policies can be part of staff reviews in a larger organisation. And in any size business, you can have workshops or meetings to talk about how they're doing things and ask your staff for ideas about what they think might work to reach your sustainability goals.

The key is to be passionate and genuine about what you are communicating to your staff and your guests. If you are not passionate about it, and if your staff does not feel that passion, then it becomes greenwashing. A guest who comes to stay with you for three days will very soon discover if you are genuine or not by talking to the housekeeper, the bartender or the waiters and learning about the true conditions at your business.

The same concepts apply to educating suppliers about your sustainability policies. When you first contract with a supplier, you can inform them about your actions and your standards for materials and supplies. If you make it a standard business proposition that you will only contract with suppliers who are willing to meet your standards, then that may be incentive for them to support your goals.

Sustainability certification schemes

One of the best ways to determine the level of sustainability of your particular ecotourism business is to conduct an audit. At the basic level, you can use publicly available guidelines to conduct a self-audit. For a more thorough evaluation, you can hire a third-party auditor to assess your sustainability. This third-party auditor can give you advice on whether you are conducting your business sustainably and what you can change.

Beyond auditing, there are also a number of different global and regional certification schemes for sustainable tourism that can assess your business and offer you the additional value-added of a certification seal. There are more than 100 schemes around the world, which can be confusing for both business owners and consumers. For the most credibility and the widest possible exposure, it is recommended to go with a certification scheme that is internationally recognized, such as the Global Sustainable Tourism Criteria, which brings together criteria from several other certification schemes.

Certification can provide added credibility and can help you attract customers who are interested in a sustainable holiday. They can also help attract larger tour operators and travel companies to your business. In some cases, an outbound tour operator may require some level of certification in order to contract with your business.

Communicating your sustainability achievements to stakeholders

While getting third-party certified is a good way to demonstrate your sustainability achievements to your customers, investors and other key stakeholders, there are also other important ways that you can communicate this message. You can communicate achievements to customers by providing in-room brochures and other information; giving tours of your gardens, waste processing facilities or other sustainable features of your property; and offering guided visits to local communities or projects that you support.

Whatever system you choose, it is important to look carefully at who is behind the criteria and how the guidelines are put together. You also want to make sure that it will not be hugely expensive for you to get certified by the scheme and that there is sufficient consumer awareness in the countries where your customers will come from. It also helps to choose a scheme that is endorsed by an official body, such as the European parliament.

THE GLOBAL SUSTAINABLE TOURISM CRITERIA

The Global Sustainable Tourism Criteria (GSTC) is a set of criteria intended to frame the main components of sustainable tourism. The criteria are organised around four areas: effective sustainability planning, maximizing social and economic benefits to the local community, reduction of negative impacts to cultural heritage, and reduction of negative impacts to environmental heritage. The criteria have been developed through a joint effort of the 27 member organizations of the Partnership for Global Sustainable Tourism Criteria. The partnership reached out to nearly 100,000 tourism stakeholders and analysed more than 4,500 criteria from over 60 existing certification and other voluntary sets of criteria to develop the list. The criteria are available at www.gstccouncil.org.

You should also disclose details of your sustainability programs and achievements to your investors, the host communities, local government officials and any other stakeholders who might be interested in your sustainability performance. Do not be afraid to talk about your achievements – it will generate support and interest among your customers, potentially attract new investors to your business, and create an important bank of good will among local communities and officials.

Case Study:

Hotel Belvedere Grindelwald

Integrating sustainability into hotel operations

The Hotel Belvedere Grindelwald is a four-star luxury hotel in the heart of the Swiss Alps. Recognizing that their business depends on the stunning natural scenery that surrounds the hotel – including glaciers that are retreating due to global warming – the hotel’s owners have made an effort to integrate sustainability into all aspects of their operations. These sustainability actions, and the motivations for them, are explained in a five-page booklet that is placed in each guest room. The introduction to the booklet notes: “Not so long ago, our glaciers reached down to the valley, and up to only a few years ago, the Upper Grindelwald Glacier could still be admired from our hotel. Sadly, this is no longer the case.”

In the area of energy, the hotel has set a goal of using as little oil, gas or other fossil fuels as possible. With each renovation, they install more energy-efficient windows and doors. They also use a heat recovery system that reuses hot air from the indoor pool and other areas to heat incoming cold air. In addition, they utilize hot water produced by the running of refrigerators, freezers and other machinery to heat the hotel pool, eliminating the need for an additional pool heater. They will also soon be getting energy and hot water from a new local facility that burns scrap wood to produce hot water.

To minimize the amount of waste that needs to be landfilled or burned, the hotel sorts all waste and collects paper, cardboard, metal and glass for recycling. Hazardous wastes, such as batteries, are collected and taken to special recycling facilities. In the near future, they will be sending their organic food waste to a new plant that is being built nearby to burn food waste to produce gas for energy. In addition, they have eliminated thousands of pounds of waste by replacing individual bars of soap and shampoo and conditioner bottles with dispensers in guest rooms that provide liquid hand soap by the sinks and liquid body wash/shampoo in the showers. A sign in the guest rooms explains their approach to waste reduction and tells guests that they may ask for individual shampoos and other toiletries at the reception desk. Since this policy was implemented, the hotel has found that very few people actually ask for the supplies.

To give back to the wider society, the hotel participates with the charitable organisation Caritas to provide a free week’s holiday to families who would otherwise be unable to afford a stay at the hotel.

The hotel has implemented a very effective system for involving employees in its sustainability efforts. A seven-person Quality Circle, which includes employees from all levels of the business, meets regularly to discuss various sustainability issues. These meetings review what is working well, what is not working and what can be done about it. Afterwards, they hold training sessions – in several different languages – to communicate these ideas to all staff members. At these training sessions, members of the Quality Circle discuss the issue, explain the hotel’s goals and actions for achieving those goals and ask for suggestions and ideas from employees.

While some of the actions taken by the Hotel Belvedere may not be applicable, or even possible, in a small-scale, more rustic ecotourism business, the experiences of this hotel are applicable in that they demonstrate the value of dedication and innovative thinking.

For more information, see www.belvedere-grindelwald.ch/en/.





Case Study: The Grootbos Foundation

Giving back to the local community

Grootbos Nature Reserve is a 1,700 ha private reserve that features five-star luxury accommodations in the heart of the Cape fynbos lowlands of South Africa, an area of immense biodiversity value that is under extreme pressure from human activities. In 2005, the owners established the Grootbos Foundation as a way to give back to the community and support their employees and other local people.

Today, the Foundation, which is funded by profits from Grootbos hotels, employs 13 people and has four main projects: Green Futures, Growing the Future, Spaces for Sports and Future Trees.

Green Futures trains previously unemployed local people in fynbos landscaping and conservation. The project was established through a partnership between Grootbos and the German Investment and Development company (DEG). The trainees study at an education centre built on the Grootbos property and learn about gardening with indigenous plants. The programme is partially self-sustaining, as the trainees grow and care for indigenous plants that are eventually sold, generating 60 percent of the costs of the program. Since the programme was started nearly a decade ago, more than 100 people have gone through the training course. Some of them have gone on to be employed as gardeners at Grootbos, while others have found employment elsewhere in the region. The programme also benefits Grootbos by providing flowers, plants and trees for their own gardens and landscaping needs.

Inspired by the success of Green Futures, the Grootbos Foundation established another programme, Growing the Future, to focus on food production. Each year, eight women from local communities are trained in the growing of vegetables and fruit, beekeeping and animal husbandry. The programme helps the women learn not only how they can provide food for their families, but also how they can generate income, by selling some of the produce and making jam and other products. The programme is in part financed through sales of some of the food that is grown. In addition, Grootbos buys some of the products for use in their own kitchens. With the use of local food, they can lessen their carbon footprint by not having to import food over longer distances, and they are able to assure themselves and their guests that the food is organically and sustainably produced.

The Spaces for Sports project uses sport as a medium to engage children from marginalised communities, and to teach them valuable social skills. In 2008, the multipurpose Gansbaai Communal Sport Centre was completed. This facility is situated right in the middle of three culturally diverse communities and serves as a catalyst for social integration between the different

communities. Alongside the sports programmes, the Foundation runs youth and adult education programmes that address environmental awareness, HIV/AIDS, health, computer literacy, skills training, career development and entrepreneurial development. This project also provides a special benefit to guests who come to Grootbos with their children. In the afternoons, the lodge offers the opportunity for these children to go to the Sport Centre and play with the children who are part of the Spaces for Sports programme, giving all the children a unique opportunity to meet and interact with each other.

The Future Trees project was developed after a 2006 fire that destroyed one of the lodges at Grootbos, as well as a large portion of an ancient milkwood forest on the property. This project aims to rehabilitate this area and others on Grootbos through the planting of native trees to replace the ones that were lost in the fire. Each guest is offered the opportunity to make a contribution of R350 (US\$46 or EUR34) to the Foundation to cover the planting and maintenance of a tree. A Green Futures graduate cares for the more than 1,200 indigenous trees that have so far been planted as part of this project. The guests receive a certificate with the coordinates of their tree, so that they can track its progress on Google Earth.

For more information, see www.grootbos.com and www.grootbosfoundation.org.







checklist for success

getting started

- Have you analysed your business and its supply chain to get a clear understanding of your greatest impacts.
- Have you defined the scope of your business's responsibility?
- Have you identified your key stakeholders and sought their advice from the beginning?

management and organisation

- Do you have a written sustainability policy for your company, which considers labour conditions, sociocultural and environmental issues?
- Is the main goal of that sustainability policy and action plan to maximize the positive impact of tourism, while at the same time minimizing its adverse impacts?
- Do you have one or more individuals within the business responsible for managing sustainability issues?
- Have you ensured that the sustainability policy is integrated into all core business operations through regular training, working groups etc.?

environmental impacts

Have you included criteria such as:

- Reduction of energy consumption and use of renewable energy?
- Water and wastewater management?
- Waste minimisation and management?
- Nature conservation and biodiversity management?

socio-cultural and economic impacts

Have you included criteria such as:

- Employment of local residents?
- Choosing local suppliers and sustainable products?
- Contributing to the protection of local historical and cultural sites, e.g. by enhanced customer communication?
- Protecting children from sexual exploitation in tourism?
- Protecting rights of indigenous or tribal people?
- Fostering local art, food, shops etc.?

labour/fair working conditions

- Have you included criteria such as sustainability training for staff, non-discrimination, remuneration and benefits for staff, and child labour?

measurement, reporting and review

- Have you defined clear key performance indicators for each of the focus issues?
- Do you have a plan for measuring and monitoring the impacts?
- Do you have a plan for reporting and communicating the results?
- Do you have plans to review your sustainability strategy on a regular basis?
- Have you involved your key stakeholders?
- Have you communicated your sustainability achievements to key stakeholders?

Note that the checklist above is not exhaustive and should be adapted to suit individual businesses.

Revision Questions

1. What are the main components of sustainability?
2. What are the benefits of running a sustainable business?
3. What are some criteria that point to environmental sustainability?
Social sustainability? Economic sustainability?
4. How can you best engage your staff and suppliers in sustainability efforts?
5. What are the benefits of being certified by a third-party sustainability certification scheme?
6. How can you communicate your sustainability achievements to stakeholders?



4

Marketing and Sales

Tapping into the right channels for marketing a tourism product is one of the key elements of a viable tourism venture. This section discusses the basics of developing a marketing plan, the available promotion channels for ecotourism businesses (from websites and brochures to trade shows and word-of-mouth), and how to choose the right marketing tools for your business.

Marketing is the key to the success or failure of your business. Marketing includes the activities, tools and processes that you use to communicate your offerings to customers, clients and partners. No matter how unique, accessible, safe or attractive your product is, you will not get visitors if you don't effectively market your business.

The key to successful marketing is knowledge. Knowledge is power in the tourism business. First, you should know your product and its unique selling propositions. Second, you should know your competition, what they do and what sets your business apart from them. And third, you should know your market and to whom your product will appeal. With this knowledge in place, you are in a strong position to embark on an effective marketing campaign. (These topics are discussed in more detail in Chapter 1.)

Marketing an ecotourism business is, in principle, the same as marketing any other business. It is all about getting the right information to the right people. However, there are some aspects of marketing specific to ecotourism businesses. For any market plan, the biggest challenge is getting access to the people who will buy your services and product. In tourism, those people are generally scattered all over the globe. For ecotourism, this problem is accentuated, because of the relatively small percentage of people who are interested in the ecotourism market. In a study by the Institute of Tourism at the Lucerne University of Applied Sciences and Arts and Kuoni, out of eight choices, including

climate, price and accessibility, sustainability ranked seventh in factors influencing travel decisions². When your potential target group is smaller, it is that much more difficult to gain access to it.

Because your target market is relatively small and dispersed around the world, it is vitally important to get your message right in your marketing campaign. Appearance matters, and your marketing campaign is your key tool for presenting your product and your desired image to the world. People will only buy a product if you are presenting it in a way that is appealing and relevant to them, which is why it is important to understand your target market.

“Marketing is all about getting the information out there and making sure whatever you promised is delivered.”

MICHAEL NJOGU – Head of Marketing and Sales, Private Safaris, Kenya

Remember, however, that although your goal is to present your product in the best possible light, what you say and how you say it should be consistent with how you do things. You should be honest and accurate, promoting the highlights of your product while managing expectations. If people have the wrong conception about what you are offering, they will be dissatisfied and your business will fail.

Developing a marketing plan

A marketing plan describes how your product is going to be sold and to whom. There are four key elements that should be included in every marketing plan:

- ▶ **Product:** Your product has to be designed in such a way that it is appealing. With a good product, you've already done much of the marketing. The product is the sum of your actual offering, the destination it is in, and the added value that it offers to customers. If you have followed the advice in Chapter 1: Understanding your Market and Product, you will already have a pretty good idea of what your product is and what will make it stand out.
- ▶ **Positioning:** This describes the distribution channel that you are going to use to sell to your customers. If you are selling indirectly, via tour operators or travel agents, you need to think about marketing to the middle man, through business-to-business marketing. For effective business-to-business marketing, you should seek affiliations with tour operators and travel agents, seek possibilities to have your product included on ecotourism or responsible tourism websites and establish a presence at events such as trade shows where you can sell to intermediaries. However, if you are planning to sell directly
- ▶ **Price:** While there are many fancy approaches and terms for pricing, including competitive pricing and cost pricing, it all basically comes down to what you think someone will be willing to pay for your product. That is what the customer is going to ask himself. Thus it is important to get the value for money equation right. You need to consider your customers' ability to pay and where they are traveling from. What the customers pay has to match what they perceive as the value they get for their money, although you need to make sure you don't price your product too low in an effort to attract customers, because you will soon find yourself out of business.
- ▶ **Promotion:** Once you have crafted a message that sells your product, you have to deliver this message through the most effective channels to reach your customer. This involves figuring out how you are going to communicate your message to your target market, and also how you are going to encourage repeat visits from existing customers.

² Kuoni, Sustainable Travel Trends, available at <http://www.kuoni-corporate-responsibility.com/focus-areas/sustainable-products/sustainable-travel-trends>

Promotion channels

There is a wide variety of promotion channels and marketing tools available to promote your ecotourism business, from websites to traditional paper brochures. Pinpointing the best tool depends on your product, the location, the season and where your customers are traveling from. It also depends on the demographics of your clients. For example, if you are looking for senior citizens, social media may not be as effective as with younger people.

An effective marketing plan might integrate different tools together with a common look, theme and message. It is important, however, to limit your marketing efforts to a few channels. A common error in marketing is losing focus. Thus, you should identify just two or three means of marketing and do them right. That can be far more powerful than trying to do a bit of this and a bit of that, particularly if your financial means are limited.

To determine what will be the most effective tools for marketing your business, you need to put yourself in your customers' shoes and retrace their steps before they arrive at your door. What will those customers be doing when they go to book their services and products? Talk to your customers and find out what appeals to them. The more you understand how your target clients are researching and buying your product or others like yours, the more effectively you can market your product to them.

WEB-BASED PROMOTION

The vast majority of global travellers today begin their research about vacation destinations on a computer, so an internet presence is a vital marketing tool that you shouldn't be without. The key component of your web-based strategy will be your website. The most important thing is not that you have the fanciest website, but that you provide the most authentic information on your website. If your content is appealing, that takes you a long way towards effective marketing.

Your website should be colourful and attractive, with appealing photos and interactive elements, but not too saturated with information and graphic elements. Navigation should be straightforward, and it should be easy to read and download quickly and easily. Another important consideration is that you need to be reachable. Your website doesn't need fancy booking functionality, but it should at least have a current email or phone number so customers can contact you to make reservations and give feedback. It should also provide basic information on what your product is and what you offer, as well as where it is located (and how to get there). If you are certified, feature the relevant certification seal prominently on your home page. Update your web content regularly to keep users coming back.

While a website is very important to your success, as it is working for you 24 hours a day, all over the world, you should also capitalize on the significant, and growing, power of social media as a tool for promotion of your business. Linked to your website,

you can take advantage of important social media, such as a blog, a Facebook presence and a Twitter account. The more internet presence your business enjoys, the more chance that potential visitors will find you.

Once you have established your own website and social media channels, start thinking about other online channels to market your business. Think creatively about ways to develop partnerships or distribution deals with websites that feature ecotourism or responsible businesses. Consider what the customer will do when he is researching his destination. For example, many people will browse websites about seasonality and weather in their destinations, or look at map sites such as GoogleMaps. Try to figure out ways to be present on those sites through ads or links. You can also talk to some experts about ways to design your site and content to increase your chances of appearing higher on search engine results pages and when certain search words are used.

BROCHURES, LEAFLETS AND FLYERS

More traditional promotional materials such as leaflets and flyers can also be important for marketing and can be a good tool to enhance positive word-of-mouth, if visitors pass them on to other potential clients. As with websites, such tools must be produced to a high standard, preferably designed by an experienced professional with graphics and a theme that match your other promotional materials. You should also think about how you will distribute the brochures or leaflets, for example through tourism offices, travel agents, guesthouses, restaurants, bars, transit centres, overseas tourism offices and other relevant outlets.

Although brochures and leaflets can sometimes be helpful tools, they can also be very expensive, and their effectiveness is not always worth the expense. For a newly established ecotourism business, they may not be the best use of money at first. The time to think about advertising in magazines, newspapers and billboards or through brochures and flyers may be when you grow bigger and are trying to reach a broad target audience. If you are a start-up, that may not happen for years.

MARKETING THROUGH INTERMEDIARIES

Once you have your website and any other promotional material, it is time to get others to help you with your marketing, including leading guidebook publishers, major tour operators and travel agents in your region, and popular ecotourism or responsible tourism websites.

Although most people start on the internet, many of them still carry guidebooks when they visit a destination. You can contact Lonely Planet, Rough Guide, Footprint, Frommers, Fodors, Bradt, Moon and other leading guidebook companies to request a listing. When you contact them, make sure to give detailed information on the project and invite their researchers to come and visit. Contacting guidebooks does not guarantee a listing,

but it means they know about the project. If you don't contact them, they might not find out about you. You can also contact local and regional publications, such as local listings magazines and online guides like Travelfish.

Developing relationships with tour operators can be particularly effective if you want to focus on selling your product through intermediaries. There are two basic types of tour operators: Inbound tour operators are located in the destination and usually choose products at the local level. These are the operators that you are most likely to work with, at least at first. Inbound tour operators then sell the various local products (hotels, excursions, tours, transfers, etc.) to outbound tour operators, who are located in the source market. The outbound tour operator then sells packages to its customers. Before approaching tour operators, it is a good idea to determine if your product is stand-alone or whether it can be integrated into an existing tour.

Trade shows are another good way to market your business. A trade show can give you the opportunity to let people know about your products and services, get to know your competitors and the market, maintain relationships with your clients, and find distributors and get sales. In choosing a trade show, make sure you have considered your target market and have chosen

the appropriate venue. Other ways to attract businesses that will market your product are encouraging tour operator inspections or offering familiarization, or "fam" trips, which are free or low-cost trips given to travel agents in exchange for promoting your business. During these trips or inspections, you can show the travel agents and tour operators the full scope of your product, talk about additional services that you offer and demonstrate your commitment to eco-friendly practices. It is important to prepare professional-looking information packages ahead of time with information including rates and to be honest about what you offer. Discuss commissions and pricing up front and always follow up and answer emails.

Another way to spread the word about your business is by making contacts at local newspapers and magazines, or regional and international ones if you have the opportunity, and keeping them informed about new developments. Many newspapers and magazines need short pieces of news to fill their weekly travel sections and will gladly take an interesting piece. Also contact free press release websites, such as www.prlog.org or www.prfree.com, as this is a good way to get further exposure for your product in cyberspace.

Word-of-mouth advertising

Another important - and totally free - marketing tool is word-of-mouth advertising. People typically tell at least five other people about their vacation experiences. If you have a good product and try to do your best to satisfy your customers, then people will refer your product to their friends and family, who may be more likely to visit you in the future. They may also be more likely to return to your business again in the future.

Word-of-mouth advertising can be a very effective marketing tool when your target market is small, which is generally the case for ecotourism businesses. Most people who buy ecotourism services know people with similar mindsets, value sets and interests.

Although word-of-mouth is not a formal marketing tool that you can control directly, there are ways to facilitate such advertising. You can offer incentives to customers to promote your business by giving them a voucher toward their next purchase or stay if they refer someone to you, or by giving them vouchers to distribute to friends and family. You can also use the internet to nurture word-of-mouth advertising by including options such as "send this page to a friend."

You need to be careful, though, because word of mouth works in both ways. If customers like you, they can really help, but if they were not happy with your product, they can do a great deal of damage to your business with very little effort, on sites such as Trip Advisor and others.

Joint marketing efforts with other businesses and organizations

As a small ecotourism business, just starting out, you may have limited resources for marketing your product. One way to increase the leverage and reach of your marketing efforts is to work with other ecotourism businesses and conservation or community-based organisations in your destination to develop a broader and more unique product or itinerary for visitors to the area. Working with similar organisations can give you an opportunity to reach a wider audience and increase the attractiveness of your offering. For example, you could offer joint excursion packages or vouchers for discounts at each others' businesses.

In addition, depending on your destination, you may want to consider working with local tourism boards, to increase the sustainability/ecotourism "image" of your destination. It can be difficult to market a sustainable ecotourism product in a destination that is not considered sustainable. Hence, collaboration and joint efforts with tourism marketing boards can be key. Some destinations will have Destination Management Organisations (DMOs), which are member organisations that are responsible for the promotion of their members' products in a destination.

Marketing sustainability & other key strengths

As an ecotourism business, one of your key offerings is the sustainable nature of your business. The internet offers a tremendous opportunity to market your sustainability efforts and other factors that make your product unique, such as social programs or relationships with local communities. Before websites, businesses had to make a cost-benefit decision about whether it was worth the extra money to print information on environmental or social responsibility, but now it is very easy to just add it to your website.

While it is important to communicate sustainability in your marketing strategy, it is equally important to do so in a realistic and balanced way. Authenticity is the key to effective promotion of sustainability. Do not try to fake anything or use fancy buzzwords; just try to authentically communicate what you truly believe. You have chosen to develop an ecotourism business because you are a believer in a sustainable approach, and the more naturally and authentically you can communicate this message, the more credible it is to the customer who is actually receiving the message.

You should also be selective in what you promote on your website and in your literature. Customers are looking for unique benefits that will affect their holiday experience. So don't take the time

and effort to promote things that many other businesses do (like not changing towels every day), but rather focus on things that make your business more unique or interesting, for example offering bikes to rent instead of cars, or supporting local gardening projects. Emphasize a few key aspects that add value to the vacation experience that you offer, rather than listing every sustainable action or program. If you tell your clients everything and then they arrive to find that one particular system is not working, they might complain. But if you undersell and then they first see all the different initiatives when they arrive, they'll be happy.

It is also important to not be too heavy-handed in your promotion of sustainability. You must remember that most of your customers will be first and foremost on vacation. A client who is spending a lot of money on a trip and only gets a few days of holiday per year is looking for a great experience and does not want to go to a place where he feels like he will be lectured. The sustainability aspects of that experience may be a bonus, but the overall experience has to be up to his standards. Thus, it can sometimes be very effective to introduce some of your sustainability initiatives after your client arrives. Once they see your community or ecological projects, they will start asking questions and may get involved in the initiatives.

Case Study: Wild Jordan

Creating a market for nature tourism

Wild Jordan, the business division of the Jordanian Royal Society for the Conservation of Nature (RSCN) is tasked with developing and marketing nature-based businesses, particularly ecotourism, in and around the kingdom's protected areas. Throughout the six protected areas managed by RSCN, Wild Jordan offers a network of tourism products - including campsites, guesthouses, lodges and guided tours - to travelers seeking to discover the country's natural resources.

One of Wild Jordan's key success factor has been its innovative marketing strategy. Although Jordan has traditionally been seen as a cultural tourism destination, it also offers outstanding natural landscapes and biologically diverse ecosystems. The creation of the Wild Jordan brand enabled RSCN to penetrate a market previously focused on cultural tourism and not only claim its market share, but also take over the niche market for nature tourism. Their website is an excellent example of how a destination can jointly market its natural sites and its various ecotourism products. International customers can also directly book their ecotourism product online.

Wild Jordan has adopted a distinctive people-centered approach to nature conservation by using ecotourism and other business ventures to create economic and social benefits for local communities surrounding the protected areas. A key part of their approach is working with communities in and around the protected areas to create handicraft enterprises that produce innovative products reflecting the natural and cultural features of the different regions. The development of these enterprises relied on a thorough analysis of market trends, supply and demand, community skills and the ways in which community members depend on the different protected areas. They also worked with designers who have an understanding of the market to develop new products that were distinctive from the common, traditional handicrafts. These crafts are available in nature shops at Wild Jordan locations, as well as at the Wild Jordan Center in downtown Amman.

For more information, see www.rscn.org.jo.





Case Study: Ecoturismo Comunitario

Capitalising on the benefits of communal marketing

Ecoturismo Comunitario is a community ecotourism network that offers ecotourism experiences in Colombia's high biodiversity areas. The network is made up of four community enterprises, Sierra Nevada de Santa Marta, Playa Güío - Guaviare, Tierradentro and Tio Tigre. These enterprises have a wide variety of offerings, providing tourists with a complete ecotourism package that includes a selection of rustic ecolodges, guided tours focused on biodiversity, and responsible adventure sports such as biking and canoeing. Also on offer are a variety of cultural experiences, such as visits to culturally important sites, local meals, handicrafts, local dance and music.

The network, which was created by Fundación Natura, a Colombian conservation organisation, takes a communal approach to marketing, working together to reach a wider audience and capitalize on opportunities to attract travellers who may be looking for several different experiences within the same geographic area.

The primary role of the community ecotourism network is to provide technical and organisational assistance, and marketing support to each of the four individual ecotourism ventures. The fact that the four enterprises offer rather similar products and have similar standards helps them to attract travellers visiting more than one of the destinations. In addition, the network approach enables the communities to exchange experiences and lessons learned and allows for a common promotion/sales structure that reduces costs and improves effectiveness.

Fundación Natura helped to design, set up or strengthen, the four enterprises and the overarching network, and also provided training and built technical and administrative capacities. Furthermore, the foundation continues to provide support to the four community enterprises by acting as an adviser to them, instead of assuming the role of a manager.

For more information, see www.natura.org.co and www.ecoturismocomunitario.org.





checklist for success

Know your product

- Have you determined what makes your product special? Why tourists should come to visit?
- Have you identified your unique selling propositions?
- Have you determined the ways in which your product is eco-friendly, responsible, sustainable or pro-poor?

SWOT analysis

- Have you completed an honest and self-critical strengths/weaknesses + opportunities/threats (SWOT) analysis before launching a marketing campaign?

website

- Have you found an experienced web designer to ensure a good look and high visibility among prominent search engines like Google?
- Have you asked a native English speaker to review it, to ensure the text is well-written?
- Does your site present basic information about your product, its features and its location?
- Does the site send a clear message to your target audience?
- Does the site sell your business and generate potential clients?
- Is information included that would make clients want to come back to the site?
- Are there options to request more information and make reservations?
- Are the reservation policies and payment terms included?
- Does it feature some client testimonials, to show that your company is open to receiving visitor opinions?
- Is there a space for comments?
- Does the site have graphic and thematic unity with your other promotional materials?
- Is the site user-friendly, set up for quick, easy downloading and not too saturated with graphics or other elements?
- Does it contain enough information for the reader to be able to make informed decisions?
- Does the site include information about what kinds of environmentally and socially sound practices you use?
- If you are certified, is the appropriate seal prominently featured?
- Are you planning to promote your website via other relevant websites and social media (Facebook, Twitter, Trip Advisor, Lonely Planet, etc.)?
- Have you included a blog as part of your website? (A relatively frequently updated blog increases your site's visibility on search engines as it ensures the website has regular fresh content.)

Brochures, leaflets and fliers

- Have you have looked into hiring a professional designer?
- Does your brochure have a clear message for your target audience?
- Does the brochure sell your business?
- Do you have a clearly defined distribution plan, including tourism offices, travel agents, guesthouses and hotels, restaurants, bars, transit centers, overseas tourism offices and other relevant outlets? (It's no use having a brochure without a way to distribute it.)
- Does the brochure have graphics and a theme in unity with the other promotional materials in order to give your brand recognition and help your campaign have an impact?
- Do the components follow in a logical manner and is it written from the reader's point of view?

- Will it attract and hold the attention of your target market so that they keep on reading?
- Does it include useful information that will not become outdated, so that your reader will want to keep the brochure?
- Does it include information about what kinds of environmentally and socially sound practices you use?
- If you are certified, is the appropriate seal prominently featured?
- Does the brochure end with an action - telling your reader what he/she should do next?
- Have you used environmentally friendly paper?

commercial relationships with tour operators and travel agents

- Have you contacted tour operators and travel agents in the country to let them know about your project?
- Are you prepared for tour operators' inspections?
- Will you show them all types of rooms as well as the other areas of your hotel?
- Will you talk about the services that you offer (internet, tours, etc.)?
- Have you prepared a complete information package that includes distances and journey times?
- Have you discussed pricing and commissions up front?
- Have you talked to the operators about your efforts in sustainability?
- If you have a certification seal, have you told them about it?
- Do you always answer their e-mails?

Trade shows

- When you choose a trade show, do you consider your target market (by geographic region, tourism specialty, etc.) and research the show on the internet?
- Have you made appointments with wholesalers who will be attending the show?
- Will you make sure to take sufficient quantities of your business cards and promotional materials, and a document with rates, policies, etc.?
- Are you planning to participate with a chamber of tourism or partner organisations to reduce costs?
- Are you planning to clearly present information on your efforts in sustainability?
- If you have a certification seal, do you have plans to advertise that?
- Will you follow up with any contacts made at the show?

guidebooks

- Have you contacted Lonely Planet, Rough Guide, Footprint, Frommers, Fodors, Bradt, Moon and other leading guidebook companies to request a listing?
- Have you also contacted local and regional publications, such as local listing magazines and online guides like Travelfish?

ecotourism and Responsible Tourism websites

- Have you contacted local, regional and international websites promoting ecotourism, responsible tourism and sustainable tourism?
- Have you requested a link to your website and a recommended listing, if possible?

Note that the checklist above is not exhaustive and should be adapted to suit individual businesses.

Revision Questions

1. What does marketing involve?
2. What are the keys to successful marketing?
3. What should a marketing plan include?
4. How do you choose the right marketing tools and promotion channels for your business?
5. What are some effective marketing tools?
6. How can you take advantage of free word-of-mouth advertising?
7. How can you most effectively market the sustainability aspects of your business?



5

Human Resources

At its heart, tourism is a people business. Your employees will be the most important point of contact with your customers and will be the ones who ensure that your business is being run the way you want it to be run. This section discusses how to find and hire the right people for your staff, and how to ensure that they are satisfied and want to stay working with you. It also looks at options for employee benefit structures and how to plan for succession.

One of the most important parts of establishing an ecotourism business is assembling a qualified and enthusiastic staff to help you operate the enterprise. Tourism, at its heart, is a people business. Your employees are the face of your business and will be the most important points of contact with your customers. Thus it is key to find the right people, who are committed to providing your customers with a positive experience and to helping you run your business the way you would like it to be run.

In thinking about who you are going to hire, think about yourself (and any partners) and the particular strengths that you bring to the business. And then hire people who can fill in the gaps that are missing. For example, if you are more of an idea person, make sure you surround yourself with practical people who can help with the day-to-day specifics of running a business.

Finding and hiring the right people

In assembling a staff, an important choice is whether you will hire locally or bring people in from outside the area, region or even the country. In general, it is desirable to hire as much local staff as possible, but there may be some instances where you need a particular area of expertise or specialization that cannot be found in the local area. In such a case, you may need to bring someone in from outside, with the understanding that you will seek to develop such skills among the local workforce.

If you need to hire someone with a particular set of skills from outside the immediate area, you can use the internet and social networks, such as Facebook or LinkedIn, or more local networks, to help your search. You can also work with staffing or recruiting agencies, some of which specialise in the tourism sector. These agencies may cost more, but they will have their own proven methods and sources for recruitment.

In recruiting a local workforce, you need to understand the local channels and local customs for employment. Talking to existing local business owners may help you get an idea of where are the best places to find qualified staff. Using the internet or formal recruiting networks may be less successful for local hiring; rather, you need to be on the ground, actively recruiting people in the area. Newspaper advertisements, flyers and personal contacts can all help you get the word out that you are looking to hire. Word of mouth is also very effective in finding workers - once you hire one person, he will tell others.

If you are bringing in experienced professionals from the outside, you should look for individuals who are adaptable to and respectful of local cultures and traditions. The best candidates will have relevant practical experience in the tourism industry or may be recent graduates of hotel schools or tourism training programmes.

When hiring local people, it may be more difficult to find the specific skills or experience that you are looking for. Particularly in very rural areas, you may not find people who have the desired level of education or the business skills that it takes to run a tourism enterprise. However, there are many jobs that local people can do, or can be trained to do. For example, a driver doesn't have to have a high level of education; rather you need to find a responsible person who can be trained as a skilled driver. For some jobs, where the employees will interact regularly with clients, you might need to find an outgoing person with a certain level of education, who can communicate in one or more of the main languages of your guests. However, for a job such as a ranger or member of a scout patrol that monitors your property and wildlife in the area, you need someone with a good understanding of the environment and the land, rather than someone who will be able to effectively engage with tourists. Or, for example, if you are looking for someone to run your plant nursery and oversee your organic garden or landscaping with native plants, you would want someone with expertise in that area.

For all local hires, you may want to look first for a certain level of professionalism and service-mindedness, before worrying about specific prior experience in the tourism industry. For some jobs, attitude and enthusiasm, which cannot really be taught, may be more important than specific skills, which can be taught. It is much easier to train a friendly, service-minded person to do a job than it is to teach an experienced but unfriendly person to interact well with customers.

Training, benefits & retention

Once you have hired your team, you need to keep them. This entails making sure that your employees are satisfied with their compensation (both wages and other benefits), are happy in their jobs and feel like valued members of your organisation.

Depending where you are establishing your business, employee benefit packages may include not just wages, but also health care, training, days off, insurance and even food and housing. To determine what would be a fair benefit structure for your staff, it is a good idea to do some research about what other businesses are offering in the area, as standards will vary widely from place to place. You can get this information from local authorities and other local businesses. You can also look at job advertisements in the local media to see what others are offering. If you can, consider offering just a little bit more, to make your business more attractive. When it comes to hiring and retaining staff, you are as much in competition with other businesses as you are in making money and getting customers. In all cases, make sure that you understand and follow local labour laws.

“You will never find the 100-percent perfect person; there is always some room for improvement.”

KLAUS HENKEL – Head of eHRM Systems, Kuoni

Training is another attractive benefit that you can offer – creating value both for your employee and for yourself. From a hiring point of view, you will never find a perfect candidate, and training programs can help increase the capacity and skill of your staff.

Organisational structure

There is no one single blueprint for an organisational structure of an ecotourism business. It will depend on what you are doing and where you are doing it. But, obviously, some basics apply; you can't set up a restaurant without a kitchen, so you will need a kitchen staff. A good way to understand what kinds of employees you will need to hire, and how many, is to look at other similar businesses and who they employ.

There are several steps involved in developing an organisational structure. First you need to define the relationships between different positions in an organisation, developing a visual hierarchy and structure showing how each role relates to the others. Next, you need to develop detailed position descriptions for each role, defining the scope of responsibility and the different tasks required of that role. Finally, you need to establish job specifications, determining what skills and experience you will be looking for when hiring to fill each role.

Succession management is an important, and often overlooked, part of managing your organisational structure. While the idea of someone succeeding them in a position may make many employees (including yourself!) nervous, it is important to be prepared when someone moves up in the organisation or moves on to another job. A good way to be prepared for these situations and to know who is the best candidate for a particular position is to have a regular, structured system of management and performance appraisals. This system should include set targets

and goals based on the skills that you want to appraise and a way to monitor and evaluate performance towards meeting these goals. This is actually the basis for succession management, because what you need to determine who should get a particular job is a system of benchmarks across your staff, so that you have objective and measurable ways to compare them. These concepts apply to all businesses, no matter what size they are. Even in an organisation with only three or four employees, it is important to know how employees are performing and who might be able to step in if one of those workers is unable to do his or her job.

While large organisations may have extensive and official training programs, even a small, newly established ecotourism enterprise can offer training and job development. Training topics can include the specifics of how a job is to be done, customer service principles, general principles of sustainability, information on any conservation or community projects you might have, your values as a conservation organization, and other topics.

Beyond teaching your staff how to do things in a professional and sustainable manner, you also need a system of feedback and reinforcement to make sure that they are implementing this training and doing their jobs right. This is actually an important part of staff retention. Most employees welcome feedback on their performance, and everyone appreciates recognition of a job done well. The more you talk to your employees, the easier it is to find out if there are problems that might lead them to leave the company. Even if you are only a very small ecotourism business, you can ensure that there are regular occasions for feedback and exchange between all members of your team.

While it is important to stay in touch with what is going on with your staff to try to avoid grievances in the first place, problems will arise. To ensure that you are prepared to handle these problems, you should have a formal mechanism for complaints and grievances as part of your feedback structure. Employees should feel that they are able to air grievances in a safe and supportive environment. Make sure you understand local legal requirements in this area; most countries have labour laws with very specific complaint and disciplinary procedures.

You should have regular meetings with your employees to make sure that they are aware of their targets and how they can achieve them and to give them feedback on their performance. As your organisation grows, you may need to delegate this system of evaluation to department heads. It is important to ensure that your team leaders know how to set goals and do evaluations so that everybody is assessed in the same way.

No matter what your organisational structure is, make sure that you include someone who is responsible for human resources. Whether your business has five employees or 500, there should be at least one person who is dedicated to overseeing employment-related issues. This doesn't have to be full-time, but that person should have clearly defined roles and responsibilities and authority on human resources issues.

Case Study: Nihiwatu

Supporting the training and development of local employees

Nihiwatu is a small and exclusive resort on Sumba Island in eastern Indonesia. The resort is a Long Run Destination-GER® certified, part of the Zeitz Foundation's Long Run Initiative (see Caiman Ecological Refuge case study in Chapter 2). An important philosophy that is part of the Initiative's community pillar is support for the training and professional development of local people.

Nihiwatu has always emphasized support for the communities of Sumba and alleviation of poverty among local people as an important part of its philosophy. The resort makes an effort to provide local communities with clean water, functioning health facilities and opportunities for education. They also make it a priority to ensure that at least 95 percent of their staff are from the island and seek to help create income earning opportunities for other residents of Sumba.

As part of their current expansion project, they have introduced a far-reaching training program to help local workers. For example, for the construction process, they have hired several skilled carpenters and other craftsmen from outside the community, mostly Javanese workers. However, for every outside worker that they employ, they have also hired 20 untrained local workers to be apprentices to that person. By the end of the construction process, these local workers will have learned the skills they need to work on the next project, or to go elsewhere and get good jobs. In addition to providing employment, the resort has also co-founded The Sumba Foundation which is dedicated to lessening the consequences of poverty on the island of Sumba.

For more information, see www.nihiwatu.com and www.thelongrun.com.







checklist for success

- Have you hired people who complement your particular strengths?
- Have you decided whether to hire people locally or bring people in from the outside?
- Have you used internet resources or recruiting agencies to find outside hires?
- Have you researched local customs and channels for employment to figure out where to find local staff members?
- Have you encouraged hires to tell their friends and family about your business?
- Do you understand the requirements of local labour laws?
- Have you determined what benefits, other than wages, you will offer your employees?
- Will you offer training and job development to your employees?
- Have you created a system of feedback and reinforcement for your staff?
- Do you have a fair and supportive grievance mechanism in place?
- Have you thought about succession management?
- Do you have a structured system of management and performance appraisals in place?
- Do you have a dedicated employee responsible for human resources, with clearly defined roles and responsibilities?

Note that the checklist above is not exhaustive and should be adapted to suit individual businesses.

Revision Questions

1. Why is the staff one of the most important assets for an ecotourism business?
2. What are the pros and cons of hiring local staff, versus bringing people in from outside?
3. How can you find qualified and experienced professionals from outside the local area?
4. What are the best channels for finding and recruiting local workers?
5. How can you ensure that your employees are satisfied and will want to stay with your company?
6. Why is it important to have a structured system for feedback and reinforcement, as well as an effective grievance mechanism?
7. How can you effectively evaluate your employees' performance and prepare for succession?



6

Health & Safety

Safety is not something that can be advertised as a benefit when providing a tourism product. It is an essential condition expected by consumers that can be costly to a business when things go wrong. This section discusses health and safety risk management and assessment, the basic elements of a health and safety action plan, and how to involve staff and suppliers in your health and safety efforts.

Every day, the tourism industry faces a new and growing world of risk, from economic uncertainty to globalization and increased competition. In addition to these challenges, businesses are also faced with the need to safeguard the health and well-being of employees and customers. Health and safety are vital to providing quality in sustainable tourism and hospitality operations. More than any other economic activity, the success or failure of your tourism destination depends on being able to provide a safe and healthy environment for your staff and your clients. And it can be very costly to a business when things go wrong from a health or safety perspective.

Safety is not something that can be advertised as a benefit when providing a tourism product. It is a given – an essential condition expected by consumers. Travellers may ask if a business has a certain feature or if it is sustainable, but they rarely ask if it has been checked for health and safety aspects. They just make the assumption that it has been, and that you are providing something that is safe and well-organised.

Risk management & assessment

Effective management of risks involves identifying, analysing, assessing, handling and monitoring any potential risks associated with your product or services. A thorough risk assessment includes seven steps:

1. Identify hazards;
2. Decide who might be harmed and how;
3. Evaluate the probability of occurrence;
4. Evaluate the seriousness of occurrence;
5. Record your findings;
6. Take actions to mitigate the risk; and
7. Monitor and review your progress.

The extent of your risk assessment will depend upon your budget. With the help of tour operators and publicly available guidelines, you could just develop a self-audit checklist for yourself. However, it may be worth hiring someone to help with the assessment. There are many companies that specialize in health and safety risk assessment for tourism businesses.

A key question to ask, no matter who is doing the evaluation, is which standards you should measure your performance against. There are many standards, from local and national laws to regional and international regulations. When establishing an ecotourism business, you should first look at the regulations of the country in which you are planning to operate. A local hotel or tour operator association will likely have a list of regulatory requirements. Then you should also review regulations of any country from which you expect your clients to travel,

“Health and safety is not something we can sell to customers as a bonus. It is something they will expect us to have checked.”

MICHAEL NJOGU – Head of health & safety and quality control, Kuoni UK

People’s expectations have changed related to health and safety, partly through media coverage. Everybody knows their rights, and people are often less willing to accept something on holiday that they might accept at home, even if they are in a less-developed country.

Any service or product that you provide, from accommodation to transportation to food to activities can have associated health and safety risks. Thus it is important to conduct a thorough risk assessment and develop a comprehensive health and safety action plan.

as those clients will expect the same levels of health and safety practice as they are used to at home.

A good place to find comprehensive safety guidelines is in the Federation of Tour Operator’s (FTO) Codes of Practice, which were developed in response to the confusion that arose for tourism businesses when dealing with tour operators that all had their own auditing forms. The FTO Codes of Practice (available at www.fto.co.uk) are based on European regulations and good practice. They cover a range of different topics, including fire safety, food hygiene, pool safety, general safety, beach safety, children’s clubs, villa safety, incident investigation, natural disasters and communicable diseases. For each of the ten topics, FTO has published a detailed guide describing the issues and preferred codes of practice. There are also templates and checklists to use in assessing health and safety issues in your enterprise. These standards are recognized in nearly 200 destinations around the world. The UK Government’s Business Link online resource also provides detailed information on workplace health and safety (www.businesslink.gov.uk/bdotg/action/layer?rs=tl@topicId=1073858799).

Among the topics that should be addressed in a health and safety audit are: accommodations, fire safety, emergency procedures, hygiene, food standards, pest control, cleaning standards, restaurants, swimming pools, water quality and testing, recreational facilities, equipment used during activities, qualifications of guides, vehicles and transportation, and medical facilities.

Developing a health and safety plan

Once you have completed a risk assessment, you should develop a health and safety implementation plan with information on how you will mitigate any identified risks, implement prevention measures, and respond to and address the consequences of any incidents that might occur. Your plan should set out the general objective of your health and safety actions, include a specific implementation plan for health and safety activities, designate a person responsible for management of health and safety, identify responsibilities within your staff, lay out a monitoring and evaluation framework and specify how you will allocate the necessary resources to health and safety activities. As part of your plan, you should also determine the level of insurance that will be necessary to protect you and your clients and outline how you will acquire and pay for that insurance.

Your health and safety plan should also include a detailed and documented incident management plan that lists actions to take in case an incident does occur. These actions include recording the details of the incident, obtaining witness statements, taking photographs, reporting the incident to the head office and to any relevant authorities if required, and offering support and assistance to the affected guest or guests.

When assessing your product and determining the level of health and safety activities that are required, it is important to have a realistic idea of the minimum standard that you and your customers find acceptable for different areas. There are two basic types of people when it comes to health and safety issues: more seasoned travellers who are looking for a rustic experience and take whatever is there and accept it for what it is, and those who say they want that rustic experience, but when they get there, they complain that it's not up to a certain standard. Thus, it is very important to be careful about how you sell your product. You should be honest and upfront, and not use fancy words or euphemisms to mask lower standards. When people's expectations are realistic, they tend to be happier with the product. It is better not to oversell but rather to undersell yourself slightly and make people really happy.

If your only available facilities or equipment are at a standard lower than what your customers may expect at home, you need to give people the right warnings and prepare them for what they will see or experience. For example, if your fleet includes a vehicle that your customers would not necessarily use at home, you should make it clear that it is the best available vehicle in the area. Even if your standards are slightly lower than they might experience at home, however, you still must have good documentation of the maintenance and upkeep of the vehicle, and proof that the driver is licensed and properly trained.

Involving staff and suppliers in your health & safety efforts

The support and participation of your staff and suppliers is key to the success of any health and safety activities. The first step in ensuring staff buy-in is making sure that your standards for employees are the same as those for guests. It is not sustainable to have a hotel where the front of the house looks nice and clean, while the staff facilities are poorly maintained and unsafe. It is unrealistic to expect staff to provide high-quality services to customers if they can't take a proper shower, or have decent living standards. If you want your staff to be happy, you have to show them that you care and you are giving them a minimum standard of facilities. Then they will look after your facilities and your guests.

Education and communication are another important part of ensuring staff participation and buy-in. It is important to get staff members involved in your health and safety activities and to make sure they understand what they're doing and why. It helps if employees can see some advantage to what they're doing and what the benefits are. You can put up notice boards for the staff where you post information about health and safety initiatives and explain their importance. Staff support will only come when employees understand what they are doing, rather than just doing it because it is a regulation that has to be followed.

The benefits of effective health and safety activities

There are many benefits to be gained from an effective and open health and safety policy and action plan. In addition to reducing injuries, it can improve the efficiency and productivity of your workers, control costs, make it easier to get insurance coverage, ensure compliance with local or international regulations, protect your image and reputation, limit property damage, improve customer relations, reduce employee liabilities and increase risk awareness.

If you are not operating at an expected standard, it won't take long for word to get around. With the internet and sites like Trip Advisor, your customers will quickly spread the word about unclean facilities or unsafe practices. As a result, people will not be willing to purchase your product or participate in your activities. Customers will not want to come back and they won't recommend your business to others.

Similarly with suppliers, it is important to explain what you are doing, what you expect of them and why. You can go and conduct formal or informal audits of your suppliers to determine their practices, for example in relation to food hygiene. If a supplier wants your business, then you need to set your own standards and ask them to comply with them, or else you won't buy from them. Conversely, you can promise that if they do follow your health and safety standards, you will guarantee them your business, providing an advantage for the suppliers. These requirements don't have to be onerous. Some changes may cost money, but many will just be about organisation or doing things differently.

“It's about respect for your staff. You have to make sure that the staff are given an acceptable standard of facilities, which will give them a feeling of being looked after, because it will come through in their level of service to their customers.”

SHIRLEY FISHER, – Head of Health & Safety and Quality Control, Kuoni UK

Unfortunately, the opposite is not true. It is difficult to sell your business based on excellent health and safety practices, because people expect them to be there already. People tend to notice if things are not safe, but they are unlikely to notice if something is extra safe. For example, a traveller would probably notice and might comment if he wasn't offered a life jacket on a boat, but he likely wouldn't think twice if he was offered one, because he expected it. So the best way to ensure that you reap the benefits of effective health and safety practices is to make sure that they are up to expected standards and that there is nothing unexpected for anybody to notice.



Case Study: EcoColors

Taking a serious approach to health and safety

EcoColors is a tour operator located in Cancun, Mexico, that offers ecotours to destinations throughout the Yucatan Peninsula, from snorkelling with whale sharks or marine turtles, to kayaking and hiking in the Sian Ka'an biosphere reserve, to tours of Maya ruins. The company's mission statement includes objectives related to raising environmental awareness, educating clients, minimising their impacts on the natural environment, and supporting projects and organisations that protect ecosystems and Maya culture.

EcoColors takes health and safety concerns very seriously. They comply fully with the standards set forth by the Mexican government in the 1997 Norma Oficial Mexicana #9, which set standards for adventure and nature guides, and the 2001 Norma Oficial Mexicana #11, which established requirements and standards for companies. These standards are comparable to other international health and safety standards.

EcoColors has comprehensive health and safety procedures manuals, based on these standards. The company has found that just having a manual is not enough, however; it is also vital to ensure that all staff members closely follow the procedures. This is achieved through clear delineation of responsibilities and regular training of staff. They have designated an individual responsible for overseeing compliance with the procedures and have also hired coaches to help review their policies and set good standards.

The Operations Department of the company is very strict with guides, drivers and mechanics, making sure that they have the right equipment and that it is well-maintained. For example, one of the requirements of the Norma Oficial Mexicana #11 is that companies have health and safety manuals, organised by individual tours, that list the equipment needed for each tour and maintenance requirements, as well as detailed itineraries and lists of emergency procedures for different potential scenarios, such as a boat breaking down, or very heavy rains, or an accident.

All EcoColors guides carry emergency phone numbers with them in case of problems. The guides are also fully trained in all emergency procedures and issues related to various tours and types of customers. Even though many responses to emergency situations may be common sense, the company ensures that all procedures are clearly

delineated, so that guides know exactly what to do in different situations. In addition, as required by the Norma Oficial Mexicana, the company explains the itinerary and the potential risks and actions in case of emergency scenarios to its customers before each tour.

Although accidents are infrequent, and usually minor, the company uses every incident as a learning opportunity, a chance to review what happened and determine how to ensure it doesn't happen again. For example, several years ago, a woman was injured when she fell during a boat tour. Although the guide and captain had asked passengers to move to the back of the boat, because the water was choppy, this woman refused and stayed in the front. As a result of that incident, EcoColors reviewed its operations and enhanced training for captains and guides on how to deal with customers who are unwilling to comply with the rules.

For more information, see www.ecotravelmexico.com.







checklist for success

Ten Health and safety Tips

1. Install security equipment in strategic locations throughout the property.
2. Install communication equipment in all tour vehicles.
3. Train all staff on basic health and safety measures.
4. Install fire fighting equipment and have fire drills at least once a year.
5. Provide clean drinking water for all staff.
6. Provide information booklet on do's and don'ts to visitors.
7. Have up-to-date intelligence information on the security in different areas of the country before taking visitors there.
8. Subscribe to and keep updated contacts of flying doctors services in case of an emergency in remote areas of the country.
9. Keep pollution detection kits for testing indoor air quality.
10. Reduce the use of products that can produce unsafe emissions, such as some detergents.

Risk Assessment

- Have you identified and documented the guidelines against which you are going to measure your business's health and safety standards?
- Have you determined who is going to conduct the health and safety assessment? An external specialist? An appropriately qualified person from your organisation?
- Have you assessed and documented any health and safety risks of each element that is included in your product (accommodation, food, swimming, transport, sporting activities, excursions, etc.)?
- Have you reported identified risks and recommendations for mitigation to your organisation? Your suppliers?
- Do you need a license to operate in your particular area?
- What are the licensing criteria in the destination? How do you apply?
- Do you have the correct insurance, and does it cover third parties?

Health and safety policy

- Do you have a health and safety policy?
- Have you discussed health and safety issues internally and secured the commitment of the relevant stakeholders?
- Have you agreed to and documented your organisation's commitment to health and safety?
- Do you have standard procedures for reporting health and safety incidents?
- Have you determined who is going to be responsible for health and safety within your organisation?
- Have you documented the responsible person's role and responsibilities, ensuring that their objectives are compatible with the requirements of your business?

Customer education and communication

- Have you prepared appropriate health and safety literature to distribute to customers?
- Have you determined which information should be provided pre-departure? On arrival?
- Are visitors provided with general information about safety measures for local hazards (snakes, scorpions, spiders, weather, etc.)?

staff and suppliers

- Have you circulated the health and safety policy to all staff with an agreed timescale for implementation?
- Have you agreed upon and delivered training programs to relevant staff members who are going to be involved in the process of managing, implementing and monitoring the health and safety standards of your business?
- Have you notified all suppliers of your organisation's expectations with regard to health and safety and given them a copy of your code of practice?

Note that the checklist above is not exhaustive and should be adapted to suit individual businesses.

Revision Questions

1. Why is it important to ensure that you have effective health and safety policies and practices?
2. What is the procedure for conducting a health and safety risk assessment?
3. Who should conduct a health and safety risk assessment?
4. How do you determine which guidelines or regulations to follow in assessing your health and safety risks?
5. What topics should be addressed in a health and safety audit?
6. What should a health and safety action plan include?
7. How can you best involve your staff and suppliers in your health and safety efforts?
8. What are the benefits of effective health and safety activities?





Conclusion:

Are you ready?

Whether you are developing an ecotourism lodge in the rainforest, diving excursions to coral reefs or a tented camp in the African savannah, the business skills addressed in this book can help ensure that you approach the business not just from a conservation perspective, but also from a smart business perspective.

While your primary goal may be to conserve the local environment, or support development among local communities, it is important to remember that you are also running a business. Thus, creating a smart business plan, targeting the right market, ensuring that your business is appropriate and viable in the long-run, ensuring that your business operates sustainably, developing an effective marketing plan, finding and hiring the right people (and keeping them!) and ensuring that you have assessed and are managing health and safety issues will all be vital in making your business a success. And a successful business is a profitable one that will be able to support your conservation and community goals for many years to come.

So, as you proceed along the path of ecotourism development, keep the lessons of this book in mind - and review them periodically, to make sure that you are keeping on the right path. Use the checklists to assess your activities and revisit the revision questions at the end of each chapter as a good check-in, to help you remember what you have learned.

Good luck!

Glossary

BREAK-EVEN POINT:

The level of income at which total revenue and total costs are the same.

BUSINESS PLAN:

A detailed plan setting out the objectives of a business, the strategy and tactics planned to achieve them, and the expected profits, usually over a period of three-to-ten years.

CASH:

Money available now, includes money deposited in a bank and items that a bank will accept for immediate deposit (e.g., paper money, coins, checks, money orders).

CASH FLOW:

Cash inflows and outflows over a period of time.

CERTIFICATION:

A process by which an independent agent verifies that the claims made by a product, service, etc. are valid.

COMMUNITY-BASED TOURISM:

Tourism in which local residents (often rural, poor or economically marginalised) invite tourists to visit their communities with the provision of overnight accommodation.

COMMUNITY CONSULTATION:

A participatory process that examines the perceptions of communities that have the potential to be affected by a development or initiative.

CULTURAL HERITAGE:

The ways of living developed by a community and passed on from generation to generation, including customs, practices, places, objects, artistic expressions and values. Cultural heritage encompasses material culture (objects, structures, sites, land scapes and natural environment shaped by cultural practices or traditions over time) as well as living or expressive culture (music, crafts, performing arts, literature, oral tradition and language).

CULTURALLY IMPORTANT SITES:

Structures or locations, built or natural, that are significant for, or representative of, human activities or beliefs.

DESTINATION:

A place visited on a trip.

DYNAMIC PRICING:

The process of determining a product's value in commercial transactions in a fluid manner, depending on current market conditions, demand and customer characteristics.

ECOTOURISM:

Responsible travel to natural areas that conserves the environment and improves the well-being of local people.

FAM TRIP:

Familiarization trip, a free (or low cost) trip for travel consultants, provided by a travel operator or airline as a means of promoting their service.

HOMESTAY:

A lodging option that involves staying in a private home, usually as the paying guests of the owners, allowing visitors to better experience the local lifestyle, customs and language.

HOST COMMUNITY:

The community in which a tourism development will be built and operated; includes a small geographically defined area, the population of that area and the owners of the land.

INBOUND TOUR OPERATOR:

A tourism operator who organises the services provided to a tourist within the country being visited.

INDIGENOUS PEOPLES:

People who inhabited a land before it was conquered by colonial societies and who consider themselves distinct from the societies currently governing those territories.

LOCAL COMMUNITY:

The people living in the immediate area potentially affected socially, economically or environmentally by a tourism development.

MARKET:

A group of consumers sharing certain demographic or geographic characteristics to whom products are offered or sold.

MARKETING:

The range of activities in which a business engages to reach its sales goals. This includes making decisions on the products or services to offer, the prices to charge and the promotion channels to use.

MARKETING PLAN:

A product-specific, market-specific or company-wide plan that describes activities involved in achieving specific marketing objectives within a set timeframe.

NATURE-BASED TOURISM:

Leisure travel undertaken largely or solely for the purpose of enjoying natural attractions and engaging in a variety of outdoor activities, such as bird watching, hiking, fishing and beachcombing.

NATURAL HERITAGE:

Natural features consisting of physical and biological formations or groups of such formations, which are of outstanding universal value from the aesthetic or scientific point of view; geological and physiographical formations and precisely delineated areas which constitute the habitat of threatened species of animals and plants of outstanding universal value from the point of view of science or conservation; and natural sites or precisely delineated natural areas of outstanding universal value from the point of view of science, conservation or natural beauty.

OUTBOUND TOUR OPERATOR:

A tourism operator who organises tours and transportation for tourists who are going to another country and who usually partners with an inbound operator in the destination country.

PRICING:

Method adopted by a firm to set its selling price. It usually depends on the firm's average costs, and on the customer's perceived value of the product in comparison to his or her perceived value of the competing products.

PROFIT:

The money remaining after all expenses have been subtracted from the ecotourism business revenue. In the long run, a business must make a profit in order to survive.

PROMOTION:

An activity that raises awareness or makes a product or service more attractive to potential customers. Common promotional channels as well as their pros and cons are described on page 49.

RISK MANAGEMENT:

The process of managing the risks inherent in a business. This includes developing a plan that identifies the risks as well as ways of reducing them, having appropriate insurance, etc.

SOCIAL MEDIA:

Various online technology tools that enable people to communicate easily via the internet to share information and resources.

STAKEHOLDER:

Individuals or institutions (public and private) interested and involved in a process or related activities.

SUSTAINABLE TOURISM:

Tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities. (UNWTO)

SUSTAINABILITY:

Use of resources, in an environmentally responsible, socially fair and economically viable manner, so that by meeting current usage needs, the possibility of its use by future generations is not compromised.

SWOT ANALYSIS:

An in-depth analysis of the Strengths and Weaknesses of a proposed activity, as well as the Opportunities and Threats facing it.

TARGET MARKETS:

The market segments that an ecotourism business is intended to serve.

TOUR OPERATOR:

A person or company that assembles the various elements of a tour.

UNIQUE SELLING PROPOSITION (USP):

Something that stands out and attracts visitors to your product and makes it special, such as a particular natural landscape feature or a rare species, the use of all local materials, or a relationship with a local community. A USP can be a real or perceived benefit that gives a visitor a logical reason to prefer your business to other businesses. USPs are often critical components of a promotional theme around which an advertising campaign is built.

WORKING CAPITAL:

The capital of a business that is used in its day-to-day trading operations, calculated as the current assets minus the current liabilities.

WORKING CAPITAL CYCLE:

The flow of liquid resources into and out of a business.

WORLD HERITAGE SITES:

Sites of great cultural significance and geographic areas of outstanding universal value, as designated under the UNESCO Convention Concerning the Protection of the World Cultural and Natural Heritage.

Resources

ECOTOURISM AND TOURISM

Ecoclub, International Ecotourism Club: www.ecoclub.com
 International Centre for Responsible Tourism: www.icrtourism.org
 IUCN Business and Biodiversity Programme Tourism Pages:
www.iucn.org/about/work/programmes/business/bbp_work/tourism
 Kuoni Corporate Responsibility: www.kuoni.com
 Pro-Poor Tourism Initiative (PPT): www.propoortourism.org.uk
 Responsible Travel: www.responsibletravel.com
 Sustainable Travel International:
www.sustainabletravelinternational.org
 The International Ecotourism Society (TIES): www.ecotourism.org
 Tourism for Tomorrow Award: www.tourismfortomorrow.com
 Tourism Watch: www.tourism-watch.de
 UNWTO Sustainable Tourism – Eliminating Poverty:
www.unwto.org/step/index.php
 World Tourism Directory: www.worldtourismdirectory.com
 World Tourism Organisation: www.unwto.org

CONSERVATION

Conservation International: www.conservation.org
 Integrated Biodiversity Assessment tool (IBAT):
www.ibat-alliance.org/ibat-conservation
 IUCN: www.iucn.org

DEVELOPING A SUSTAINABLE BUSINESS PLAN

SME Toolkit: www.smetoolkit.org

Bishop, J. et al (2008), Building Biodiversity business. Available from:
http://cmsdata.iucn.org/downloads/bishop_et_al_2008.pdf

Deloitte (2010), How to write an effective business plan. Available from:
www.deloitte.com/assets/Dcom-Luxembourg/Local%20Assets/Documents/Brochures/English/2010/Lu_writebusinessplan_01042010.pdf

Drumm, A., Moore, A., Soles, A., Patterson, C., Terborgh, J.E. (2004), Ecotourism development – A manual for conservation planners and managers. Volume II: The business of ecotourism development and management. The Nature Conservancy. I.S.B.N.: 1-886765-16-2. Available from: www.parksinperil.org/files/csp_c_3_ecotourism_manual_vol_2_english.pdf
www.iucn.org/about/work/programmes/business/bbp_work/biobusiness/

IISD (2008), Critical success factors and performance measures for start-up social and environmental enterprises, International Institute for Sustainable Development. Available from:
www.iisd.org/pdf/2008/seed_factors_startup.pdf

IUCN (2009), The Time for Biodiversity Business (series of three publications: (i) Case studies of biodiversity businesses in IUCN membership; (ii) Lessons learned report (iii) Training manual for developing small businesses). Available from: www.iucn.org/about/work/programmes/business/bbp_work/biobusiness/

WWF (2001) Guidelines for community-based ecotourism development. Available from: <http://awsassets.panda.org/downloads/guidelinesen.pdf>

UNDERSTANDING YOUR MARKET AND PRODUCT

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IUCN (2006), The visitor experience challenge. PARKS 16(2). Protected Areas Programme. Available from: http://cmsdata.iucn.org/downloads/parks_16_2.pdf

RUNNING SUSTAINABLE OPERATIONS

Earthcheck: www.earthcheck.org
 Fair Trade in Tourism South Africa: www.fairtourismsa.org.za
 Global Reporting Initiative: www.globalreporting.org
 Global Sustainable Tourism Council: <http://new.gstcouncil.org/>
 Green Globe: www.greenglobe.com
 Rainforest Alliance: www.rainforest-alliance.org
 The Green Key: www.green-key.org
 The Travel Foundation UK: www.thetravelfoundation.org.uk
 Travelife Sustainability System: www.travelife.org
 UN Global Compact: www.unglobalcompact.org

CELB, CORAL and TOI (2007), A practical guide to good practice: Managing environmental impacts in the marine recreation sector. Available from:
www.toinitiative.org/fileadmin/docs/publications/MarineRecreationGuide.pdf

CREM and Rainforest Alliance (2007), Toolkit for Tour Operators.
www.rainforest-alliance.org/tourism.cfm?id=toolkit_operators

IUCN (2008), Biodiversity: My hotel in action – A guide to the sustainable use of biological resources. Partners: IUCN, ACCOR hotels, TRAFFIC, IHRA.
http://cmsdata.iucn.org/downloads/iucn_hotel_guide_final.pdf

Pluess C., Zotz A., Hamele H. (2012), Sustainable Tourism – A Guide through the Label Jungle: www.nfi.at/dmdocuments/labelguide_en.pdf

Secretariat of the CBD (2007), Managing tourism & biodiversity – User's manual on the CBD guidelines on biodiversity and tourism development. CBD and UNEP. Available from: www.cbd.int/tourism/guidelines.shtml

Weber, M. (2007), Towards Sustainable Entrepreneurship. Available from:
www2.leuphana.de/umanagement/csm/content/nama/downloads/download_publicationen/63-4downloadversion.pdf

MARKETING AND SALES

Facebook: www.facebook.com
 Linked-in: www.linkedin.com
 Lonely Planet (The Thorn Tree Community, Planet Wheeler Foundation, Code Green): www.lonelyplanet.com
 Trip Advisor: www.tripadvisor.com
 Twitter: www.twitter.com

Bonini, S. et al (2007), The trust gap between consumers and corporations. Available from: www.corporatephilanthropy.org/summitmaterial/2007summit/pdfs/Mendonca%20_handout1.pdf

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Weiss, B. (2004), The Untold travel story – A Travel writer's guide to sustainable tourism and destination stewardship. National Geographic. Edition 1.2. Available from: http://travel.nationalgeographic.com/travel/sustainable/pdf/sustainable_writers_manual.pdf

HEALTH & SAFETY

European Agency for Safety and Health at work: <http://osha.europa.eu/en>
 Federation of Tour Operators: www.fto.co.uk
 Food Standards Agency: www.food.gov.uk
 UK Health and Safety Executive: www.hse.gov.uk

HUMAN RESOURCES

International Labour Organisation: www.ilo.org
 SME Toolkit – Human Resources: www.smetoolkit.org/smetoolkit/en/category/910/Human-Resources
 Society for Human Resource Management: www.shrm.org

www.iucn.org
www.kuoni.com

