



# Tourism **BUSINESS PLANNING** and DEVELOPMENT



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## Tentang Penulis



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The bachelor degree education was undertaken at the Faculty of Letters, Udayana University Bali and was completed in 1987, currently, the author is a lecturer at Tourism School, Bali State Polytechnic (PNB). Master degree education is taken at the University of Wolverhampton in the UK focusing on teamwork performance studies in the field of small and medium enterprises in the tourism field. Doctoral education is carried out at Edith Cowan University Australia concentrating on community-based tourism product where the field study was carried out in four villages in Bali. Before and during the career as a lecturer, the author worked part-time at the 'front liner' level in various fields of tourism services, including: tour-desk at Pacto Travel, Bali; American Express customer service; waiter at a restaurant in Walsall – UK; production line feeder at a frozen food factory in Wolverhampton – UK; room attendant at Bondi Beach Hotel - New South Wales, Australia; Floor supervisor at an office maintenance and cleaning company in Perth, Australia. The author served as Head of the Department of Tourism at PNB in 2 periods: Period I in 2008 – 2011, Period II in 2000 up to the present time. In addition to teaching, the author is also actively carrying out community service, especially those related to the development of tourist villages.



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## **PREFACE**

This book on tourism business planning and development could provide foundation in developing a business plan either for an existing or a new business venture in the field of hotel and hospitality, travel, destination and attraction, meeting incentive conference exhibition (MICE), and events. The topics discussed include: business and tourism business, planning in business, business development and innovation, planning in existing business, and strategic planning. The last section presents case studies in the fields of: hospitality, travel, destination and attraction, and events. It is hoped that this book can enrich references available for readers on business planning.

Mangupura, 1 September 2022

Authors

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## CHAPTER

# 1

# BUSINESS AND TOURISM BUSINESS

### Objective

This chapter presents the background of planning. It introduces the concept of business and tourism business and other related topics which serve as foundation to carry out business plan development which is essential for a new or existing businesses. The topics discuss include business and tourism business, tourism industry, the structure of business in travel and tourism.

### A. Business and Tourism Business

#### 1. Industry

Bafadhal (2018) discusses several industry definitions that are sometimes identified with manufacturing industry. Industry is defined as a collection of companies that have the same process in producing products; industry is also defined as a group of companies that produce similar goods or services. A narrower perspective, tourism industry in the regulation number 10 Year 2009 is defined as 'a collection of interrelated businesses in order to produce goods and/or services to meet the needs of tourists during travels. The tourism industry consists of some area which include (Republic of Indonesia, Regulation No. 10 of 2009, Article 14):

#### Indonesian

- 1) Usaha daya tarik wisata
- 2) Usaha kawasan wisata
- 3) Usaha jasa transportasi

#### English

- 1) Tourist attraction business
- 2) Tourist area business
- 3) Transportation service business

# CHAPTER

# 2

# PLANNING

## Objective

This topic provides a platform to carry out public and business planning which are essential for a new or existing business, as well as tourist attractions and destination development. The topics presented include: planning, planning for public venture, effective planning, and steps of planning.

Planning is the first and vital step of a success venture, as it is aptly expressed 'fail to plan is a plan to fail'. Any project should have some forms of plan; it could range from a simple to a comprehensive plan. Nonetheless, Hall (2008) argues that even a comprehensive plan could not be totally implemented, adjustments are always required during the implementation stage.

Planning is defined as 'the process of preparing a set of decisions for action in future, directed at achieving goals by preferable means' (Dror, 1973). Thus, 'planning' is a process; on the other hand, 'plan' is viewed as a set of decisions to be acted upon in future. The process of planning is interrelated with other aspects that enable yield of a comprehensive and do-able plan. These aspects include: bargaining, negotiating, compromising, coercion, value, choices and politics.

Hall (2008) discusses that there are 2 types of planning which are public planning and business planning. In context of tourism, public planning is mostly the concern of authority, these for example tourism regional and national planning, including the destination development planning. This book aims at providing a sufficient ground to carry out public planning specifically for destination planning; as well as conducting planning for new and

## CHAPTER

# 3

## PLANNING IN BUSINESS

### Objective

This topic provides a platform to carry out planning for a new or existing business within the context of: hospitality, travel, tourist attraction and events. The topics presented include: planning for businesses, effective planning, and steps of planning for a new business.

Business plan is a blue print of a business that assists in materializing a business idea into reality. It guides the business from the start-up stage through the establishment to business growth. It is a must-have for all new businesses for practical purposes as well as for the supporting funding body. A business plan could be a complex document or a simple one-page business outline (Gregory, 2018). Business Planning 'encompasses all the goals, strategies and actions that you envision taking to ensure your business's survival, prosperity, and growth' (Ward, 2016).

### A. Planning in Business

Business Planning comprises all the goals, strategies and actions envisaged that should be carried out to make sure the business's survival, prosperity, and growth (Ward, 2018). A business plan is dynamic that gives the flexible to be adjusted on the way through to achieving the business goals. Reason for developing a business plan:

1. To test the feasibility of your business idea - a comprehensive exploration of the idea
2. To give your new business the best possible chance of success - containing the details of the business: the

## CHAPTER

# 4

## BUSINESS DEVELOPMENT

### Objective

This chapter introduces the concept of business innovation or business development, and discusses the essential elements of business development which include: value, customers, and relationship or partnership.

### A. Business Development

This section highlights 3 main topics, which include: business development, business innovation and business development in practice.

#### 1. Business Development Defined

What is business development? Is it sale? Is it partnerships or business propelling? It is a combination of them. Business development is creating a long term value for an organization through customers, markets and relationships, it is described as follows:

- a. Long term value means: cash, relationship with customers, opportunity - market expansion, sustainability, and a competitive advantage.
- b. Customer covers the issue of: customer discovery, solve a problem, satisfy a need or want, it could be a test segment which could be a smaller or a larger segment.
- c. Market includes finding a product-market fit or service-market fit.
- d. Relationship means build, manage, and leverage a strong relationship with customers, stakeholders, partners, employees, press, and other related parties.

## CHAPTER

# 5

## PLANNING IN EXISTING BUSINESS

### Objective

This topic provides a platform to develop a business plan for an existing business. The chapter discusses the nature of planning in an existing business and presents a discourse on steps in developing business plans which provide direction in running business within long and short term time frame.

Jean Cloud Baumgarten the President of World Travel and Tourism Council expresses that tourism industry has face a huge challenge over the past years of political instability, terrorism, consumers' weariness and economic turbulence (Buhalis and Costa, 2006). This leads to change: tourism industry needs to be restructured and refocus; consumer demands and behavior tend to be more flexible and ready for a more luxurious product option with the use of information and communication technology (ICT); planning in business is much more short term in nature. These challenges triggered the emergence of the new tourism wherein the private sector in tourism and public authority are prepared to participate.

The emergence of new tourism and new market urges business to innovate and provide new tourism products to respond. Existing businesses are required to innovate; new products need to be developed to meet the more specific and more sophisticated demand of the travelers. Tourists also grow significantly in numbers, it is predicted 1.8 billion international arrivals occurring around the world by 2030 (UNWTO, 2014). This growth is driven by:

## CHAPTER

# 6

## STRATEGIC PLANNING IN BUSINESS

### Objective

This chapter discusses strategic plan presented in 3 sub-sections: firstly, a strategic plan defined, secondly the strategist, and lastly how to develop a strategic plan. The expectation is by the end of the chapter, readers have an understanding of strategic plan and are able to develop a strategic plan for a business.

### A. Strategic Planning

Strategy is a term commonly used in military context which is adopted into business practices. In business, traditionally, it refers to long term planning, however within this perspective strategic planning is much more than just a long-term planning. Plan is a set of decisions to be acted upon in future to achieve objectives by a certain means or programs. Strategy is a plan that integrates major goals, policies, and programs into a cohesive whole.

#### 1. Strategic Planning a Back Ground

Do we really need to learn theories strategy? Can't we just storm the castle? Regarding the effectiveness of planning Brinckmann, Grichnik, and Kapsa (2010) present an argument as stated in the following direct quotation. Some people believes that conducting a proper planning could lead to better results, whilst the opposite school believes that focusing on the aspects of learning, strategic flexibility, and controlling resources could leads to superior results; indeed, flexibility anticipating the ever changing phenomenon is one of the weaknesses in planning.



# CHAPTER

# 7

# CASE STUDIES

## Objective

This chapter presents case studies in the fields of hotel and hospitality, travel, destination and attraction, meeting incentive conference exhibition (MICE), and events.

### A. Case Study in Hotel and Hospitality Business

Boutique hotel in Batur Geotourism, Bali, Indonesia

A study conducted on products using visitors as respondents in Batur Geotourism site identified the need for a luxurious hotel in the area. It was also expressed that the luxury hotel in the wild also functions as attraction. In fact there is a boutique hotel in the area that uses various types of pool as highlight; on the other hand, a study using locals as respondents identified that the luxury facility is considered to be an exclusive spot which is not in harmonious with the surrounding.

Task:

Please analyse the situation in this particular site, and develop a recommendation on how to bridge these 2 pools that enable the locals and the accommodation provider working in synergy to develop Batur as a quality geotourism site.

### B. Case study in Travel Business

Buhalis and Ujma (2006) identify there are 3 types of travel business: outbound travel agents (OTAs), tour operator (TOs) or whole seller, and inbound tour operator (ITAs). Travel business changed rapidly due to the advancement of information technology, one may ask a question: will travel bureau still exist

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