



How to Develop a Risk Management Strategy for a Tourism Business/Organisation

Participant's Workbook



**Asia-Pacific
Economic Cooperation**

A Training Program Prepared By:

APEC International Centre for Sustainable Tourism (AICST)

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In partnership with:



This training program is an initiative of the APEC International Centre for Sustainable Tourism (AICST). It is based on an earlier report entitled "Tourism Risk Management in the Asia Pacific Region – An Authoritative Guide to Managing Crises and Disasters" published in 2004.

The major partner in the project is the United Nations World Tourism Organization (UNWTO). The Pacific Asia Travel Association (PATA) is also a project partner.

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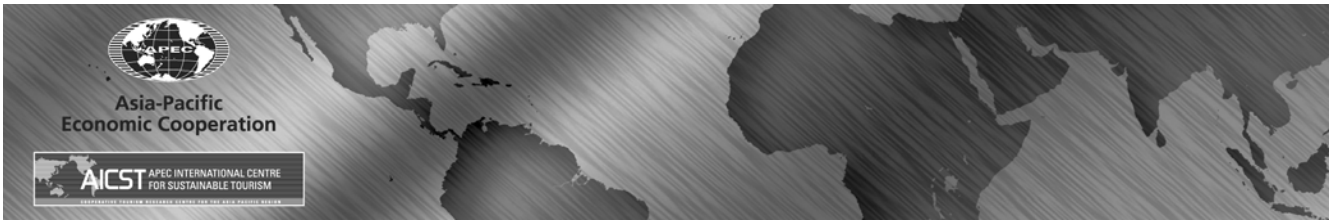
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Participant's Workbook **How to Develop a Risk Management Strategy for a Tourism Business or Organisation**

Explanatory Note

This workbook contains suggested activities and questions to be answered relating to the development of a tourism risk management strategy for a business/organisation, and checklists for prevention, preparedness, response and recovery (at Annexe A). These are intended as tools to assist you to extend your knowledge and understanding of crisis management and to apply the processes.

Your workbook is intended as a **resource** to assist you in the development of your knowledge and skills. Remember that the workshop is only the beginning of your learning process, it's not an end point. The workshop will provide a base for you to build upon.

Your key reference material for this workshop is Chapters 1, 2 and 4 of the Risk Management in Tourism Guide.

The Importance of Tourism

It was SARS which demonstrated only too clearly the extent to which the countries of Asia Pacific were dependent upon tourism for their economic wellbeing. In April, 2003, at the height of the fears of a SARS pandemic, financial analysts trimmed GDP forecasts for whole countries for the entire year. Share values tumbled along with hotel occupancies and millions of jobs were lost as people deferred their travel. Travel *is* economic wellbeing for all Economies.

Tourism is an invaluable industry which must be protected. It:

- generates income;
- creates and sustains jobs;
- improves facilities and opportunities for communities;
- encourages investment; and
- facilitates trade opportunities.

Tourism also creates friendships and understanding, and is a potent tool for peace.

Protecting tourism is only possible through partnerships. Partnerships need to be between nations, between and within governments, between and within communities, and between businesses and organisations.



Part 1 – Protecting Tourism

1. How would your tourism business/organisation be affected if there were to be a significant down-turn in tourism? Which business would be affected in your community and how would they be affected?

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2. Which businesses, organisations and Government agencies could assist in protecting your business/organisation? How can their support be achieved?

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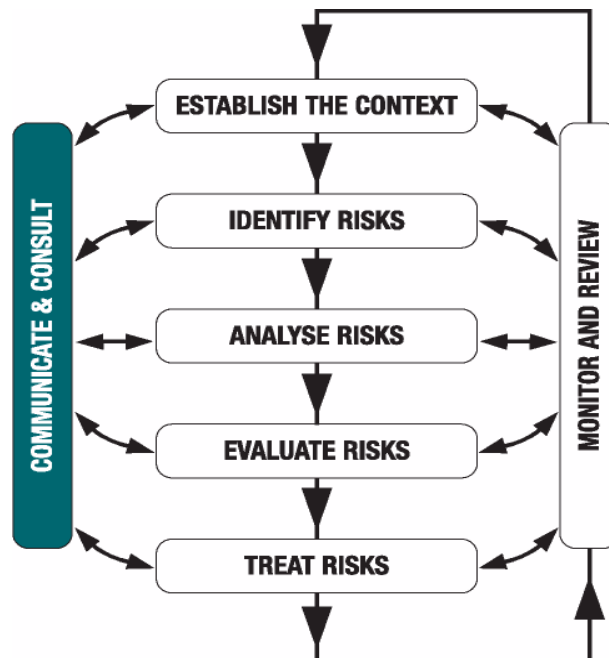
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Introduction to Risk Management

In simple terms, the generic risk management process is concerned with identifying and analysing the risks ('the chance of something happening that will have an impact upon objectives') to an organisation and deciding what can and should be done about them. They are logical and systematic problem-solving and decision-making processes.

You should use the tourism risk management process to identify, analyse, evaluate, treat, monitor and review risks to your business/organisation.



The Risk Management Process (Emergency Management Australia, 2004)



Part 2 – Risk Management

1. Who are the stakeholders relevant to your tourism risk management process – individuals, groups, private agencies and organisations, and Government agencies?

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2. Identify and explain any legislation, policies, plans or management arrangements which are relevant to your tourism risk management process.

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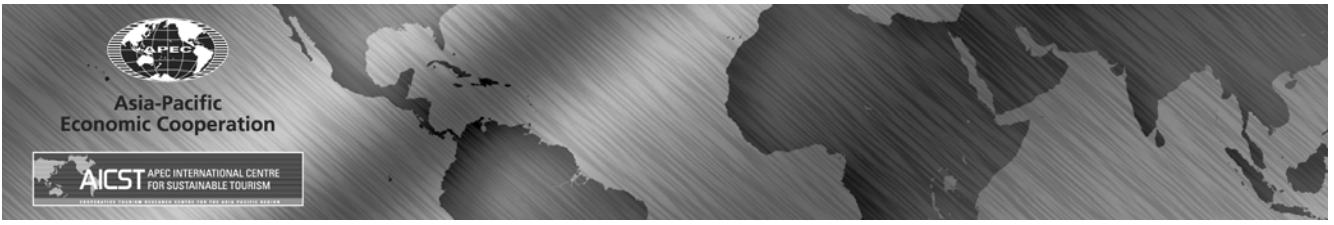
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3. Identify the sources of risk (hazards) which might cause a crisis for your business/organisation.

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4. How can you promote understanding of and commitment to the tourism risk management process at government and community level?

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Part 3 – Prevention/Mitigation

Regardless of how effective a risk management processes is, crises can still affect businesses or organisations. Residual risk is the term given to the risk remaining after the implementation of risk treatment measures. It's an acknowledgment of the fact that disasters and crises will still occur and that measures must be undertaken to deal with them.

The accepted method of dealing with residual risk is to apply the management strategies of prevention/mitigation, preparedness, response and recovery.

Despite the inevitability of disasters and crises, tourism businesses/organisations can minimise disruption and facilitate the return to normal operations with the application of efficient and effective management strategies.

A useful tool in strategic business management is the SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis which provides a structure to identify internal strengths and weaknesses and external opportunities and threats.

The SWOT analysis used when developing plans and procedures to cope with crises should focus upon: strengths, including the resources and support available within a tourism business to deal with a crisis; weaknesses, the factors which will affect the ability to cope with a crisis and its aftermath; opportunities to enlist support and reduce vulnerability to a crisis; and threats including the sources of risk to a tourism business.

1. Identify the **strengths**, including the resources and support available to you to deal with a crisis.

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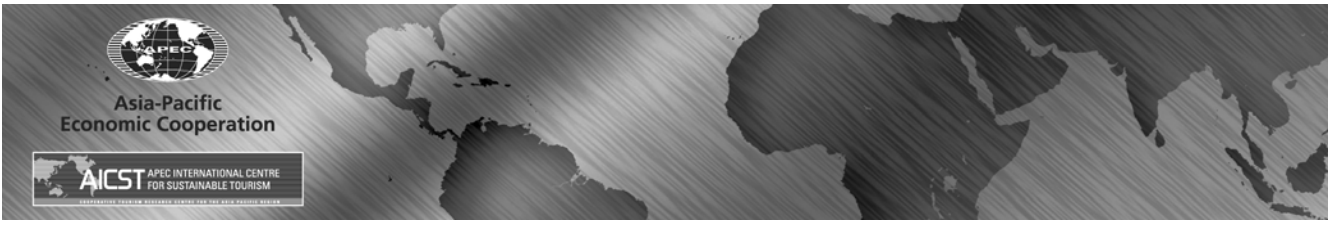
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2. Identify the **weaknesses**, the factors which will affect your tourism business and your ability to cope with a crisis and its aftermath.

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3. Identify your **opportunities** to enlist support in a crisis.

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4. Identify **threats**, including the sources of risk.

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Another significant prevention and mitigation measure for crises is to have the systems and procedures necessary to protect the health and safety of visitors and the employees of a tourism business.

In many countries, legislation establishes the requirements for occupational health and safety measures to be developed and maintained, and tourism businesses should identify health and safety requirements to protect visitors and tourism personnel consistent with national legal requirements

5. Outline the Occupational Health and Safety laws relevant to your business/organisation. Are they adequate to ensure the continuity of business and the safety of visitors? If not, what measures can be taken for improvement?

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6. What Standard Operating Procedures or emergency plans do you routinely prepare to ensure business continuity and protect visitors? Are these adequate? How can you improve your procedures?

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Part 4 – Preparedness

Preparedness includes the development of plans and programs, systems and procedures, training and testing to ensure that when crises do occur, resources (personnel and equipment) can be mobilised and deployed to best effect to reduce the effects of the crisis and to facilitate the return to normal business.

A key part of crisis preparedness for tourism related businesses/organisations is the establishment of networks and liaison with other businesses/organisations and with relevant industry organisations, government and community agencies. You should develop and maintain effective working relationships with those agencies with which you can cooperate during a crisis, and which may provide advice and assistance during crisis response and recovery.

The first step in preparedness is the establishment of a tourism crisis planning committee within your business/organisation. Do you have sufficient staff or resources to achieve this? If not, your tourism crisis planning committee could be supplemented by representatives of outside businesses/organisations who have an interest in the welfare of your business and in protecting tourism.

1. Who else could be represented on your crisis planning committee? What can he/she/they contribute to the planning process?

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2. What training will your staff need? Where is this training available? How often should training take place?

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3. Which agencies routinely conduct crisis and disaster exercises in your community? How can you arrange to participate (as an observer or participant) in these exercises or maintain information on their activities which may be helpful to your business/organisation? Who can advise you on the development and conduct of appropriate crisis exercises?

Other than your own staff, who else should you invite to participate in your informal exercises?

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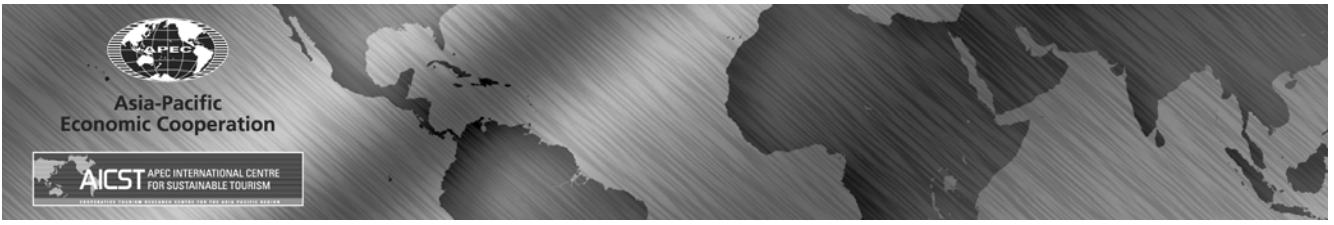
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Part 5 – Response

The crisis response strategy includes actions taken leading up to and immediately after the impact of a crisis to minimise its effects and to manage the consequences. The tasks involved will depend upon the nature and the extent of the crisis.

In a business or organisational crisis, it will be necessary to identify business continuity objectives and strategies and to manage the implementation of the tourism crisis management plan. In order to maintain visitors’ confidence, it is important that normal business operations and services are not neglected, but are continued with the least disruption possible. Effective tourism crisis response management depends upon trained and experienced personnel with the capacity and flexibility to react to whatever situation the crisis presents.

Depending upon the nature of the crisis, you may need to establish and maintain communication with key industry, government and community leaders.

- 1. Who are the key industry, government and community leaders relevant to your destination and to your tourism business/organisation?

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2. What room or facility can you use as a tourism crisis management centre? What resources does it have available and what will you need to access?

Note: Small businesses and organisations may not have the resources to establish their own crisis management centre. It may be possible to have your local industry organisation or association assist you. List the possible sources of assistance available to you if you cannot establish your own tourism crisis management centre

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3. What do believe will be the key business continuity issues for your business/organisation in a crisis, and who from outside your business might be able to assist you?

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Part 6 – Recovery

Recovery is about the restoration and rehabilitation of your tourism activities and capabilities and your return to normal business. Business continuity starts with the response to a crisis: taking the earliest opportunity to identify and resolve problems which will disrupt tourism operations and businesses; to identify strategies and the resources required to restore normal business; and to secure the cooperation and assistance of others for the tourism crisis response and recovery processes.

It is certainly in the best interests of the local economy for tourism businesses to be assisted in restoring business activities to pre-crisis levels.

1. What is the existing level of support from industry, community and government in your community? What measures can you undertake to enhance their awareness of the critical contribution of your business/organisation to the economic viability of the community? Which community and government leaders do you believe will be most useful in a tourism crisis recovery process?

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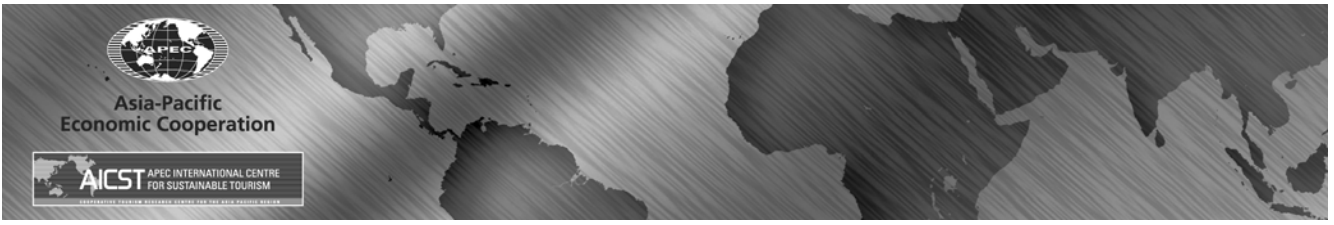
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2. How will you and your recovery committee best be able to monitor community perceptions of your crisis?

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3. What measures can you undertake to restore the confidence of visitors? What support will you need from within the industry, nationally and internationally, to achieve this?

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Annexe A

Syndicate Discussion Exercise

1. Identify the tasks you now need to undertake in order to establish and implement a tourism risk management strategy.

As a guide, you should consider:

- the industry and community organisations and government agencies with which you need to establish and maintain networks; and
- appropriate membership of a tourism crisis planning committee;
- training and exercising needs of staff.

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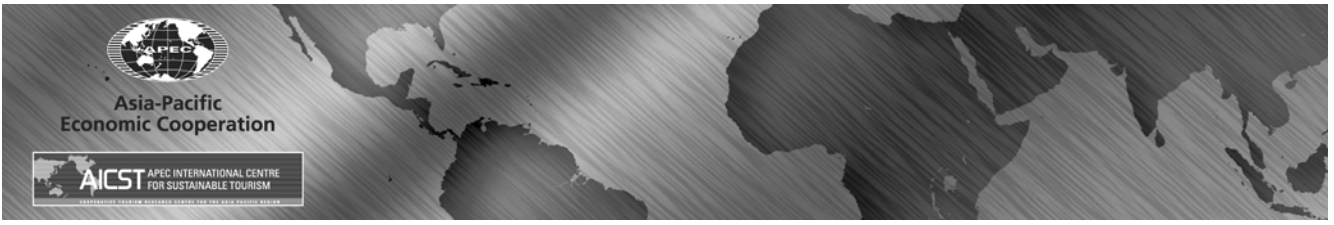
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2. Identify the means by which you can share knowledge and lessons with other tourism businesses/organisations.

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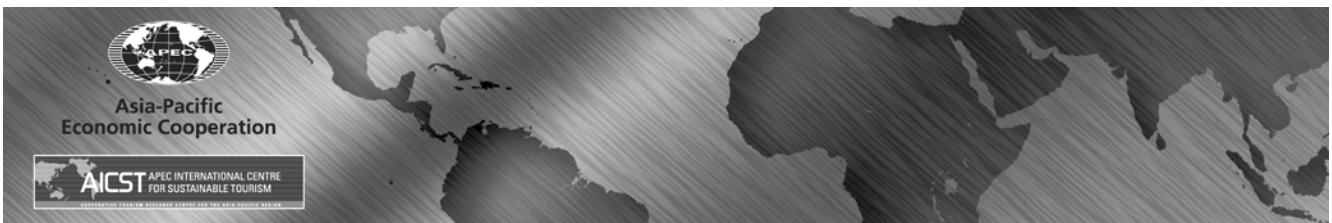
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Annexe B

Checklist for Prevention

	YES	NO
1. Have you conducted a risk management process which identifies, analyzes, evaluates and treats risk to your business?	<input type="checkbox"/>	<input type="checkbox"/>
2. Are you continuing to monitor and evaluate new sources of risk?	<input type="checkbox"/>	<input type="checkbox"/>
3. Do you monitor and evaluate the progress of risk treatment measures?	<input type="checkbox"/>	<input type="checkbox"/>
4. Have you conducted a recent SWOT analysis?	<input type="checkbox"/>	<input type="checkbox"/>
5. Do you attend multi-agency disaster management meetings or maintain information on their current activities?	<input type="checkbox"/>	<input type="checkbox"/>
6. Have you established effective liaison with other local businesses or organizations?	<input type="checkbox"/>	<input type="checkbox"/>
7. Have you established liaison with industry organizations, government agencies and community leaders.	<input type="checkbox"/>	<input type="checkbox"/>
8. Have you established an effective working relationship with the media?	<input type="checkbox"/>	<input type="checkbox"/>



✍ Checklist for Preparedness

	YES	NO
1. Have you established a tourism crisis planning committee?	<input type="checkbox"/>	<input type="checkbox"/>
2. Has the committee developed a tourism crisis management plan which:		
• describes activation procedures	<input type="checkbox"/>	<input type="checkbox"/>
• allocates roles and responsibilities	<input type="checkbox"/>	<input type="checkbox"/>
• identifies control and coordination arrangements	<input type="checkbox"/>	<input type="checkbox"/>
• includes Standard Operating Procedures	<input type="checkbox"/>	<input type="checkbox"/>
• identifies information management requirements	<input type="checkbox"/>	<input type="checkbox"/>
• establishes communications methods	<input type="checkbox"/>	<input type="checkbox"/>
• describes public relations and media management arrangements	<input type="checkbox"/>	<input type="checkbox"/>
• includes response, recovery and business continuity.	<input type="checkbox"/>	<input type="checkbox"/>
3. Has the committee identified training needs?	<input type="checkbox"/>	<input type="checkbox"/>
4. Has regular training been developed and organized, including induction training for new staff?	<input type="checkbox"/>	<input type="checkbox"/>
5. Has the committee conducted/scheduled regular mock exercises?	<input type="checkbox"/>	<input type="checkbox"/>
6. Has the committee included informal (discussion) exercises) as part of its normal meeting routine?	<input type="checkbox"/>	<input type="checkbox"/>



Checklist for Response

	YES	NO
1. Have you activated your crisis management team and crisis management centre?	<input type="checkbox"/>	<input type="checkbox"/>
2. Has the team identified information needs and sources?	<input type="checkbox"/>	<input type="checkbox"/>
3. Have you assessed the:		
• effects of the crisis upon regional tourism	<input type="checkbox"/>	<input type="checkbox"/>
• damage to property and infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
• disruption to services	<input type="checkbox"/>	<input type="checkbox"/>
• consequences of the crisis	<input type="checkbox"/>	<input type="checkbox"/>
• personnel, equipment and measures needed.	<input type="checkbox"/>	<input type="checkbox"/>
4. Has the team identified business continuity issues and priorities?	<input type="checkbox"/>	<input type="checkbox"/>
5. Are tactical and strategic plans being developed?	<input type="checkbox"/>	<input type="checkbox"/>
6. Have you established a media centre and appointed a media spokesperson?	<input type="checkbox"/>	<input type="checkbox"/>
7. Are visitors' needs being identified and met?	<input type="checkbox"/>	<input type="checkbox"/>
8. Have you established liaison and communications with government officials, community leaders and emergency services?	<input type="checkbox"/>	<input type="checkbox"/>
9. Are media reports being monitored for accuracy?	<input type="checkbox"/>	<input type="checkbox"/>

📋 Checklist for Recovery

	YES	NO
1. Have you activated your crisis recovery team?	<input type="checkbox"/>	<input type="checkbox"/>
2. Does it include people from outside your organization?	<input type="checkbox"/>	<input type="checkbox"/>
3. Has the committee established:		
• residual effects upon your business/organization	<input type="checkbox"/>	<input type="checkbox"/>
• existing damage	<input type="checkbox"/>	<input type="checkbox"/>
• causes of on-going disruption to services	<input type="checkbox"/>	<input type="checkbox"/>
• consequences of the crisis	<input type="checkbox"/>	<input type="checkbox"/>
• personnel, equipment and measures needed?	<input type="checkbox"/>	<input type="checkbox"/>
4. Has the committee identified:		
• recovery objectives	<input type="checkbox"/>	<input type="checkbox"/>
• priorities of action	<input type="checkbox"/>	<input type="checkbox"/>
• current and future needs and sources of assistance	<input type="checkbox"/>	<input type="checkbox"/>
• relevant agencies and community leaders;	<input type="checkbox"/>	<input type="checkbox"/>
• tactical and strategic business continuity plans?	<input type="checkbox"/>	<input type="checkbox"/>
5. Is the committee overseeing continuing media management and public relations activities?	<input type="checkbox"/>	<input type="checkbox"/>
6. Have staff and visitors' emotional and physical needs been identified and met?	<input type="checkbox"/>	<input type="checkbox"/>
7. Are community perceptions and media reports being monitored?	<input type="checkbox"/>	<input type="checkbox"/>
8. Have debriefing processes been organized?	<input type="checkbox"/>	<input type="checkbox"/>



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AICST was established by the Tourism Ministers of the 21 APEC Economies and the APEC Tourism Working Group to provide information and assistance to APEC Economies and tourism destinations to improve tourism sustainability throughout the region.

AICST aims to:

- Contribute to improved planning and management of tourism
- Increase capabilities and capacities
- Assist better policy development by governments
- Foster improved tourism education and training

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