

Introduction to Risk Management in Tourism

Instructor's Guide



**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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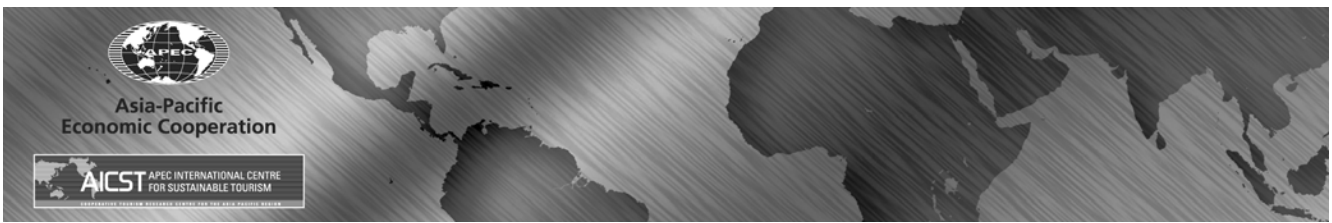
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Instructor's Guide **Introduction to Risk Management in Tourism**

Introduction to the Instructor's Guide

This workshop training package provides the fundamentals necessary for a basic understanding of the risk management process in tourism.

Whilst a half-day workshop cannot provide detailed information, this activity does provide an overview and general underpinning knowledge of risk management consistent with the roles and responsibilities of tourism operators and appropriate to the limited time available for the conduct of the training.

Importantly, the workshop establishes a framework within which learning can continue. It's essential for participants to understand that the workshop is only the beginning of their learning process, not an end point. The workshop activity and the resource material provided will provide participants with a base to build upon.

Significantly, the workshop provides an invaluable opportunity for the establishment of risk management information sharing networks which can be supported and endorsed by tourism organisations and associations within a destination. On-going learning and information exchange should be a key outcome of these workshops.

The key points to emphasise throughout the workshop are:

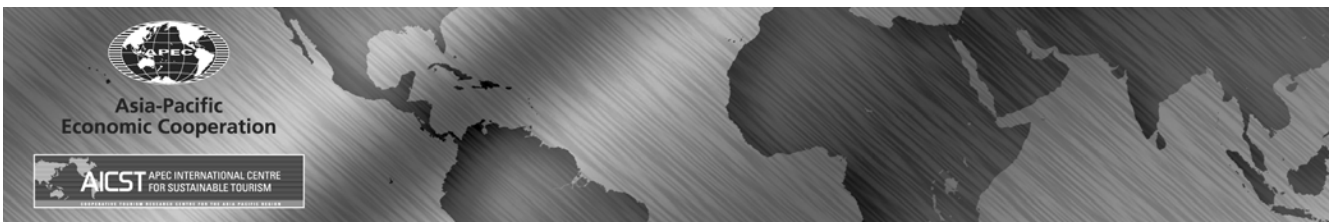
- the tourism industry is vital to the economic viability of all countries;
- risk management is an on-going process;
- it's important to share information and experiences of crises amongst tourism destinations and operators so that we can all continue to learn from each other for the benefit of the tourism industry as a whole; and
- there are official agencies in each country with responsibilities for disaster preparedness, response and recovery management. These agencies can be located at local, State/Provincial, and National government levels. The aim of a Tourism Risk Management Strategy is not to duplicate or complicate the responsibilities and activities of these agencies but, rather, to show what tourism organisations can do to supplement and compliment the activities of the disaster management agencies to add additional elements of safety for visitors and staff.



Program **Introduction to Risk Management in Tourism** **Half day – Four Hour Program**

<u>Session</u>	<u>Duration</u>
Welcome/Introduction	10 minutes
Crisis and Disaster	20 minutes
Overview of Risk Management Process	15 minutes
Establish Context	15 minutes
Identify Risk	15 minutes
Morning/Afternoon Tea	20 minutes
Syndicate Discussion Exercise 1	30 minutes
Analyse Risk	20 minutes
Evaluate Risk	15 minutes
Treat Risk	15 minutes
Monitor and Review	15 minutes
Syndicate Discussion Exercise 2	30 minutes
Course Summary & Closure	10 minutes

(Timing allows 10 minutes for two short breaks between sessions.)



Session 1 – Welcome and Introduction

Aim

This session is designed to provide an overview of the content of the workshop, and to introduce the instructional team and participants.

Learning Outcomes:

The session will enable participants to:

- outline the workshop structure and content; and
- identify course team members and participants.

Timing: 10 minutes

Note : the symbol ☉ indicates a PowerPoint slide.

Method:

1. Welcome participants, explain housekeeping issues including coffee break and location of facilities; introduce course instructor/s, and summarise the scope and content of the workshop.
2. Make clear that this workshop will provide an overview of risk management in tourism, that the workshop is a starting point in the learning process, not an end point. Explain that in addition to the manual on risk management, they are also being provided with a participant's workbook which contains information, activities and questions relating to the risk management process. The workbooks are a **resource**, designed to assist participants to extend their knowledge and understanding of risk management in tourism.
3. Next, invite participants to introduce themselves, giving a very brief summary of their role in tourism. The following may assist in this process:
 - My name is.....
 - I work in tourism as a (position).....at.....(location)
 - Our last major crisis or disaster was

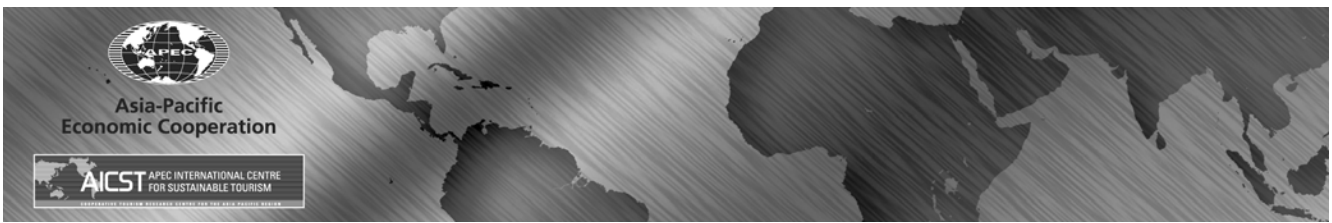


4. Encourage participants to interact with the instructional team and each other to enhance their learning and to assist in establishing networks.

Explain to participants that this activity is only one element of their learning process – each crisis or community disaster or exercise will further develop their knowledge and skills in risk management and it is important to share those with other tourism personnel and destinations.

Key Points: ☉

- This is the start of the learning process.
- There is a need to establish and maintain risk management networks across tourism destinations and the industry.
- It is important to share knowledge, lessons and experiences.



Session 2 – Introduction to Crisis and Disaster

Aim

This session is designed to clarify the terms crisis and disaster.

Learning Outcomes:

The session will enable participants to:

- explain the critical role of tourism in APEC communities;
- define crisis in a tourism context;
- define disasters affecting communities; and
- compare and contrast the two situations.

Timing: 20 minutes

Method:

1. Begin by explaining that tourism is one of the major generators of social and economic growth in the world and one of the leading drivers of international trade. It is important that the value of tourism is clearly understood by governments and communities. ☉ Tourism generates income, creates and sustains jobs, encourages foreign investment and facilitates trade for all economies.

Risk management is an invaluable tool for the visitor industry and the communities it supports as it provides the means by which risk can be identified and treated, preventing or minimising the effects of crises and disasters upon this vital industry.

2. Explain that we shall be defining crisis as:

☉ ‘Any situation that has the potential to affect long-term confidence in an organization or a product, or which may interfere with its ability to continue operating normally.’

Crisis is the term which applies to both tourism destinations and individual businesses where the confidence in tourism is affected and where the ability to continue normal tourism operations is impaired.



Crises for tourism destinations and operators may arise from internal (organisational) sources or from external events (community events such as the impact or threat of a disaster).

Ask the group: *what are some examples of crises which might affect visitor destinations or businesses?* Accept any reasonable answer, but ensure that they focus upon business or organisational crises, not community disasters.

3. Next, the term disaster. Explain that while there are many definitions of disaster in current use, all share common threads - ☉ there is disruption to the community which is of such a magnitude that responding organisations, infrastructure and resources are overwhelmed, and there is an inability to return to normal without external assistance.

☉ Define disaster as: 'a serious disruption to community life which threatens or causes death or injury in that community and/or damage to property which is beyond the day-to-day capacity of the prescribed statutory authorities and which requires special mobilisation and organisation of resources other than those normally available to those authorities'.

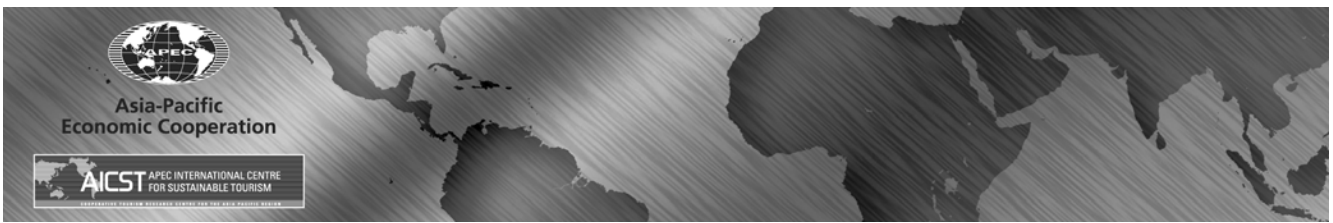
4. Explain that disasters are different in kind and in scope from day-to-day emergency incidents. ☉ Disasters are not simply bigger events; they have a significant impact upon people and infrastructure and thus upon tourism facilities, operations and visitors. They also produce long-term problems of restoration and rehabilitation and so may affect the return to normal of tourism activities for a considerable period of time. In addition, most or all of the businesses reliant on tourism will also be impacted to a significant extent.

Ask participants: *what are some of the ways in which tourism will be affected by a community disaster?*

5. Explain that disaster management requires an ☉ integrated system: an active partnership between governments and authorities, organisations, agencies and the community.

☉ Where possible, the tourism industry should participate in the integrated disaster management system at all levels – local community level for tourism operators and destinations; national and international level for tourism organisations and associations.

Ask participants: *Does your tourism industry have links with community disaster management agencies? Does tourism attend disaster management planning meetings?*



If the answer is no, that's an important task for them to address – to ensure that tourism establishes and maintains liaison with disaster management agencies, and participates on multi-agency disaster planning committees.

Key Points: ☉

- A crisis affects tourism in a destination or business.
- A disaster affects a whole community.
- Tourism will inevitably be affected by a community disaster.
- Tourism destinations and organisations should be involved in disaster management committees at local, regional, national and international level.

Link:

Explain that now that we've looked at the broad picture of community disasters and the role of tourism destinations and businesses in supporting disaster management systems, we're going to narrow the focus and concentrate on the process of risk management for destinations and businesses.



Session 3 – Overview of the Risk Management Process

Aim

This session is designed to outline the stages of the risk management process.

Learning Outcomes:

The session will enable participants to:

- identify the stages of the risk management process;
- describe the purpose of risk management;
- identify communication and consultation as integral to the process;
- discuss stakeholders relevant to tourism; and
- establish the relevance of risk management to the tourism industry.

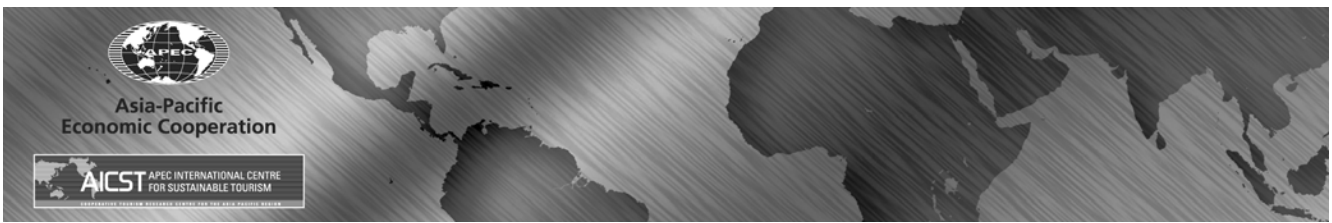
Timing: 15 minutes

Method:

1. Explain that risk management process was designed to provide a generic framework for organisations in the identification, analysis, assessment, treatment and monitoring of risk. ☉

It has been adapted by the disaster management community and is widely used by them throughout Asia and the Pacific as a community-based, multi-agency process. Different names are used. ☉ For example - in the Pacific, it's known as CHARM (Comprehensive Hazard and Risk Management); at the Asian Disaster Preparedness Centre in Bangkok it's called Community-Based Disaster Risk Management.

2. The important point here for the tourism people is that they understand there is a ☉ single organisational process which is the process that is used for application by the tourism industry to tourism destinations and tourism businesses **and** a multi-agency community process. So, when they work with disaster management agencies in their communities they will contribute to the community-based process.



But, they should also ☉ undertake an organisational risk management process to identify, analyse, assess, treat and monitor risk to their tourism destination, businesses and operations.

3. Describe the basic elements of the risk management process. ☉
Emphasise that communication and consultation are fundamental to risk management, and must be undertaken at each step in the process. A two-way process of internal and external communication and consultation must be established and maintained between decision-makers and stakeholders so that different views and areas of expertise are considered. ☉

Ask participants: *which stakeholders are relevant to the tourism industry and operators? Who do you need to communicate with and consult within your own organisation and in your community?*

Key Points: ☉

- Risk management provides a generic framework to identify, analyse, assess, treat and monitor risk.
- Risk management processes apply to single business or organisation and to a community.
- Disaster risk management is a multi-agency, community-based process.
- Tourism operators, destinations and organisations should be involved in disaster management committees at local, regional, national and international level.
- Tourism destinations should also undertake organisational risk management for their destinations.
- Communication and consultation are the basis of the process.



Session 4 – Establish the Context

Aim

This session is designed to establish the basic parameters or framework within which risk management activities take place.

Learning Outcomes:

The session will enable participants to:

- identify the internal and external environment for the risk management process; and
- suggest risk criteria for a tourism industry or operator.

Timing: 15 minutes

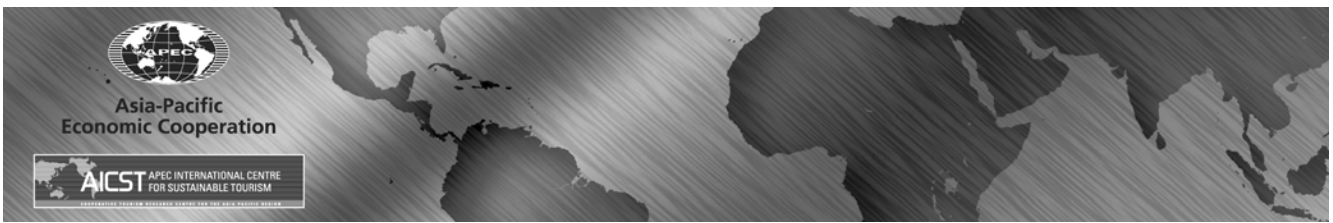
Method:

1. Explain that this step in the risk management process establishes the policies, systems, procedures and intra-organisational and inter-organisational relationships which are relevant to the tourism destinations or operators, including: ⊙
 - Perceptions, values and interests of visitors.
 - Political and legal environment in which tourism operates;
 - Social influences;
 - Competitors;
 - Financial/economic factors; and
 - Key business drivers.

Briefly discuss how each might affect tourism.

Ask participants: *what internal factors are relevant to a tourism-based risk management process for a destination or a business?*

- Organisational culture;
- Capabilities of the tourism industry and operators;



- Economic constraints;
- Goals and objectives of the tourism industry/operator;
- Level of community support for tourism;
- Organisational strengths, weaknesses; opportunities, and threats. ☉

2. Next, explain that part of the context is to develop risk criteria. These are simple, basic statements of what is unacceptable and will not be tolerated by the tourism industry or operator. Examples of risk criteria for the tourism industry might include: ☉

- Any preventable crisis which results in negative media reporting of the tourism industry is unacceptable.
- Any preventable crisis which makes visitors reluctant to visit a destination or visitor facility is unacceptable.

Ask participants to suggest other examples – one for a destination and one for a single tourism operator.

Explain that developing these risk criteria will help them to decide which risks need to be treated.

Key Points: ☉

- The context establishes the basic parameters within which risk management activities take place.
- It establishes statements of what is unacceptable to visitor operators or destinations.



Session 5 – Identify Risk

Aim

This session is designed to outline the process of identifying risk.

Learning Outcomes:

The session will enable participants to:

- identify the risk relevant to a tourism destination or operator;
- examine factors affecting vulnerability and resilience; and
- establish that risk doesn't remain static.

Timing: 15 minutes

Method:

1. Explain that it's necessary to identify the sources of risk (hazards) to the tourism destination or operator, including, importantly, those which pose a threat to the safety and security of visitors and employees.

Ask participants: *where might you find useful information about sources of risk to your organisation?*

Various means should be used to identify all sources of risk, including: ☉

- Brainstorming ideas with personnel
- Checking historical records
- Consulting experts
- Using scenario analysis (*'what if this happened here?'*)

Where possible, they should also identify the cause of the risk.

2. The next step is to identify the elements which would be affected: visitors, employees, structures, services, facilities, reputation, etc, if the sources of risk (hazards) were to impact upon the tourism destination or business. ☉



In other words, they should identify each of the elements which might be affected by each of the sources of risk which might impact upon the organisation.

Using 'poor safety record' as an example of risk, ask participants which of the following elements - visitors/employees, reputation, facilities, economic viability - would be affected. ☉

Then compare and contrast those results with the impact of an epidemic upon the same elements of the organisation.

Explain that this process helps to prioritise sources of risk – those which affect visitors and the reputation of the destination or operator and which would have serious consequences.

3. Finally, explain that risk doesn't remain static – changes in the environment and the community and globally (Avian Flu, for example) will mean that new sources of risk will occur – so sources of risk must be monitored and reviewed on a regular (annual) basis. ☉

Key Points: ☉

- You need to identify all the sources of risk to your facility or destination.
- Identifying the elements at risk from each of the sources of risk helps you to establish priorities.



Session 6 – Discussion Exercise 1

Aim

This session is designed to look at the application of the risk management process in a tourism destination or organisation.

Learning Outcomes:

The session will enable participants to:

- consider the sources of risk to tourism and their organisations; and
- discuss the range of organisations and government agencies which might share the responsibility for risk management to protect tourism in their destinations.

Timing: 30 minutes

Method:

Advise participants that this will be a small group (syndicate) discussion exercise Form 3 syndicate groups, depending upon the size of the group. (If you have too many groups there won't be time for each to present in the plenary session.)

Each syndicate should select a spokesperson to present the syndicate's findings.

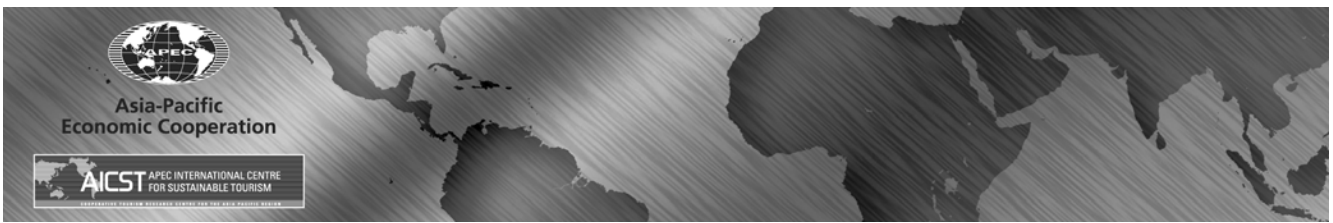
Allow 15 minutes for consideration of the questions, and a further 15 minutes for a central discussion of findings.

Point out that the exercise is also in their workbooks (Annexe A), so they can fill in their own findings and those of the other groups.

Exercise

As a syndicate, discuss the following questions and prepare brief answers to present to the group.

1. Identify what you believe to be the main sources of risk to tourism destinations and organisations.



2. Identify the organisation, agencies and government departments (at destination and national level) which should share the responsibility for the protection of tourism operations and facilities.
3. What measures can be undertaken to encourage relevant organisations to participate in a tourism risk management process.

Summarise the findings of the groups and highlight significant points.



Session 7 – Analyse Risk

Aim

This session is designed to outline the process for deciding upon the risks to be treated.

Learning Outcomes:

The session will enable participants to:

- analyse the likelihood and consequences of risks;
- identify existing control measures; and
- establish appropriate risk treatment strategies.

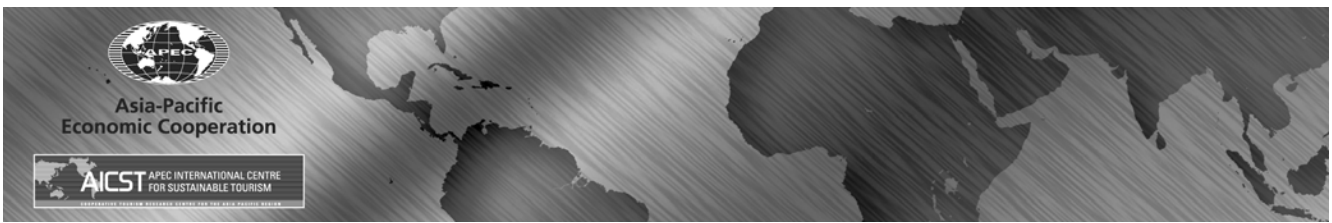
Timing: 20 minutes

Method:

1. Explain that once sources of risk to the destination or organisation have been identified, it's necessary to develop an understanding of the risks and their consequences. This is important so that the tourism operators can decide which will have the most negative affects and which they have to address in priority order. ☉

Firstly, ask participants: *what sort of control measures do you already have in place to prevent crises affecting your destination or tourism business? How well are those control measures working.....do they prevent crises or limit their impacts?*

2. Next, handout the Qualitative Measure of Consequence (Annexe C) and discuss how such a measurement will assist them in identifying priorities.



Example: Qualitative Measures of Consequence for Tourism Risk Management

LEVEL	DESCRIPTOR	DESCRIPTION
1	Insignificant	No disruption to destination; no disturbance of visitors; no financial loss; no media or public interest.
2	Minor	Minimal disruption to destination and visitors; limited or no financial loss; no media coverage or public interest.
3	Moderate	Short-term disruption to destination and services to visitors; some financial loss; limited media reporting.
4.	Major	Disruption to destination and services to visitors for more than 24 hours; financial losses, anger and frustration on the part of visitors; critical media reports and public criticism of destination.
5	Catastrophic	Unable to meet visitors' requirements and provide normal service type and level; severe financial losses; widespread criticism of destination; critical international media reports; mass cancellation of bookings.

- Then issue a copy of the Qualitative Measures of Likelihood and Qualitative Risk Analysis Matrix – Level of Risk (Annexe C) and discuss how these assist in identifying priorities.

The vital point for the group to understand is that any risk which has the potential for catastrophic, major or moderate (negative) effects upon their destination or business and which is almost certain to occur must be acted upon as a matter of priority. At the opposite end of the priority list will be any risk which occurs only rarely, if at all, and has only little if any effect on the destination or tourism business.

No organisation ever has infinite resources to apply to risk treatment measures, so we have to work out our priorities for protecting the organisation and the visitor trade in priority order.

Example: Qualitative Measures of Likelihood

Level	Descriptor	Description
A	Almost certain	Is expected to occur in most circumstances
B	Likely	Will probably occur in most circumstances
C	Possible	Might occur some time
D	Unlikely	Could occur at some time
E	Rare	May occur only in exceptional circumstances



Qualitative Risk Analysis Matrix – Level of Risk

Likelihood	Consequences				
	Insignificant 1	Minor 2	Moderate 3	Major 4	Catastroph 5
A (almost certain)	H	H	E	E	E
B (likely)	M	H	H	E	E
C (moderate)	L	M	H	E	E
D (unlikely)	L	L	M	H	E
E (rare)	L	L	M	H	H

Legend:

E: Extreme risk; immediate action required

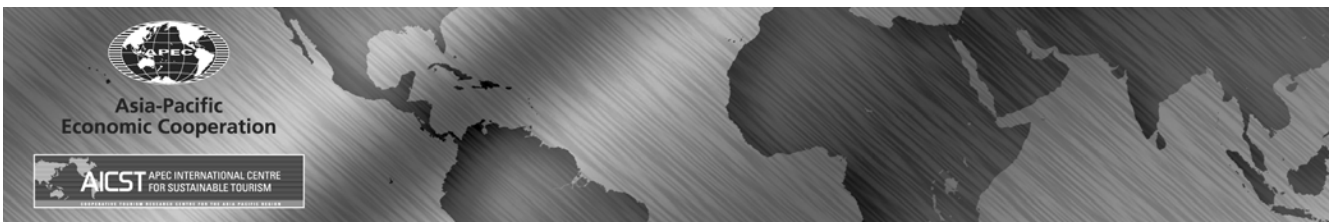
H: High risk; senior management attention needed

M: Moderate risk; management responsibility must be specified

L: Low risk; manage by routine procedures

Key Points: ☉

- It's essential to understand risks and their consequences.
- You must decide which risks will have the most negative affects and which to address as a priority.



Session 8 – Evaluate Risk

Aim

This session is designed to outline the process for deciding which risks have to be treated and in what order.

Learning Outcomes:

The session will enable participants to:

- identify the effectiveness of existing control measures within the tourism destination;
- establish the agency responsible for each risk treatment strategy; and
- identify the need to monitor and review risk treatment priorities.

Timing: 15 minutes

Method:

Explain to participants that the steps they have taken up to this point in identifying and analysing risk will provide the basic information they need to make decisions on priorities for risk treatments, but they can further evaluate risks to their destinations and organisations by asking the following questions:.

- Is the risk being managed well enough by existing measures?
- What will be the result for the destination or organisation if the risk is not treated?
- Is the risk another organisation's or government's responsibility, (eg. crime affecting visitors) will it affect other tourism operators or destinations? It is an industry-wide problem which should be addressed at industry level?

Ask participants: *what other agencies would be responsible for crime affecting tourism? How would they bring this problem to the attention of the responsible agencies? Should such issues be addressed at local, regional or national level – or all three?*



Use the opportunity to highlight the point that not every risk will be their responsibility alone to address. Risk management also provides an important opportunity to develop and promote inter-agency relationships.

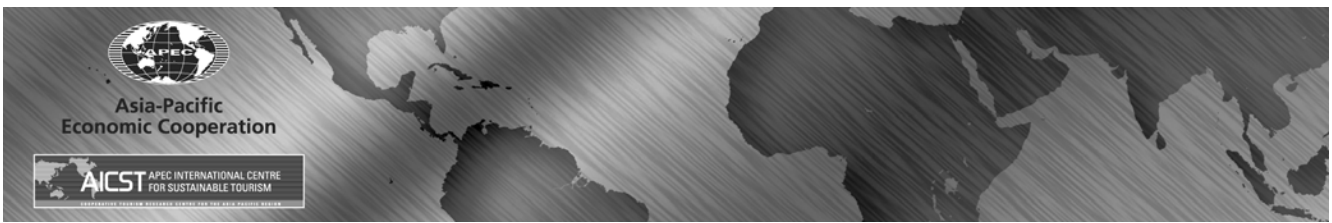
- Is there anything else we need to know before we make a decision on what to treat and the order in which we will treat risks? If so, what are the sources of that information and organisations we need to work with?
- What are the values and expectations of visitors which we must meet?

This is a **critical issue** for tourism destinations and operators to consider. Risks which are considered unacceptable by visitors must be addressed, so visitors are key stakeholders in the risk management process. ☉

Advise participants to make sure they monitor and review risks they decide not to treat – priorities and circumstances may change. ☉

Key Points: ☉

- Evaluate existing control measures to identify their effectiveness.
- Identify partnerships with relevant agencies.
- Know what's unacceptable to visitors.



Session 9 – Treat Risk

Aim

This session is designed to outline risk treatment options and the relevant selection process.

Learning Outcomes:

The session will enable participants to:

- assess the effectiveness of risk treatment (control) options;
- select appropriate risk treatments; and
- establish the need for risk treatment plans.

Timing: 15 minutes

Method:

1. Explain that there are standard risk treatment options available: ☉
 - *avoid the risk* - choose not to proceed with an activity likely to generate risk;
 - *reduce the likelihood of consequences* by modifying the risk;
 - *reduce the consequences of occurrence* - by modifying susceptibility (exposure to the risk eg, through best practice systems: building evacuation plans, sprinkler systems and trained staff will reduce the consequences of fire in a visitor hotel) and/or increasing resilience (capacity to sustain losses);
 - *transfer the risk* – have another party accept or share the risk (eg insurance companies – are the premiums affordable, is protection available?); and
 - *retain the risk* - accept the risk and plan to manage the consequences (**but only if** the consequences are able to be managed without adversely affecting the destination, a business, or the perceptions of visitors) .

It is important to stress to participants that risk treatments will be the responsibility of many agencies, and tourism destinations or businesses will only develop and implement additional risk treatment options which are within their own area of responsibility.

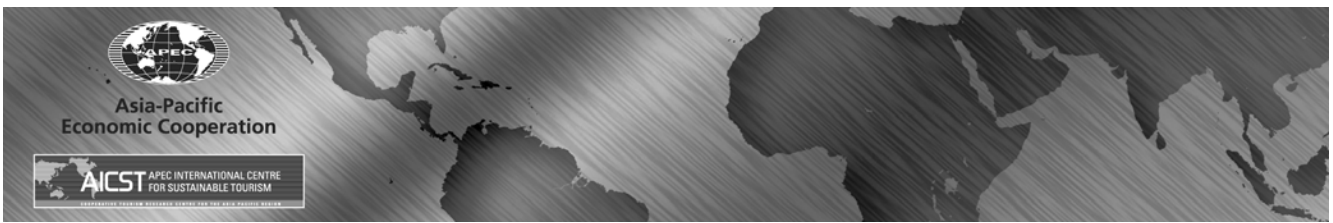


A tourism destination or operator needs to ensure that any risk treatment which is decided upon is realistic in economic terms. *Can costs be shared between operators? What can be done by tourism collectively or individually in relation to each risk?*

Where the local or regional economy is heavily dependent upon tourism, should costs be shared by the community or government organisations, given that others would benefit?

Ask participants: *how can this be achieved.....through regional associations?*

2. There are questions that need to be asked before selecting the best risk treatment options: ☉
 - Will it be acceptable to stakeholders, including visitors?
 - Is it too complicated or difficult?
 - Will it provide long-term benefits?
 - Will the benefits be realised quickly?
 - Will it adversely affect our destination or business?
 - Is it cost-effective?
 - Should we be funding this or should others share the cost?
 - Will this treatment option create new risks for a destination or tourism operator?
3. Once participants have decided upon risk treatment options, risk treatment plans should be developed. They should: ☉
 - Allocate responsibilities
 - Identify timelines
 - Decide methods of implementation
 - Establish expected outcomes
 - Allocate budget
 - Identify key performance indicators and milestones
4. Explain that no matter how effective their risk management process is, crises will still occur. Residual risk is the term given to the risk remaining after the implementation of risk treatment measures. The treatment of residual risk is to



develop plans to respond to and recover from organisational crises and community disasters. ☉

Key Points: ☉

- Identify the best risk treatment options for your situation.
- Establish partnership for risk treatment.
- Develop plans to implement risk treatments.
- Develop response and recovery plans for residual risk.



Session 10 – Monitor and Review

Aim

This session is designed to establish the need for regular monitor and review of the risk management process.

Learning Outcomes:

The session will enable participants to:

- identify the need to repeat the risk management cycle; and
- identify the key components to be monitored and reviewed.

Timing: 15 minutes

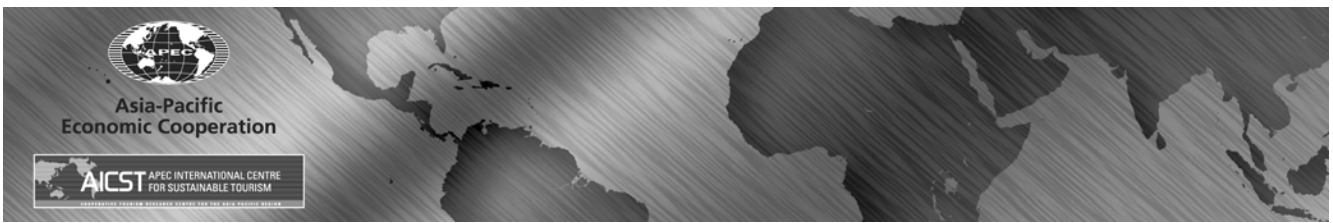
Method:

1. Stress that monitoring and review are essential so that continual improvements can be achieved and to ensure the currency and relevance of the risk management process. ⊙

Risk doesn't remain static, so it's essential that risk management is an on-going process with regular monitoring and review of hazards, elements at risk, and the progress, outcomes and efficacy of risk treatment measures.

Advise participants that they should: ⊙

- repeat the risk management cycle on a regular basis (annually);
 - measure progress of risk treatment measures; and
 - learn lessons from your crises or those of other tourism destinations or businesses.
2. Emphasise that nothing remains the same, so the risk management process must be monitored and reviewed on a regular basis, including: ⊙
 - decisions and decision-making processes
 - visitors' expectations and attitudes
 - new sources of risk



- risk ratings and priorities;
- elements at risk
- implementation of existing risk treatment measures
- additional risk treatment measures

Ask participants: *why might cause the attitudes and expectations of visitors to change? How will you know if these have changed? How do you monitor the values and expectations of visitor from different countries and areas?*

Key Points: ☉

- Regular monitoring and review are essential.
- Risk management is an on-going process.
- Learn from others in the industry and the community.
- Share your experiences and knowledge with others.



Session 11 – Discussion Exercise 2

Aim

This exercise is designed to identify tasks which participants should undertake to facilitate risk management processes..

Learning Outcomes:

The session will enable participants to:

- establish the basis of a risk management task plan; and
- discuss tourism risk management information sharing methods.

Timing: 30 minutes

Method:

Advise participants that this will be a small group (syndicate) discussion exercise Form 3 syndicate groups, depending upon the size of the group. (If you have too many groups there won't be time for each to present in the plenary session.)

Each syndicate should select a spokesperson to present the syndicate's findings.

Allow 15 minutes for consideration of the questions, and a further 15 minutes for a central discussion of findings.

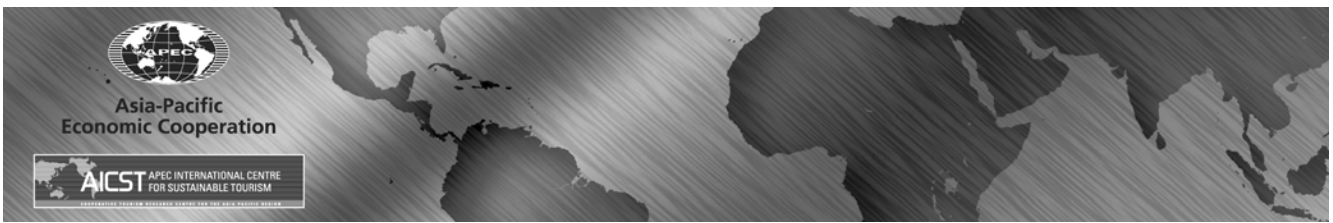
Point out that the exercise is also in their workbooks (Annexe B), so they can fill in their own findings and those of the other groups.

Exercise

As a syndicate, discuss the following questions and prepare brief answers to present to the group.

1. Identify the key actions you need to undertake for your destination or organisation to establish and maintain an efficient and effective risk management process.

As a guide, you should consider:



- the support/assistance you will need and from whom (individuals and organisations/departments) to undertake a risk management process;
 - what tourism organisations should be involved in the process
 - systems and procedures you will need to develop; and
 - agencies, other organisations and government agencies with which you should consult and establish liaison.
2. Identify the means by which you can share risk management knowledge and lessons with other tourism personnel. What do you believe to be an appropriate role for your or your destination or business in supporting tourism risk management processes?

Summarise the findings of the groups and highlight significant points.



Course Summary and Closure

Timing: 10 minutes.

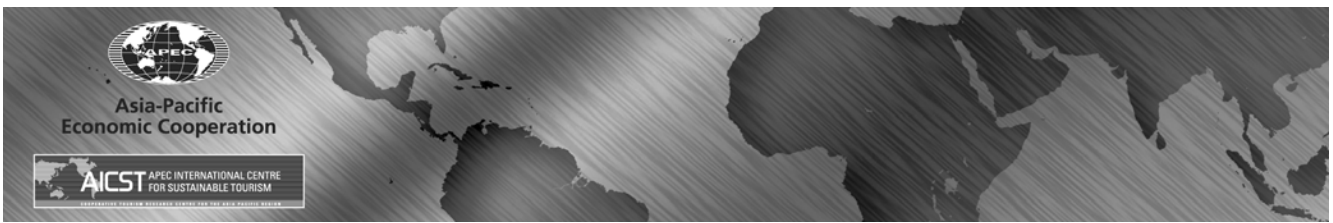
Method:

Summarise the course content: an overview of the risk management process for tourism operators providing a generic framework for the identification, analysis, assessment, treatment and monitoring of risk.

Key Points: ☉

- This is the start of a risk management learning process.
- We all need to share information and learn from the experiences of others.
- The tourism industry is vital to the economic viability of the 21 APEC countries.

Link to the other two training courses now available – How to Develop a Risk Management Strategy for a Destination, and How to Develop a Risk Management Strategy for a Tourism Business or Organisation.



Annexe A

Syndicate Discussion Exercise 1

As a syndicate, discuss the following questions and prepare brief answers to present to the group.

1. Identify what you believe to be the main sources of risk to tourism organisations and operators.
2. Identify the organisations, agencies and government agencies (at destination and national level) which should share the responsibility for the protection of tourism operations and facilities.
3. What measures can be undertaken to encourage relevant organisations to participate in a tourism risk management process.

Timing: 15 minutes for syndicate consideration followed by central presentations.



Annexe B

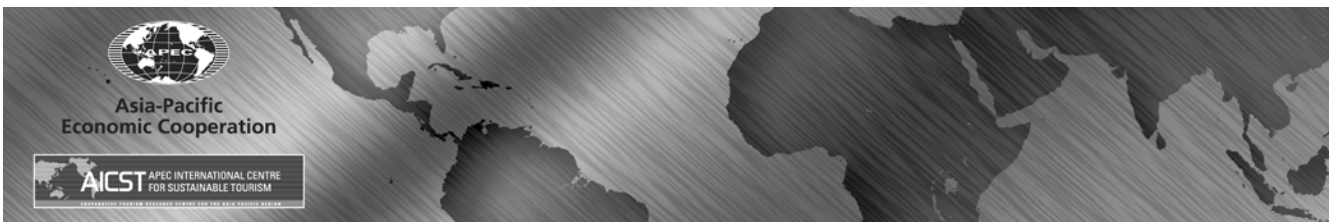
Syndicate Discussion Exercise 2

As a syndicate, discuss the following questions and prepare brief answers to present to the group.

1. Identify the key actions that need to be undertaken in relation to your destinations or organisation to establish and maintain an efficient and effective risk management process.

As a guide, you should consider:

- the support/assistance you will need and from whom (individuals and organisations/departments) to undertake a risk management process;
 - what tourism organisations should be involved in the process
 - systems and procedures you will need to develop; and
 - agencies, other organisations and government departments with which you should consult and establish liaison.
2. Identify the means by which you can share risk management knowledge and lessons with other tourism personnel. What do you believe to be an appropriate role for your organisation or business in supporting tourism risk management processes?



Annexe C

Example: Qualitative Measures of Consequence for Tourism Risk Management

LEVEL	DESCRIPTOR	DESCRIPTION
1	Insignificant	No disruption to destination; no disturbance of visitors; no financial loss; no media or public interest.
2	Minor	Minimal disruption to destination and visitors; limited or no financial loss; no media coverage or public interest.
3	Moderate	Short-term disruption to destination and services to visitors; some financial loss; limited media reporting.
4.	Major	Disruption to destination and services to visitors for more than 24 hours; financial losses, anger and frustration on the part of visitors; critical media reports and public criticism of destination.
5	Catastrophic	Unable to meet visitors' requirements and provide normal service type and level; severe financial losses; widespread criticism of destination; critical international media reports; mass cancellation of bookings.



Example: Qualitative Measures of Likelihood

Level	Descriptor	Description
A	Almost certain	Is expected to occur in most circumstances
B	Likely	Will probably occur in most circumstances
C	Possible	Might occur some time
D	Unlikely	Could occur at some time
E	Rare	May occur only in exceptional circumstances

Qualitative Risk Analysis Matrix – Level of Risk

Likelihood	Consequences				
	Insignificant 1	Minor 2	Moderate 3	Major 4	Catastrophic 5
A (almost certain)	H	H	E	E	E
B (likely)	M	H	H	E	E
C (moderate)	L	M	H	E	E
D (unlikely)	L	L	M	H	E
E (rare)	L	L	M	H	H

Legend:

E: Extreme risk; immediate action required

H: High risk; senior management attention needed

M: Moderate risk; management responsibility must be specified

L: Low risk; manage by routine procedures



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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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