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Welcome to Strategic Tourism, Events and Leisure Management

Man Geni Addysg Uwch yng Nghymru
Where Higher Education Began in Wales

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Lesson Aims

- Understand internal environmental analysis in tourism organisations.
- Explore resources and capabilities and how they contribute to competitive advantage.
- Apply the resource-based view (RBV) of the firm to tourism businesses.
- Distinguish between SWOT and TOWS matrices and apply them to situational analysis.

Introduction to Internal Environmental Analysis

Internal environmental analysis means looking at a business to see its strengths and weaknesses.

It involves checking areas like resources, skills, structure, culture, and performance to understand how well the company can reach its goals.

Key Elements Analysed:

- **Resources:** What assets (money, technology, people) does the company have?
- **Capabilities:** What skills or abilities does the company excel at?
- **Processes:** How efficiently does the company operate?
- **Culture:** What are the company's values and work environment like?
- **Performance:** How well is the company doing in terms of profits, customer satisfaction, or other goals?



Internal Environmental Analysis

What is its relevance?

- **Identify Strengths:** Helps the company understand what it's good at, so it can build on those strengths to succeed.
- **Address Weaknesses:** Helps uncover areas that need improvement, so the company can fix or strengthen them.
- **Strategic Planning:** Provides key insights for making better business decisions and creating strategies that use internal strengths to take advantage of opportunities or counter external threats.
- **Resource Allocation:** Ensures the company uses its resources in the best possible way to stay competitive.

Can you think of any examples
of internal strengths and
weaknesses you have observed
in your place of work?

Types of Resources

Tangible

Tangible resources for an organisation are the physical assets that it owns and uses to support its operations.

These resources can be seen, touched and measured.

Common Tangible Resources:

1. Financial Resources

- Cash: Money available in bank accounts or on hand.
- Investments: Money invested with the hope of earning potential.

2. Physical Resources

- Buildings: Any physical property the company owns or rents.
- Land: Property or real estate owned by the company for business activities or future expansion.
- Equipment: Tools, machinery, vehicles, or technology used to produce goods, deliver services, or maintain operations.
- Infrastructure: Physical networks like power systems, data centers, or other utilities.



Types of Resources

3. Inventory:

- Equipment: Items like sound systems, projectors, and lighting
- Furniture: Tables, chairs, and staging for events.
- Promotional Items: Brochures, flyers, and branded giveaways.

4. Technological Resources:

- Hardware: Computers, servers, or specialised machines.
- Software: Licensed software, operational systems, and proprietary technology the company uses.

Tangible resources are essential for daily operations and contribute directly to the company's ability to produce, sell, and grow.

They also provide a basis for securing loans or investments since they can be used as collateral.

Types of Resources

Intangible

Intangible resources are the non-physical assets that a company owns and that contribute to its value and success.

Unlike tangible resources, you can't see or touch intangible resources, but they are crucial for the company's growth and competitive edge.

What are examples of Intangible Resources?



Types of Resources

Common Intangible Resources:

Brand Reputation:

- The value and recognition a brand has in the market, which can influence customer loyalty and sales.

Company Culture:

- The shared values, beliefs, and practices within the organisation that shape how employees work and interact.

Customer Relationships:

- The connections a business has with its customers, which can lead to repeat business.

Employee Skills:

- The knowledge and abilities that employees have, which contribute to the company's success.



Intangible resources often provide a competitive advantage because they can be harder for competitors to replicate. They contribute to a company's long-term success and help differentiate it from others in the market.

Types of Resources

Within an organisation, human resources (Not HR) can be categorised into different types based on their roles and functions.

1. Core Employees

- Regular Staff: The main workers who perform the essential tasks of the company.

2. Management

- Managers: People who oversee teams, make strategic decisions, and ensure that the company's goals are met. They include team leaders, department heads, and executives.

3. Specialists

- Experts: Employees with specialised skills or knowledge in specific areas. They provide expertise that supports the core activities of the organisation.

Types of Resources

Human Resources (Not HR)

4. Support Staff

- Administrative Personnel: People who handle tasks like scheduling, office management, and clerical work. They keep the day-to-day operations running smoothly.

5. Trainers and Development Personnel

- Training Specialists: Individuals who focus on employee development, including training programs and professional growth opportunities.

6. Temporary and Contract Workers

- Freelancers and Contractors: Workers hired for short-term projects or specific tasks. They provide additional help as needed without being permanent employees.

7. Human Resources Team

- HR Professionals: Staff responsible for recruiting, hiring, managing employee benefits, and addressing workplace issues.

Resource and Capabilities

What are Capabilities?

Skills and Expertise:

- These are specialised knowledge and abilities that help in performing specific tasks. For a generic tourism company, this could include knowledge about destinations and travel planning.

Processes and Systems:

- Processes and systems refer to the organised ways the company works to provide services and manage its operations.

Resources and Tools:

- Capabilities can also involve the use of specific tools, technologies, or resources that enhance performance. This includes everything from software tools to manufacturing equipment.

Resources and Capabilities

How are capabilities developed?

- **Training and Education:** For individuals, capabilities are often developed through training, education, and hands-on experience. What can this include?
- **Practice and Experience:** Regular practice and real-world experience help refine skills and expertise. For example, a company might develop its capabilities in customer service through repeated interactions with customers and feedback.
- **Technology and Tools:** Implementing and mastering new technologies can significantly enhance capabilities. For instance, mastering Eventbrite can help organisations manage registrations.

Resources and Capabilities



Processes and Systems Improvement: Developing efficient processes and systems involves continuous improvement and optimisation. Can we think of an event example?



Learning from Others: Organisations can develop capabilities by learning from industry leaders. Benchmarking against best practices and adopting successful strategies can be very effective.



Innovation and Experimentation: Experimenting with new ideas and innovative approaches can help build new capabilities. Research and Development required.

The Resource Based View (RBV)

The Resource-Based View (RBV) is a way of looking at a company's strategy by focusing on its internal resources.

It suggests that a company's unique resources and capabilities are the key to its competitive advantage and success.

Key Points:

- **Resources:** These are the things a company owns or controls that help it operate. They can be tangible or intangible.
- **Capabilities:** These are what the company can do with its resources. For example, having skilled employees or efficient processes.
- **Competitive Advantage:** A company gains an edge over its competitors by using its unique resources and capabilities that are valuable, rare, hard to imitate, and well-organised. Can we think of an example?
- **Focus on Internal Strengths:** Instead of just reacting to the external market, RBV emphasises leveraging what the company already has to achieve success.

The Resource Based View (In Practise)

Can we link RBV with a hypothetical tourism company?

Scotty's Tours

1. Resources

- Unique Location: Scotty's Tours operates in a beautiful, unspoiled natural area.
- Eco-Friendly Facilities: It has invested in sustainable lodges and eco-friendly transportation.
- Local Knowledge: The staff has deep knowledge about local wildlife, culture, and history.

2. Capabilities

- Personalised Tours: Scotty's Tours offer customised tours based on the visitors' interests and preferences, using its local knowledge.
- Sustainability Practices: It has developed efficient, environmentally friendly practices that enhance the guest experience while preserving the environment.
- Strong Community Ties: The company works closely with local communities to provide authentic experiences and support local businesses.

The Resource Based View (In Practise)

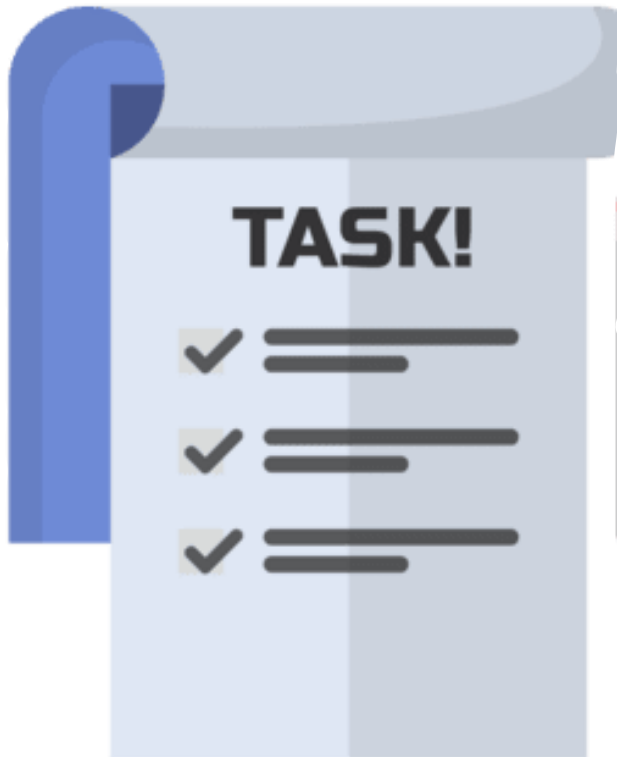
3. Competitive Advantage

- **Unique Experience:** The combination of a unique location, personalised service, and eco-friendly practices makes the company stand out from others in the tourism industry.
- **Brand Reputation:** Its commitment to sustainability and local culture builds a strong brand reputation that attracts eco-conscious travellers.

4. Using RBV

- **Leverage Unique Resources:** The company focuses on its unique resources (location, eco-friendly facilities) and capabilities (personalised tours, sustainability practices) to create a distinct offering.
- **Maintain and Enhance:** It continually invests in its resources and capabilities to stay ahead of competitors and adapt to changing traveller preferences.

Resources and Capabilities



- Resource Based View (RBV) is all about looking at the company's internal resources and capabilities
- To round off our morning session, choose an organisation of your choice (this could be the one you have chosen for Assignment 1), and research what their unique resources and capabilities are.
- How are they different to choice closest competitors?



Situational Analysis: SWOT vs. TOWS

What would a SWOT Analysis look like for the rail industry?

Strengths

- Established Infrastructure – Extensive rail network already in place.
- Reliable Service – Consistent train schedules and high punctuality (?)
- Government Support – Backed by national transport policies and funding.
- Experienced Workforce – Skilled and knowledgeable staff.

Weaknesses

- Aging Equipment – Some trains or infrastructure may be outdated.
- High Operating Costs – Maintaining rail networks can be expensive.
- Limited Innovation – Slow adoption of new technologies or processes.
- Capacity Issues – Overcrowding or underutilised routes.

Situational Analysis: SWOT vs. TOWS

Opportunities	Green Initiatives – Increase in demand for eco-friendly travel options.
	Technological Upgrades – Introducing faster trains or smart ticketing systems.
	Expansion – Opening new routes to underserved regions or cities.
	Partnerships – Collaborating with tourism companies or other transport sectors.
Threats	Competition – Growing use of cars, buses, or flights for short distances.
	Economic Downturns – Lower demand for travel in times of recession.
	Regulations – Stricter environmental or safety laws could increase costs.
	Pandemics/Health Crises – Sudden drops in ridership due to public health concerns

What is the difference with a TOWS Analysis?

TOWS Analysis

A TOWS Analysis is a more action-oriented tool that helps develop strategies based on the SWOT factors.

So how does this work?

1. Threats: Start by identifying threats and how the organisation can use strengths or address weaknesses to combat them.
2. Opportunities: Focus on how the organisation can take advantage of opportunities.
3. Weaknesses: Explore strategies to minimise or fix weaknesses.
4. Strengths: Use strengths to exploit opportunities and tackle threats.

A TOWS analysis focuses on creating strategies based on the relationships between the factors from the SWOT analysis. It's more about taking action—like how strengths can be used to seize opportunities or counteract threats.

SWOT Analysis (Joe Bloggs)



Strengths

- Skills: Joe has strong communication skills and is good at problem-solving.
- Experience: Joe has several years of experience in his current job, making him knowledgeable in his field.

Weaknesses

- Limited Education: Joe does not have a degree in the field that he wants to enter.
- Nervousness: You can be anxious about interviews and networking.

SWOT Analysis (Joe Bloggs)



Opportunities

- Job Market: There are many job openings in the new field Joe is interested in.
- Networking Events: Joe can attend workshops and meet people who can help him find opportunities.

Threats

- Competition: Many people are also looking to switch careers, making it competitive.
- Economic Changes: If the economy worsens, job opportunities might shrink.

How can we turn this into a TOWS analysis? (1/2)

To create a TOWS analysis, we'll match the strengths and weaknesses with the opportunities and threats to generate actionable strategies.

SO (Strengths-Opportunities)

- **Leverage Communication Skills at Networking Events:** Joe can use his strong communication skills to network effectively at workshops, making valuable connections in the new field.
- **Experience as a Selling Point:** Joe can use his years of experience in your current job when applying for openings, demonstrating your knowledge and problem-solving abilities.

WO (Weaknesses-Opportunities)

- **Education Improvement:** Joe can consider online courses or certifications related to the new field to overcome the limited education issue, making him more competitive for job openings.
- **Practice Networking:** Joe can consider to join a local group or online forum to practice networking in a low-pressure environment, helping to build confidence before attending larger events.

How can we turn this into a TOWS analysis? (2/2)

ST (Strengths-Threats)

- Differentiate Yourself from Competitors: Joe can use his problem-solving skills to showcase unique solutions or insights that can set him apart from others in the job market.
- Stay Informed About Economic Changes: Joe can use his communication skills to build relationships with industry professionals who can provide insights on economic trends and job stability.

WT (Weaknesses-Threats)

- Prepare for Competition: Joe can develop a personal branding strategy to effectively present yourself and address your nervousness, such as creating a strong resume and practicing interview techniques.
- Monitor the Job Market: Joe needs to stay updated on industry changes and adjust his job search strategy accordingly, ensuring he is prepared for shifts in the economy that could affect opportunities.

Situational Analysis: SWOT vs. TOWS

Activity

- Choose an organisation of your choice, or this can be based on yourself (Like with the Joe Bloggs example), turn a SWOT analysis into a TOWS.
- To create a TOWS analysis, you will need to match the strengths and weaknesses with the opportunities and threats to generate actionable strategies.
- The structure is as follows;
 - SO (Strengths – Opportunities)
 - WO (Weaknesses – Opportunities)
 - ST (Strengths – Threats)
 - WT (Weaknesses – Threats)

Stakeholder Profiling and Analysis

What are stakeholders?

Stakeholders are all the people or groups who have an interest in or are affected by what an organisation does.

What types of stakeholders are there?

Internal
People inside the
organisation

- Employers
- Managers
- Owners or Shareholders

External
People outside the
organisation

- Customers
- Suppliers
- Government
- Community

Stakeholder Profiling and Analysis

Stakeholder Profiling

Stakeholder profiling is the process of identifying and understanding the key people or groups who have an interest in an organisation.

What Stakeholder Profiling Involves:

- **Identifying Stakeholders:** Figuring out who your stakeholders are.
- **Understanding Their Interests:** Learning what each stakeholder cares about. For example, what do customers and employees want?
- **Assessing Influence and Power:** Determining how much influence or control each stakeholder has over the organisation or project. Some may have a lot of power while others have less.
- **Tailoring Communication:** Deciding how to engage and communicate with different stakeholders based on their needs and influence.

Stakeholder Profiling and Analysis

Stakeholder Analysis

Stakeholder analysis is the process of identifying and understanding the different people or groups (stakeholders) that can affect or be affected by a project, business, or decision.

Steps in Stakeholder Analysis

1. **Identify Stakeholders:** List all the people or groups involved or impacted, such as employees, customers, investors, government agencies, and local communities.
2. **Assess Their Interests:** Understand what each stakeholder cares about. For example;
 - Investors want profit.
 - Employees want job security.
 - Customers want good service or products.



Stakeholder Profiling and Analysis

Steps in Stakeholder Analysis:

3. Evaluate Power and Influence:

- Determine how much influence each stakeholder has. For instance, some stakeholders can make major decisions, while others may only have limited influence.

4. Prioritise Stakeholders:

- Based on their level of interest and influence, prioritise which stakeholders need the most attention or engagement. Some may need constant communication, while others might need occasional updates.



Stakeholder Profiling and Analysis

Steps in Stakeholder Analysis:

5. Plan Engagement: Decide how you will communicate with and manage each stakeholder. For example, high-influence stakeholders might need regular meetings, while others might just need periodic emails.



Integration and Application: Strategic Issues in Tourism

Sustainability Issues

Overtourism

What it is:

- When too many tourists visit a place at once, causing overcrowding, damage to natural and cultural sites, and disruption to local communities.

Why it's an issue?

- Popular tourist destinations can suffer from environmental damage, such as littering or harm to wildlife, and locals may face higher living costs and traffic congestion.

Sustainability focus:

- Managing tourist numbers, promoting lesser-known destinations, and balancing the needs of locals with visitors.

Integration and Application: Strategic Issues in Tourism

Post Pandemic Concerns

Labor Shortages

What it is:

- Many workers in tourism and events lost their jobs during the pandemic, and not all have returned.

Why it's an issue?

- Staffing shortages make it difficult for hotels, restaurants, and event venues to operate smoothly, especially with rising demand.

Post-pandemic focus:

- Improving working conditions, offering better wages, and investing in employee training to attract and retain talent.



**ANY
QUESTIONS?**





Stakeholder Profiling and Analysis

Thank you for your time!

If you have any questions, please
contact me via Teams or email
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See you next week!