CARIBBEAN SMALL HOTELS FORUM

REPORT ON THE OAS NEEDS ASSESSMENT AND ANALYSIS: SMALL TOURISM ENTERPRISE SECTOR IN THE CARIBBEAN

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Introduction

- The STEP program was one of the most valuable initiatives designed for the small hotel and tourism sector in the Caribbean region.

- It has impacted and influenced many small operations throughout the region, as it provided invaluable training for the participants.

- In many instances, some of the small hotels were able to develop strong alliances with the trainers and other participating properties.

- The Program also helped to reposition some of the properties in the international marketplace.
To facilitate a comprehensive assessment of the STEP intervention, a survey was sent to all the Country Coordinators in the 13 beneficiary countries requesting their feedback on the Program for the period 1998-2005.

Of the 13 surveys sent out, five responses were received from the STEP coordinators. In addition, the consultant toured three destinations, Barbados, Trinidad & Tobago and Grenada and contacted the participants in Jamaica.

The Trinidad and Tobago STEP Programme remains the most advanced and probably best managed of the remaining country STEP offices.
In 1998, the Small Tourism Enterprises Programme (STEP) was initiated by the Organization of American States (OAS) to provide resources, support, and marketing services to small hotels and tourism enterprises in 13 countries in the Caribbean.

A USAID grant to support the OAS Small Tourism Enterprises Programme (STEP) began in 2001 and ended on July 31, 2005.

During this period, with support from numerous organizations, the Programme had targeted small hotels with 75 rooms or less in OAS member countries.

These enterprises typically did not have ready access to affordable training and technical programs to assist them to survive in the increasingly competitive global tourism industry.
Background cont’d

- An essential component of STEP was the development of brands and standards to streamline and increase the marketability of the small participating hotels – Caribbean Experience designed for this purpose.

- Caribbean Experience was conceived as a branding, marketing and packaging mechanism, specifically tailored to small tourism enterprises in the Caribbean – Main focus was the CE Website.

- The branding component included minimum standards and a rating system which adopted international, market-driven, standards.

- These standards were reviewed by the Federation of European Tour Operators, US-based tour operators and others who did business with the Caribbean.

- After the project ended in 2005, very few of the 13 destinations followed through with the Program and as a result, many of the initiatives which had been implemented, were not sustained.
Key Programme Objectives

- Enhancements in the competitiveness of tourism enterprises to meet international standards;

- Increased access to best environmental management practices and implementation of environmental standards;

- Improve management skills through training and capacity building;

- Enhanced awareness of sustainable tourism development requirements for the region;

- Training and capacity-building programs, tailored to the requirements of small tourism enterprises to enable them to contribute to the achievement of these objectives, and

- Increase the marketability of the STEs
STEP Initiatives

The STEP Programme initially took a regional approach to providing a level playing field, by using a coordinating network and appointing Country Coordinators in each destination to ensure its success and the following five (5) strategies initiated:

- **A Market-Driven Program** – Spearheaded by the American Hotel and Lodging Association’s Educational Institute (AHLA-EI), internationally recognized training programs were put in place, in order to show that the sector was serious about embracing accepted skills and hospitality standards.

- **Development of Physical Standards** – Through the Caribbean Experiences Brand the development of physical standards for properties to set clear benchmarks indicating which properties could participate.

- **Technology** - The Program also prepared small tourism enterprises to deal with advances in technology, as this sub-sector needed to begin adopting technology at a fierce pace in order to remain competitive. Over 700 small hotels were assisted.
STEP Initiatives cont’d

- **The Marketing Component** – a marketing mechanism was also put in place with the Caribbean Experiences Brand specifically designed and tailored to the needs of small tourism enterprises preparing for the next stage in tourism-related economic development.

- **The Financing Component** - the Program identified a viable financing component as financial institutions questioned their professional and managerial skills, as well as their accessibility to effective markets. Access to financing was one of the main challenges of the Small Tourism Enterprises Sub-sector resulting in the Caribbean Experiences and the owner/manager training course being put in place.
Major Programme Accomplishments

- Feedback from some of the Country Coordinators had indicated that the impact of the STEP initiative was substantial. Unfortunately, however, once the donor agency funding ceased, the programs in many of the countries were not sustained.

- All objectives had been achieved during the course of the grant Program through a combination of training (7,420 persons)

- The adoption of best practices (over 500 enterprises or about 25 percent of target operations) in hospitality, hotel operations and management, environmental management, technology, culinary skills, safety and security; the following are some of the main accomplishments:
Major Programme Accomplishments cont’d

- **Resource Centres** - The walk-in Resource Centres established, targeted small tourism enterprises and represented collaboration between the STEP initiative and the respective countries. Each participating country made available a location to accommodate the Resource Centre and the STEP Coordinator.

- **The Caribbean Innkeeper** - This proved to be a valuable resource for small tourism enterprises. It covered a comprehensive range of topics on hotel management and operations. It also included a wide range of “Tool Kits”, providing an electronic demonstration of the ‘look and feel’ of a small Caribbean hotel, and pictorial demonstrations - from upgrading and presenting Caribbean cuisine - to contemporary tablecloth standards.

- **Newsletters** - In 2003 STEP started a newsletter series, produced in cooperation with the Loyola University (then a USAID sub-grantee working with STEP). These newsletters were distributed in hard copy and on the Internet to stakeholders throughout the Caribbean and to all small tourism enterprises on mailing lists maintained by the STEP Coordinators.

- **Tool Kits** - At the beginning of the Programme, the OAS conducted a needs assessments survey of small hotels in the region, and based on the findings a series of toolkits were developed in 2001, for distribution to operators in this sub-sector. These Tool Kits covered a very wide cross-section of operations.
- **Volunteer Programme** - STEP’s volunteer programmes were implemented in 1999 and were initially based on the then highly innovative Netcorps programme developed in Canada, which had provided small tourism enterprises and NGOs with assistance to build and maintain websites, and afforded them the use of the Internet as a tool for their operations.

- **Canadian Executive Service Overseas (CESO)** – The CESO helped to deliver hotel management and operations training. This resulted in a successful partnership for both the OAS and CESO. The programmes, particularly those in Technology and in Hotel Management/Operations proved to be a major success with the small hotel operators.

- **Sites, Attractions and Community Tourism** - In 2003, the Programme began to focus more on non-accommodation enterprises, ranging from community attractions to ground operators, restaurants and other tourism services. This strategy had been planned for some time, and involved building on the internationally competitive market positioning of small hotels, to package local experiences and activities for their customer base.
Training and Certification - In collaboration with the CIDA, Caribbean Project for Economic Competitiveness (CPEC) and the AHLA-EI, between the 2001 and 2003, STEP also implemented the Skills for Success Program, which developed a series of training modules in Food & Beverage services and Rooms Division, as well as certification material in other hospitality-related areas for the small hotels. The new product was tested and approved, resulting in training offerings across the region for: Kitchen Stewards, Bar Tenders, Room Attendants, Public Space Cleaners and Reservationists, as well as in areas such as Front Office, Banqueting and Restaurant Service. More than 47 operations were targeted and some 470 persons trained.

The Owner/Managers' Program - STEP developed a training program for small hotel owners and managers. Using an intensive workshop format, the program covered Hotel Management/Operations and Food & Beverage services – all from the perspective of the owner/manager. Source material, including training manuals and electronically packaged data was made available to the participants to reinforce the offerings from the Workshops.

Environmental Management - STEP partnered with USAID and the Caribbean Alliance for Sustainable Tourism (CAST), and developed an extremely successful environmental walk-through program for the small properties. This was the first in a series of assistance programs that enabled small hotels to incorporate environmental management into their operations.

Marketing Programmes - The Caribbean Experiences Brand was developed to provide a competitive marketing edge for small tourism enterprise products. The initial focus was on the creation of a small hotels brand, complete with a classification and rating system. The branding component included criteria which had adopted international, market-driven standards, based on product and service quality, together with environmental stewardship.
STEP Challenges and Opportunities

- The STEP initiative without question is an excellent business development and marketing tool for small properties in the region.
- Many the participating countries did not provide the on-the-ground technical support required to promote, administer and facilitate the development of small properties when the project ended, and as a result - a great opportunity was lost.
- Based on the feedback received on the other STEP initiatives in Central and South America, the Caribbean Program missed its mark, not as a result of the lack of program content, but because of inadequate in-country administration, and to a lesser extent, the unavailability of funds to sustain the Programme.
- Despite the many drawbacks, the destinations have in fact recognized the challenges, and are now better prepared to make the necessary adjustments going forward - largely due to the effects of the world recession. For their survival, they realize that it is now critical to find a much more structured and sustainable way of doing business.
Going Forward

- Visitors are seeking a vacation experience that connects to their physical, emotional, intellectual, social, and at times their spiritual needs.
- Today visitors are seeking experiences that stimulate all their senses — the sights, the sounds, the tastes, the feel, the aroma of the destination.
- Visitors to the Caribbean today are seeking new experiences beyond those of Sand, Sea and Sun.
- Visitors are more sophisticated, more curious, and more adventurous.
- Small Tourism Enterprises (STEs) in the Caribbean continue to embody the essence of a real Caribbean vacation.
Going forward, the STEP initiative must redefine its objectives and take a two-pronged approach in developing the new phase:

- **Organizational** – a follow-up program should focus on matters that will enlist government support, intervention and participation, to facilitate sustainability and;

- **Programmatic** – implement programs that are more user-friendly and address the issues of marketing, financing and professional development in greater detail

**Organizational** – This approach will require working with the regional organizations and the relevant tourism administrations, to define a common vision and acceptable ‘rules of operation’, so as to arrive at a consensus on common operating standards, classifications and definitions of the types of facilities across the region

**Programmatic** - will focus primarily on specific programs to enhance marketability, and to improve operating/management efficiency by: upgrading and re-introducing the Caribbean Innkeeper program, and reposition the ‘Caribbean Experiences Brand’ in the international marketplace.
Recommendations - Organizational

- Establish an Advisory and Monitoring Council (AMC), which would have overall responsibility for the development of an on-going Program building on the activities of the first phase;
- Establish a Small Tourism Enterprise Secretariat building on the STEP Phase 1 delivery framework. There is the need for such a body to ensure that programmes such and STEP, EAST, CHEMI etc be sustained after donor agency funding
- Standardized classification of rooms and facilities across the region – small hotels, Boutique Hotels, B&B, Guest Houses Inns etc.
Recommendations - Programmatic

- **Financing** - A concerted effort must be made to secure funding for a follow-up programme. As a region, we need to take ownership of the process. With the increasing competition in the global tourism marketplace, poised against declining economies in the end-user markets - we can no longer take the 'business as usual' approach. Businesses now need to seek new and innovative ways of operating, so as to find creative solutions to generating revenue.

- The AMC will, therefore, have the arduous task, not only of seeking new ways of sourcing revenue, but of convincing both the public and private sector operators to change their *modus operandi*.

- **Funding Sources** – Private Sector contributions; Public Sector contribution; International Donor Agencies.
Recommendations – Programmatic cont’d

- **Marketing** - Marketing is and remains one of the most integral components for the ultimate success of the continuation of a STEP program. The strategies to be developed under a new phase of the program have to be market driven.

- The STEP Program had developed an excellent marketing concept, and provided the tools - Caribbean Experiences Website, to aid in promoting both the destinations and the STE accommodations sector.

- Implement new delivery framework to focus on new strategies for the following thematic areas:
  - Promotions
  - The Booking Engine
  - Inclusion of the non-accommodation sector
  - Packaging
  - Social Media Marketing
  - Developing Strategic Alliances
  - Establishing a STE Database
We are selling more than a room... We are selling an experience....

Thank You