

How to Develop a Risk Management Strategy for a Tourism Destination

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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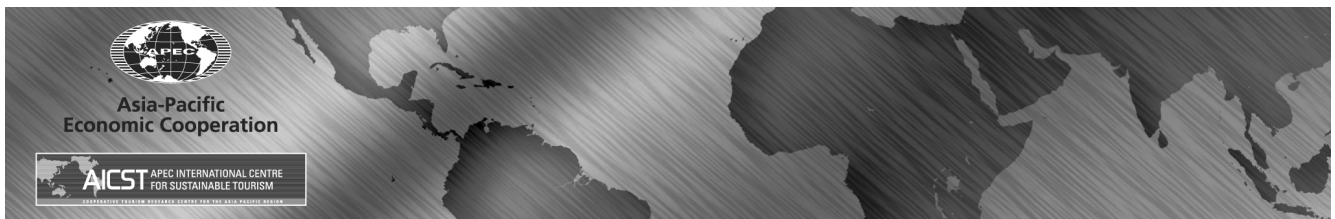
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Participant's Workbook

How to Develop a Risk Management Strategy for a Tourism Destination

Explanatory Note

This workbook contains suggested activities and questions to be answered relating to the development of a risk management strategy for a visitor destination, 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 to your own destination.

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.

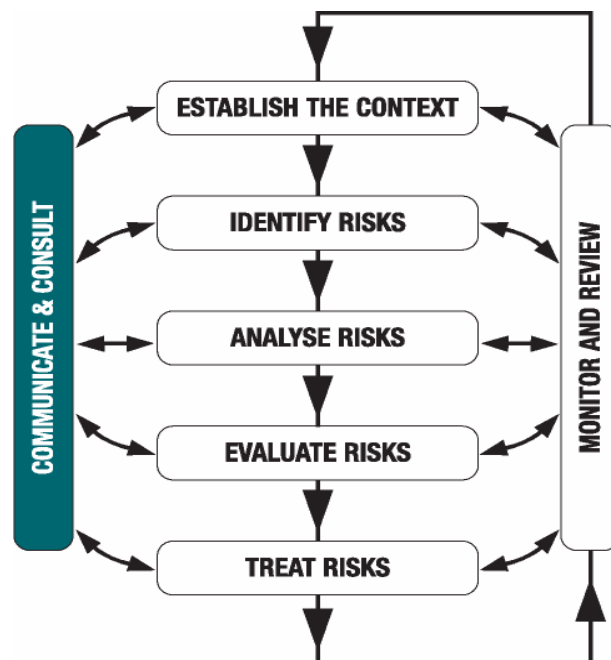
Your key reference material for this workshop is Chapter 4 of the Risk Management in Tourism Guide.



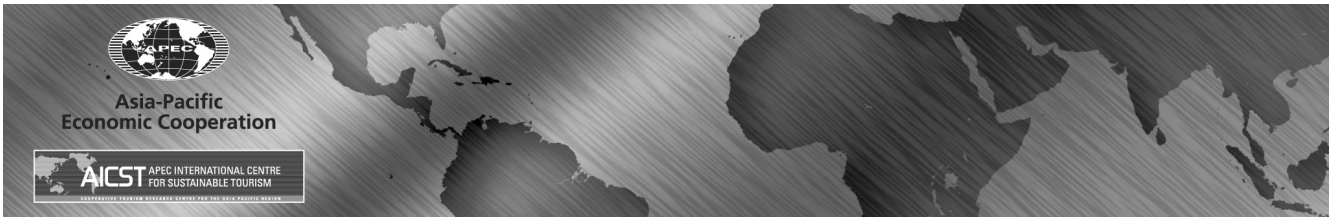
Introduction

In simple terms, the 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.

Tourism destinations should use the risk management process to identify, analyse, evaluate, treat, monitor and review risks to tourism operations.



The Risk Management Process (Emergency Management Australia, 2004)



Part 1 - Introduction

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 tourism and your tourism risk management process.

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3. Identify the sources of risk (hazards) which might cause a disaster for your destination.

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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 2 – Prevention/Mitigation

Regardless of how effective the tourism risk management processes of a destination are, crises will still affect destinations, just as disasters will still impact upon communities and the tourism facilities within them. 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, destinations can minimise disruption and facilitate the return to normal business with the application of efficient and effective management strategies. Importantly, tourism destinations will inevitably be held responsible by visitors for their level of preparedness, and for their ability to respond to and recovery from a crisis or disaster.

A useful tool in strategic business management is the SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis which provides a structure to identify an organisation's 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 destination to deal with a crisis; weaknesses, the factors which will affect the ability of a destination to cope with a crisis and its aftermath; opportunities to enlist government and community involvement and support to tourism; and threats including the sources of risk to tourism.

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

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

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3. Identify your **opportunities** to enlist industry, government and community involvement and support for tourism.

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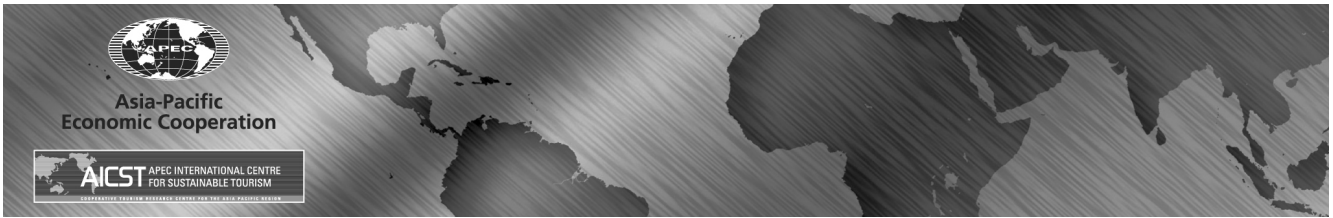
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4. Identify your destination’s **threats**, including the sources of risk to tourism.

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5. Outline the Occupational Health and Safety laws relevant to your destination. Are they adequate to ensure the safety of visitors? If not, what measures can the destination undertake to improve the safety of visitors?

Note: “Occupational Health and Safety” refers to the government laws and regulations of which apply to businesses and organisations to protect the health and safety of staff and customers.

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6. What Standard Operating Procedures or emergency plans exist in your destination to protect visitors? Are these adequate? How can you influence operators to develop best practice emergency procedures?

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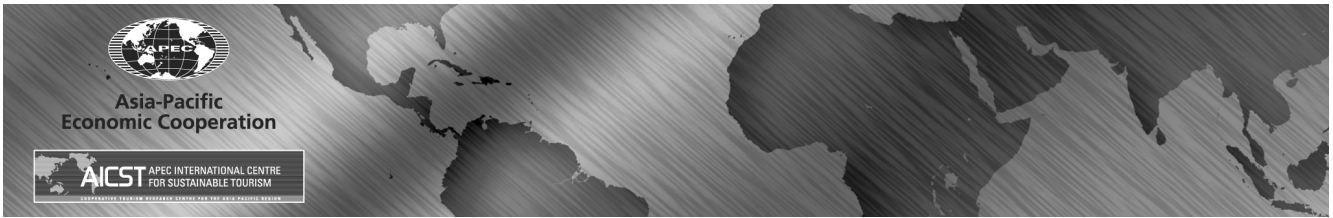
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Part 3 – Preparedness

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 destinations is the establishment of networks and liaison with relevant government and community agencies. Each destination should develop and maintain an effective working relationship with those agencies with which it will cooperate during a crisis, and which may provide advice and assistance during tourism crisis response and recovery.

The first step in preparedness for a destination is the establishment of a tourism crisis planning committee. The planning committee should include representatives of local tourism organisations and operators and relevant government departments and community agencies to reinforce the need for integrated crisis response and recovery processes. This committee is likely to form the core of a subsequent tourism crisis management team.

1. Which organisations/agencies should be represented on your destination's tourism crisis planning committee? What can each contribute to the planning process?

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2. What will be the staff training needs within your destination? Where is this training available? How often should training take place?

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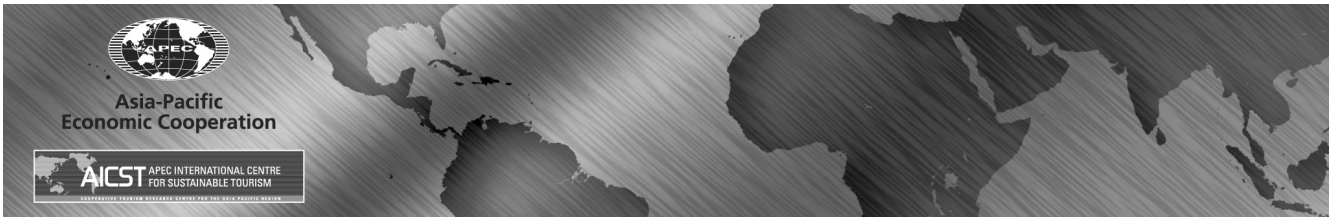
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3. Which agencies routinely conduct crisis and disaster exercises in your destination? How can you or your organisation arrange to participate (as observers or participants) in these exercises? Who can advise you on the development and conduct of appropriate crisis exercises for your destination? Which agencies and organisations should you invite to participate in your exercises?

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Part 4 – 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.

Following a crisis in a destination, it will be necessary to identify business continuity objectives and strategies and to manage the implementation of the crisis management plan. In order for visitors to maintain confidence in the destination, it is important that normal business operations and services are not neglected, but are continued with the least disruption possible. Effective 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 government, industry and community leaders.

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

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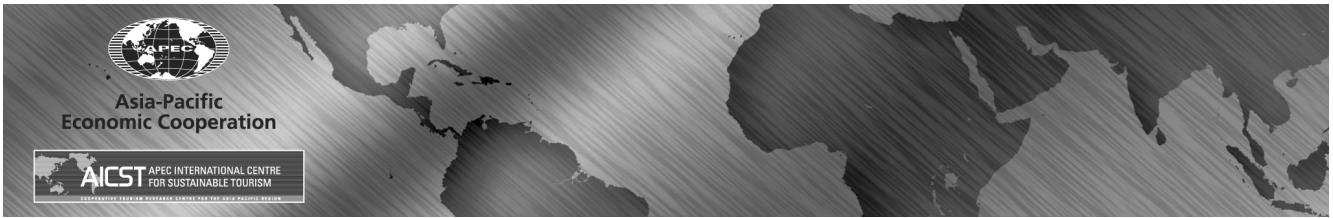
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2. What room or facility can you use as a tourism crisis management centre?
What resources does it have available and what will you need to access?

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3. What do believe will be the key business continuity issues for your destination following a crisis, and which organisations and agencies will be able to assist you?

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Part 5 – Recovery

Recovery is about the restoration and rehabilitation of a destination’s tourism activities and capabilities and its 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; to identify strategies and the resources required to restore normal business; and to secure the cooperation and assistance of government, industry and community leaders for the crisis response and recovery processes.

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

- 1. What is the existing level of support from community and government leaders for tourism at your destination? What measures can you undertake to enhance their awareness of the critical contribution of tourism to the economic viability of the community? Which community and government leaders do you believe will be most useful in your destinations’ crisis recovery processes?

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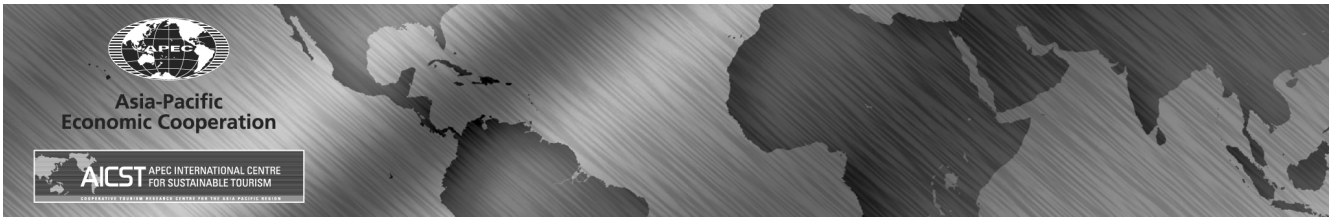
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2. How will you and your tourism recovery committee best be able to monitor community perceptions of your crisis?

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

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Annexe A

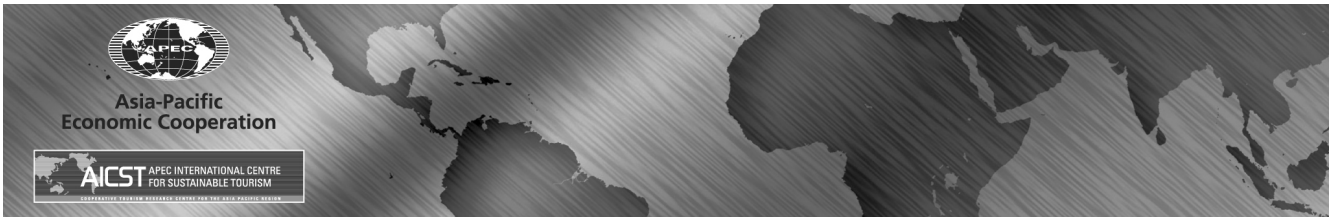
Syndicate Discussion Exercise

1. Using the crisis management checklists as a guide, identify the highest priority tasks you need to undertake to be able to establish and implement a risk management strategy.

As a guide, you should consider:

- the destination 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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2. Identify the means by which you can share knowledge and lessons with other tourism destinations.

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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 the destination?	<input type="checkbox"/>	<input type="checkbox"/>
2. Are you continuing to monitor and evaluate new sources of risk to your destination?	<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 your organisation attend multi-agency disaster management meetings?	<input type="checkbox"/>	<input type="checkbox"/>
6. Has effective liaison with regional or national disaster management agencies been established?	<input type="checkbox"/>	<input type="checkbox"/>
7. Has liaison with government agencies and community leaders been established?	<input type="checkbox"/>	<input type="checkbox"/>
8. Have effective working relationships with the media been established?	<input type="checkbox"/>	<input type="checkbox"/>

Checklist for Preparedness

	YES	NO
1. Have you established a tourism crisis planning committee with representatives of regional tourism operators?	<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 scheduled regular exercises (mock crises)?	<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 your destination	<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 relevant industry, government officials and community leaders?	<input type="checkbox"/>	<input type="checkbox"/>
3. Has the committee established:		
• residual effects on tourism	<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 for the destination	<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 government and non-government 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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