

Making Tourism Count

for the Local Economy in the Caribbean

Guidelines for Good Practice

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Brief 8

Managing internal change for developing local linkages

The Issue There are many ways of developing linkages with the local economy: bringing local entrepreneurs into the supply chain, developing excursions based on local culture and life, building neighbourhood partnerships (see Figure 1 in Brief 1). Whichever type of linkage a company pursues, it means doing things differently and is likely to involve change management within the company. It is as important to plan for this as it is to plan working with local partners.

Consider the opportunities

Many companies have good ideas about boosting local benefit from their enterprise. However, often these are not translated into practical implementation. Or new initiatives stall when they hit operational constraints. Managing internal change within the business can make the difference between a nice idea and real impact.

Bringing local benefit by doing business differently means adjusting operational practices. Normal business performance is achieved, but at the same time more local impact is delivered. This differs from philanthropy in that the core competencies of the business are used. It is not divorced from daily operations. If the local linkages are to be maintained, they need to be incorporated into the corporate agenda and operations. However, as with any change in operations, senior management needs to ensure that change is well planned and managed.

Understand the challenges

It is often easier to get something going, on a wave of enthusiasm, than to sustain it over time. The challenge is to make it a normal part of every day practice.

If local linkages require staff to do their job differently, they may run into resistance at first. If staff need to buy vegetables in a different place, time or quantity, to change where the tour bus goes, or rewrite guest information, staff need to be clear on what they must do and why.

If top management support is lacking, a new local initiative will stall when other priorities come up, or when it comes to the point of taking a risk with a new partner or allocating some extra time to getting a local linkage going. Managers need to be clear on the long-term gains in order to see it through.

What can you do?

Good practice approaches

- ✔ **Look** at how to do business differently: how the company can deliver commercial goals *and* boost local impact in the process. Pause to consider the full range of local linkage options, from procurement to neighbourhood partnerships (Figure 1 in the Introduction).
- ✔ **Assess** the business case for your company: what are the long-term strategic priorities (consolidation, re-branding, increasing visitor spend or length of stay, improving the local environment, cost-cutting, etc) and how can local linkages contribute? Linkages with the local economy may impose some short term costs, particularly regarding time, but can contribute to delivering long term goals. Prioritise those that fit best.
- ✔ **Build** top management support. Otherwise, when a linkage requires any change in how business is done, it will stall.
- ✔ **Innovate**, think laterally and be open to new ways of doing business. Encourage a new mindset among colleagues.
- ✔ **Turn** company challenges into opportunities for change. For example, if there is a problem with beach pollution, use that as a catalyst for local linkages by creating employment for cleaners, or an element of joint action that includes benefits for local vendors or fishermen.
- ✔ **Appoint** a champion inside the company – with resources and a mandate – to create change. This can be part of a manager's job, but it needs to be someone who can call on staff in different departments to implement new linkages. Ensure staff understand the long term goal.
- ✔ **Ensure** linkages become part of daily operational practice, part of staff routines. For example, a new local supply of table linen may be sourced initially by the champion or an external agency, but it needs to then become part of the procurement network of the procurement manager, so that it continues in the future.
- ✔ **Link** local products with marketing and branding. Make a feature of local products and provide information to tourists (e.g. information boards and photo galleries in hotel lobbies highlighting the local community/service providers, or brochures in bedrooms). If local crafts are on the wall, explain what they are and where they are from. Reap the rewards of your linkage by explaining it to tourists.
- ✔ **Be strategic** but remain flexible, so that 'one thing leads to another'. A tiny initiative by a hotel manager to buy local crafts for a theme night can lead to much more: on-going dialogue between the Guest Relations Officer and crafters; provision of business ideas, pricing information, and packaging material; exposure visits for the crafters to other hotel events; and then new marketing opportunities, a regular supply contract or an additional stop on excursions.
- ✔ **Do not discount** the value of innovative initiatives by individuals. Market-leaders are useful – in pro-poor tourism as much as in business.

Endnote:

Guidance on how to manage internal corporate change for implementing local linkages has been written for South African companies. See www.odi.org.uk/propoortourism.toolsandtips.internalchange.pdf

About the Briefs ...

The eight Briefs in this series provide practical tips on how to develop different types of local linkages, drawing on experience in several different countries in the Caribbean ▶

For other Briefs in the series and further information see www.propoortourism.org.uk/caribbean

- Brief 1:** Overview: tourism and the local economy – building linkages
- Brief 2:** Bringing local producers into the supply chain
- Brief 3:** Building links with local farmers
- Brief 4:** Employing local staff
- Brief 5:** Involving local people and products in tours, packages and excursions
- Brief 6:** Encouraging tourists to spend in the local economy
- Brief 7:** Building neighbourhood partnerships
- Brief 8:** Managing internal change for developing local linkages.

The Appendix provides more details, further examples, sources, and a useful list of contacts.

The Briefs outline some of the benefits and challenges of local linkages, and then focus on what to do. They provide tips on good practice mainly for hoteliers, but also for other private, governmental and non-governmental operators in tourism.