



# TOURISM ENTERPRISE PARTNERSHIP

## A BRIEF OVERVIEW

# OVERVIEW OF TEP

The Tourism Enterprise Partnership (TEP) offers hands-on, step-by-step support, guidance and assistance to South Africa's small and medium tourism businesses, facilitating their growth, development and sustainability to become internationally competitive.

## HISTORY

The Tourism Enterprise Programme was initially launched by the Business Trust in July 2000 as a four-year job creation programme in the tourism industry. Following good performance, it was extended and expanded with additional funding from the Business Trust and Department of Environmental Affairs and Tourism (DEAT) until March 2008.

Since its inception the programme had been a limited duration project managed by an independent consulting agency. However, due to its success, it was decided to institutionalise the programme, thus ensuring the sustainability of support to enterprise development in the Tourism industry.

The Tourism Enterprise Partnership officially took over management as a Section 21 Company on 1 April 2008.

## FUNDERS

The organisation continues to be funded by the Business Trust, the South African Government through the National Department of Tourism (NDT), and by corporate South African organisations interested in creating a legacy of change and growth in the tourism economy in a constructive and focused manner.

## OBJECTIVES

- **Job Creation**  
To improve the performance and increase the profitability of tourism small business, resulting in the maintenance of existing jobs and the creation of new jobs.
- **Transformation**  
To increase the participation of black tourism enterprises in the tourism industry, focusing on skills development, procurement, enterprise development and preparation for ownership.
- **Sustainability**  
To stimulate innovative, demand driven small tourism business product development, coupled with the development of small business growth strategies for long-term viability.

## **OVERVIEW OF SKILLS DEVELOPMENT**

Skills development forms a critical component of TEP's strategy for the growth and development of small tourism business. Training courses offered include the following:

### **TOURISM AWARENESS PROGRAMME**

TEP's Tourism Awareness Programme is a half day workshop for individuals who have recently opened, or plan to open a small tourism business. The aim of the programme is clarify the tourism sector and evoke passion for the industry. It provides information on:

- What the tourism sector is about
- The type of businesses that form part of the tourism sector
- Important factors to consider when starting a tourism business
- The type of people and entrepreneurs who will thrive in the industry

### **PUTTING THE CUSTOMER FIRST™**

Putting the Customer First is a day-long programme focusing on customer service. The content is based on a UK standard (Putting the Customer First™) which is used to assist organisations to set standards and improve service levels.

The material is designed to help the business become a customer orientated organisation and help implement standard guidelines within the organisation. Such guidelines assist in increasing financial turnover, improving service delivery and staff etiquette, attracting new customers, providing a competitive advantage and gaining customer loyalty.

It ensures that South African organisations keep themselves aligned with international markets and help to amplify tourist experiences within South Africa.

The course features the following aspects:

- What is customer service
- Staff etiquette
- What are customer service standards
- Understanding standards such as customer relationships, market awareness and people standards
- How to design, implement and maintain customer service standards

Participants who have completed the course will receive a certificate endorsed by both TEP and Putting the Customer First™.

### **TEP INFORMATION WORKSHOPS (PREVIOUSLY TOOLKITS)**

To address the need for practical and correct information, TEP developed a number of one-day workshops. Together, they provide small tourism businesses with the information and tools required to operate effectively within the tourism industry.

The aims of the workshops are:

- To help tourism small tourism businesses get high quality, user-friendly information
- To obtain necessary skills

- To help businesses become more successful in achieving their goals
- To empower entrepreneurs to effectively communicate with stakeholders
- To run a small tourism business with the intent of growth and sustainability

The target group for each workshop is different and it is important to ensure that small tourism businesses attend the workshop which is relevant to the development phase of their business. The workshops are clustered as follows:

Product Development Cluster:

1. Business Planning
2. Quality Assurance and Customer Care
3. Legalities and Compliances
4. Pricing

Market Access Cluster:

5. Communication in Tourism
6. Marketing in Tourism
7. Tourism Channel
8. Exhibitions

Advanced Cluster:

9. Business Administration in Tourism
10. Website Planning and Development

**1. Business Planning**

This advises an entrepreneur on what information to include in the business plan. It gives the small tourism business a better understanding of sound business practise and knowledge.

The workshop covers a wide variety of topics related to the business plan and the business planning process, such as business plan format, the profile of a successful entrepreneur, reasons for preparing a business plan and common pitfalls.

## **2. Quality Assurance and Customer Care**

Good customer service and a quality product or service, are key principles to ensure the sustainability of a young business and therefore this particular workshop is of great importance to every small tourism business.

The workshop assists an entrepreneur in how to achieve quality objectives and to ensure that the customer returns time and again.

The workshop helps the entrepreneur to define Customer Service and trigger points within a business. In doing so, participants are invited to join in role plays related to telephone manners and communication in customer service.

## **3. Legalities and Compliances**

This workshop assists new and operating businesses to understand what the law requires from entrepreneurs and how to go about legalising a business.

The content of the workshop covers topics like:

- Registering a business with SAMRO, SARS, Bargaining Council
- Obtaining a trade license
- Obtaining a liquor license and television license
- Registering a Tourist Guide or a Driver for public transport
- Registration with Provincial tourism authorities
- Insurance for a tourism business
- Local Government by-laws

## **4. Pricing**

This workshop assists small tourism businesses to determine the correct and competitive prices for their products and services in order to increase market share.

Many small tourism businesses struggle with pricing strategies and miss out on potential business because their pricing is not aligned to their market needs. The pricing workshop shares different pricing models and highlights best practice in the tourism industry. It furthermore reflects on the importance of continuous research related to pricing of competition and trends in the market.

## **5. Communication in Tourism**

The information in this workshop has been developed to help small tourism businesses communicate effectively. It touches on all types of communication - written, electronic, interpersonal, and cross cultural. A fun and highly interactive workshop which results in improved communication leading to raised standards and more clients.

## **6. Marketing in Tourism**

Marketing in Tourism is an interactive workshop that aims to get the small tourism business started with their marketing plan. It explains how to conduct a competitive analysis, market segmentation and how to define the service and product offering.

At the end of this programme, small tourism businesses should be able to understand the principles of marketing, market segmentation, how to make South Africa, developing a marketing plan and sourcing information.

## **7. Tourism Channel**

The Tourism Channel workshop helps small tourism businesses to understand the way different organisations work together to bring about tourism in South Africa. It focuses on ensuring that small tourism businesses work towards achieving and complying with established industry standards.

The workshop covers the following topics:

- The tourism supply chain
- Structure of the tourism sector
- Role of communities
- The role of tourism associations
- Explaining the procurement and sales channels
- The applicable rates systems

## **8. Exhibitions**

The Exhibition workshop is useful for small tourism businesses planning to attend an exhibition or marketing event. The workshop prepares them on how to prepare for an exhibition to ensure the greatest return of investment. It furthermore focuses on expected behaviour during the event and how to follow up and measure success in relation to the objectives set for the event.

## **9. Business Administration in Tourism**

This workshop helps entrepreneurs understand the importance of effective business administration for managing a business in the tourism industry. It is a rather complex workshop, which needs the business owner or a senior manager to attend.

The workshop covers topics such as:

- Setting up financial administration
- Cost management
- Procurement
- Compliance in administration

## **10. Website Planning and Development**

The aim of this w is to help small tourism businesses wade through the masses of information on the internet and also clarifies the different types of websites. In addition, it will help a small tourism business owner to understand the use of search engines, as well as the importance of the internet and websites for any business.

It focuses on building knowledge of the internet in general and deals with aspects such as domains and terminology. The workshop should ultimately lead to increased traffic to their websites and turning it into a business growth tool.

## **BUSINESS SKILLS PROGRAMME**

TEP's Business Skills Program is specifically focused on more sophisticated small tourism businesses. In other words, organisations that are three to five years old, have a minimum of five employees and an annual turnover of R250,000.

While the above workshops guide small tourism businesses in the right direction, the Business Skills Program provides in-depth skills and knowledge in four key business areas:

- Finance
- Marketing
- Human Resources
- Business Management

Each module is offered by a specialist facilitator, has two days of theory and is linked to at least one relevant THETA unit standard.

Small tourism businesses can select which topics to attend. Learners are invited to complete a Portfolio of Evidence after the course, which they compile in their own time on the basis of the modules provided. Should they do so and the Portfolio of Evidence is positively assessed, they will receive TEP certification.

Modules are scheduled over a three to four month period, allowing participants to implement the lessons learned and to complete a Portfolio of Evidence.

## **MENTORSHIP PROGRAMME**

Mentorship is widely acknowledged as having the greatest impact on business development. It also allows on-the-job skills development which, for small tourism businesses, decreases time out of the business. TEP's generic deliverables for its mentorship programme are:

- Providing an assessment of mentee's business
- Developing a mentorship growth plan in partnership with the mentee
- Implementing the goals as discussed in the growth plans
- Monitoring the achievement of these goals

The mentorship program is located at the top of the TEP skills development curriculum. This means that it is only provided to organisations and owners/managers who meet the requirements, are participating in TEP's Business Skills Programme and who have gone through a stringent selection process. Nationally only a small number of TEP clients will be invited to be part of this program, which is focused on establishing business growth.

Of key importance during the selection process, is the confirmation that business owners are involved in a full-time capacity in the business and are ready for further growth. This means that the business should already be based on sound principles and should have a proven track record.

After the selection phase, the entrepreneur is introduced to an experienced mentor with ample knowledge and expertise in the sector. Together, a growth plan is developed and according to this a six month support program is defined.

stainability of high potential small tourism businesses, to increase their competitiveness and profitability through one on one coaching and mentoring by industry specialists with many years of industry experience.. This enables these businesses to graduate to the next level where they compete directly against large, well established tourism products.

The programme seeks to achieve the following:

- Provide one on one dedicated mentorship to high potential tourism products that have very specific needs
- Identify individual business development needs that are based on detailed diagnostic site visits
- Develop Implementation Plans that would address the needs of the business (identified above)
- Follow up on the proposed implementation plans via post implementation site visits
- Facilitate market access and business linkages (if possible)

TEP has partnered with Netherlands based organisation PUM to implement Tourism Leadership Development. The PUM Program have more than 4000 retired experts (of which 265 are tourism related experts) who are willing to offer their skills and services free of charge to budding entrepreneurs. PUM's network of senior experts has many years of experience in advising businesses in developing countries and emerging markets.

## **OVERVIEW OF BUSINESS DEVELOPMENT FUND**

Access to business services such as professional and operational assistance, marketing, training and quality assurance is indispensable for the growth and sustainability of any business, including small tourism businesses. However many small tourism businesses do not have the resources to buy these services. Although TEP is not a funding agency, it has a Business Development Fund (BDF), which can be used to contribute towards the cost of business services. The BDF is utilised to assist small tourism business on a cost-sharing basis of up to 50% towards urban and up to 75% to rural.

BDF assistance is focused on assisting those businesses that cannot afford the services by themselves.

The fund builds the capacity of small tourism business and assists them to respond more effectively to commercial opportunities. It serves as both a trigger and a catalyst for their participation in the formal tourism value chain and, ultimately, their contribution to industry growth and job creation.

TEP is required to maintain good governance regarding the use of donor funds. It is, therefore, vital that TEP receives BDF applications that are accurate and comprehensive.

## **CRITERIA FOR BUSINESS DEVELOPMENT FUND**

### **BDF CAN BE USED FOR TO CO-FUND THE FOLLOWING:**

- Professional Services Assistance:
  - Business Plans
  - Feasibility Studies
  - Research
  - Marketing Strategies
- Operational Assistance:
  - Training



- Accounting
- Legal
- Tendering
- Certification
- Licensing
- Marketing Assistance:
  - Exhibitions (Local & International)
  - Brochures
  - Websites
  - Advertising
  - Signage
  - Membership Fees
- Quality Assistance:
  - Star Grading

### **BDF CANNOT BE USED FOR**

- Purchasing of assets for business e.g. vehicles, computers, furniture, buildings etc
- Be used as a loan or investment fund in any manner nor take equity in an Client
- Be used to fund costs of a working capital or recurrent nature
- Be used as a bridging mechanism or in any other way to provide such funding

### **BDF ASSISTANCE %**

In view of TEP's limited BDF's budget and increase applications for the fund. All assistance types will be based on the below scale:

- Less than R5000: 50%
- R5001-R15,000: 33%
- >R15,001: 25%

### **INDIVIDUAL BDF**

- Clients must be registered with TEP and have attended at least one TEP training workshop
- The Client must apply for each type of assistance separately and in advance
- The Client is expected to pay the supplier in full and thereafter claim the approved amount from TEP
- The Client must indicate any other contributions secured from alternative sources of funding
- TEP does not make any BDF payments in advance of a service being provided
- TEP cannot approve applications after the service has already taken place
- TEP cannot approve applications where the Client has engaged or paid for the service before receiving approval from TEP. The exception to this is in the instance where there is a payment deadline. The Client may make the payment upfront if they have already applied for assistance from TEP but have not yet received approval of the BDF. Please note that this is at the Clients own risk as TEP cannot guarantee approval. Also note that this exception must be clearly stated on the BDF Payment Form
- There are no guarantees that TEP will approve an application

- **Commitment for BDF funding is only valid when the client has received a TEP Approval letter stating the amount approved**
- Once an application is approved the disbursement will not be approved unless all the documentation is in line with TEP's requirements
- When additional funding is sourced from other funders, TEP requires a letter of support from the funder stating clearly what portion of the assistance will be funded and the amount thereof
- An approval will be cancelled if TEP does not receive the disbursement documentation within the prescribed time period. This period ranges from 3 to 12 months from the date of approval by Head Office. The application and disbursement should happen within a twelve month period
- TEP is not responsible for the payment if an application is not approved, or if the documentation does not meet TEP's requirements

## **GROUP BDF**

Group BDF is where TEP pays one service provider on behalf of multiple small tourism businesses. This is not a common practice and should not be offered without prior approval from Head Office.

- Each Client must complete an individual application
- Quotes and invoices must be made out to Strategic Partners in Tourism
- All invoices must include TEP's VAT number

## **BDF APPROVAL CRITERIA**

To approve a BDF application the following needs to be in place:

- Enterprise Details
  - Banking Details - A cancelled cheque or letter from the bank clearly indicating the small business bank account details
  - Enterprise Name
- Brief Description
  - Type of Assistance
- Motivation
  - Elaborate on assistance required
  - Meeting TEP's objectives (employment of HDI's and growth of the business)
- Supporting Documentation
  - Check documents with regard to all calculations
  - Check all documents in relation to BDF Rules and Regulations

## **BDF PAYMENT CRITERIA**

- Supporting documents
  - Check documents with regard to all calculations
  - Check all documents in relation to BDF Rules and Regulations
- TEP requires the following information and documents:
  - Valid tax invoices (not Pro Forma)
  - A cancelled cheque or letter from the bank clearly indicating the small business bank account details
  - Proof of the final product before the Client is reimbursed by TEP