

How to manage risks in tourism?

Understanding how to manage risks in tourism is vital for tour operators. A crisis often occurs when it is least expected, so it is important to have a Risk Management Plan in place that establishes the steps to be taken in the case of a crisis. The development of the plan should follow a clear process, to ensure that all tourism stakeholders know what it involves. During the crisis, Mitigation, Preparedness, Response and Recovery are considered to be an important four-step process to successfully manage a crisis.

Contents of this page

1. [What is risk management?](#)
2. [Before a crisis: Have a Risk Management Process in place](#)
3. [During the crisis: Follow these four steps](#)

1. What is risk management?

Risk management is a planned process through which organisations manage active crises. A crisis is defined as a time of difficulty or danger and is usually a time when difficult or challenging decisions must be made. With a plan in place that outlines the process of managing a crisis, organisations can adapt more easily to deal with a crisis.

The tourism industry operates in a dynamic environment that involves many interconnected sectors. As a result, it is constantly evolving and is particularly vulnerable to unexpected crises. Crises come in many forms, including health threats like the 2020 global coronavirus pandemic, natural disasters such as earthquakes and floods, political unrest and terrorist attacks. Such risks and crises pose significant threats to the tourism industry, destinations and tour operators working in the sector. In recent years, there have been several major crises, including the Easter Day bombings in Sri Lanka in 2019, and widespread political unrest in Ethiopia during the same year, both of which had a major impact on the tourism industry.

Crises can have a long-term negative impact on a destination both in terms of the destination's image and its visitor numbers. Planning for and understanding how to manage risk when a crisis occurs and deal with the issues that arise from unforeseen events are key to mitigating the negative effects of a crisis on your tourism business.

Nevertheless, there is reason to be optimistic. Past events have shown that the tourism industry is resilient, and there is ample evidence that shows tourists are keen to resume travel to affected areas once the disaster has passed. Destinations and operators that have prepared well and implemented the best strategies to manage the crisis will be best positioned to survive the crisis and welcome visitors again as quickly as possible.

Crisis Example 1: Nepal earthquake response

Following the [earthquake in Nepal in 2015](#), when 9,000 people lost their lives and more than 800 monuments were damaged, the nation's image suffered from negative international reporting and tourist arrivals fell by more than one-third in the year, from 790,000 in 2014 to 539,000 in 2015.

However, the Nepal Tourism Recovery action group quickly launched the [I AM IN NEPAL NOW](#) [#NepalNOW](#) [#stillsmiling](#) social media campaign to counter the vast numbers of negative stories circulating on the Internet. The campaign encouraged international visitors to Nepal to post images of themselves holding placards featuring the slogan.

The campaign and positive stories on the accompanying website, [nepalNOW](#), generated a significant amount of positive coverage and, alongside rebuilding, rebranding and additional communications such

as the infographic displayed below, helped to stimulate tourism growth. By the end of 2018, tourist arrivals had exceeded 1 million for the first time, with the country welcoming 1.2 million arrivals.

Chart 1: Support to Build Nepal by Visiting Nepal



NATURALLY NEPAL
ONCE IS NOT ENOUGH

Source: Nepal Tourism Board

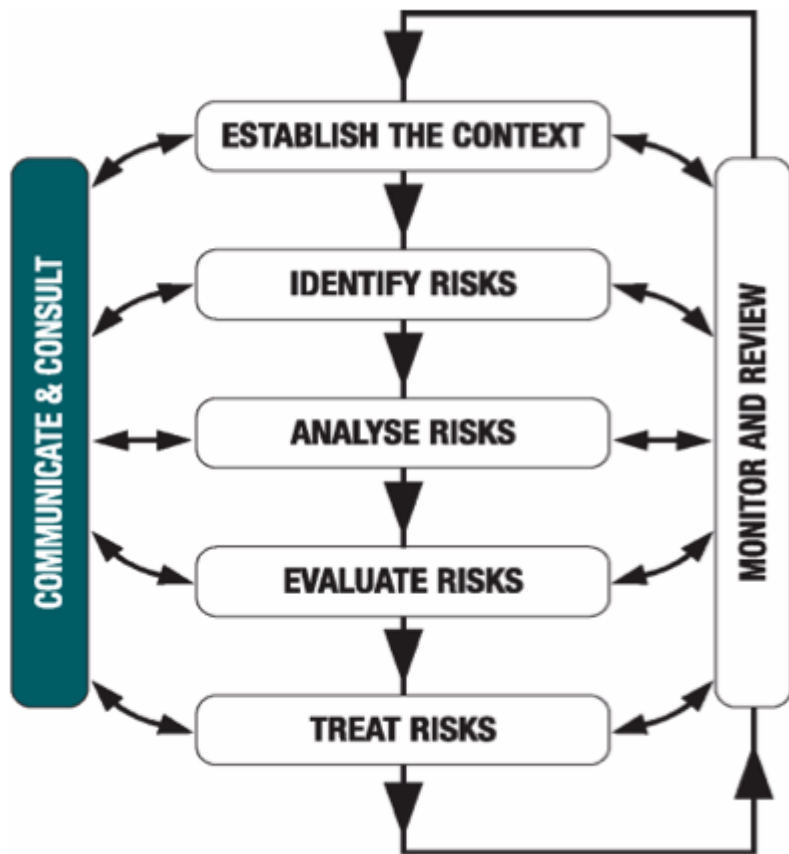
2. Before a crisis: Have a Risk Management Process in place

Preparing for an unforeseen crisis is an essential element of business planning, and you should not wait for a crisis to happen to put a plan in place, so you are prepared if a crisis does happen.

Preparing for risk or crisis situations is commonly referred to as a Risk Management Process. A Risk Management Process aims to reduce the uncertainties of actions taken during a crisis. It is important to have this in place in advance, so that your organisation is well prepared for unexpected events that may happen in the future. A thorough inventory and analysis of possible risk scenarios is essential, so that you fully understand the risks to your tourism business. Looking ahead and being well prepared may help to minimise losses and put you in a great position to take advantage of any opportunities that may arise.

Emergency Management Australia's chart provides a useful guide to the flow of the Risk Management Process, which you can adapt for your own purposes. Each step is underpinned by continuous communication and monitoring; they are fully explored below.

Chart 2: Risk Management Process



Source: Emergency Management Australia

Establish the context

This step refers to establishing the policies, systems, procedures and relationships with stakeholders that are pertinent to your organisation, which requires you to have a solid understanding of your own business in areas including key business activities, economic constraints, and organisational strengths, weakness, opportunities and threats (SWOT). Conducting a SWOT analysis of your business is a useful business tool, and the specific focus on 'threats' will help to outline the potential problems the Risk Management Process might have to address.

Chart 3: Structure of a SWOT Analysis

Tourism Industry S.W.O.T. ANALYSIS



Sally Davis Berry

© copyright 2019 Sallydavisberry.com

Source: Sally Davis Berry (www.tourismproacademy.com)

This helpful blog, [Have you done a SWOT analysis for your tourism business](#), outlines the tasks required during each step of the SWOT and is aimed at tourism businesses.

Tips:

Identify your key stakeholders and find out what they understand by 'risk'. Establishing what their concerns are and understanding their perception of risk within your destination is critical.

Review your key buyer markets to assess whether you should take steps to diversify to new international or domestic customers that are less sensitive to particular crises.

Make sure you are aware what the national legislation is for disaster/emergency management in your country. This is usually available on your government's website.

Identify the risks

No two crises are the same, and some destinations will be more susceptible to particular crises than others. You should carry out a risk analysis, drawing up a list of crises that might happen based on those that have occurred

in your region/country in the past and may happen again. Include any events that could be a possibility, based on your own knowledge of your destination and other factors.

Examples include:

- Natural disasters – these include earthquakes, volcanic eruptions, tsunamis and floods, hurricanes and other extreme weather disasters. The [Boxing Day Tsunami](#) in 2004, which devastated numerous coastal communities in Asia and killed more than 230,000 people, and [Hurricane Maria](#), which devastated several islands in the Caribbean in 2017, are two examples of natural disasters.
- Political issues – political unrest is common in developing countries, and they often have an impact on tourism. [Ethiopia](#) and [Nicaragua](#) both experienced political unrest in 2019, which caused other countries to issue travel advisories to their nationals that, in these examples, are still active.
- Terrorism – some countries/regions suffer more from terrorist attacks than others. Notable examples include bombings in Sri Lanka and Thailand that deliberately targeted tourists. The 2019 [Easter Day bombings](#) in Sri Lanka killed more than 250 people. Thailand has suffered from several terrorist attacks targeted at tourists, including one at a [shrine in central Bangkok](#), which resulted in the deaths of 20 people.
- Health-related incidents – pandemics and epidemics are the most likely crises. Along with COVID-19, the [Ebola epidemic between 2014 and 2016](#), which affected several West African countries, is a major example in this category. The Ebola epidemic impacted tourism elsewhere in Africa, in countries many thousands of miles away, owing to the misconception that ‘Ebola is in Africa, so Africa has Ebola’. In 2014, the Kenya Tourism Federation reported that tourism arrivals had fallen by an estimated 15-20%, and in Tanzania, hotel bookings were reported to have dropped by up to 40%.
- Economic crises – financial crises often have a significant effect on the tourism industry, such as the Global Economic Crisis in 2008/9, which led to a 4% drop in international tourist arrivals. However, by 2010, tourism had rebounded strongly. The impact of COVID-19 is likely to lead to a further global economic crisis.

Tips:

Check historical records to identify any crisis that has happened in your area. The National Archives in your country may be a good start, or you could visit a library. Alternatively, you can do an online search on the Internet using phrases like, ‘recent crisis in’ Or ‘latest earthquake in....’ and so on.

Consult experts to build your knowledge of how a particular crisis affected your destination. This should include different elements of who and what was affected by the crisis, such as the environment, infrastructure, facilities and the economy.

Build a scenario around “What if it happened here/now?”. Involve and discuss this with your staff to check all possible scenarios and develop alternative solutions. Read this article, [How to compose crisis scenarios](#), to help you build crisis scenarios.

Keep up to date with Covid-19

As a new phenomenon, COVID-19 paralysed the global economy on an unprecedented scale in early 2020. No one knows what the long-term implications of COVID-19 will be, but it is widely accepted that its impact will be severe across many industries, including tourism. You should keep up to date with the latest information about the pandemic and the likely impact on tourism.

- The World Tourism Organisation (UNWTO) regularly posts updates on the global situation on its website, including articles such as [Tourism and COVID-19](#) and an [Impact Assessment of the COVID-19 Outbreak on International Tourism](#). These articles are regularly updated, so you can bookmark them for easy reference.
- The [World Travel & Tourism Council \(WTTC\)](#) has created different information hubs for members, governments and travellers to deliver relevant information.

- The [Adventure Travel Trade Association \(ATTA\)](#) regularly updates its comprehensive information and advice for the tourism industry.
- The [International Air Transport Association \(IATA\)](#) has published resources for airlines and other travel professionals.
- The [European Travel Commission \(ETC\)](#) is a good source of information pertaining to the European market.
- The [World Health Organisation's \(WHO\)](#) dashboard will keep you up to date with the current situation as it unfolds.

Tip:

Identify the risks of COVID-19 in your destination. Conduct your own research about the impact and current situation. The government, Ministry of Tourism, national tourist board and any tourism associations that exist in your country are good places to gather information.

Analyse and evaluate risks

Analysing risks involves determining the likelihood of a crisis occurring and their possible consequences, from insignificant up to catastrophic. Understanding which possible crisis would have the most negative impact will enable you to decide on the priority course of action. For each risk you identify, you can create a matrix that assesses and rates the likelihood of the event happening and the possible consequences, as shown the example below.

Chart 4: Risk Rating Matrix

Risk Rating Matrix					
Likelihood	Consequences				
	Insignificant 1	Minor 2	Moderate 3	Major 4	Catastrophic 5
A (almost certain)	H	H	E	E	E
B (likely)	M	H	H	E	E
C (possible)	L	M	H	E	E
D (unlikely)	L	L	M	H	E
E (rare)	L	L	M	H	H

Note: The number of categories should reflect the needs of the study.

E	: Extreme risk; immediate action required
H	: High risk; senior management responsibility must be specified
M	: Moderate risk; management responsibility must be specified
L	: Low risk; manage by routine procedures

Tourism Risk Management

Source: Asia Pacific Economic Cooperation, International Centre for Sustainable Tourism

Another method to assess the likelihood of risks and their possible consequences is to assign a scores, such as the example below.

Chart 5: Risk Assessment Matrix by Numerical Score

		Likelihood				
		1 Rare	2 Unlikely	3 Possible	4 Likely	5 Almost Certain
Consequences	5 Catastrophic	5 Moderate	10 High	15 Extreme	20 Extreme	25 Extreme
	4 Major	4 Moderate	8 High	12 High	16 Extreme	20 Extreme
	3 Moderate	3 Low	6 Moderate	9 High	12 High	15 Extreme
	2 Minor	2 Low	2 Moderate	6 Moderate	8 High	10 High
	1 Negligible	1 Low	2 Low	3 Low	4 Moderate	5 Moderate

Source: Hastam

Matrix templates can be downloaded from the Internet from various sources, including [i-Sight](#). When assigning scores, you should consider the influence of risks at different levels – Macro being at a global level, where you will have no influence; Meso, at which your influence will be limited; and Micro crises, which are more likely to require action within your business.

Following analysis, evaluating risks focuses on gauging the ability to deal with the risk, whether it can be addressed/treated under current capabilities and what needs to be done.

Treat risks

There are a number of accepted strategies that you can adopt to manage risk:

- Avoid the risk – which involves not proceeding with an activity likely to be risky. For instance, if a tour operates in an area prone to flooding or landslides at a particular time of year, the tour could be automatically discontinued at this time, or could be re-routed.
- Reduce the risk – if a risk cannot be eliminated completely, steps should be taken to reduce the risk by implementing initiatives such as suitable safety standards, providing suitable equipment, ensuring buildings are constructed to withstand earthquakes, and implementing adequate health and safety procedures.
- Transfer the risk – usually to a third party such as an insurance company. At the very minimum, your business should have public liability and professional liability cover. European tour operators generally require their suppliers to have adequate liability insurance in place before they will do business with you.

See the tip below for more information.

- Retain the risk – this typically refers to accepting that minor risks do happen infrequently in the course of business and being able to manage them in the most appropriate way.

Managing risk is a crucial factor for adventure tourism operators, as they must ensure the safety of their customers, who may participate in high-risk activities. In addition to extensive liability insurance cover, many European tour operators comply with international adventure tourism standards to provide their travellers with reassurance. The two most common standards on the market are the International Organisation for Standardisation's (ISO) international standard for adventure management, [ISO 21101:2014](#), and the British Standard for Adventure Tourism, [BS8848:2014](#).

Tips:

To find out more about European buyers' requirements, download the CBI study, [What are the requirements for tourism services in the European market](#).

Investigate what level of insurance cover you currently have for your business. Check the level of cover in the event of a crisis. Premiums tend to increase the more cover you have, so this is something you will have to judge on the basis of the potential risks you have identified in your destination. Some insurance companies offer support in creating crisis management plans and undertaking risk assessments, such as [SATIB](#), which provides tour operator insurance throughout southern Africa.

Read more about managing risk in the European adventure tourism market in the CBI study, [Entering the European market for Adventure Tourism](#).

Consider complying with one or both of the standards indicated to reassure your European buyers.

Communicate and Consult

Being visible and keeping in touch with your stakeholders is one of the most important factors of risk management, and it must be done on a continuous basis in all stages, before, during and after a crisis. Stakeholders include staff, customers and suppliers and key messages to all of them pertaining to risk must be:

- Honest – do not make statements that you do not know to be true or make promises you cannot keep.
- Factual – state the facts as you know them and do not embellish. If you are too positive, people may not believe you.
- Reliable – keep in touch on a regular basis, even if it is just to say 'there is no news yet'. People like to know that you are continuously monitoring the situation.
- Reassuring – keep the tone of your communication measured and calm and try not to sound flustered or panicked. Avoid the use of inflammatory words such as 'catastrophe' or 'devastating' and if you do use them, make sure they are used in the right context.

Tips:

Consult the UNWTO's [Toolbox for Crisis Communications in Tourism](#) for checklists and best practices.

You can also read ASEAN's [Tourism Crisis Communications Manual](#) for more advice.

Know who your stakeholders are

Draw up a list of your stakeholders to get a clear overview, so you can ensure they are included in all correspondence you issue. Consider the following groups of stakeholders when drawing up your list:

- Government agencies – Ministry of Tourism, Customs, Immigration, Foreign Affairs, Health Agencies, Legal, Ministry of Transport, Environmental Agencies, Security Agencies, Disaster Management
- Police
- Tourist Boards – national and local visitor centres
- Airlines and transport organisations
- Hotels and other accommodation associations
- Tour operator associations and travel agencies
- Tourism associations

Consider joining national or international tourism associations, as they may be able to offer help and advice during crises. Examples include the [Adventure Travel Trade Association \(ATTA\)](#), the [Pacific Asia Travel Association \(PATA\)](#), [Latin America Travel Association \(LATA\)](#), and the [African Travel & Tourism Association \(ATTA\)](#).

Use your website and social media to keep in touch

Your website is often the first place that stakeholders will visit to get information. You should revisit your website regularly and publish the most recent information about the impact a crisis is having on your destination/region. You can also use your social media channels to post updates and communicate directly with your customers.

It is really important to date your website communications, so that users can be sure they are receiving the most up-to-date information. If you are updating a current release, make sure you include the word 'Updated' at the top of the release alongside the new date.

Monitor and review

Crises are often fast-moving; situations tend to be highly changeable and can be volatile. This means that current processes, plans or procedures that you have in place to deal with a crisis should be regularly reviewed and updated. Your plan should be flexible and dynamic, so that you can adapt easily to the changing situation when a crisis happens. To do this, you should review your organisation's plan regularly, at least annually, during periods when there is no risk.

Training and testing

Once you have formulated your Risk Management Plan, you must train your staff and test the plan. During a crisis, staff may need to adopt different roles than the ones they are familiar with, which could be stressful. Make sure to be clear about what you expect from them, to ensure that if the plan needs to be activated, they are clear about what they will be doing. Investigate what training courses in risk management might be available in your destination or elsewhere, such as ATTA's [Safety and Risk Management for Adventure Travel Tour Operators](#).

You should ensure that your plan is ready to go when required and has undergone scenario testing in advance, so that any weaknesses are exposed and can be addressed. Keep updating and reviewing your plan as required.

Tips:

To help you develop your plan, you can find out more about the Risk Management Process by consulting a variety of sources. [5 Steps to Any Effective Risk Management Process](#) and [The 5 Step Risk Management Process \(Updated for 2018\)](#) offer a broad outline of the process and are a good

place to start.

Download the APEC (Asia-Pacific Economic Cooperation) International Centre for Sustainable Tourism guide, [Tourism Risk Management – An Authoritative Guide to Managing Crises in Tourism](#) for more detailed advice. While it is from 2006, this authoritative and detailed guide is specifically aimed at supporting destinations and tour operators in establishing their own risk management strategies, and is widely regarded as an important resource for tour operators.

Do not forget to review the accompanying presentation, [Tourism Risk Management](#), adapted from Emergency Management Australia's Risk management process, and training programme, [How to Develop a Risk Management Strategy for a Tourism Destination](#), which provides good complementary information.

Keep abreast of crises that may be happening elsewhere, so that you can learn from others' experiences. Refer to sources including tourist boards, national newspapers and the foreign affairs departments of

Crisis Example 2: The Easter Day Bombings in Sri Lanka, 2019

The 2019 Easter Sunday bombings in Sri Lanka saw a 70% fall in tourist arrivals during the following weeks. However, the crisis also sparked a wave of interest on the Internet and the phrase 'where is Sri Lanka' become a top trending search term for Google. Within a month of the crisis, the government began working with a team of crisis management experts. Three agencies were merged to become Sri Lanka Tourism, which developed a robust marketing strategy to help put Sri Lanka back onto the global travel map. Source markets were analysed and prioritised while thousands of attractions were identified and promoted to reflect the country's diversity. As a direct result of measures taken following the crisis, and until the COVID-19 crisis hit, Sri Lanka was seeing a slow return of tourists, and it was named a top country to visit in 2019 by top travel guide Lonely Planet. As a result, it is clear that Sri Lanka is currently in the Recovery step of the Risk Management Cycle.

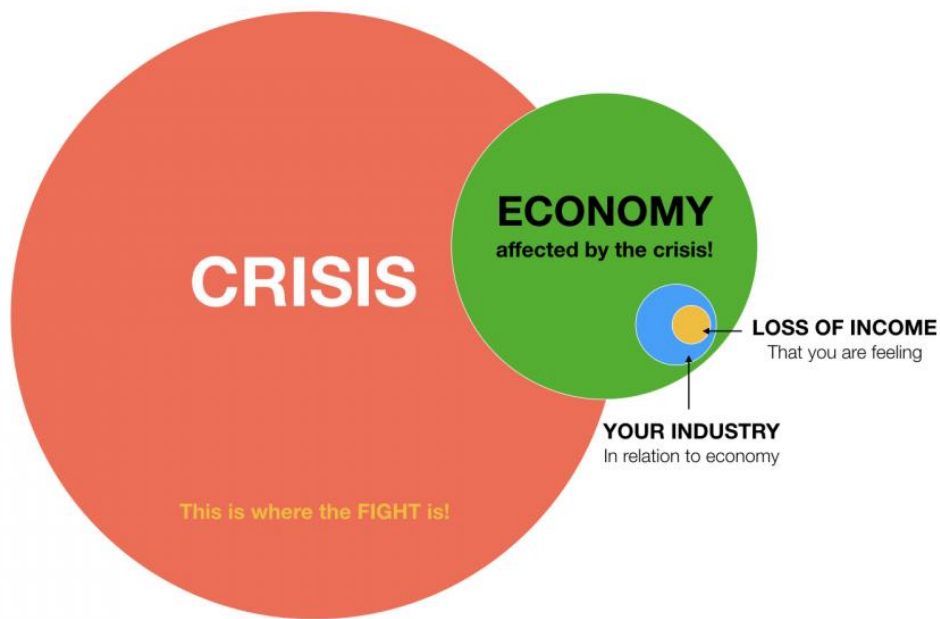
This interesting article by CNN Travel, [The second coming of a paradise island: How Sri Lanka bounced back from crisis](#), highlights the plight of many other destinations that have suffered from terrorist attacks including Tunisia, Bali and Egypt, and discusses the resilience of tourism.

3. During the crisis: Follow these four steps

Once a company is in the middle of a crisis, the first thing to do is to understand the situation as best you can and understand the impact it can have on your organisation. This is a continual process as one of the characteristics of a crisis is that it's always changing, and the effects on your business will also constantly shift.

The current COVID-19 crisis is an example of a global crisis that has deeply affected the economies of countries as a result of businesses coming to a halt all around the world. For your industry, this includes job loss, revenue depletion, lack of business and insecurity regarding the future.

Chart 6: Understanding the Situation and Putting it into Perspective



source: Anil Chitrakar & Raj Gyawali

Compare that with an earthquake or a mudslide or a tsunami, which tend to be localised events and do not affect the rest of the world. While the immediate effect to your business might be similar to that of a crisis of global proportions, the way you strategise to react to it will be drastically different.

There are four main steps or stages you go through during a crisis. This four-step interrelated process is one of the easiest to understand and clearest to follow:

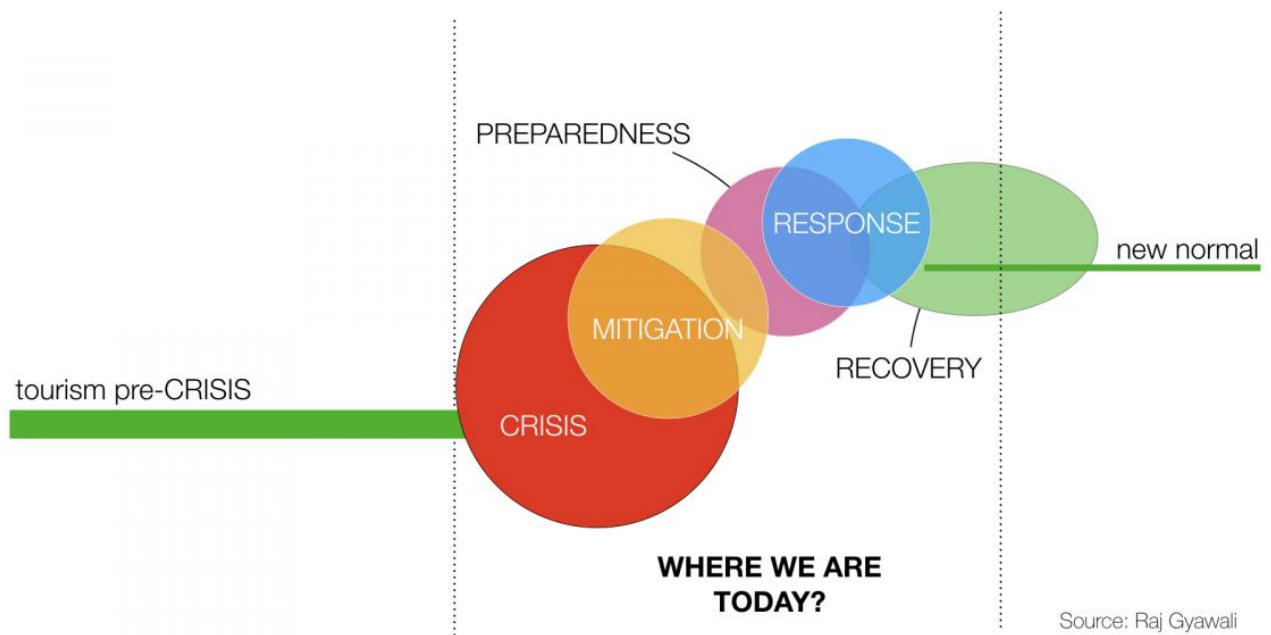
Mitigation - immediate actions just as the crisis hits, to save your business.

Preparedness - to prepare your organisation to face the current crisis and focus on working on the next two steps.

Response- to respond to the crisis and to utilise all the available resources to tackle and implement an effective response

Recovery - The road to recovery to prepare and work on the strategies to get back to normal and beyond.

Chart 7: Tourism Crisis Management Process



IMPORTANT: Over and above these four stages is the crucial element of communication, which keeps shifting as we move from step to step and depends on which audience we are addressing - teams, suppliers, stakeholders, industry or the market.

Let's now analyse each step in more depth.

1. Mitigation

Mitigation refers to the initial actions that the company that is directly in the face of the crisis or emergency needs to carry out. These are the first steps that need to be taken to protect the ones in the immediate line of fire - teams, customers, suppliers, industry partners and finances.

Use this checklist (click [here to open a print version](#)) to help make an immediate plan:

Team

- All members of the team accounted for and out of danger of potential loss of life.
- All team members informed and in good mental health.

Travellers

- All customers in country accounted for, and out of danger.
- All customers in country informed of the situation, and immediate mitigation strategies discussed so they fully understand what is relevant to them (repatriation, rescue, etc).
- All customers due to arrive in the country informed, and situation explained to them.

Suppliers

- All suppliers accounted for and out of danger.
- All suppliers informed and communicated with and some immediate mitigation strategies agreed.

Industry Partners

- Domestic industry partners accounted for and communicated with.
- International industry partners informed about the situation.

Finances

- A quick assessment made of current available resources, liabilities and debts.
- Review of current cancellation policies and compensation mechanisms in light of the current crisis. Any modifications to be made immediately.

Communication

- Outward facing communications changed immediately to reflect the current status, on social media channels and your website. Consider adapting your email signatures to include a statement that reflects the current situation.
- All suppliers contacted to inform them of the current scenario and its implications.
- All industry partners contacted to inform them of the current scenario and its implications.
- Communication with teams should be honest, informative and encouraging team spirit.
- Communication with suppliers should be helpful with a key message, “we are together in this crisis”, how can we help, how can we support.
- Communication with communities and government should be helpful and collaborative.

Leadership Style

- At the mitigation stage of crisis management, the leaders should show empathy and concern but at the same time be informational and strong, building on trust that subsequently develops.

Tip:

To learn how others are dealing with the COVID-19 crisis, see how Arival organised a conference to help operators contend with the crisis, [Contending with Crisis: What Operators can do to get through it now](#).

2. Preparedness

The mitigation stage of the crisis management could be a very short process or a long, drawn-out process, depending on the immediate effect of the crisis on your business. At the same time, the process to start preparing the business for this particular crisis can be key to the next stages of Response and Recovery. There are several key things to focus on at this stage.

Emergency Response Plan

There are two parts to the Emergency Response Plan. These do not have to be huge documents, but they should be flexible documents that can be referred to quickly and are easy to update:

1. A Response Plan – that looks at the short-term, medium-term and long-term strategies to overcome the crisis.
2. A Recovery Plan – that looks at how the business re-starts itself once recovery has started.

The strategies in these documents should cover financial management, personnel management, office management, marketing, and communication strategies that address the issues mentioned below. You should plan to refer back to these plans regularly as you move through the Preparedness step and also during the two following steps of Response and Recovery.

Financial health of the company

In every crisis, there is a period of staying put and waiting for the crisis to be over. The capacity to be able to get over this period depends on how financially secure the business is. This means how much money the

organisation has at the point the crisis hits and how frugal can it be following the crisis.

Do not interpret financial frugality to mean total self-interest – businesses should never forget that they are a part of an ecosystem and that working together within that ecosystem is important, particularly during difficult times.

Tips:

Do a quick Cash Flow Analysis to see what the financial status is of the company, keeping in mind future recurring payments like salaries and rent.

Review the cancellations and refunds policy to see if it meets the requirements of the changed scenarios presented by the crisis. If you make any changes, make sure you update the Terms & Conditions on your website and advise on social media.

Do multiple scenarios of the Cash Flow Analysis to help understand how it will play out if the crisis lasts a short time or a long time. Look at all scenarios from the best-case scenarios all the way to the worst-case scenarios, and calculate how long the company can survive, and where the pressures on your cash are. This will offer a clear idea of how to mitigate and respond to these financial pressures.

[Check out this article](#) on Brixx.com on how best to use the Cash Flow Analysis in the short term, medium term and the long term.

Leadership Style

The Leader at this stage is decisive, commanding, authoritative, transparent and strategic. This will ensure that things get done, and preparation is key to success in a crisis.

Team Spirit

One of the first things to diminish during a crisis is team spirit. Not being able to work together and the added social stress factors that emerge during a crisis can cause the team to splinter and break. It is important to maintain team spirit, or important work will not progress at all.

Tips:

Set regular team meetings, even if they are virtual. Concentrate on openness during the meeting and turn the meetings into safe spaces to express concerns and look for support. You should always strive to be understanding and supportive during these meetings.

Empower small teams within the workforce to focus on specific responses, such as developing marketing material, communications, or the financial response.

Make reporting back to the whole team essential and keep communications transparent.

Lead the communications in the team and concentrate on keeping spirits high.

Check out the LOVES method of communication. Developed by the [Transformational Tourism Council](#), the LOVES method of communication creates safe spaces where the members can talk, provide a recent Lift update, talk about Opportunities or Obstacles, share small Victories they have had, express what they are Excited about, and ask for Support (if needed).

Working from home

One of the most common preparatory mechanisms that is required is to realign the teams to working from home. Since you may not be able to have regular meetings face to face, you need a combination of filing, communication and project managements tools. There are many out there, but here is a quick list to explore:

- [Microsoft Teams](#) – part of Office 365
- [Slack](#) – a communication tool between teams with the possibility of multiple integrations of performance enhancing applications.
- [Trello](#) – project planning tool for teams to collaborate on.
- [Google Drive](#) – for all integrations, cloud, mail, communication, hangouts for group video calls.
- [ZOOM Conferencing](#) – for video conferencing amongst teams.
- [Skype Conferencing](#) – part of Microsoft, Skype provides video conferencing for groups.
- [WebEx](#) – an open source communications tool

Set up an alternative method of communicating with your team and make sure your staff are aware and comfortable working this way. Provide training and keep them up to date with changes to your communication methods, to avoid any communications problems during a crisis.

Technological Readiness

A crisis may require the organisation to adapt to new technology immediately. A quick assessment of the technological readiness of the company can be an important check.

To see how ready you are, ask yourself:

- Can everyone be communicated with even if they cannot come to the office?
- Can you access your server files remotely?
- Does everyone in the team have the communication tools to keep in touch and are they trained to use them?

Stakeholder Analysis

To realign your business, it's critical that you do a quick stakeholder analysis, making sure that no one is left out. The confidence of these stakeholders in your business is critical to your success once the crisis is over. Make sure that you are in constant touch with them.

Communication Plan

Communication is an ongoing process during the entire process of crisis management. However, at this stage, you should work on a communication plan, so that it can be used in the upcoming stages of Response and Recovery. Communications you send to different audiences and the channels you use have very specific purposes. You should define and fine-tune your communications processes on an ongoing basis. Do not over-communicate, and remain factual and to the point. Do not create expectations without a solid foundation for doing so. For examples of [communication plans](#), take a look at the website of Demand Metric.

Develop communication templates to cover communications to suppliers, teams, agents and international partners and customers, each aligned to what you would want to tell them at this specific point in time. Use the experience gained during each communication stage to develop strategies and plans at later stages.

3. Response

The majority of crisis management lies in the response to the crisis. All the preparation you have already done to protect the company and its assets will help you in the response stage.

As you are responding to the particular crisis, remember that the crisis has not disappeared and you may still have to mitigate and re-align your preparations. Make sure that you have time for that, as the response

depends on it.

Utilising Down Time

A crisis usually ends up creating downtime for teams. Keeping the teams busy not only helps keep up team spirit by not concentrating too much on the crisis or getting stressed out, it also gives them a sense of achievement, which is a great tool to relieve stress. For the company, it justifies continuing to pay a salary and manages to get things done that there was never enough time to complete in the past.

Choose work that will improve the company's position in future. Refine your processes, fine-tune communication mechanisms and learn new skills. Make sure that you realise that downtime means that the same amount of work might not be achieved as during usual times.

Examples of work to be done during downtime include:

- Database Management – re-assess the online filing system and re-do it on google drive.
- Check that you are GDPR compliant. Consult the CBI study, [What requirements must tourism services comply with to be allowed on the European market](#) for more information about complying with GDPR.
- Regular communication with partners, clients, agents, suppliers, and other stakeholders of the business.
- Check your offerings online – website, agents, Online Travel Agents (OTAs) and refine them.
- Use online communication tools and keep updating statuses.
- Review, assess, categorise and manage all your promotional materials, including photos, videos, other images, stories and customer reviews in a searchable database. Excel spreadsheets offer a good way to keep a written directory of what you have.
- Update your website regularly.

Tip:

Ask your team to make a list of things to do during the downtime and help them in refining the list and choosing the task list. This will give them a sense of ownership.

Fine tune market intelligence

A crisis has a way of levelling the playing field. How well you come out of it depends on how quick you are to understand the situation and how quickly you can adapt to the new normal. The most important thing to do is to ensure that you, as a business owner or manager, remain well-informed and use your expertise to react at the right time when the crisis begins to ease and there is improved access to your markets once more.

Consider developing your market intelligence gathering tools as follows:

- Look into online webinars and trainings that may suit your organisation and try a few out to find the ones that are the most suitable. Assign specific members of the team to learn from these.
- Assign members of the team to constantly learn from online discussions.
- Hold regular intelligence meetings to share information between the whole team.
- Check the government travel advisories of your source markets. Advisories will have an impact on personal decisions to travel, European tour operators cancelling trips and also on the ability to obtain travel insurance.
- Make sure you are aware of any restrictions that your government may have placed on inbound visitors.
- Create an online folder that everyone has access to, to store all the folders.
- Personally commit to learn more and more about the present crisis and its impacts. Keep the team informed on what you learn. This also ensures that the whole team remains similarly informed about the crisis.
- Identify different listening posts for things such as webinars, online trainings, status updates, news and

social media.

- Hold regular meetings and use online storage tools to acquire market intelligence.

Be Adaptable and Flexible

Any sort of pressure on the organisation offers a chance to assess how easily an organisation is able to adapt or respond to changing market scenarios, by diversifying its offer. A good example during the COVID-19 crisis is the opening of a huge market for virtual tours, which is a transition many tour companies can make, such as this virtual tour of [Machu Picchu](#) in Peru. Every crisis opens up opportunities for new businesses, and the companies that can be most flexible and adaptable are those that will benefit the most. Many companies suffer over time when they just rely on well-established systems. Flexibility is a powerful tool for companies responding to a crisis.

Tip:

List potential changes that could be made considering how the market is moving. Prioritise a few and try them. For the ones that are successful, carry it into the response stage, and if the markets allow it, continue this into the recovery stage.

Financial Response

One of the biggest concerns during a crisis is a company's finances. If business comes to a standstill, this can have a major detrimental effect on cash flows and the overall financial health of the company, depending on how long it takes to get out of the crisis. You must continually assess your organisation's finances.

Importantly, one of your biggest recurring costs will be salaries, and with a smaller workload during a crisis, a first thought might be to cut staffing. Remember that your teams are also hurting during the crisis, and once recovery starts, you will need strong, motivated teams to move the business forward.

Tips:

Re-examine the cash flow scenarios you created during the preparedness stage and keep fine-tuning them.

Review your costs and see where some savings can be made, for example, rent, leases, monthly bills.

Talk to all suppliers to see if any renegotiation is possible, keeping in mind that they are also hurting, so be flexible and try to come out of this together, in the long term it is very important to have a healthy industry.

If you need make your staff redundant, keep communicating with your teams, so they are fully aware of the situation and redundancies don't come as a major surprise.

Leadership Style

At the response stage, the leadership style must be decisive, rational, informative and clear. The team will be confused, so the leader must be very clear. At the same time, the leader has to allow for innovation and be open to ideas.

Preparing for Recovery

Refining the Emergency Response Plan that you began during the Preparedness step continues to be one of the most important tasks during the Response phase. You should continue to refine it as time passes and the crisis situation evolves. A small team within the company should be responsible for keeping this plan updated. It should include all the work done during the Response phase.

Communication Style

How a company communicates with its stakeholders creates a lasting impression for future recovery. Most importantly, communication at this stage should be informative, professional and not over-selling. The main intent is to stay in contact, and keep information flowing.

Tips:

Consult reliable sources that offer the most up-to-date information about the crisis.

Keep in touch with all your stakeholders with the most current information. Make sure to date all your communications to keep them relevant.

Always respond to any queries promptly and honestly. Remember never to make promises that you know you cannot keep.

Do not market or try to sell any tourism products now. This is the time to show professionalism and build trust.

See how [NepalNOW](#) has been responding to the current Covid-19 crisis using a variety of blogs and stories.

4. Recovery

It is difficult to know when the Response phase becomes the Recovery phase. However, it is clear that, while you are on the road to Recovery, you should continue to follow the steps you established in the Emergency Response Plan. As in the previous steps, you should be continuously refining and updating the plan, based on the current situation. Flexibility during the Recovery phase continues to be important. Your organisation may look different following all the changes you may have made as a result of the crisis, and your markets may also have changed.

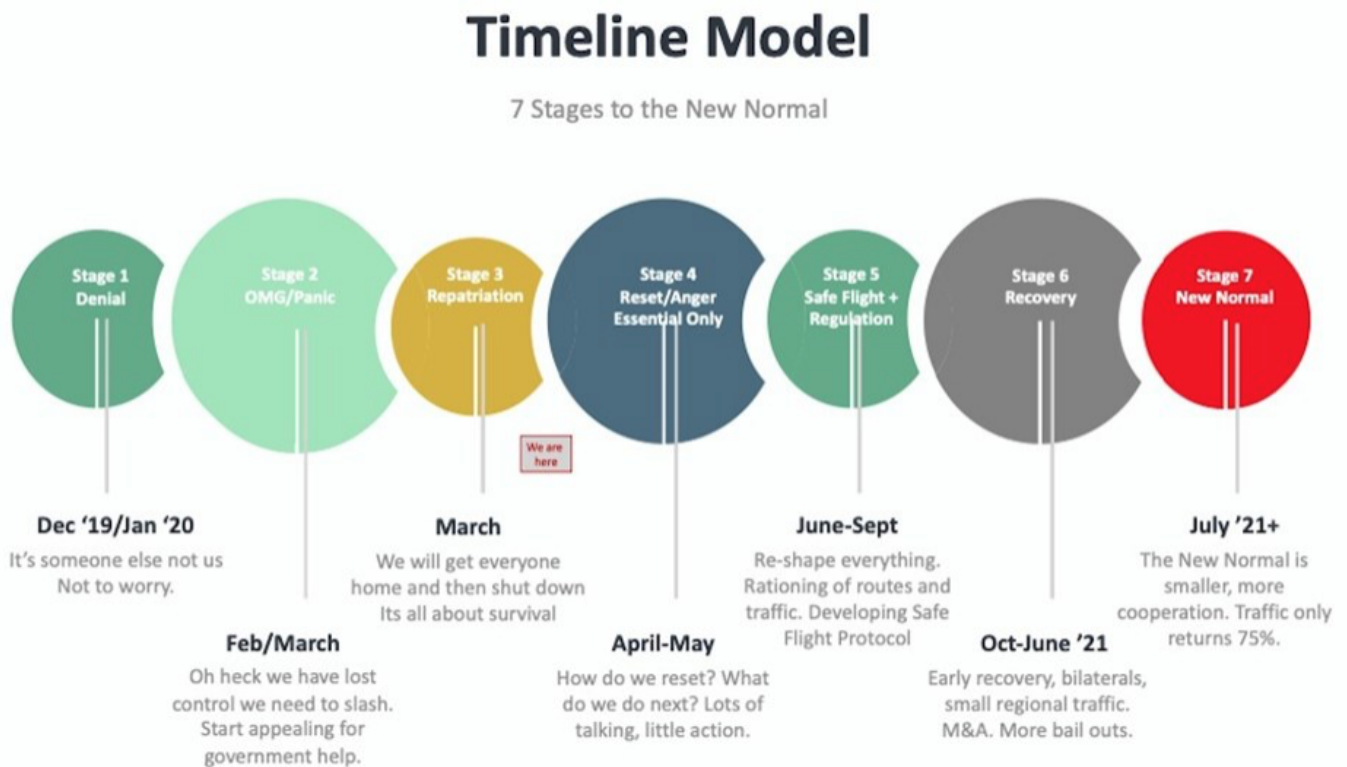
There are several points to note as you progress through the Recovery step:

- The markets may have changed and there may be other changes in how tourism processes function. For example: during the COVID-19 crisis, many countries imposed additional health checks on incoming visitors. You might have to adapt your company processes to this 'new normal'.
- Your team might have changed: it may have decreased or increased in size, or you may need to carry out more teambuilding to make things work.
- Changes in the markets could mean investments in technology and training, implementing new ways to communicate, or even refocussing on new markets, such as by offering lower cost packages to the domestic market while you wait for your international clients to return.
- Being flexible and adaptable will help at this stage, as the markets will not have stabilised. Being able to respond quickly and implement necessary changes will ensure that you are able to benefit from the situation as much as possible.
- Your stakeholder base might have changed, so developing new partners might be essential. For example, some of your suppliers may have gone out of business, and you will need to find new ones.

- Keep your Emergency Response Plan somewhere you can easily find it. It should be considered a crucial part of your business planning and one that can be used again in future crisis situations.

It can take a long time to recover following a crisis, and it will take a lot of hard work, determination and dedication to put your business back on track. Using the example of COVID-19, this infographic and blog by market research organisation PhocusWire offers an interesting [seven-stage process to the 'new normal'](#), as the infographic below highlights. It clearly shows that the Recovery process is likely to be the longest of all the steps, but its success is dependent on the work undertaken at each of the previous steps: Mitigation, Preparedness and Response.

Chart 8: Covid-19 – Seven Stages to the New Normal



Source: PhocusWire

Crisis Example 3: Effective Communication during a Crisis – Inspired by Iceland

A good example of an effective communication campaign around a short-term crisis was the eruption of the Eyjafjallajökull volcano in Iceland in April 2010. The eruption grounded more than 100,000 flights and disrupted travel plans for several weeks throughout northern Europe. In just three weeks, tourist arrivals to Iceland fell by 30% and continued to decline in May. Following a thorough risk assessment, tourism stakeholders predicted a tourism decline of 22% over the year and a shortfall of revenue of £180 million.

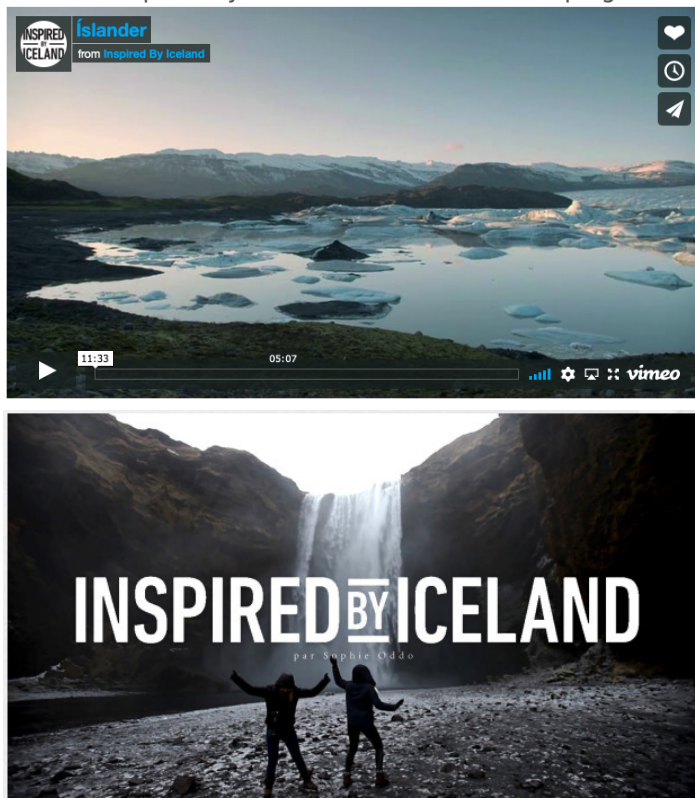
Nevertheless, the Icelandic government identified an opportunity to address these significant challenges while taking the steps of preparedness and response. First, the government consolidated the Trade Council of Iceland, Invest in Iceland and the Icelandic Tourist Board under one tourism organisation, Promote Iceland, to enable close collaboration.

The newly created tourism board launched a campaign entitled '[Inspired by Iceland](#)', aiming to depict Iceland's beauty, highlight the friendliness of the people and strongly promote that Iceland was 'open for business'. The campaign also involved Icelandic nationals, encouraging the whole population to post positive messages, images and videos about their homeland.

The campaign was very successful. Across social and digital media, more than 2 million stories were seen

and sent, and during July and August 2010, live webcam footage of Iceland generated 60 million views. Of all these posts, 80% demonstrated positive attitudes towards the country. As a result, tourism demand was boosted significantly, and between May and the end of the year, tourist arrivals exceeded revised forecasts by 27%. This growth continued in the following year, with arrivals growing by 15.7%, and the Recovery has continued positively ever since.


Chart 9: Inspired by Iceland' Social Media Campaign




This study has been carried out on behalf of CBI by [Acorn Tourism Consulting Limited](#) and [Social Tours](#).

Please review our [market information disclaimer](#).

Follow us for the latest updates

(opens in a new tab)  Twitter

(opens in a new tab)  Facebook

(opens in a new tab)  LinkedIn



[RSS](#)