



tourism

Department:
Tourism
REPUBLIC OF SOUTH AFRICA

"Achieving Tourism Transformation"

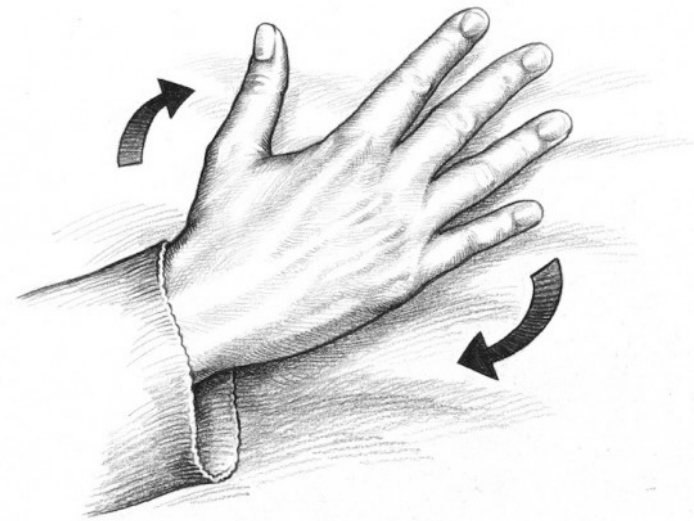
Case for Transformation in Tourism

Presented by Molebatsi Moagi



Rules of the Game

- Turn off your mobile phones or put them on silence
- Format of the session
- Question & Answer Session
 - Provide your name and organisation / entity
 - Max 2 questions per delegate
 - Maximum 2 minutes for comments or input
 - Round robin basis
 - Questions and answers to be succinct and relevant to the agenda item
 - No monologues – this is about dialogue



Profile

Molebatsi Moagi: MBA Chief Executive Officer



- Molebatsi is a Corporate Strategy and Economic Development Strategist who gained his experience in the Financial Services, Petroleum, Aviation, and Beverages Industries. He established his career working for blue-chip companies such as Nedbank, South African Breweries, Liberty Life and Old Mutual, and in the Public Sector for State-owned entities, PetroSA and South African Airways.
- He has successfully led major assignments in community engagement and development, strategic reviews and alignment as well as organisational design, and business process reengineering in the Mining, Freight and Forwarding, Travel, Hospitality and Government Sectors. He is passionate about BEE transformation in general and in particular enterprise and tourism transformation.
- He founded Centre for Supplier Development (CfSD) in 2008, and has been an advisor to, amongst others, the dti, Gauteng Department of Economic Development (GPGDED), and Limpopo Economic Development, Environment and Tourism (LEDET).
- CfSD clients include Anglo American Platinum, TSB Sugar, Anglo Gold Ashanti, **Palabora Copper, Gold Fields, Richards Bay Minerals, AfriSam and BP Southern Africa.**

Agenda: Case for Transformation in Tourism

- What is Transformation?
- Components/Elements of the Tourism Transformation Charter
- Transformation in Tourism: The New BEE Frontier?
 - Rationale for Transformation in Tourism
- Discussion - How to Achieve Tourism Transformation in South Africa?
 - Challenges of Transformation in Tourism
 - Approach
 - Critical Success Factors

What is Transformation?

The importance of definition: Global Perspective

- “a marked change in form, nature, or appearance”
- In an organizational context, a process of profound and radical change that orients an organization in a new direction and takes it to an entirely different level of effectiveness. Unlike 'turnaround' (which implies incremental progress on the same plane) transformation implies a basic change of character and little or no resemblance with the past configuration or structure.

Nine Reasons Organizations Need To Change

- **Crisis:** Obviously September 11 is the most dramatic example of a crisis which caused countless organizations, and even industries such as airlines and travel, to change. The recent financial crisis obviously created many changes in the financial services industry as organizations attempted to survive.
- **Performance Gaps:** The organization's goals and objectives are not being met or other organizational needs are not being satisfied. Changes are required to close these gaps.
- **New Technology:** Identification of new technology and more efficient and economical methods to perform work.
- **Identification of Opportunities:** Opportunities are identified in the market place that the organization needs to pursue in order to increase its competitiveness.
- **Reaction to Internal & External Pressure:** Management and employees, particularly those in organized unions often exert pressure for change. External pressures come from many areas, including customers, competition, changing government regulations, shareholders, financial markets, and other factors in the organization's external environment.
- **Mergers & Acquisitions:** Mergers and acquisitions create change in a number of areas often negatively impacting employees when two organizations are merged and employees in dual functions are made redundant.
- **Change for the Sake of Change:** Often times an organization will appoint a new CEO. In order to prove to the board he is doing something, he will make changes just for their own sake.
- **Sounds Good:** Another reason organizations may institute certain changes is that other organizations are doing so (such as the old quality circles and re-engineering fads). It sounds good, so the organization tries it.
- **Planned Abandonment:** Changes as a result of abandoning declining products, markets, or subsidiaries and allocating resources to innovation and new opportunities.

What is Transformation in Tourism?

- The importance of Definition: South African Context
 - Transformation is the process of radically transforming the existing Tourism Sector to be reflective of the current political dispensation and thereby advance the objectives of the B-BBEE Act. It encompasses five (5) B-BBEE elements namely:
 - Ownership
 - Management Control
 - Skills Development
 - Enterprise and Supplier Development
 - Socio-Economic Development
 - It is a collaborative exercise which requires the participation and involvement of all stakeholders in the Tourism Sector:
 - Accommodation
 - Hospitality and Related services
 - Travel Distribution Systems

What is Tourism Transformation?

- Reasons for Tourism Transformation in South Africa
 - Broadly:

Compliance with the BBBEE framework aimed at redressing the imbalances of the past or present discrimination and disadvantages against the black business sector.
 - Specifically:
 - The need to become more globally competitive;
 - The need to include black people in the Tourism Sector;
 - Eliminate fronting/fraud/corruption
 - Create a secure and sustainable future, and tourism operating environment

Rationale for Tourism Transformation in SA

- Transform before the crisis hits the tourism industry;
- Close Performance Gaps between the Advantaged and Previously Disadvantaged;
- Exploit new opportunities awaiting a transformed tourism sector
- Improve your effectiveness to deal with internal and external pressure
- Enhance your global competitiveness
- Grow your global market share of the travel and tourism industry
- Sustainable and Stable Tourism Industry



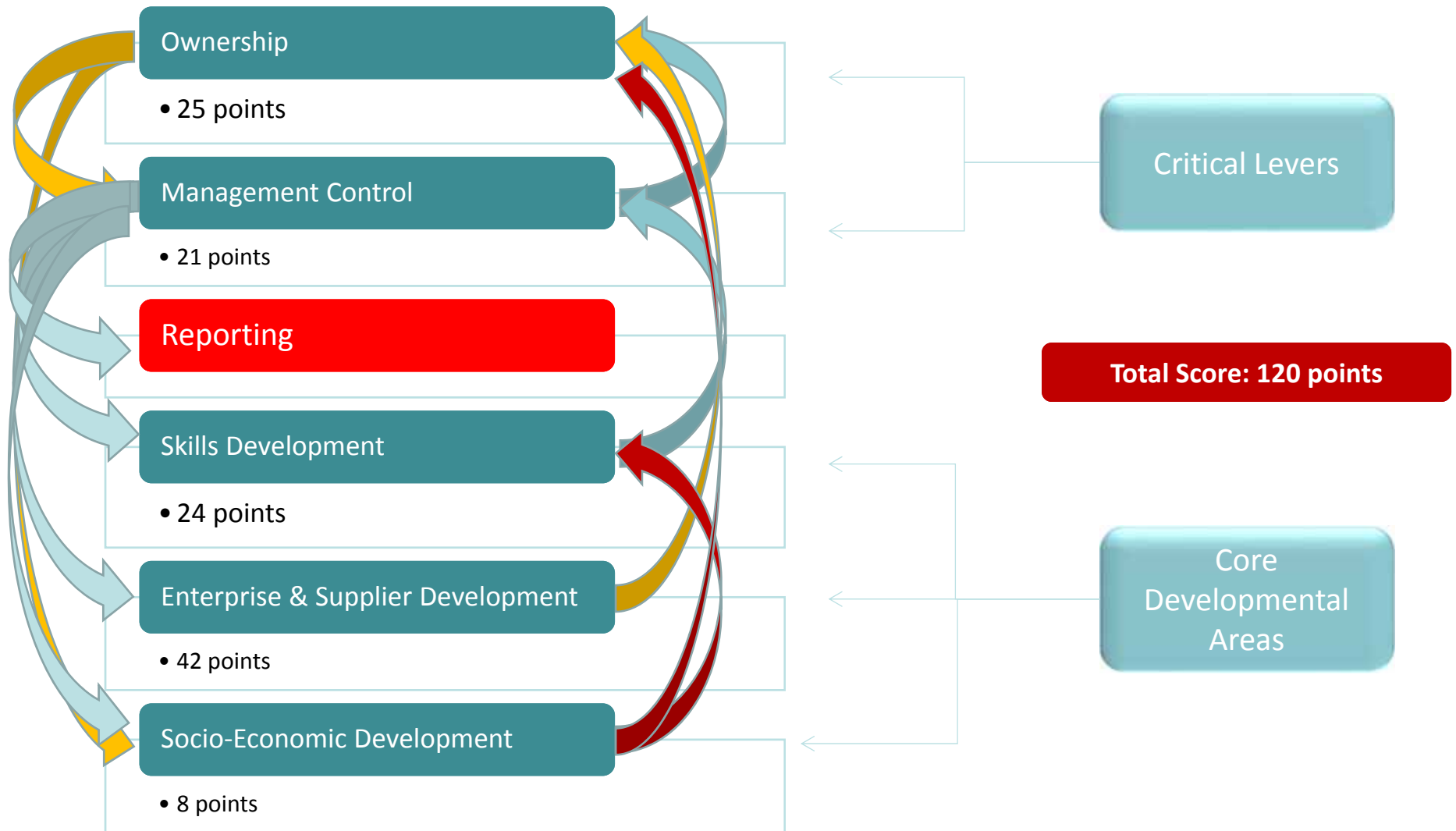


Discussion

Achieving Tourism Transformation in South Africa

Proposed Tourism B-BBEE Codes

Achieving Tourism Transformation in South Africa



Achieving Tourism Transformation in South Africa

Challenges

Opportunities

Achieving Tourism Transformation in South Africa

Approach

Critical Success Factors