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A Good Practice Guide to Equine Tourism

The Riding Native Nordic Breeds Project

Developing Native Breed Equine Tourism in the North Atlantic Region

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Image: Grete Jorgensen

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Image: Rhys Evans

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1 INTRODUCTION

This Good Practice Guide to Equine Tourism Business differs a little from most equine tourism guides that you can find. It is one of the outputs of a NORA-funded project called Riding Nordic Native Breeds (RNNB) which focused on the development of native-breed based horse tourism in Western Norway, Iceland and the Faroes, along with another Equine Tourism Development Project with a focus on the Nordland/Lynghest breed from northern Norway, funded by the Nordland and Troms County governments.

The emphasis in these projects was on 'business development', that is, how to help existing native breed horse tourism businesses to expand, and how to encourage new entries into the market. This Guide serves that purpose.

*1.1.1 The Riding Nordic Native Breeds (and Nord*norsk hest*) Projects*

The Riding Nordic Native Breeds project focused upon the use of authentic native breed horses for equine tourism. Located in Western and northern Norway, Iceland and the Faroe Islands, it focused directly on the Fjord horse, Nordland/Lyng horse, the Icelandic horse and the Faroese horse. The project worked with the native breed organisations for each breed, holding workshops, both public and private, in each locale and engaging in discussions with key people in each organisation. We attempted to understand both how, and how much equine tourism was based upon native breeds and how that was developed and promoted. We also attempted to understand the potential 'pull' of native breeds for equine tourists, particularly in terms of how the links between the native breed and the land in which it was bred are articulated. These breeds were produced to support farming and other productive activities in very spectacular landscapes. Many of those landscapes are now, or potentially will be Cultural Heritage Landscapes. The native breeds were bred to be integral parts of making those landscapes, and we wanted to see how important those links were in the marketing of equine tourism involving them, and how they are, and can be used to promote local enterprises.

The project was funded by NORA as a business development project. NORA's geographic remit at the time of application only included the part

of Norway known as 'Vestlandet' – the western fjord region. This would allow us to include the Fjord horse. Given that Norway has three native breeds – Fjordhest, Nordlandshest, and Dalahest – we wished to include as many as possible and so we successfully sought funding for a parallel project in northern coastal Norway so that we could at least include the Nordlandshest/Lynghest. The Counties of Nordland and Troms graciously supplied funding to do this in a project called 'Nord Norskhestprosjekt' which was undertaken in cooperation with *Bioforsk Tjøtta*. Thus, this Good Practice Guide serves both projects and we are profoundly grateful to both NORA and the Counties of Nordland and Troms for their support.

The Project was planned as a two year project, but factors outside of the project management's control meant that three years passed before the two years of research were completed. This extra length of time proved very valuable in terms of seeing change in organisations and, in particular, in the fortunes of one of the native breeds.

Many thanks must go to the officers of the individual breed societies – the Fjordhestsenteret in Vestlandet; the Nordlandhestsenteret in Nordland; Felagid Føroysk Ross in the Faroes; and Háskólinn á Hólum (Holar University College) in Iceland – all of whom hosted meetings, shared knowledge and analysis and generally supported the project.

Image: Rhys Evans

The project focused on the four native breeds, in part because their status varied across a continuum -- from large numbers and much activity to a breed which risks the danger of extinction. The Icelandic breed could be said to be in robust health, with many in Iceland, and even more globally, and the breed sits at the heart of a strong equine tourism sector in Iceland; the Fjord and Nordland/Lyng breeds have medium numbers and low-to medium levels of touristic activity; and the Faroese horse was under threat of extinction, with just 69 living members at the time of the project's start. Given the low numbers of the Faroese breed, standard horse tourism practices are not feasible, and thus most equine tourism businesses in the islands utilize other breeds. Thus, the project covered a wide range of situations, learning from all.

The RNNB project was focused on *native breed equine tourism,* but we soon found that such touristic activities were, with the exception of Iceland and their unique situation, a tiny minority of extant horse tourism in all other locales. And even with those who did indeed use native breeds, they were

generally a minority in their herd. Nevertheless, we were able to work with both the breed societies and a small number of operators to uncover a number of key principles which can be used to improve the fortunes of *both* native breed and other equine tourism operators.

Image: Ingibjörg Sigurðardóttir

2 THE BUSINESS OF EQUINE TOURISM

The projects had a core set of questions about equine tourism business practice. And across the range of examples, from Iceland to North-western Norway, proprietors and breed leaders spoke of the need to *professionalize* equine tourism businesses. Our partner from Iceland –Ingibjörg Sigurðardóttir – reported similar findings in an earlier report on the Icelandic horse tourism sector. There, she reported respondents as saying "The relationship of the operators of horse-based tourism to the tourists they cater to is framed through the interviews in terms of horsemanship" (Sigurðardóttir, 2011, 113). "[The] findings suggest that operators of horse-based tourism

have a conception of quality that differs somewhat from the hospitality industry in general" (119). Earlier research by Sigurðardóttir and Helgadóttir found that "operators in horse-based tourism in Iceland seem to have more interest in horses and the desires of the guests than in running a profitable business (Helgadóttir & Sigurðardóttir, 2008, 109). In her overview Helgadóttir (2006) posited that horsemanship is a culture and hence horse based tourism a form of cultural tourism.

The RNNB project found similar sentiments expressed. In a meeting at the Norwegian Fjord Horse Centre, a local development officer said "When you ask tourism professionals what are the three most important things for a tourism business, they say something like "Quality and Authenticity; Customer Satisfaction; Marketing". When you ask a horse tourism business they say, "Horses. Horses. Horses!" Despite the fact that operators in horse tourism agree that the horses are the most important quality issue (Helgadóttir & Sigurðardóttir, 2008), staff performance and quality of riding trails have stronger correlations to total satisfaction of guests than the quality of horses (Sigurðardóttir & Helgadóttir, 2015).

This is not totally surprising, given that one can never stop learning about horses. The horse tourist is most likely not a professional, but someone with an interest and potential to learn more about horses. The point here is that, whilst good horses and good horsemanship remain the core of equine tourism, this is necessary, but not sufficient for successful, growing equine tourism enterprises.
That said, the report by our partners in Northern Norway reported that those of their respondents (with Equine Tourism businesses) who had training or formal qualifications had reasonably equal levels of this both in horses, and more generally in tourism (Hind et al 2013). But even here, the need to collaborate with external experts, especially the marketing of tourism services was identified as important. They point, in particular to the value (and difficulties) of working with the local Destination Management Organisation (DMO) or other umbrella organisations to ensure attention is brought to the sector.

In the RNNB project we found this phenomenon to be very strong. And so we began to look at how equine tourism businesses can build partnerships with local and regional tourism DMOs, how equine tourism businesses

might participate in wider landscape marketing campaigns, and how local economic development agencies can work with equine tourism entrepreneurs. Partnership working is highly valuable as it brings complementary expertise to the project and we highly recommend that anyone contemplating or operating an existing equine tourism business explore their local and regional environment for potential partners who can help with marketing and quality assurance.

The lack of emphasis on business practice, prevalent among operators, is one reason for the focus of this unique Good Practice Guide. There is plenty of information about horses, about riding and about horsemanship available, especially on the internet. But there is very little information about running a horse tourism business. This Guide attempts to rectify this.

3 HORSE TOURISM/EQUINE TOURISM

3.1 What is Equine tourism?

What do we mean when we say 'equine tourism'? This is traditionally seen as involving using horses for tourists riding, either in led groups, or perhaps as 'horse rental'. Our work in this, and other projects, suggests that the definition should be widened to, "all equestrian activities undertaken by equine-oriented tourists outside their normal place of residence for more than 24 hours and less than four months" (Les Haras nationaux, 2011). Included within this definition are leisure riding, competition (amateur participatory, professional participation and spectator), events (fairs, festivals, shows), travel to purchase horses, trekking, beach riding, location-based riding, and training and tuition (Les Haras nationaux, 2011). The sector is very diverse, with horses being enjoyed both *actively*, through riding, competition and training, and *passively*, through spectating and involvement in religious and other spectacles (Evans & Pickel-Chevalier, 2015).

So, horse tourism includes visits to horse shows, festivals in which horses participate, and, in particular, journeys which combine a love of riding with a desire to experience specific landscapes in person. When we look at this new, more extensive definition, what immediately becomes apparent is the diversity of activities which take place under the banner. This has consequences when we speak of equine tourism businesses. Clearly a horse trekking business will require very different considerations from one which

arranges attendance at a horse festival. This Guide focusses, then, not on how to structure specific types of horse tourism enterprises, but rather on the important business planning to support all types of horse tourism activities.

Indeed, equine tourism, whether passive or active can be seen as part of several sub-sectors of the tourism spectrum. These include nature-based or outdoor tourism; adventure tourism; rural tourism; sport tourism; tradition and heritage tourism; and event tourism (Evans & Pickel-Chevalier, 2015; Helgadóttir, 2015; Sigurðardóttir, 2015). The first two of these are significant because the fields of outdoor/adventure tourism and nature-based tourism, are the fastest growing sub-sectors of tourism enterprise globally (Bessy and Mouton, 2004; Kunenzi and McNeely, 2008). Cultural heritage tourism is another sub-sector which is experiencing significant growth (Helgadóttir, 2006). Therefore, if a horse tourism business includes activities which participate in either of these sub-sectors, things can be learned from how other businesses in that sub-sector, market and structure their businesses.

Further, a strong argument can be made that Equine Tourism is sustainable tourism (Evans & Pickel-Chevalier, 2014). In particular, the use of local native breeds addresses issues of genetic conservation and of cultural heritage (both tangible and intangible). Although in some regions horses have had negative impacts on fragile landscapes, in many others, the presence of human activity in remote landscapes contributes to the sustainable development of that landscape, and horse grazing has recently been demonstrated to promote biodiversity in extensive poor grasslands (Miraglia, 2015). Sustainability is based upon three key aspects, something called the 'Sustainability Triangle'. These are: Environment, Society, Economy. Horse tourism contributes to keeping people 'on the land', providing income in areas which often have few sources of it. Further, much of the income from horse tourism businesses is spent locally, into the local society, providing direct local economic benefits.

All of this would suggest that marketing equine tourism as sustainable tourism may provide a good way for those enterprises located in such landscapes to attract markets willing to pay a little more, knowing this. Marketing can point not only to the biological aspects of sustainability, but also to

their location within a ‘community’ in the landscape, generating virtuous claims as to the sustainability of the enterprise.

3.2 International Markets

When we think about equine tourism, we need to begin with a look at markets. In particular, we need to distinguish between international and domestic tourism. International horse tourism involves people who cross national borders and may travel considerable distances from their home in order to experience riding horses in a landscape very different from the one they live in. This is the popular notion of equine tourism – spectacular rides in exotic locations. Because they have travelled so far, they tend to want a longer, more intensive experience. At the same time, this desire to tick off the items on their ‘bucket list’ may suggest that they seldom re-visit the same place. As their trips are longer they are more expensive, but they may only come one time. However, there is also a strong customer loyalty among part of this niche market towards a breed in native landscape as evidenced in Icelandic horse tourism (Daspher & Helgadóttir, *in press*; Helgadóttir, 2015; Sigurðardóttir & Helgadóttir, 2015). This suggests that with successful marketing and meeting customer expectations, even this market will revisit.

Overseas visitors often need help and orienteering both into the local horse culture, and with local geography, especially in the case of rural equine tourism enterprises. They may know relatively little about the destination, and be less able to organize the necessary visit infrastructure to arrive at the destination. Thus, a significant proportion of the international market looks for whole ‘packages’ which include everything once they arrive at the destination country’s airport.

As a result, the international horse tourism sector is dominated by a limited number of large ‘agencies’ who stand between the client and the service provider in the destination. The client pays a single lump-sum fee expecting everything to be provided and can use credit cards, etc., to make the payment. In return for a proportional fee, the agency makes all the arrangements between the client and the provider. According to research, there are relatively few of these ‘international brokers’ – perhaps 18 to 20 of them. According to Ollenburg (2005) they are located in North America or the capi-

tals of Europe, but offer packages to destinations across the world. They observe and enforce quality standards – the customer ultimately belongs to them, even though the delivery of service is done by someone else. Although they take a cut of the client's fees, they do offer added value to both client and provider. For the client they offer peace of mind, simplicity and ease of payment. For the provider they offer access to a larger international market, marketing campaign synergies, and access to a global network of tourism providers from which local businesses can learn.

Image: Rhys Evans

3.3 Domestic markets

Domestic horse tourism (depending upon the size of the country involved) will often involve shorter stays, but ones which can happen more frequently. Because these customers already live and work in the national economy, they will be more comfortable with local currencies, plus local transport arrangements. Thus their 'package' will often contain less, being restricted to the actual equine activities they are contracting from the provider. It is likely, however, that domestic tourists will return to their favorite providers or landscapes more frequently than international riders, so what may be lost in shorter term encounters can be made up in greater frequency.

About 16% of international visitors to Iceland go horse riding during their stay. The number of domestic customers of horse tourism businesses in Iceland is unknown but considerable (Sigurðardóttir, 2011). Travelling by/with own horses as well as traveling for variable horse related events is also common as a part of the domestic horse tourism market in Iceland (Sigurðardóttir & Helgadóttir, 2015).

Further, our research suggests that the organization of long treks in Iceland (more than a day) is changing. Instead of travelling long distances far away from the farm – for example, passing over the highlands and staying in mountain huts for up to a week, the treks are more commonly organized closer to the farm. Commonly, the ride of each day is a bit shorter and more variety of experience is offered like relaxing in thermal water hot tubs and enjoying more luxury during the night. For the proprietor, this offers several benefits. Shorter rides allows them to remain closer to the headquarters on their home farm, and to take care of other aspects of their business with greater ease than if they leave the farm for several days of riding on longer treks. They also report that it is better for the overall management of the horses, even though there is no suggestion that longer treks are bad for horses. This also means that instead of buying accommodation from others, the accommodation at the farm can be utilized. Thus shorter treks, using the farm as base for horses and people turns out to be an efficient model although the longer treks are also an important attraction.
Offerings of variable kinds of short riding tours/horse rental apparently has had the effect of opening the market up to more riders – in particular those who have less time or less wish to spend all their visit to Iceland riding. It also lowers the cost of access. An informant in Iceland suggested that many people do not want to engage in ‘heroic’ long treks, but still love horses and wish to be around, in particular, the iconic Icelandic breed. For them, short rides and even just being around the horses, observing their behaviour, petting them and photographing both in the field and in petting zoos can be a satisfying experience on their holiday. Some informants, therefore, are considering delivering these types of horse tourism experience alongside their traditional long horse trek mainstay.

3.3.1 Specific examples of Innovative Equine Tourism enterprises and events

Over the course of the project, we encountered both historically significant and innovative new enterprises which demonstrates not only the range of activities within the field, but also some of the innovative spirit within it.
Specific Equine Tourism products:

- Access to wilderness areas without motorized traffic
- Arctic and Winter Riding
- Bed and Bale
- Carriage and sleigh driving
- Day rides/horse rental with a guide
- Demonstration and breeder markets
- Festivals and local events featuring horses
- Horse based souvenirs
- Horse meat and milk
- Horse shows for tourists
- Horse theatre, enactments
- Participation in Le Trec and other distance sports
- Petting and observing
- Photography
- Public access trails and necessary facilities
- Riding for the disabled
- Sports competitions
- Trekking or long riding tours

This project's review of horse tourism in all its varieties has learned not only from Nordic examples, but also from colleagues from Europe and North and South America. As a result, our understanding of the range of horse tourism activities has expanded appropriately. We have already discussed the issue of longer versus shorter horse trekking journeys. One possible implication of this is that for many horse tourists, being around horses is as important as riding them. Native breeds do retain an important place in

the public eye in terms of their association with particular landscapes, despite the length of ride entailed.

Another key part of horse tourism is travel for competition. Beyond the standard equestrian practices (for which people do travel to compete or to learn), there is a growing set of new endurance riding competitions of which Le Trec is perhaps the most growing example. Le Trec is internationally regulated by the FIE in conjunction with national committees. It involves tests of both agility and endurance of rider and mount and is becoming increasingly popular.

Image: Ingibjörg Sigurðardóttir

Another example of horse tourism can be found in Iceland. Given the status of the Icelandic breed, and the way in which Iceland retains a strong hold on its status as home of the breed, they enjoy a considerable breeders market. Here, buyers from around the world come to Iceland to visit the stables of key breeders. This calls for visitor facilities at the stable, most commonly a demonstration ring, with bleachers and a small café. Coach loads of poten-

tial breeders and other tourists come to watch a short demonstration of the breeder's prime horses in the ring, before relaxing with coffee and cake to discuss and initiate horse trading. By organising the viewing this way, the breeders assure that the viewing is marginally profitable, and at the same time, increase their exposure to potential buyers.

The 'Landsmót' in Iceland is held every second year, alternating between the north west and south of the island. This is a celebration of all things rural, but most of all, the showcase of Icelandic horses. It is the main breeding show and sports competition for the breed. It has a sister event on the alternate year, the World Championships of the Icelandic horse which is always held outside Iceland. The market for the Landsmót is both domestic and international, but with annual attendance in the range of 10-15000 (Dashper & Helgadóttir, in press). These events clearly have a positive financial impact on the region where they are held.

Traditional events based on horse farming have also become tourist magnet, such as the fall roundup of horses from summer pasture in Northwest Iceland (Helgadóttir, 2015). Similarly, in France and Spain there are a number of traditional festivals which focus upon religious fests or local saints. Although the overt orientation of the festivals in not on horses, in many of them, horses play key roles in the staging of the event and research in France. Pickel-Chevalier (2015) suggests that the horses are a large draw for those who attend. Given the size and frequency of these festivals, then, there is a lot of 'horse tourism' which is generated, even though most attendees do not actually ride themselves.

Another example of the association of horses and festivals is the recently created "Fjordhest for Folke" festival in Nordfjordeid, Norway. The town is the home of the Norsk Fjordhestsenteret (NFS), which is the primary Norwegian institution for maintaining and promoting the Fjord breed. Each April the NFS holds a breeder show where the prime examples of the breed are offered for show and sale. The event brings buyers from around the world. In 2013, for the first time, the NFS, in cooperation with the local economic development agency, created a special festival in the nearby town, celebrating the horse breed. The events have been very successful, with reports of many visitors, indeed, enough to sustain a two day event. Where before, the NFS simply held its primary breed show on the outside of the

town with little cross fertilization with the town folk, now they are integrated into it, with benefits for all involved.

In the border region between southern Norway and Sweden, a cross border project called "Scandinavian Heartland" has worked to improve the local economy of the two areas – which share the same landscape and environment. One aspect of this project was the elaboration of existing riding trails through the mountains. A set of "Bed and Bale" overnight accommodations were established at a distance along the trails of approximately one day's riding. These cabins offer a rustic place for the rider to sleep, and the equivalent for their horse, along with a supply of hay and water. The marketing of the new service is partly local, but also done by a British consultant who worked with the local communities to establish the routes and who markets it from her UK-based international horse tourism business.

This is not the only place where the idea of 'bed and bale' is being created (we are aware of examples in British Columbia in Canada, in the USA, and in Finland). Investing in such infrastructure is one thing. But the Scandinavian Heartland programme also invests in people, delivering valuable instruction in both horse tourism but, more widely, classes in entrepreneurialism, customer service, and issues in tourism management. Their reports suggest that this investment in people is seen as one of the most important aspects of the project. This is perhaps, a lesson to be taken on board when developing new equine tourism strategies as local economic development policies.

Another growing part of the equine tourism market is winter and Arctic tourism. A report by our partners from BioforskNord in the county of Nordland, Norway, demonstrates its growth (Hind et al 2013). The report mentions short tours, sledge riding and children's rides as being the three more common activities in the winter, and these activities were a significant contributor to the overall horse tourism activity. Although demand is reported as moderate-to-low, it is claimed that some people specifically seek out riding in the north, at night, to see both the stars, and the Northern Lights. Respondents indicated that such a service is usually poorly marketed compared to the emphasis on summer riding.

There are many difficulties, from keeping tracks clear, to coping with the cold. But the opportunities are best described by one of their informants. “"We market an hour’s tour with headlamp and snowdrift, moonlight, starry. And it is in all kinds of weather and conditions. The only reason we ride back in is when it rains and when there is ice on the road, then we don’t ride. But I have a track that I keep open during the winter, and it seems that the people who are, those who are involved in it, they think it's just fantastic” (Hind et all 2103, *transl Evans*). The appeal of this type of winter riding and driving is the landscape and the environment, which is very unique, and the opportunity to experience it in a unique way which, while it always has risks, is also well-provided for and safe.

Image: Graham Austick

In Iceland winter activities for horse tourists are also growing and part of the provision are the competitions in the early months of the year. Among them the Ice tölt is popular, both competing outdoors on frozen lakes and/or on indoor skating rinks.

One of the RNNB project's research sites was particularly unique. The Faroese Pony hovers on the brink of extinction after over 800 years undiluted bloodlines which have served the people on the barren islands of the Faroes well. The total population is only 78 as this is written. Thus, the situation in the Faroe Islands is unique in its micro-scale. With so few of the breed in existence, building a traditional riding tourism sector based on these numbers is not possible. However, as part of the RNNB project, a form of "endangered species" tourism was drawn up, and has, in the last year, been well received and supported by local government. The idea was to create a Breed Centre which would feature a riding ring, as well as stabling, similar to those found in the Breeding Centres in Iceland. The Centre would also operate a café/souvenir shop and a small interpretation centre with old material culture from the days when the ponies still worked on the land. The Faroes receives over 40 cruise ship visits a year, and the local Tourism Authorities look to find events and sites suitable for the passengers to visit on their layover in the islands. A local Breed Centre built in this way could host coach loads of cruise ship tourists who will each pay a small amount to watch a demonstration of the horses in the ring, ridden by the young women who are passionately involved in saving them. In this way, the Centre will raise money to support breeding programmes amongst the horses scattered across the 19 islands of the Faroes; the riders will have part-time jobs working with the horses; and the cruise ship passengers will depart content knowing that their small spend will go to support this plucky ancient native breed which is so intimately entwined in the production of human life on the islands.

A model for such a visitor center is for instance the Center for the history of the Icelandic horse in Hólar where a compact multimedia exhibition with historical artefacts tells the story of the breed and its role in Icelandic society. The center also collects photographs and other reference material about this topic and hosts art exhibitions with the horse as theme. The center has a small and focused selection of souvenirs; photographs, horse hair products and publications featuring the Icelandic horse. This, combined with living examples of the breed could be a valuable destination for cruise ship based tourists.

Last but not least, and perhaps controversial as part of horse tourism, is horse on the menu. Horse meat is traditional in many countries and in Iceland for example it is becoming increasingly popular as a lean and healthy meat option. It is cherished by cooks nationally and internationally, featured in the

Food and Fun festival in Reykjavík and definitely meeting contemporary criteria of local food, slow food and the values of the New Nordic Food movement.

3.4 Summary

Across the range of communities, breeds, and projects we have seen many innovative ideas and watched growing trends develop. One of the reasons we wish to expand the definitions of what is equine tourism is to inspire potential operators to 'think out of the box' in terms of the services they might provide, and to create new opportunities where few exist. Whether *active* or *passive* equine tourism, there are many opportunities to express the human fascination with horses as small and medium scale enterprises in remote rural areas who desperately need this type of economic activity. The earlier discussion about the sector was included, once again, to inspire existing practitioners and potential new entries to think widely about what might be possible, and to offer new ways of seeing which illuminate new opportunities in the sector.

Regardless, however, of the type of enterprise or activity chosen by an equine entrepreneur, the one constant will be that it is a business. The next section of this Guide focuses on important business matters which all tourism enterprises must consider.

Image: Ingibjörg Sigurðardóttir

4 MANAGING A HORSE TOURISM BUSINESS

Managing a horse tourism business means being a master of many things although at times it feels like being a jack of all trades but master of none. One needs both broad overview and deep insight in guests, horses, employees, equipment, tack, facilities and business issues is essential. Therefore it is useful to do a regular review of own managerial habits and interaction with staff, guests and other interested parties. It is not enough to think that everything is functioning , managing the business well means checking how and why things function the way they do and constantly considering how they could function even better. Courses, conferences, books, the Internet, networking and discussing with other managers, staff and the general public are all important ways to seek knowledge that is useful in managing a business. Such networking is vital for each business does not exist in a vacuum but belongs to a sector where the success of the whole impacts each member.

While the good manager is open to new ideas and constantly learning, he or she is the leader that facilitates for all staff to work toward the goals of the company. The good manager is a mentor and that shoulders the responsibility leadership and expects responsibility of staff.

The following points and questions are useful for managers of horse tourism businesses to bear in mind when it comes to evaluating themselves and seeing what improvements might be made.

4.1 Time management

Time management is an effective method to coordinate and prioritize the various tasks that need to be addressed at any given time in the business. It is important to be aware of how the time is spent to be better able to focus time on tasks that are of priority and cut down on time spent on things that get in the way of attaining our goals.

The first step is to identify the goals and a good way to check if we have set smart goals is to ask if they are specific, measurable, action oriented, realistic and timed (SMART). Some would add to this ER that is evaluated and reviewed. So the good manager aims for the business to be SMARTER.

The concept of formal time management may well be a relatively new idea but for people decide how they intend to use their time is certainly nothing new. Time management is a tool to tackle the lack of time that we so often feel. We may have sufficient time, but we feel we don´t because we do not use our time effectively to finish a project to a standard we are happy with. For an operator/manager in equine tourism business, efficient time management is essential as running such a business includes a never ending list of very diverse things to do and periods of intense workload.

In horse tourism there are moments of intense action where things can easily go very wrong such as when receiving and saddling a group for a horse ride. Good planning, clear routines and division of tasks can increase efficiency as well as reduce stress and risk in such a situation, making the experience better for the guests, the horses and the staff.

4.1.1 What is time management?

The importance of time management can be explained in a long text but it is to:

- Organize the time available in a structured way
- Break tasks down into manageable chunks
- Sequence the chunks efficiently
- Keep an overview of processes and achievement of goals
- Increase efficiency and quality in the workplace
- Delegate tasks among staff in accordance with their job descriptions
- Make more time available to focus on matters that are of priority
- Increase satisfaction in one's job by increased accomplishment

It is not always easy to manage time for it can mean you have to take the initiative to cut short conversation, decline invitations, or chair meetings in such a way that they are brief and to the point. This may sound out of the comfort zone, but in the long run everyone appreciates productive use of time. And do not forget that sometimes the priority is having a good time as job satisfaction and morale are vital to a successful business.

Sometimes we lack the ability or knowledge to prioritize tasks, so that those that are important are neglected in place of less pressing ones. A lack of overview and an inability to delegate tasks to others are problems that lead to bad management. When we are under pressure we tend to lose our overview, our key relationships become strained, with the result that conflicts arise and we become stressed.

When it comes to time management there are many pitfalls for the manager, for example:

- Tasks of personal interest take priority
- Boring, difficult or energy-consuming tasks are postponed
- Too many tasks on the agenda at the same time
- Allowing others to take our time when we really don´t have it
- Thinking you have to do it all yourself and yesterday

Managers who have made these mistakes often experience a sense of ingratitude from employees or customers rather than appreciation, despite working so hard. Working hard is not the same as working smart and your staff and customers depend on your ability to do the latter in order to lead the business to success. When considering the concept of time management and examining how we spend our time, a number of questions come to mind. The following questions can be useful for managers in horse based businesses:

- Do I know my goals and my priorities?
- Do I give proper attention to the most important issues?
- Do I prioritize correctly?
- Have I taken on too much?
- Do I and my employees have an accurate description of responsibilities?
- Do I and my employees know what is expected of us?
- How do I and my employees spend our time at work?

4.1.2 Identifying time thieves

There will always be days that do not go as planned. In a business which depends upon horses, and customers from far away, however, it is important that time is allocated to both. In fact, given the way in which both these factors can add uncertainty, it is best to allocate a certain amount of flexibility into your time plans in order to cope with the unexpected.

However, if you are wondering day after day just what it was you spent the day doing because the planned things are still undone, you need to think again. You may feel that you did not do anything important but it does not necessarily mean that you have not achieved something during the day. You may in fact have carried out a range of tasks that are so mundane that they simply do not stand out as achievements. Time management helps you keep track not only of what is left to do but most importantly also of what you and your staff achieved and should recognize each other for. But maybe you achieved very little due to constant interruptions from the work you meant to do. You need to identify what is the basis of the feeling of not having achieved what you set out to do.

You need to keep a detailed record of your use of time over a period, e.g. a month. Aim for a degree of accuracy of within fifteen minutes and use Excel since you can then total the hours experiment with different scenarios later. Rate the importance of the tasks you worked on a scale from 1 to 5. If you note what time of the day you worked on each task you will also get information on when the time is right for specific tasks like accounting, planning, talking to staff or answering emails.

At the end of the month take the register, study it and identify how the time was spent. You may realise that you had been trying to focus on planning at a time when your staff is most likely to need your input. So perhaps you need to reconsider when you spend time with your staff and when you need time on your own to think. If you make changes in your schedule, re-evaluate the situation in a few months' time. It is good company practice that all personnel keep a record of the hours they spend on specific tasks. This allows both the employees and management to have a better overview of the tasks and workload.

There are some specific time-thieves that you need to keep under control:

- Dealing with phone calls unrelated to work
- Gossip and idle chat on and off line
- Surfing the Internet
- Writing personal e-mails
- Postponing tedious tasks or projects
- Correcting one's own mistakes or those of others
- Making up for things that didn´t get finished on time
- Scrambling to finish poorly planned tasks

4.1.3 To prioritize in your business

Prioritizing at work can be a challenge for many managers and employees. However, this ability is essential when it comes to managing a horse based tourism business. Many would consider that all their tasks are important. That may well be the case, but bear in mind that tasks are important to varying degrees and at different times. In order to be able to discern what tasks are of most importance and when, it is essential that each individual develop a strategy that identifies the aims to be achieved.

Here, for example, are some ways in which we may effectively deal with the issue of having too little time:

- Delegate tasks
- Learn to say 'no' in a polite but firm way
- Planning time for consultations/phone calls
- Answer e-mails at specific times of the day
- Setting aside time to work with your staff
- Encourage staff to take initiative and accept their initiative
- Encourage employees to work independently
- Emphasize punctuality
- Be focused in your business planning
- Do not try to do too many things at the same time

4.1.4 Setting goals

Goals direct us to where we want to go. If we are unsure what direction to take then it is unlikely that we will get anywhere. When planning the route to the goal it is important to establish milestones that we need to reach on the way. Discipline and determination are essential qualities for those intending to achieve an aim, like starting up and running a successful horse based business.

Goals that are specific or defined, with a time frame and action plan are more likely to be lead to success than those that are not. The acronym '**SMART'** stands for common criteria used to check how feasible goals are.

Specific

The first criteria is 'Specific'. If the goal is too broad it is hard to find directions to it. We all have the goal to make a living, but we do have to be specific about from what. You may want to make a living from a horse business. That would be more specific, but still very broad. If your goal is to have a solvent business in horse tourism you need to know where the break-even point between cost and revenue is. Then you can start setting specific goals or milestones to cut cost and increase revenue.

Measurable

It is important to be able to measure whether goals were reached, e.g. in terms of money, quality, time, quantity or degree. You need to 'operationalize' the changes so they can be measured. Increasing the number of guests in horse trekking is not a specific and measurable goal. However, if we say the intention is to increase the number of horse trekking guests for 5% over the coming twelve months, we have made a specific and measurable goal.

Evaluate progress on a regular basis through some form of measurement. The better defined the goals are, the easier it is to measure to what extent they have been met.

Action/Strategy Plan

One needs to draw up a detailed plan of how one intends to achieve those goals that have been set. The strategy plan needs to define what needs to be done, by who, how and when.

Realistic

It is important that goals are set in the way that that they are possible to obtain. Unrealistic goals serve only to discourage and leave one disappointed. Goals that are one rung above what one could imagine oneself achieving are often what we need in order to push us that extra yard and achieve what we never assumed we were capable of.

Timed

So as to ensure that we succeed with our goals, we need to have a time framework. We need to define a start point for the work towards a goal our goal and decide when the various milestones should be reached and when the final goal should be attained.

4.1.5 An example of defining a goal

To start and run a horse tourism business is an example. The main purpose in this case is:
"Being able to create jobs for me and my family at our farm and to maintain our lifestyle."

Before going further it may be useful to do a list of benefits and challenges or pros and cons.

***Benefits**:*

- Makes it possible for me to own horses and/or land
- Creates a new role for my (and my neighbours horses)
- Creates a job opportunity for me and my family
- Gives me an opportunity to make a living from what I love
- Creates more jobs in my local area
- Gives an opportunity to get to know new people from all over the world
- Increases the supply of recreation in my area
- Strengthens tourism as an industry in my local area

Challenges

- Lack of capital for start up
- Need to develop new business skills

- Need to develop physical infrastructure – modify builidings, improving riding trails, etc.

Here the benefits seem to be more numerous and bigger than the challenges so at first glance it is worth investigating further.

Market advantage

Given all the horse and tourism businesses in your area, what would your new business bring that could be its specific market advantage? What do you have that has potential; is your location very good in terms of access, riding trails and landscape experience? Do you have skills that set you apart from the competition such as being a good rider, trainer or instructor? Based on what is special you should brainstorm some ideas about products and services, bounce them off someone and give them time and thought to mature.

Action/Strategy Plan

When you have sorted out your business ideas and come to the conclusion that one of your ideas is likely to be the most suitable one for you, you need to make an Action Plan. This can include specific actions such as those below.

- Search for the assistant you need.
- Write a business plan.
- If estimates of important issues of the business plan prove to be positive, take the idea further.
- Start a legal business.

What do I need? (*information, knowledge, experience, ability, etc*.)

- Time
- Finance
- Horses
- Tack and/or other equipment depending on what kind of service will be provided
- Computer skills
- Time management

- Self-discipline
- A positive frame of mind
- Employees
- Support from my family and good will from my neighbourhood

Who can be of assistance?

- My family
- Friends
- Other tourism operators
- Accountants
- Banks and financial institutions
- Workers' unions
- Business consultants

Table 1. Examples of possible hindrances and solutions.

Challenges:	**Solutions:**
Lack of finances	Calculate carefully what resources you have and what investments are needed. Prioritize the needs. Search for investment, grants and/loan possibilities to meet the needs.
Limited business skills	Seek advice from business consultants and/or experienced operators. Read business handbooks and web based guidelines.
Undeveloped riding trails	Develop tourism product suitable for the trails available. Develop products alternate to trail riding such as clinics and courses, livery, horse shows

***Sacrifices which may have to be made**:*

- Financial
- Less time for hobbies, family, friends and oneself

***Time*:**

- The business has been started and first product marketed within two years

This should be described in a more detailed way, for example: 'In six month the business has been legally established; in one year two tourism products have been developed (i.e. two different tours) and tested; in a year the web-site has been created and the first groups of guests have been received.'

Measuring progress

This could include measures such as cost/revenue balance, number of clients taking lessons, number of horses boarded. It may be quite modest in the first year, identifying a set number of tourist trips, specifying the number per trip. Or it can be focused on income measures with specific amounts being identified as key markers of progress.

4.2 Summary

Management is about having overview and being able to work with time, resources and people – and in this case horses. Time is of the essence and hence we started with time management. Keeping time is different when managing a horse as opposed to managing a business but with good management skills you should be able to enjoy both.

5 DEVELOPING A BUSINESS PLAN

The importance of writing a business plan is commonly underestimated when starting and/or operating a horse tourism business. Business plans are important to evaluate the feasibility of business ideas and plan the future of businesses. The business plan is defining the company, the market and where the company stands in competition. Coming up with an idea for a company is the first step, but before that idea can become a reality a lot has to be done. It is essential to evaluate the concept carefully if it is to become a profitable business venture. Making a business plan for operating equestrian businesses is also very useful, even if the businesses have been operating for years.

Good reasons for making a business plan

- To provide the management with a clearer overall view
- To present to funding agencies
- To attract the interest of investors
- To maintain focus when making agreements and/or establishing partnerships
- To be the reference text in the daily management of a company

5.1 Writing a business plan

While compiling a business plan is a time-consuming it is worth the effort because it simplifies the daily running and management of the business. It defines the management of projects within the company according to a strategy. The more information that manager has concerning the operation of the business and its business environment, the more likely it is that the business will be commercially successful, especially businesses which include factors such as horses or tourists, who bring random or unexpected challenges to an enterprise.

The content and emphasis in a business plan can vary considerably. The compilation and layout of a business plan will always be in accordance with

its function and how it is to be used. It is important to have in mind what it is you want the reader to know. Also you need to consider whom the business plan is intended for.

A business plan should be clear and concise since it functions to raise interest and trust in the business concept. Therefore the reader should get the main points within 3 to 5 minutes of reading. Potential investors will first briefly look through the plan and, after the overall credibility of the planning, will look for the following:

- The special qualities of the company and the industry
- Their potential gain from investing
- The most recent financial indicators and plans
- The credibility of those who are involved in the business

The content of the plan depends very much on whether one is considering a general or a regular business plan. When beginning to compile a plan one needs to decide on an outline or to a table of contents: In other words one needs to decide what elements will be given greater or lesser importance. One should have a cover page for the plan with the title "Business Plan", as well as the name of the company and the most important information pertaining to it. Most business plans will contain certain basic matters that will be dealt with in the following chapters. These are:

- Executive summary
- Position and policy
- The business concept – product/service
- Market analysis
- Marketing and sales
- Staff and structure
- Operational budget
- Financing
- Risk analysis
- Action plan and milestones
- Supplements

Business plans can be of different types, but essentially we can divide them into three categories depending on their scope:

1. An overall/general *business* plan
    a. A summary of the main issues
    b. Around 10 pages in length
    c. Appropriate for rather small and simple businesses
2. *Regular* business plan
    a. Necessary for all larger companies, especially those looking for
    a. investors or partners
    b. Approximately 40 pages
3. *Detailed* business plan
    a. Necessary for rapidly growing companies, e.g. chain businesses

5.2 Executive summary

This is the text that should convince the reader to keep reading the more detailed plans in the following sections. So keep it brief and interesting.

Key elements:
The summary should be maximum one page. It should be written last and in fact it is the most important chapter in the plan since it is what most readers will read first.

The summary should clearly describe the business concept, the aim of the plan, the company and its products, the target market and also a brief description of relevant financial issues.

Even though the summary is only one page in length, it is essential that it is given serious attention. Bearing in mind that this is the section of the business plan that everyone reads, it is vital that it contain and state in a clear and concise way everything that is relevant and of importance.

The summary should effectively answer the following questions:

- What is the purpose of the business plan?
- What are the key features of the products/services?
- What is so unique about the business concept that leads one to believe that it will be successful?
- What is the size and type of market that the product/service is intended for?
- Who will be the managers of the company and what experience do they have?
- What are the main goals of the company?
- How can these goals be achieved?
- What are the main financial units in the plan and forecast, e.g. turnover, profit and cash flow?
- What are the financial needs of the company and how will they be met?

5.3 Position and policy

This section of the Business Plan describes the status and direction of the project. Here the background is explained and an overview given of how you evaluate the chances for success. This chapter should show that you have a realistic view of the business concept and the process of building a business.

Key elements:

- The business concept and how it came about (*Background* and *Context*)
- The history of the company and its present status
- SWOT analysis (analysis of strengths, weaknesses, threats and opportunities)
- The company's vision of the future and its goal
- The SWOT analysis is an analysis of the *internal* and *external* business environment of the company.

The internal environment is defined through a registering and evaluation of the company's **strengths** and **weaknesses**. As an example of strengths one

could mention the experience and know-how of staff, new premises and business goodwill. As an example of weaknesses one could list lack of capital, disarray in the company's financial records and inexperienced staff.

The external environment is defined through the identification and evaluation of the **threats** and **opportunities** of the company's external environment. As examples of threats one could mention competition, the legal environment, the limitations set on the movement of tourists and changes in tourist behaviour. Examples of opportunities include a combined marketing drive, newly created products and services, and other business activity carried out in the spirit of self-sustainable development.

5.4 The business concept – product/service

Here you go into more detail about what your business will offer and how your products/services will be developed and delivered.

Key elements:

The important features of the products/services and how the product/service differs from others on the market

- The life span of the product/service
- What specialization or skills are needed and where the right personnel can be found
- The service procedure - quality, amount, frequency
- Long-term investment
- The strengths and weaknesses of the service
- The main areas of cost

It is important to show that the product or service is better or at least offers the customer more value than other similar goods or services available on the market. This can be done by showing the positioning of the product or service in question compared to others already on the market.

5.5 Market analysis

In this section you demonstrate that you have identified potential target markets and how to contact them. You should be able to demonstrate knowledge about the development of the market that you wish to enter.

Key elements:

- The size of the market – now and in the future
- Flexibility in pricing
- What determines growth in this business sector?
- What changes are foreseen?
- Have there been major changes over the past years?
- What economic and legal features influence this business sector?
- Competition
- What competitors offer the same or similar product or service?
- Market share
- Comparison with competitors
- Detailed information on competitors
- Customers
- How is your customer target group selected? Who are your customers?
- What are we offering – special features of product or service

In the opinion of many this is a key chapter in the business plan. It is here that the company states where in the market it will position itself and who its potential customers are.

5.6 Marketing and sales

This is where you apply your market analysis to an action plan of how you will get your products/services to the customer and what competition you are entering into.

Key elements:

- Sales plan/strategy

- The marketing mix
- The response of competitors
- The future development of the market

The **Sales Plan** should be as precise as possible and take into account e.g. life time of the product or service, seasonal fluctuations and the company's ability to manufacture and sell the product or service. The sales plan also needs to include how the company plans to attract customers and how it plans to advertise, e.g. how to use the Internet, weather to advertise on TV or in newspapers. In the sales plan the company's price policy needs to be clear. The relationship between supply and demand needs to be considered and how pricing of the product or service relates to this. One needs to consider a possible reduction in price for groups and as to whether specific groups, e.g. senior citizens, will be granted a special discount.

All products or services offer three things: features, advantages and benefits. For example, a car may have a big V8 engine. That is a feature. The advantage is that is more powerful than the competition. But the benefit that the customer gets is that they can beat their friends in the 'stop-light grand prix'. Many firms market their features or advantages without realizing that customers are looking for benefits. It is the benefits which make them reach for their wallet. Be sure to include them in your marketing themes.

The sales plan also needs to incorporate any forecasted growth in sales, new customers and new markets that in time will be entered. Last but not least, it needs to be clear what image the company intends to adopt. In other words what image you plan selling to customers.

The marketing mix is important when it comes to how successful the overall marketing of the products or services will be. The marketing mix is frequently referred to as the 4 Ps, and the extra 3 Ps for service. The seven Ps are the following:

- Product/service
- Price
- Place or location
- Promotion

When selling service, the following stages are added:

- People
- Physical evidence
- Process

These, then are the *features* of a service and a successful marketing campaign will identify as many as possible, even when only one or two are foregrounded. Remember, too, that most people are fairly sophisticated consumers of advertising and tend to distrust flashy claims. What does grab and retain the consumer is *narrative*. Tell a story! And fill that story with the marketing features above, but more than anything, create a story that your potential customers can see themselves taking part in. This particularly applies to long distance horse trekking or other adventure tourism and cultural heritage tourism enterprises, but even the simplest product or service becomes intriguing when it is a part of a well told story.

5.7 Staff and structure

In this section you show that you have human resources to carry out the tasks in the business plan. This is especially important in a horse business. Generally, horse businesses are known for the high percentage of labour which is performed gratis by family members or others. Does your business do this? If so, can you put a monetary value to their labour? You should. For a start, knowing the 'real' cost of unwaged labour helps you understand the overall value of the enterprise. And, when the enterprise becomes more successful, you will have a measure which lets you decide when you can pay more for these important services within the business.

Here you also describe your staff policy and show that you have planned a functional workplace that can attract the staff you need. In addition to the internal structure of the business you should identify key stakeholder in the network around the business and how you relate to them.

Key elements:

- The company's wages' policy
- The structure of the business

- The abilities of key personnel
- Key business associates, stakeholders and purveyors

In the horse tourism industry qualified staff is a vital requirement to be able to provide customers with quality service. Therefore hiring, training and managing qualified staff is important. Indeed, many horse businesses support their staff in acquiring 'qualifications' such as Tourism Leader training, Safety and First Aid training, and of course, direct training in handling horses.

5.8 Operating budget

This is an important section for it allows you to develop an overall sense of money flows. Here you match funds to tasks and time. Do not underestimate cost, and be conservative in estimating revenue. It is better to be pleasantly surprised at doing better than expected than to be disappointed in not achieving goals.

Key elements:

- Founding costs
- Break even analysis
- Operating budget
- Balance sheet budget
- Cash flow budget
- Reserve for unanticipated expenses

The operating and financial budget is a key element in any company's business plan. If the company has been in operation for some time, the forecast is of course based on existing figures. It is essential that all budgets are based on the most reliable information available, since a plan is only as good as the data it is based upon.

When compiling a business plan for a company which is about to be started, the **Founding Costs** should also be estimated, particularly in terms of the time put in by the founder. It is frequently the case that entrepreneurs have a tendency to underestimate the contribution of their work to the costs involved. Their work is in fact part of the founding costs. Here it is also im-

portant to include the horses as acquiring them is founding cost and their breeding, feeding and training are operating costs.

The **Zero Point** is the minimum sales point the company has to reach in order to meet its variable and fixed costs. It also has to be borne in mind that the actual outcome cannot be seen until such elements as depreciation, financial costs and taxation have all been taken into the equation. One way in which to quickly reach the zero point is to keep fixed costs to a minimum, e.g. by renting or leasing premises and equipment rather than buying them.

An **Operating Budget** is a plan that takes into consideration a company's revenue and costs. A revenue forecast is in fact the company's sales plan, while total cost is a combination of fixed costs and variable costs.

The **balance sheet** is a combination of assets and debts. It is good to bear in mind that the following book-keeping equation must always tally: assets *equals* debts *plus* equity.

A **Cash Flow Budget** has also to be drawn up, which is a flow chart for payment. It is vital to envisage how the capital flow will be within the company, since all companies need to have liquid assets available at all times.

5.9 Financing

Here you show that you have figured out how much money you will need, how much you have and where the rest is coming from.
Key elements:

- Defining the company's financial needs
- Financing founding and operating costs

One has to clearly define how the company intends to finance the founding and operating costs up until the point where incoming revenue is sufficient to meet costs. Most businesses do not reach profitability immediately. Indeed, most take several years. It is important to clearly state what kind of financing is being sought, e.g. is it through grants, loans or the selling of shares to the public, which has not been so common in horse based tourism. It could be that finding innovative new sources of finance could be the

greatest asset a new business idea can have. Nevertheless, it needs to be stated where and how the company intends to seek this money.

5.10 Risk analysis

This is where you take the threats identified in the SWOT analysis, define how real they are and discuss how to use the strengths of the business to meet them.

Key elements:

- The main risk factor
- Possible effects
- Precluding actions

It is important to estimate the risk in a horse business operation, what can go wrong and what the chances are of things going wrong. It is also important to have an action plan if something goes wrong, such as a horse becomes lame and you need to replace it. This is also the place where the *resiliance* of an enterprise needs to be considered. What happens if an unexpected shock hits the business? Can alternative activities, sources of funds, etc., be brought to bear if, in particular, cash flow is challenged?

5.11 Action plan and milestones

Here you describe the tasks involved in carrying out the plan, who is responsible for the tasks, the time it takes and what milestones you identify to monitor success / failure in meeting your goals.
Key elements:

- Usually made for one year at the time
- Registration of milestones
- Registration of factors likely to make a big difference for the success of the business, like specialised services, high-yielding purchase and excellent marketing
- It is very important to define the key success factors for each business and how they can be obtained.

5.12 Supplements

The supplements are documents that provide further information for those interested in more detailed information about topics in the plan. For instance your CV is better placed as a supplement than in the main text about Staff and structure. You also need to show that you have the relevant licences for operation. A map of your farm or plans of planned building could also be supplementary material. Last but not least, financial records and your detailed calculations maybe good support material.

Key elements:

The supplements section can be comprised of various documents that are relevant to the business plan

When compiling a business plan, it is recommended that it not be too long. However it is advisable to include any relevant documents that in some way support what is stated in the plan. Such documents could, for example, include statistical data or other material relating to some specific feature of the plan. Remember only to include as a supplement material which really does matter and which further supports some feature referred to in the plan.

5.13 Summary

The business plan is the family bible in a business, it is a key document that all other plans and procedures should be based on. The business plan is the action plan to realize your dreams for your business.

Those elements that have been highlighted here are the key features of most types of business plans although the formats can vary. On the Internet, in books etc., you can find useful instructions on how to draw up a business plan. If applying for support from a government or other funds, you should familiarise yourself how they want you to present your business plan and what they and expect, in return for the funding. In your business plan, you make sure they can see this. In addition, business consultants can assist operators and horse entrepreneurs on how to compile a business plan. It is certainly recommended that one should seek further information before attempting to draw up a business plan.

6 HIRING THE RIGHT EMPLOYEES AND TRAINING THEM

6.1 Introduction

Horse people are special. For a start, their minds are filled with matters equine. Usually they service horses, not people. And yet, any riding business has to deal both with riders and owners (who pay its bills), and with horses. In a horse tourism business you need employees who can deal equally with people as with horses.

The requirements of employees in horse tourism

- Experience in equestrian activities and horse care
- Education in the field relevant for the job;
- equestrianism for guides and stable staff
- tourism, guiding or other service fields for front line staff
- business for marketing, sales and accounting staff
- Excellent skills in human relations
- Language abilities
- Good manners and service-mindedness
- Neatness, conscientiousness and organized work methods
- Willingness to tackle a range of assignments from day to day
- Good references

It is important to be focussed and well prepared when hiring new employees. Think carefully about your company structure and staffing needs. When you have hired someone you still need to put in quite a bit of work to help the newly hired staff to do their job well. Perhaps the most important potential qualities are enthusiasm and a demonstrated ability to learn. This is just as, if not more important for the business, as you have more chances of making than finding the right person.

Short operating periods for many horse tourism businesses and high turnover of employees often results in limited utilization of employee training. It

is, however, important to consider that training and education of employees are factors which cannot be neglected if one is to offer quality service.

6.2 Finding the right employee

Prior to searching for an employee the company must evaluate its needs. Think carefully through the *Job Description* – the tasks the employee is to carry out, where this job fits in the structure of the business and what knowledge, skills and attitudes are important. Based on this you have a profile of who you are looking for. Then you need to think what you have to offer to attract candidates for the job.

Managers often locate employees through friends and acquaintances, not least in lifestyle businesses like horse tourism. While this often works well it is important to be able to separate the job and the person doing it. Indeed, when employing friends it is even more important to have the job description as thorough and transparent as possible. You should go through this with the staff member to confirm they understand the full demands of the position.

Think about the job and what demands it makes and then think about who should do it. Conversely, when you have hired someone they may reveal hidden talents or not get the hang of some task, so it may become necessary to re-evaluate their job description or place in the structure.

There are many available ways to select employees. The most common one is that applicants submit a written application listing their education, experience, interest, recommendations and so on. Following this, the applicant is summoned to an interview. For a service job, it is important not to just evaluate education, experience and such but also to try to analyse the applicant´s service mindedness, flexibility and communication skills.

Last but not least in horse tourism you need to know the riding skills, experience and skills in horse management; that is the horsemanship of your prospective staff.

Special employment agencies offer services and consultation regarding employment. Following are examples of services rendered by companies of this sort:

Consulting services to companies and institutions concerning selection of employees:

- Assistance with terminations
- Qualification examinations
- Job development
- Personality tests
- Assisting individuals in search for jobs

6.3 Hiring and terms of employment

When an employee has been selected, it is necessary to make a written employment contract. The employer is responsible for completing the task. The terms of employment are negotiable but salaries must take notice of wage contracts, experience and the education of the employee. The contract should contain:

- Job description
- Job ratio and working hours
- Salary
- Whether this is a permanent or temporary position. If temporary, the period of employment is stated.
- Termination clause
- Trade union and terms of employment
- Pension fund

It is in everyone's interest to complete the terms of employment right at the beginning so that all major points are clear and no risk of misunderstanding or disagreement of salary matters arises. It is also important that new employees are given a thorough formal description of their job responsibilities. In this way, misunderstandings can be avoided and employees know what it is they are expected to accomplish.

At the same time, the first hiring you make will introduce you to the world of bureaucratic human resources management. Be sure you know what you need to do in terms of reporting the employee to the tax and other services.

In larger workplaces there is ordinarily a union representative who assists employees in monitoring their respective rights and that they are honoured. The union representative acts as advisors about many aspects regarding salaries and employment conditions. It is important for employees to know whether they have an acting union representative within the company. Even if the workplace is not unionized, it is necessary for the management to keep the rights and needs of the employees carefully in mind. Not only does this help with staff retention, but it also assures they will give as much of themselves as possible in the execution of their duties.

6.4 Management skills which empower staff

Remember:

- Good staff are worth their weight in gold
- A competent and trained employee is likely to bring satisfied customers
- All employees need training and education, even the experienced and senior
- All employees need encouragement
- Negative criticism rarely yields results
- All employees need a clear framework to work within
- It is in the company's interest to reduce staff turnover

Communications with staff

- Are based on trust
- I respect my staff and expect respect for my position, the company and our customers in return.
- There is understanding between employees and management of their respective rights and responsibilities
- There is readiness on both sides to be flexible
- It is always clear to me and other staff what is expected of each employee
- I try not to make spontaneous decisions without consulting staff

- I always inform staff of decisions that affect their work
- Decisions are followed up by an action plan and the result monitored
- Staff meetings have an agenda, timeframe and decisions are documented and tasks allocated to implement them within a given time
- I often praise employees for their good work and let others know about it
- If I need to ask for improved performance I do so as soon as it is possible to talk to the employee in question privately

6.5 Morale

Moral amongst staff is partly the result of good communication and partly of performing their work satisfyingly. Respect and showing a little care goes a long way to contributing to good morale in an enterprise. Some of the questions and considerations which contribute to good moral (or interfere with it) are listed below.

- Acknowledge that staff and management should be proud of the company
- Acknowledge that staff should be satisfied at work
- Recognise that it is always possible to improve staff morale and job satisfaction
- Support and organize ways to improve morale, e.g. go on hikes together or go swimming, go on courses or do some other activity that staff might be interested in
- Offer the staff something, e.g. to dine together or the simple gesture of offering chocolate with coffee
- Allow staff to go home early if there is some special occasion
- Remember the birthdays of staff
- Show an interest in one's staff
- Discuss general matters or the special interests of employees

- Think of ways in which to improve conditions for your employees, e.g. purchase new chairs, or provide a microwave or sandwich maker for the coffee room.
- Celebrate noteworthy achievements In the company, and identify who is responsible for them.
- Ensure employees are rewarded when things are well done
- Give employees instructions when things need to be done better or in a different way
- Don´t expect staff to be thought readers
- Keep aware of developments within the team
- Is there is good sense of balance within the group
- Is there someone being marginalized?
- Is there someone overly dominant?
- Does management need to become involved and discuss the issue of interaction?
    - Do the most vociferous dominate discussions?
- Are the company's goals clear and is everyone working towards similar goals?
- Is there active discussion within the workplace regarding what the company does and aims for?
- Are new ideas given positive consideration?
- Is the topic communication discussed?
- Does management encourage cooperation?
- Are tasks distributed equally amongst staff?

6.5.1 My communication

For those interested in self-analysis regarding communication, it can be helpful to ask the following questions:

- How do I communicate?
- What sort of a listener am I?
- Do I make my views clear?
- How do I show disagreement?
- How do I criticize?

- Can I take criticism?
- Do I give compliments?
- Do I know how to accept compliments?
- How do I respond to gossip?

6.5.2 Ways to improve

Listening can be done in several ways, but it always requires focus on what the other is saying rather than your own thoughts or feelings. Use an encouraging body language such as smile, head gestures or short comments if people appear shy, insecure, nervous or worried. Some tips for improved listening skills which result in improved communication are:

- Listen and be for the most part silent if the person speaking is upset or has a strong need to talk.
- Being a good listener requires the following:
- Maintaining eye contact
- Giving the other person your full attention
- Indicating that you understand the topic under discussion
- Checking that you have understood correctly, requesting more information if needed
- Make reference to what the other person has previously said so they know you heard them.
- Make inquisitive restatements: “Let me see if I understand you correctly. You want ….”

6.5.3 The art of disagreeing

While it may feel better when everybody agrees, different opinions are very important to keep us from becoming narrow minded and complacent. So the manager needs staff that can provide healthy criticism and alternate solutions. Check if you can agree with these statements:

- Do I respect the opinions of others?
- Do I indicate my agreement when I concur with others?
- Do I explain my position on matters?

- Do I ask questions so as to better understand the opinions of others?
- Do I change my opinion if a good counter argument is put forward?
- Now ask whether your 'organisation' is the same.

6.5.4 Admitting mistakes

Quality in management is not just about avoiding mistakes. Mistakes will occur and the art is how work through their consequences. When you realise that you have made a mistake, correct it and let those affected know about it. Apologize as appropriate and be sincere in taking your responsibility. Explain without making accusations, yet do not debase yourself. Be brief and to the point, and always attempt to part without acrimony.

6.5.5 Offering healthy criticism

While healthy criticism is very necessary in improving quality it can be hard to take and therefore the delivery is a delicate matter that requires tact and focus. So make sure that when you criticise:

- You are in a balanced state of mind and in control of your feelings
- State precisely what is the problem
- Be brief and to the point
- Offer your criticism as soon as possible
- Be sure you are not criticising that which is impossible to change
- Show respect for the individuals involved and their feelings
- Speak of the action(s) and not the individual(s)
- Make sure you are not within hearing or sight of third parties
- Ask for suggestions on improvements to get your employee to initiate solutions
- Take the responses to your criticism into consideration

6.5.6 Taking criticism

Being able to take criticism is very important for the manager, if you can´t handle criticism you are closing down healthy communication in the company and losing a lot of learning opportunities.

- Avoid being defensive
- Do not view criticism as an attack
- Listen to reason
- Remain in control of your feelings
- Aim for a quick and fair solution

6.5.7 Making compliments

Rewarding for desired outcomes and actions is even more effective than pointing out what was done wrong. So make sure that you develop a habit of letting everyone in the company know when you see good work and good results by praising

- As soon as possible
- In the hearing of others
- Specific actions or results
- Sincerely and happily
- With eye contact with the person being addressed

6.5.8 Accepting compliments

Hopefully you manage your business in such a way that people feel inclined to praise you and your work. It does not come naturally for all to accept compliments, many people feel embarrassed in such a situation. But you as the manager must keep the balance in the company, giving and receiving both critique and compliment gregariously. So if you are being complimented

- Maintain eye contact
- Listen without interrupting
- Display your appreciation by positive body language, smile, open stance

- Express your gratitude and share the praise
- Be sincere in your response; tell people if you are proud and let them know if you were surprised by the compliment

6.6 Teaching and training employees

It is not enough to hire qualified employees and expect that they can do their job well without training and instruction on the job. Even if an employee has performed a similar function in another establishment, there is a need to teach her/him how the job should be done in your business. It is imperative that all employees get teaching and training especially when newly hired, but continuous training and education is also a part of the ongoing quality development of the business.

The following means can be used to increase the knowledge and skill in the business:

- Purposeful **education within the company** where managers and older employees inform new employees continuously about how service should be rendered.
- **Formal training courses in the company** that employees are expected to participate in or invited to. Such courses can be organised internally or by consulting companies or continuing education agencies.
- Employees assigned to **external training courses**. Training courses are offered by various organizations and educational establishment.
- Employee **handbooks, procedures, guidelines and other directives** for employees, which are either distributed or displayed in prominent locations together with appropriate explanations.
- Reading **books and material on the World Wide Web.** There is a lot of educational material in tourism on the web…

Encouragement and support by the employers for employees to seek education, enhance knowledge and skills is important. Keep in mind that many

labor unions have strong educational funds to subsidize refresher courses for their member. It is desirable to encourage employees regularly to seek education and discover sources to finance training courses and other instructions. It is certainly for the benefit of the company for employees to strengthen their knowledge and self-confidence by seeking increased education.

6.7 Work procedures

As mentioned above, strong emphasis should be placed on training and instruction for employees. It must be ensured that everyone knows what is expected of them. As the turnover of staff in tourism is high it is very important to document work procedures for easy reference for new staff. In order to accomplish that, it is necessary for each company to make their own work rules for the major tasks. Such rules can have different effect depending on the work at hand.

Examples of tasks which rules of procedure are required:

- Reception of guests – including how to greet guests, giving safety information, prioritization of quality of service.
- Answering through e-mail – including who answers, maximum response delay, email style and format.
- How to answer the phone – to answer after a maximum number of rings; how to greet, etc.
- Reactions to complaints – How to frame apologies; how to follow up, etc.
- Discount policy
- Emergency response plan -- including First Aid, Emergency Services, Care of Guests, Local Conditions, etc.
- Meals and coffee breaks
- Tasks to be performed during shift-change and at the beginning or end of a workday
- Documenting work hours
- Incident reports – Stipulate when needed, who completes report, who sees it and what the response will be.

The importance of instruction and training in tourism can never be over-emphasized. Positive communication between management and employee is an essential base for successful operation. It is therefore crucial for all managers in tourism to scrutinize their jobs and review working methods and human relations. Continuous education of managers should be a part of the refresher training in tourism companies in addition to strong emphasis on training and instructions for the general staff

6.8 Summary

Employees play a major role in tourism businesses. Success in hiring and training personnel is important to the financial performance of every company giving, first and foremost, service. Before the search for an employee begins, it is necessary to define what abilities and knowledge the respective employee must possess. The hiring procedure must be professional and include an estimate of the qualifications of the eventual employee. When the employee has been hired, his/her job training and continuous education must be considered. Do not assume that an employee, who has performed similar tasks before, can jump into the new job without guidance. Many avenues are open in training and instruction to employees, and subsidies can be also frequently obtained for such work. In addition to training and instruction it can be beneficial to have rules for work procedures accessible to employees.

Image: Ingibjörg Sigurðardóttir

7 MANAGING GROUPS AND TEAMS

How *groups* develop and function is something to which management in the tourism sector needs to give much consideration. A group can, for example, be a group of employees in the work place for example a horse trekking business, a group of visitors from a specific place, or even a group of people interested in good management methods in equestrian tourism companies.

The key to successful management of group dynamics and function is good communications. Good communication is based on trust and awareness of the importance of communicating. It is essential that everyone in the tourism sector constantly work to improve their communication skills. Being able to create a mutual trust between hosts, guests and horses in an important factor in horse based tourism, particularly in the cases where guests are riding new horses and/or riding their own horses in new situation.

In horse tourism it is important to be aware of the values and norms that you and your customers have regarding horse human relations. These may be mismatched. For example an Icelandic horse farmer and an Italian tourist may have very different ideas on how to treat and communicate with horses. While it is important to maintain integrity and authenticity in horsemanship it is equally important to inform the guests about the horse culture that the business is based in. For example issues of shoeing, using or not using bits, riding crops and weight restrictions on riders are contemporary issues in many urban and peri urban horse cultures that are not seen as issues in many rural horse farming communities.

7.1 Groups and Cooperation

One definition of a group is that it is two or more individuals that interact freely and have the same characteristics and/or purpose. Groups can therefore exist both within and outside the work place. When we refer to an *informal* group we mean a group of people who are seeking both company and acceptance so as to meet certain needs, e.g. respect, or to accomplish a common goal. A *formal* group consists of a group of people who come together with the intention of providing a product or result in conjunction with the interests of a larger unit or organization. The employees of a tourist ser-

vices company could for example be categorized as a formal group while the guests are typically a more informal group.
Research has shown that within the workplace, informal groups are often formed amongst people -- groups that were not intended as part of the structure or running of the company. Such groups can have a positive influence, but they can equally have a negative impact. In the latter case it is essential that management be aware of what is happening and be willing to take the initiative and address issues before a problem develops.

In all groups there are certain unwritten norms or rules. For example, society most often has established norms as to what is acceptable or unacceptable behaviour under certain circumstances. What is acceptable within a group and between individuals within and outside a company can vary, e.g. it can be influenced by the cultural setting. When people come from different cultural backgrounds or places, and are not familiar with the unwritten rules (the 'norms' of behaviour) within the group, it can easily lead to misunderstandings and tensions. Such a situation can easily arise in the interaction between a tourist services company and its customers.

In reality, the norms existing within a group serve as standard by which the individual can judge or evaluate what is good or bad in the eyes of society or group, i.e. within a company. Such norms can often have a considerable influence on people's behaviour, even more so than laws or regulations

7.2 Forming Groups

The form or structure of groups is often comprised of various inter-related elements or dimensions. These include power, state, admiration, interaction, role and leadership.

Power is important within each group and is a way of limiting a state of constant struggle within it. It is necessary to organize the power hierarchy so that it is clear who controls what.

The *state* of or *respect* within groups can vary widely since it generally depends on the feelings of the members towards each other. The status of an individual can be a formal one, in other words where someone has been appointed to a position such as the guide in a horse trek. On the other hand

their status can be a social one where an individual is elected either directly or indirectly by the group, such as an experienced horse tourist.

People frequently have a sense of *admiration* for others. Within a group admiration can in fact have negative implications, especially if it results in other members being ignored or excluded. Ideally your staff should be admired for their professionalism in dealing with horses and people.

Good *communication* between people is important whether it be within or outside a group context. Interaction helps to avoid misunderstandings and strengthens cohesion and unity within the group. Further, *communication* is something which cannot be taken for granted. It is therefore important that communication strategies be actively considered, particularly between staff and customers, and amongst the staff itself.

People have various *roles* within a group. People adopt the role that they are most familiar with. If an individual takes on a role they have no knowledge or experience of, it can cause more harm than good and even be destructive for the others. The guide in a horse trek must be sensitive to this and tactful in dealing with self-appointed experts, acknowledging them while remaining in charge.
The *leader* is the one whose role it is to help the group achieve its goals. It can be that different individuals hold the leadership position at different times. Who it is that leads at any given time depends on the goal which is being aimed for, but in activities including riding customers it should be a member of the staff who leads

7.3 Types of Power within a Group

Power is one of the most important features when studying groups. Management within the tourist sector needs to be aware of how power comes about and how it develops within a group.

Power in groups has been divided into five elements, all of which are discussed here below. It is clear that power in groups develops for various reasons.

- *Legally invested power* - e.g. the power of the outside authorities to attend do infractions of public law and citizen's rights. Thus the police might get involved in investigating an accidental fall from a horse to determine which pubic regulations on risk and safety applied and if they were adhered to. Alternatively, the welfare of horses in a business is always subject to scrutiny from animal welfare institutions.
- *Power of coercion* – The relevant managing executive/individual has the power under certain circumstances to obligate others to comply, e.g. in the light of certain evidence being available. In the case of horse tourism, this of course includes the proprietor. But, as no one person can do everything, some power of coercion may be devolved to a member of staff with appropriate responsibilities.
- *Bought power* - The manager/leader in effect buys power by promising to grant some reward in return. This can apply particularly where staff in a horse tourism enterprise is unpaid or only partially paid. This make be compensated for by offering access to horses to ride or other similar 'perks'. These reciprocal relationship are not uncommon in the horse world and it is important that such 'grants' of benefits are legal and supported by the ultimate manager of the business.
- *Transferred power* - An individual in a group finds either a particular person or what that person does to be noteworthy and consequently tries to emulate that person.
- *Specialized power* - This is power an individual has over others due to his specialized knowledge of certain things. Such might be an individual with a background in other types of tourism, or indeed, in horses. Thus, someone who worked as a farrier's assistant can bring that knowledge (of hoofs and paces) to the enterprise. As a result, when their topic of expertise arises, they will be given informal responsibility for such things due to their experience.

An early study in Sociology posited that there are three ways to get people to do what you want. The first is to punish them if they do not. The second is to reward them if they do. But the third, and most productive, is to give

each person responsibility for the achievement of the group. The first costs too much because you must surveille them, and then you lose their output whilst they are being punished. The second is also expensive because you need as much surveillance and must give them a reward. The third way, however, dispenses with the costs of surveillance and reward or punishment. Instead, each individual, if truly recruited to the overall goals of the group will work as hard as they can to assure that success. And that success becomes its own reward. So the most productive way to manage groups is to give them as much responsibility as possible so that they see the overall success of the group as indication of their own success.

Different types of power can be quite influential within a group, since varying types of power have varying consequences. It could be said that certain types of power can have a positive influence while others have a negative one. People are more inclined to be happy with a management which has/employs specialized power or transferred power than one which relies on coercion.

The type of power that a manager uses can tell us much as to the composition of a group and how that group functions. i.e. regarding the involvement of ordinary group members, etc.

7.4 Individuals within Groups

R. Meredith Belbin has proposed a typology of individuals found within groups.

- *The Plant* is a creative and imaginative type. He or she has good ideas and can come up with a straightforward solution to the most difficult of tasks. The problem is that he rarely manages to finish the task.
- *The Analyser* is a highly sociable character. He displays enthusiasm, is a source of cohesion within the group and explores all options. The problem is that he can be overly optimistic and frequently loses interest after a short time.
- The *Coordinator* is a good choice when it comes to supervising the group. He is self-confident and is good at delegating tasks within

the group. However, it can sometimes appear as though he is manipulative.

- *The Developer* is an energetic character who is undaunted by problems. He has a tendency to bulldoze his way and consequently may hurt the feelings of other group members.
- *The Supervisor* is the one who always thinks rationally and who needs to evaluate a situation before acting. He may appear to have a discouraging influence on others and is often overly critical.
- *The Group Type* is one who feels at home in a social setting. He desires that everybody feels good and is always willing to lend a sympathetic ear. His main flaws are that he tends to be somewhat dominating and tends to become unnerved when faced with difficult circumstances.
- *The Doer* is the one who works well on tasks and brings them to fruition. He tends however to be highly inflexible and rarely open to new ideas.
- *The Finisher* is conscientious by nature and always finishes tasks on time. He has a tendency to be overly concerned with details and to make mountains out of mole hills.
- *The Specialist* has both knowledge and ability but it is generally restricted to a specific area. He is conscientious and frequently has difficulty seeing the big picture.

For a group to have success, as many of these roles need to be fulfilled. The manager has the task to bring out the various strengths individuals bring to the group and guide the group in working through weaknesses.

7.5 Team Work and Group Thinking

Quite a lot has been written on the topic of teams and team work in recent years. One aspect of the discussion has focused on how teams or groups can be effective. This is a matter of interest to management in the equine tourist sector since efficiency amongst personnel is important. The following are regarded as being characteristics of an efficient group.

- Capable of coming up with new ideas

- Having a common goal
- Having an ability to adjust to changes
- Displaying a strong sense of commitment
- Being formally acknowledged and recognized as a group by senior
- management

It is often said that the way of thinking and ideas expressed within a group are different to that displayed by an individual; namely that the power of the group influences the thoughts and even the behaviour of people. This is what is meant by the term group thinking. In some ways group thinking can work negatively in that the way of thinking of group members is similar and anyone holding an opposing point of view is forced to conform to the group norms, which may inhibit their ability to innovate 'outside of the box'. Instead, all members will submit to and follow the group. In such circumstances it is important to encourage independent thinking of individual members; it may even be advisable to have some outside specialist come and assist in developing such an approach. Time should be taken to examine the possible consequences of the group's actions.

7.6 Trust within the Group

For interaction to be positive, whether it be in our professional or personal lives, trust is the key element. This applies irrespective of whether it is interaction between management and personnel, amongst staff members themselves or between staff and customers or other interested parties. One could say that trust is a belief in the advice, personality and ability of another individual. To increase and maintain trust in interaction is something that management in the tourist sector needs to work towards. Increasing trust in interaction is a way to encourage the individual to work independently and thus reduce the need for instruction and supervision.

7.7 Summary

Founding and running horse tourism business is never a solo performance by an entrepreneur. It is always an activity involving networks and groups externally and internally in the business. The business is part of the growing group of horse tourism businesses that form a sector. Within your business you and your staff are a group, your customers are a group within your tar-

get market and when you are providing your service you and the customers form a group. These groups are transitient and more and less formal, but you should aim to form and maintain groups, your staff as a group enduring with you, your customers enjoying and revisiting with you. Good group management and leadership skills are therefore keys to success.

Image: Ingibjörg Sigurðardóttir

8 LEARNING AND MOTIVATION IN TOURISM BUSINESSES

Learning within companies is closely related to ideas about management, leadership and about groups and group dynamics. Managers in equine tourism businesses must be aware of and make use of the knowledge existing in their companies as well as identifying knowledge gaps. Managers should actively encourage learning and knowledge building within the company. In this short section we will endeavour to look for key elements concerning learning and learning organizations.

8.1 Learning organizations

Learning organizations have been defined as living and thinking open systems based on information and feedback similar to the human mind in action. Learning within companies is a concept used to describe certain actions, but the term 'learning organization' refers to a company culture of constant learning. A learning organization is a company that holds learning at the heart of its practice.

While learning by individuals within the organization is necessary, it is not enough to make the company a learning organization. For that the learning must be applied as an overall goal in order to make the impact of learning larger than the learning of all individual persons within the whole unit.

Learning organizations are reflective, that is able to learn from own experience and from the experience of others. Through continuous changes the learning organization creates a knowledge base for competitive advantage. It has often been thought that employee learning should relate directly to the tasks of the company, but recent trends suggest that all learning is useful to employees.

Indications show that the most effective companies are indeed learning organizations. They analyse problems, investigate them, and develop a system to prevent recurrence of the problems. They do the same thing when opportunities present themselves. By doing so, these companies learn from their own experience, and from those of others. Such companies are considered to

be rather comfortable with risk and ready to experiment as they learn both from projects that turn out well, as well as those which did not succeed.
Although the methodology of learning organizations has been used extensively in management during the last two decades, it is less fashionable now. Despite this, it is clear that the ideology and methods of learning organizations have had a considerable effect on personnel management within the companies, particularly regarding continuous education and management's use of refresher courses.

8.2 How people learn

We are all constantly learning new things during our journey through life. It is necessary to ensure that knowledge builds within the company, that it is updated and continuously circulated through the organisation. Emphasis on lifelong learning has increased considerably in recent years and many avenues have opened in this connection.

When choosing from the many educational opportunities it is important to ask if the course content and methods are applicable to your company goals. Further, that the course serves the principle that all employees have the opportunity to increase their knowledge and skills, to grow confident in their own abilities and competence in their jobs and private life. When people are sent to training courses, it is imperative that the curriculum is worthwhile and the instructors knowledgeable.

It is also necessary to gauge the level of knowing and understanding so that you do not insult people by assuming that they now nothing or making impossible demands by presuming they know things that they don't. Asking people to tell you what they know or show you how they do things is one way of opening an opportunity to teach them. Learning cannot take place if the learner is not motivated. If people are tired or stressed it is not likely that they will get good results from studying. It is therefore essential that managers support education within the company by making time for it in the employees' schedule, by appropriate rewards and by an expressed interest in what people have learned. Further, all new learning should be celebrated with a company, and the results of that learning made available to all.

For some it is easy to learn from what they see, for others through what they hear, and there are still others who learn best through direct experience. Research has shown that people remember best what they have tested and tried themselves. Explanations of how to do things or demonstrations are not likely to succeed as well as allowing people to try themselves with supervision. Explanations or demonstrations can however be a necessary prelude, but especially in the horse world, practical, embodied learning is foremost.

8.3 The role of Learning and Knowledge in building competitive advantage

Knowledge is a resource within a company which is different in nature from other resources and supplies.–In particular, knowledge is not a limited resource like–raw materials for production. Knowledge can always be added to, and in reality it can be estimated that, should it be utilized, it will increase rather than decrease.

To ensure that knowledge will be retained within companies it is crucial to form knowledge in such a way that it be accessible within the company. Employees who have gained certain experience should make an effort to document their experience and knowledge so that if an employee leaves his job for some reason a new individual can easily approach the main set of information. One way to see this is to call it 'institutional memory'. Here the written archives provide continuity across staff and help ensure that staff changeover happens as efficiently as possible. This is however not possible in all instances, as one can always expect that knowledge of some sort will disappear from the company if an employee leaves.

Knowledge which is difficult to copy or imitate is a key element in gaining superiority in the market. If a company has acquired ~~a~~ unique knowledge in a specific area crucial to success, it could make it difficult for the competition to gain similar results. So knowledge building is integral to building the company profile and competitive advantage. Learning form your customers is vitally important in any service business. You need to build a knowledge base about your customers' expectations needs and preferences to be able to develop services that will be valuable to them.

Last but not least we should consider the customer´s needs and wishes to learn and grow from their experiences as horse tourists, which research shows that clearly exist (Helgadóttir & Sigurðardóttir, 2008). They are therefore an integral part of the learning community that your business is.

8.4 Summary

A good horse tourism business is a learning organisation where reflective staff and management learn from each other, from the customers and the horses. This evidence based learning will build the foundation for a strong profile of quality for your business and thereby enable you to build a market advantage.

9 SERVICE AND QUALITY MANAGEMENT IN HORSE TOURISM

When welcoming guests, professionalism needs to be in the forefront. This applies both to the tangible services – i.e. material things (buildings, horses, equipment etc), and to the more intangible (customer service, spirit and attitude that the customer encounters, etc.). This applies to all conditions and facilities but it is especially important that the intangible qualities of service be a credit to the company and the industry. Most people know that improving quality is seldom simple. What most often proves difficult is to work in a purposeful manner to increase the quality of the *intangible* or human services. The tangible parts such as furniture, housing and tackle are certainly important, but if the intangible services do not meet the demands of the customer the danger is that their total experience will be less pleasant than desired. Therefore one can say that attitude, service mindedness, and knowledge of employees in horse tourism is the basis for the successful reception of tourists.

9.1 Meeting the customers' expectations

Whether one is considering tourism or another line of business, the goal must always be that the product or service offered must meet the customers' expectations. If that is not the case the business will not be profitable in the long run. But what can be done to ensure that rendered service meets expectations? There is no simple answer to this question.

The production and delivery of service is usually rendered at the same time, as it is not possible to store service in a stock-room. Yet, an investment in staff attitudes and behaviours has the bonus of being widely applicable to most of what they do. The customer's part in the delivery production process is often substantial too, which is why the guests of tourism companies have a considerable part to play in what kind of service they receive. Guests can affect service quality with words, attitude and gesture. Finally, it is important to remember that guests can also have a considerable effect on the experience of other guests, both positively and negatively.

9.2 Knowing what the customer wants

The first step in fulfilling the expectations of the customers is to know their wishes and desires. This is not simple, but clear definition of target groups and good contact with customers is crucial. Ways to analyse what the customer really wants are:

- Visitor surveys
- Listening for the attitude and opinions of the guests
- Observing their behaviour and gestures
- Recording and learning from incident reports, comments and complaints
- Utilizing official information and surveys such as tourism statistics and economic trends

~~9.3~~ Designing the service

In deciding what service should be offered to who and how, the design and standardization of service are key concepts. What should be included in the service, at what time, where, and to whom it should be offered? It can be useful to write down a description of the service from the moment of the customer's arrival until after the service has been delivered. Such descriptions give an overview of the tasks that the process is composed of, and can indicate what tasks need to be standardized For example, one might insist that emplyees assure that guests are always thanked for coming and also invited to return. As a part of such standardization a time limit may be set, i.e. that the service should be delivered within a certain time.

However standardizing service to create efficient, safe and reliable routines must not come at the expense of personalized, individualized service. In order to design and develop the service, knowledge of what the customer wants is needed. When designing service, the specialty of the service should be considered, as well as the demand and potential sales in each location and timeframe. The respective service must also be in line with the company's present services. All necessary time must be taken to develop a new service, but until income is generated, creating the necessary financing at the outset is of great importance.

It is important to consider that a "new" service does not have to be completely new. It can, be an altered design or style, or an improved or expanded service**.** It may also be that the service is new at the respective company, in the particular area, or that it is a new company.

The following items are crucial when considering the design and standardization of a service:

- Everyone in the company must understand what the service includes.
- The design must be precise, objective, registered, and based on facts.
- A service schedule should be drawn up, showing where guests come in contact with employees.

9.4 Rendering service as it was designed

To make it possible to render timely service, with set standards, in the manner decided, the company must have qualified and well trained staff. Employees who communicate with guests are the service deliverers and at the same time, the sales- and marketing personnel. It is therefore essential to retain good staff to ensure that the information flow within the company is smooth and the facilities for the staff are good. It is not enough that the owner or the manager of the company be knowledgeable. The value of staff training and instructions, from the beginning of their employment and throughout, can never be underestimated.

9.5 Producing as promised

To make it possible to render service in the manner the customer expects, it is necessary that all the company's marketing activities be coordinated and purposeful. It must be taken into account that other factors than the company's direct advertising can influence the customer's expectations. The company's reputation, appearance, design, and other items play also a great part.

All communications must be explicit both inside the company and out. Advertisements and promotion material must render a true picture of the services offered and not promise more than can be delivered.

9.6 Reacting to mistakes in service

Mistakes in providing service can be expensive. It is essential that the customers' satisfaction should be a guideline when services are provided or sold. If service does not meet the expectations of guests their experience is often that a mistake has occurred. The following factors can bring such a result about.

- The service was not ready as promised
- The service delivery was too slow
- The service was provided too late
- The service was rendered in a wrong manner
- The service was presented differently than expected
- The attitude of the one providing the service was not satisfactory

It is a well-known fact that those who receive poor service are not likely to be repeat customers of the company. This is especially true when there is no acknowledgement of responsibility or compensation made for mistakes. What is crucial for the customer to have a good experience despite mistakes or grievances is the way in which you meet their complaints.

The customer must feel that their complaint is received with respect and care for their wellbeing and satisfaction. Recognise that only the customer knows how he or she feels and that there are no right or wrong feelings. So you and your staff must immediately and actively listen to the customer, express that you care about their feelings and that you regret if they are negative. Apologize if need be, offer compensation if appropriate but never dismiss a complaint without investigating. Last but not least, document the complaint and learn from it.

Companies commonly receive comments about positive and negative factors in a given service. One should, however, bear in mind, that it varies whether people complain even though they are dissatisfied with the service rendered. Individuals who complain or offer suggestions have one thing in common – they expect that their request will receive ~~a~~ fair treatment and that they will see an effort towards finding a solution.

9.7 Guests' grievances - a threat or an opportunity?

One element in good service is to listen to the grievances of customers and use them in the company's operation and decision making. Unfortunately it is too common that this easily obtained information is not well utilized. Remember that for one complaining customer there may be many, who were dissatisfied but didn´t tell you so thank the complainer for taking the trouble to bring the matter to your attention.

But why is it so important to utilize complaints and comments?

- They are an inexpensive and simple method to gather guests' opinions.
- They give an indication about what is done well and what can be done better.
- They make it easier for service groups to meet guests' expectations.
- They provide ideas about new services or adjustments to services.

To make the guests' suggestions and complaints more useful, it is essential to consider the action which should take place when a customer brings forth suggestions about the company's service or facility. Among items, which are worth thinking about are:

- It should be easy for customers to submit comments and complaints.
- The client should experience that their comments are appreciated.
- The customer should be thanked for their comments.
- The complaints should be acted on as soon as they are received, beginning with a formal acknowledgement of the complaint.
- All employees should have received training and instruction about reaction to complaints and comments.
- Comments and grievances should be registered in an organized manner as they are received.
- Comments and complaints should be utilized in an purposeful and visible manner for planning and management.

9.8 Pleasing the customers

Many cumulative factors ensure that the total experience of customers in tourism is positive. Facilities and conditions are important but most often it is the attitude and the service of the staff which is crucial in the creation of the right atmosphere and a positive experience. The following comments should be kept in mind relating to the reception of tourists:

- The first impression must be positive.
- Make the guest feel that he/she is unique.
- The guest is spoken to by most staff they meet.
- Create personal interaction.
- Show that you care about the guest.
- Surprise the guest in a positive manner.
- Show interest.
- Create a favourable feeling for the guest.
- Do something of personal importance to the guest.
- Notice the actions of the guests.
- Reduce waiting time.

9.9 Guests' access to information and service

In the haste which dominates modern society, a fast and dependable flow of information is essential in tourism. Customers want to organize their travel and get the relevant information about service partners and destinations in a very short time and without great effort. Competition for customers is great and it is necessary for each and every company to be well prepared to serve their clients and meet ever increasing competition. In order to do this, it is necessary to ensure that interested parties have constant access to information about the company and its services. Companies that only receive customers seasonally must also take care to insure customers' access to information all year around. The following is vital:

- A powerful, accessible, and routinely up-dated home page.
- The webpage should be well placed in search engine results
- Reply to e-mails the same day.
- The company should be reachable by telephone all year around.

- The telephone should be answered fast and efficiently.
- It should be easy to locate the company in the telephone directory.
- Information about the company should be seen in selected magazines and brochures.
- Signs in the company's neighbourhood should be obvious.
- Signs within the company should be clearly visible and in more than one language.

The importance of giving tourists good service can never be overestimated. Professionalism and good organization are factors which have shown good results through the years but improvements are always possible. The key to good professional service, rendered in an organized manner, is that all employees are informed and aware about the importance of the jobs they do. This applies whether they function in directly receiving the tourists, office work, cleaning, or other duties. In order to make the total experience of the guest favourable, each individual link within the company must work well. It should be a common goal of all those engaged in receiving tourists to do their jobs knowledgeably and professionally.

9.10 Summary

In tourism, quality is for the most part based on human factors, where in most instances, sale of services is greater than of goods. It is therefore essential to put special emphasis on quality service. If a company is to be considered providing quality service, it must meet the expectations of its customers. For it to be possible to meet customers' expectations, it is necessary to know what these expectations are, to design and standardize the service correctly, and to deliver the service as designed, in the way it was promised, directly or indirectly. If mistakes are made in delivering the service it is crucial that all employees react correctly and solve the problem without delay. Complaints and comments from guests are essential information, which all companies should utilize in the management and running of companies. To ensure customer satisfaction it is crucial to ensure easy access to information about the company and its services.

10 COMMUNICATING WITH CUSTOMERS

Communication with customers before the actual service is given is very important and is crucial whether the respective person buys service from the company or not. Most customers for horse tourism begin their process with either web contact or on the phone. The first minutes in the talk between guests and the service provider is the critical time for creating a good image and building a basis for positive rapport later in the service pattern. It is therefore extremely important that good relations be established one way or another with those who contact the company. Communications between the customer and the service company can begin in many different ways.

10.1 Answering telephones

To answer the telephone on behalf of a company is something that most employees need to do. It is very important to be conscious of how one answers the telephone, as this is often the potential guests first knowledge about the company's services.

Following are a few particulars which one should keep in mind:

- Answer by introducing the company and yourself at the same time "Mountain Horse Travel, good morning, this is…" Do not say only "yes" or "hallo".
- Answer with a pleasant voice. Let people feel that you are pleased that they have-shown interest in the business.
- Resolve the issue which the customers are concerned with courteously and professionally. If you cannot give the required information, make sure that the customers receive the information quickly and correctly by connecting them to a person that you know is able to solve the matter or by offering to call back as soon as you have obtained the knowledge needed.
- Make sure you always give as correct information as possible: Honesty in business is essential. It is better to admit that you don't know the answer than make one up. Let the customer know that you are willing to search for the requested information.

- If the guest is booking a trip or other service, the information should be registered in an organized manner, which the staff needs to deliver the requested service. If for example, booking a trip from a horse rental you need to register the name, date, time, how long the requested tour is and how many guests are expected.
- Make sure the customer does not have to wait long on the phone for information and ensure that the customer is satisfied when the call is over.
- If you promise to call or email back with information you did not have on hand, you must keep that promise quickly.

Every company must define a policy as to what items should be written down when a customer books a trip. It is also necessary to ensure that all information such as travel schedules and pricelists be available when the telephone is answered on behalf of the company.

Note that it is very important that customers can always get information through the phone. Even though a company does not operate during the winter, it must be possible to contact someone in the company over the telephone without great effort.

10.2 E-mail as a communication method

Electronic communication in tourism with potential guests has increased steadily during recent years and it is clear that the demand by guests to be able to get the principal information from the company's Web site, as well as through email, is constantly increasing. It is essential for managers of companies to monitor the developments in this area and subscribe quickly and efficiently to new technology in communication with customers.

It is imperative that requests arriving by email or through the company's Web site be answered immediately. This is equally important during the winter even though the main activities of the company may take place during the summer. One can expect that prospective customers will send requests to more than one company and would rather return to those companies which respond quickly and efficiently.

When an e-mail is answered, it is necessary to read the message thoroughly and ensure that all questions are answered to avoid repetitive correspondence. If for some reason a reply cannot be sent right away, it is crucial to send a reply saying that a considered answer will arrive within a certain time limit. Note that writing style and vocabulary in e-mail affects the customer's opinion of a company and its services. It is important to have all requests and dispatched replies well organized. This can be efficiently done with built-in features of standard e-mail programs.

It is equally important that the interaction with customers be satisfactory and that the respective customer be equally pleased with contact through e-mail as when over the phone or in person. The importance of regular updating of the homepages of tourism companies cannot be over-emphasized and that new material must be installed to appear lively and interesting and at the same time easily accessible and informative.

10.3 Customer relations

In tourism the interaction between customers and employees of the company is very intensive and most of it is face to face. Most employees are aware of the importance of rendering the service which customer asks for. Even so it is never too late to emphasize this fact to those who receive and render services to guests.

The following should be kept in mind when in direct contact with guests:

- Smile and show the guests favourable and pleasant manners
- Make eye contact with the customer
- Use the guests name whenever possible and appropriate
- Show the guests undivided attention and make sure that they feel that they are important to you
- Show that you respect and recognize the guest as an individual, regardless of gender, color of skin, nationality etc.
- Show that you have regard for your firm and your co-workers
- Show that you are positive, happy, and satisfied with yourself and your environment.

- If any problems in employee relations or other difficulties exist in the company, which need a solution, they must never affect the service to the guest.
- Be calm and trustworthy in appearance even though the work-load is heavy
- Dress appropriately to the task at hand; riding gear is for riding but not for cooking
- Make sure that you, your staff, horses and facilities as neat and tidy as possible

10.4 Summary

Public relations are very important in the tourism sector, before the decision to buy its service is made, while the guests are staying or after the visit is completed. A guest who does not experience favourable service when he first contacts the company is not likely to initiate business there. The guest, who at one time or another during the service pattern, experiences negative relations, is not likely to repeat business with the company. Therefore it makes no difference whether the contacts are through telephone, e-mail, face to face or by other means, it is always crucial that the job is done well. All employees of the company must therefore know their job and be aware of the importance of positive and pleasant relations. One little smile, positive words or friendly attitude can make all the difference.

11 RISK ASSESSMENT IN HORSE TOURISM

Risks are included in all decision making, both in daily life and industrial activity. Risk is associated with all activities and can even be involved in opting to do nothing. Individuals and companies must therefore learn to live with risks. Any activity that involves horses can carry quite high levels of risk. Whether riding, leading or otherwise handling horses, we have to constantly keep in mind that they are individuals, with preferences and responses which are individual to them. All risks cannot be eliminated, but can be minimized with quality training, experience and a little forethought. It must be born in mind that risks in horse based operations are in one hand related to horses and on the other hand to business issues. In this section we focus mainly on the business side of the coin.

To make it easier to live with the risks associated with certain tasks, it is desirable to learn to weigh and measure the risk. When decisions are made, for example, starting a new activity, the probability of success can be increased by estimating the conceivable risk factors. In this chapter we will observe the theories of risk assessment- and management and take look at how horse tourism enterprises can utilize these ideas without being specialists in the field of risk assessment and risk management.

11.1 Risk assessment and risk management

Risk assessment and risk management are familiar concepts to most people. Fewer know how they are practically implemented in a work place. In fact, it is not necessary to be a specialist in using the methods of risk assessments. One can, routinely implement risk assessment in all decision making and in all situations. Risk assessment is a methodology, a tool for calculating risk and ensuring that it is minimized. In large and complicated projects, relatively complicated methods are used to calculate the probabilities of good versus bad results. In the case of horse tourism businesses, however, it is usually possible to explain risk assessment in simple terms – the methodology of risk assessment does not have to be complicated in most instances. Special consulting firms exist which specialize in risk assessment and planning for risk management. When a project is initiated, it is important to

consider whether the project needs or can afford expensive risk assessment. When the issue is an extensive risk assessment, the assessment is done numerically by issuing statistics to measure the significance of the outcome. In such instances the mean (the most probable result) and the standard deviation for each individual project are given.

If a project is not very complex, costly and/or does not involve considerable hope for ~~a~~ large profit there may be no need to risk heavy expenditure to complete a thorough risk assessment. Managers can, in such instances, compile a simple risk assessment themselves. In a simple risk assessment the emphasis is on identifying and addressing the major risk factors. As an example of risk assessment, a company which offers guides for horse mountain trekking must consider the following.

The plan is to take a group from A to B. Many dangers and obstacles need to be defined before a decision is made on how travel between these two places so that all guests are safe and satisfied. This includes risks from riding, from weather, from camping, and inherent risks such as customer illness. An assessment must be made how much risk is inherent at each section of the journey. Risk assessment includes selecting the route, which gives the best possibilities for a safe journey with a minimum of risk.

Even in doing a simple risk assessment, many things can go wrong. Risk assessment is like any planning, in that a plan will never be better than its prerequisites. Risk assessment can fail because of the following factors:

- Poor conclusions
- Misinterpretation of information
- Insignificant and/or poor communication
- Inactive partners/share holders
- Egoism
- Arrogance
- Impractical expectations

Risk assessment is only one part of the process of making a decision. Risk assessment can certainly assist in decision making. Many factors play a part

in decision making, such as risk seeking individuals or companies, material on hand, access to finance, political situations, share-holders, reputation, and various other items.
There are many uncertainties in horse tourism management, resulting in that risk is often considerable. For example, the uncertainty about the number of tourists every year is an important risk factor.

In addition, when service is rendered it is not possible to produce it from a stock-room. Therefore, the demand and service delivery capabilities of companies in tourism must be coordinated. On one hand, there may be doubt about whether a company has enough manpower during busy periods. On the other hand, it may be questioned whether there will be a demand for the services which can be delivered during calm periods.

It is important to consider multiple ways to reduce risk, and in some times, to 'think out of the box' in order to do so efficiently.

Table 2. Risk identification and reduction

Ways	**Example**
Define and know the risk Give information about risk	What is the major risk in tthe operations? All employees must be aware of risks.
Eliminate or reduce risk in the delivery of support services (transport, accommodation, food etc) – try to apply safeguards	Have various target groups – e.g. offer service for tourists and local people
Change the risk to a known cost or other known dimension	Ask for bids from outside contractors.
Insurance protection	Buy insurance from an insurance company
Use response planning	Have a plan about how to respond to major risk factors
Do not build the operation around one party, which can fail	The company's image or certain service shall not be built around one individual. Rather, a business should have redundancy, as much as possible in terms of employee

	expertise.

One must remember that people respond differently when they are asked for information. People interpret information differently, some have difficulty in understanding requests and so on. Therefore, it is important that the risk assessment system be constructed in a simple and clear manner with directions for use. Furthermore, it is necessary to keep in mind that the results of the risk assessment are also simple and clear.

11.2 The risk assessment process

Risk assessment is a process which can be trying for a manager. Managers must show patience, perseverance, leadership, and technical know-how. When a risk assessment process is adopted in a company, there will be a change as to how possibilities and responsibilities are evaluated in the company. With the undertaking of the risk assessments there will also be a change in how the company makes decisions. This involves a risk too – that of rigid structure and becoming totally risk-averse. When decisions are made in reference to risk assessments, it is essential that managers be aware of the end goal and be clear on the risk assessment process. It is also important that those who make the risk assessment have knowledge and experience, and the ability to judge between risks in competing aspects of the business. Poorly made risk assessment can be much worse than no risk assessment as poor assessment is likely to result in false confidence and an inability to respond to risk events competently.

In risk assessment, the usual procedure is as follows:

- Those involved are asked to get together.
- A discussion about the problem is encouraged.
- The ground work for definition and break-down of the problem is done.
- Discussion about the substantial parts of the problem is supported. What is the solution and what results are conceivable?
- Call together specialists from various fields
- Write down a well-organized procedure to be the guidelines for specific risk responses.

Often a model is created to show major risk factors and how they influence the task. When such a model is made, the risk is that it may be rather complicated, but when the work progresses it is usually simplified to get the best use out of it. When a risk assessment is made, it is essential to know that risk assessment can show that the risk of starting a project is too large for the managers. The risk assessment can then result in rejection of the project or a change in the emphasis of the project to get it to a satisfactory risk level.
In some instances a risk assessment is not required. One should also bear in mind, that risk assessment is time consuming and costly and therefore need not be applied in every situation. It is certainly possible to carry out a simple risk assessment with relatively low cost.

11.3 Risk assessment technologies

It is possible to select many different methods when it comes to risk assessment. One of the methods which is relatively simple is the use of a decision tree. A decision tree is well-known tool for decision making. It is also used for risk assessment when a decision must be made based on given situations and prerequisites. The model forces the users to look at the problem as a linear process where given situations or decisions result in definite results.

The Decision Tree is constructed on probability calculation and shows probabilities of certain events graphically. Not everyone is satisfied that the model is powerful enough for risk assessment but it is at least recognized as useful methodology in decision making. The decision tree is not a magic solution when it comes to working out multiple analytical assessments of the same problem. On the other hand, the model is considered near perfect when it is required to show graphically a row of decisions which result in certain events or activities. Examples of a decision tree can be found in the book by Heizers Renders: *Principles of Operations Management.*

11.4 Analysing risk factors

One of the things that managers in tourism who do not have special knowledge can do to evaluate risk is to list and evaluate risk factors. Following are examples of risk factors in running a small store at a tourist destination in a rural area. In addition to what is done here, one can consider numbering the risk factors from one to three or five depending on the estimated

risk. You can also do the same about the effect or consequence. Some risks are high, but with relatively low consequences. Others are unlikely to occur, but if they do, the consequences are very high. Others, of course are high in both qualities. If an activity carries a great risk and the consequence on the operation is strong, it is important to react and carry out protective measures in order to reduce either or both -- the risk and/or the influence causing the event to occur.

11.4.1 Risk in price policy and product range

When the goal is to establish a new business, it is important to give ~~a~~ special thought to its location, consider price policy, and product range. For example what types of rides, shows and auxiliary products such as souvenirs you wish to offer. When deciding the price policy one must consider what methods should be used to minimize the risk and maximize the company's profit. In this connection it is important to estimate the size of the target groups and what the anticipated customers may want.

Table 3. Risk factors in price policy and range of goods

Price too high - customers seek other means
Price too low, the business is not profitable
Product range lacking variety, so customers find it necessary to go to another business
The range of products does not appeal to the target group.

11.4.2 Risk factors in transportation

Generally it can be said that smooth communications are a prerequisite for businesses to prosper. Location near the target market is helpful but easy communications can still result in customers seeking services further away despite transportation cost. In horse tourism horse transport and riding trails are part of transportation risk.

Table 4. Risk factors in transportation

Transport options to your business are limited
Weather and trail conditions hamper riding
Too easy for customers to seek service elsewhere

11.4.3 Risk factors in Customers

Reliable customers are a prerequisite for the prosperous sale of goods and services. It is essential that the customers see a benefit in doing business with the sales agent. The faithfulness of the customers is therefore created and the business prospects improve. It is therefore important to consider the risk factors applicable to the customers, who are the lifeline of each business venture, and to identify strategies to cope with these.

Table 5. Risk factors concerning customers

Poor image among customers
Dissatisfaction with products and services
Customers faithfulness to other businesses already established

11.4.4 Supplier risk

It is essential to have good relations with suppliers for feed, tack and transport. Without reliable suppliers the business becomes very difficult. In most situations it is possible to select suppliers and it is therefore important to establish beneficial contracts with them and build a long term relationship with the suppliers.

Table 6. Risk factors concerning suppliers

Prices high, protected by a monopoly
High prices maintained due to little business with the respective supplier
Price fixing by suppliers
Selection of goods limited

11.4.5 Personnel risks

Well trained and qualified personnel are very important in service industries and are actually the basis for successful sales and services. The staff renders certain services to the customers, such as knowledge exchange, confidence and inclusion and respect. It can be assumed that the service is even greater

with higher prices. Low price stores place more emphasis on low prices and little service.

Table 7. Risk factors concerning staff

Difficult to get qualified employees
High costs in training employees
Employee unpleasant attitude
Job satisfaction low - employees show little interest in work
High employee turnover
Disagreement between staff and owner
Disagreement between employees

11.4.6 Facilities risks

As small operations cannot carry heavy financing, it is quite common that small businesses in rural areas are established in available old buildings.

Table 8. Risk factors concerning facilities

Building rented – unreliable tenancy
Old buildings, fences and trails in need of repairs
Damage due to storms, floods, earthquakes, frost or fire
Inadequate internet access

11.4.7 Equipment Risks

A horse tourism business needs trucks and trailers for horse transport and the tack and safety equipment for the customers is the other main equipment category. Lastly, as other businesses today computers and internet are essential.

Table 9. Risk factors concerning equipment

Breakdown of cars, trailers and tractors
Tackle needs to be renewed or repaired

Safety equipment needs replacing
Internet access fails or computers break down

11.4.8 Risks of the competitive environment

It is imperative for every company to know their competition. Practical analysis about the competition and their strength and weaknesses is vital to estimate the risk involved. It is necessary to weigh and contemplate the competition as an ongoing task, as it is when the risk assessment is done. It is also vital to estimate how the competitive environment will develop in the future and therefore estimate risk over the long term. Such estimates, as all other risk assessments, must be reviewed regularly.

Table 10. Risk factors concerning competition's surroundings

In the same location, another company in the same sector offers direct local competition
The small size of the business results in limited selection of products and services

11.4.9 Risks in horse husbandry

The horses are the main assets in a horse tourism company. They are exposed to risk in health and wellbeing, they can be injured and veterinary costs incurred. In the worst case scenario a horse needs to be put down and even that carries cost. The breeding and training of a horse is a process of several years where an investment is made on the risk of an unsatisfactory outcome. Lastly accidents can occur when riding and handling horses.

Table 11. Risk factors concerning horses

Illness and injury
Training does not result in a usable horse for the business
Accidents and injury to staff and or customers

11.4.10 Environmental risks

The dialogue on environmental risks has steadily increased in recent years. Therefore one must view it as an essential part of measuring risk factors concerning environmental matters. It is also right to consider that factors which are viewed as risk factors can also include opportunities if matters are handled properly. One important point when environmental points are considered, is to utilize local services rather than seek other locations thus buying goods at home rather than at distant stores.

In many countries especially where the horse is not an indigenous species, concerns have been raised about its environmental impact. Trampling and subsequent soil erosion, weed infestation from droppings and overgrazing are among the issues raised. Furthermore horses are part of the ongoing stakeholder conflict between different user groups of multipurpose trails; a hiker may not appreciate the dung left by a horse on the trail. The concentration of leisure horses in the peri urban fringe is also an environmental concern.

Table 12. Risk factors concerning environmental matters

Customers' demand for environmentally safe working methods and 'green' products.
Calls for companies and establishments to work in the spirit of sustainable development.
Regulations for sorting and disposing of garbage and other waste.
Risk of trampling, overgrazing and weed infestation.

11.4.11 Laws, regulations and authorizations as risk factors

Laws and regulations are crucial parts in all business ventures. Laws and regulations can become a hindrance; particularly if managers are not well acquainted with them. It is clear that when a company is established, it is essential to have all the proper authorizations in order. Note that it varies between countries, what type and how many authorizations are called for to start the operations.

Table 13. Risk factors concerning the legal environment and authorizations

Strong requirements for granting authorizations.
Housing and facilities do not meet the standards of the health authorities.
The expenses in obtaining permits are relatively high for small companies.

11.4.12 Financial risk

When establishing a company the financial risk is often the first that comes to mind although other risks can lead to financial risks too. A key element of this is whether the total financing will be profitable, considering the risk and the expected yield. Generally it can be stated that the higher the risk, the greater is the demand for profit. On the other hand it is correct to bear in mind, not least during the establishment and running of small companies, that those who establish a company may sometimes have other benefits in mind than pure monetary gain. For example, it can be mentioned that in many instances people are looking for employment opportunities for themselves and family members without having to move away from their traditional home.

Table 14. Financial risk

Over-investment as compared to the volume of business.
Unfavourable credit terms.
Fixed and/or variable cost is too high.
Sales figures not as high as forecasted.
Not enough operating capital.
Difficult cash flow.
Yield too low compared with the risk taken.

During budgeting and calculations of expected present value of the financing, keep in mind that no estimate will be better than the research behind it. However, it can often be difficult to forecast certain dimensions in this situation. Therefore it can be said that such estimates are always just that, and must always be checked against actual performance.

11.4.13 Summary

Risk management in companies is a topic which managers must cope with. Companies in tourism face variable risks, such as whether demand would be in line with forecasts, whether staff turns out as expected, and other factors. Horse tourism companies face extra risks given their dependence upon a distant customer base, reliance on independent animal beings for service delivery, and the fact that the service takes place within a natural environment which is unpredictable and sometimes capricious.

That said, recent research into Adventure tourism demonstrates that customers who have experienced a calamity (i.e. boat overturns, trapped by bad weather, etc.) which they survive due to the contribution of company staff express a greater willingness to purchase further services from that company than do those who had nothing go wrong. So, a good risk management plan, and in particular, competitent responses to risk events, can become an important asset in a horse tourism business. Regardless, it is essential that managers be aware of risks and how to control them in such a way that they have a limited effect on the company.

12 MANAGEMENT AND DEVELOPMENT OF PROJECTS IN HORSE TOURISM

12.1 Introduction

Managing projects is not simple. Starting a project or putting a new business idea into effect is something which calls for extensive work and preparation. How one should go about it depends on what type of projects is under consideration. In this section we will touch briefly on tasks which are crucial to keep in mind when one starts a project in equestrian tourism. We shall also examine samples of how to develop a tourist packages. To put new projects in effect is often expensive and operators often have a tendency to seek ways to rationalize their operations to make it easier to start a new project or product development. It can certainly be useful to rationalize operations and check the status of certain tasks when considering improvements in the business, but rationalization does not always result in an improved economy of the company in the long run.

12.2 The process from idea to realization

Business start up is a combination of intangible dreams and hard-nosed business plans. The process begins with a vision of the future. That vision is a picture of where the enterpreneur wishes to be in some point ahead. The more complete that vision, the easier it is to plan to get from 'here' to 'there'. The process then involves working back from the future (vision) to the now. That return mental journey helps identify all the waypoints which need to be accomplished from here to there. In fact, the innovator often moves back and forth from 'now (whether that is at start up, or further down the line) to 'then', checking that the path will take their business into a successful future.

This is a process which is both strategic and tactical. It is strategic in that there is a need to keep the overall goal in mind through the whole process. At the same time, a plan needs tactical aspects where a small individual part of the overall plan must be accomplished, bringing the need for new learning, new practices or new goods. The short term tactical goals,

however, must always contribute towards achieving the overal strategic goals.

12.3 Examples of business planning

We will look at some detail at several examples to illustrate the type of pre-planning and thinking needed to start a tourism business. These example, although not equine businesses, nevertheless contain many points worth considering when starting a horse business.

12.3.1 The Church Farm Cafe

The first example concerns Jon and Karen who live on a church farm with an old and well known church. The church is open during the summers without offering guide service but both Karen and Jon have informally given guidance about the church and looked after it for years. According to the guest book in the church, the guests number about 2500 per year. There are about 20 km to the nearest urban area, where food and drink is available. Many guests have asked whether they can buy coffee and cakes and whether they can use the facilities. Many have frequently shown interest in the couple's colourful sheep and horses. About 5 km from the couple's farm is a well-known waterfall and they have noticed that many tourist make a trip to the fall past their farm and then drive back to the next urban area for refreshments. Karen and Jon have for some time been deliberating whether there are any opportunities to augment their income without working away from home. One day Karen suggests an idea after having read articles about The Farmers Travel Services and various tourism services on the Web. She suggests they establish a small restaurant in the old cow-shed, which they have not used since they sold their quota and cows three years ago. The process the couple go through can be described as follows with reference to the picture above:

- Karen creates an idea to establish a concession service in the old cow-shed.
- The couple contemplate what the requirements are for such a service, considering the number of guests in the church, the estimated number of guests viewing the waterfall, and the number of people in the neighbourhood.

- The possibilities for such an operation are analysed, from, for example, of how many of these individuals are likely to utilize such a service and how much turnover is required to run a profitable operation, to the costs of setting it up. At this stage, support is sought from The Employment Development Association in the area, the tourism representative, economists, and other parties.
- They apply for a subsidy from local government or other agencies to assist in product development and can receive consultation and begin development. It is decided to base the product/service on the uniqueness of the area, as there will be a restaurant on a farm where farming is still taking place. A detailed description of the service is written down and how it should be delivered. Jon and Karen work out a detailed budget and find that their idea is likely to be a profitable one when looking to next 5-8 years and therefore decide to make it a reality.
- Karen and Jon start marketing their company, install a Web-page, introduce the service in the neighbourhood, send articles and news to the media etc.
- When the enterprise has been established and the restaurant is ready, they begin the sales of goods and services.
- In their business plan, Jon and Karen propose to review the plans every six months, and each time to reconsider whether there is a reason to change direction in any respect. So, when the company has been run for six months, they review the status. It appears that all the main predictions have worked well for the main part and they deem it feasible to continue the operation according to their previous plan. They particularly consider items that did not work, for example how poorly they succeeded in manning the operation in July and how that affected haymaking and other essential jobs. Therefore, they decided to think early about using more employees for the next High Season. Examples of success were, for example, that the guests appeared satisfied with the facilities, and that Karen's home-made blueberry skyr-cake and twisted doughnuts to great success. They realized that it was preferable to offer a larger

selection of baked goods, which appealed to senior citizens. They are therefore planning to add flat-bread with smoked meat, layer cakes and pound cake with raisins.

- Jon has collected, from an early age, many old items, thought by many to be junk with no value but now rare. Jon brings up a suggestion to use the articles in connection with the tourism service. In continuation of this concept Karen and Jon begin again the process as illustrated above.

In such ways they have both identified an overall goal – to set up a tourism business (including food provision) on their farm, whilst at the same time they have identified limited goals (such as setting up the cafe) which will help them achieve that goal.

12.3.2A stay in the country - an example of a package tour

The connection of people in urban areas with daily life in the country side has diminished in recent years. It now happens that many people have no relatives or friends in rural areas and do therefore not have easy access to visit or stay there. Despite this, many are interested to get out of the hassle of urban areas and enjoy what is happening in the countryside. This creates many opportunities for those who live in the country side and may want to increase their possibilities for extra income from tourism.

When the decision is made to offer people a stay in the country, it is crucial to establish - right at the beginning - a clear policy about what shall be offered and to what target groups. On a family farm, it is necessary that the goals be set by the whole family and in full consultation with all. The following is an example of items that can be a part of the overall goal-setting for such tourism service:

- We want to show a thriving community and traditional agriculture.
- We want to reach different target groups, children, grownups and senior citizens.
- We are farmers and we want to show various and seasonal work in agriculture. The tourism will be organized parallel with farming.
- We want to adjust and develop tourism further.

- We want to produce own products and offer products from the home county.
- We want to offer the public certain specific courses and happenings on our farm all year around.
- We want to conduct training for planting trees, cutting hedges and felling trees.
- We want to conduct lessons in shearing sheep.
- We want to conduct an exhibition about shearing and inform the public about it.
- We want to offer bridal couples and others a ride in a horse wagon. We want to organize and conduct a yearly cheese festival.

The above is just a small example to show what can be included in such goal settings. It is essential to set a time-frame for all goals to be accomplished, and also to write down the ways to reach the set goals. It is necessary to consider that offering tourism service inside the farm, alongside traditional farming, can create an extra burden on the farm and farm-family.

- The following are crucial provisions for success in tourism service:
    - Great interest in personal interactions and an ability to communicate.
    - Willingness to inform and disseminate knowledge and experience
    - Good knowledge of conditions, laws and regulations, marketing and accounting.
    - Good organizing abilities
    - An ability to evaluate circumstances and develop ideas.
    - Neat and accessible buildings in a beautiful environment (in the beginning it is not feasible to go into expensive undertakings to improve the facilities).

It is very desirable to have something for sale on the farm. It is essential to have refreshments available and also interesting to offer products, handmade articles, and souvenirs.

Note that many travel by bus. If you want to reach this group of tourists, the road to the farm and the farmyard must be able to carry such traffic. The restrooms need to be easily accessible for both sexes. Tables and benches must be available. Keep in mind that an ever increasing number of tourists choose to travel in rented cars instead of organized bus trips.

If a stay in the country is organized for guests, it is important to consider right at the beginning who the target group is. For example, one must pay a special attention to all facilities intended for children. A country stay as a package trip can include many different items based on condition at each place and time. As an example, one can include observing lambing, feeding bread to the horses, and take part in collecting eggs from the hens, besides offering light refreshments. In addition one could as well consider longer stays, where lodging is included and there are more ideas for amusement. It is important to consider all operating permits in this connection, but the necessary permits are often based on the length of stay.

12.4 Rationalization in operations

There has been a great discussion during recent years on using rationalization in businesses and in particular, how it is possible to strengthen the status of the companies facing increased competition. In many companies there is a growing emphasis on concepts such as rationalization, reductions, and savings. The tendency in many places has been toward savings in personnel, research, development, innovation, marketing, maintenance, and other areas. Such rationalization is often the correct action, at least if the order of priority is cutting costs and improving profits. On the other hand what effects such a rationalization can have in the long run should also be considered.

12.4.1 How likely is it that rationalization will be successful in the long run?

Looking at a medium sized tourism company where the financial situation is not as good as it should be, we can see how rationalisation can both help and hinder their progress. The company has, during recent years, built up a strong positive image and personal service to the customers has played a big role. The managers have decided that costs must be cut and income must be increased. This is certainly a reasonable conclusion based on the fact that the financial situation is not good. It’s an obvious truth, that in order to in-

crease profits and reduce loss, either the income must increase or the costs must be reduced.

After scrutinizing the company's accounting, it was clear that personnel was the largest cost item within the company, and additionally, during recent years marketing had taken a large portion of the total income. When the managers studied those cost items, they first considered whether it would be possible to cut or rationalize the items. On studying this further, they learned that it might be possible to reduce by one the number of employees needed to receive and handle customers during the day, but it remained important to keep a full shift of three during the evening when there was more activity. The managers reasoned that most of the time two employees could handle customers requesting service from the company during the daytime.

In addition the managers decided to cut costs in marketing by thirty percent during the year, mainly by cutting marketing activity in the home field, because they considered that the company's neighbours knew enough to use its services even though marketing was not specifically directed at that particular group. With those two rationalization actions the managers visualize that if incomes stay on target the company will be operated without loss during the next budget year.
When the year was over, the managers went over the situation again and observed how things turned out. Not surprisingly, the income met the targets and the costs went down equal to the annual salary of one employee, Additionally, thirty percent of the marketing cost was saved just as planned. A budget was created, it worked accordingly, and the outcome proved to be positive as expected. One could therefore ask, whether or not everyone was satisfied and whether the company's managers should not have been satisfied with the outcome? Perhaps one could say so. But if we analyse the situation three years later, the picture is as follows:

- Keeping the company's cost down as planned has been successful.
- However, income has shrunk
- On investigating the causes of the reduced income, the following factors appeared:
- According to a service survey among the customers, their overall satisfaction is shown to be less.

- Customers complain that they do not receive as prompt and personal service as before or as they had expected based on the company's reputation and advertisements.
- The requests for the company's services have shrunk - i.e. number of guests has gone down. The reasons behind this trend was traced to two major items:
    - People in the neighbourhood use the company's services to a lesser extent than before, when offerings and events were advertised among them separately.
    - The number of other guests has also gone down as a result of the poorer image of the company and negative word-of-mouth concerning the quality of its services.

In addition, employee turnover within the company has increased considerably as a result of employee dissatisfaction with work pressure and conflict during work, which may be due to overwork and fatigue. The managers now foresee increased costs for the rehiring and training of new employees during the next six months.

During analysis of the company´s accounting and operations during this time, three years after the plan for savings began, it appears that even though the managers thought they were improving the running of the company the opposite was true. The budget cuts, which appeared to give good results for the short term, proved not to give the desired returns when the development was analyzed for the long term.

One should not immediately dismiss rationalization in running companies in tourism. On the other hand, one must consider that what appears to be a profit for the short term can damage the company's image and operation in the long run. By reducing staff, costs will certainly go down. The remaining staff may appear to cope with the demand and can without doubt handle the customers. But is the quality of the service the same? That is the main question, which managers in service companies must ask themselves when such a rationalization is done. Can the standards regarding quality of service be lowered, and if not, must they be coupled with certain levels of staff? Is it possible to maintain the same quality of service with fewer people by in-

creasing training, instructions to employees, and improved personnel management?

The same applies to marketing. Perhaps the direct marketing was necessary to maintain the number of guests arriving annually. It is indeed likely that a smaller marketing effort will result in fewer customers purchasing its services.

12.5 Summary

There are hidden opportunities in the operating areas of all tourism companies. Often it is just a question of spotting and utilizing them. Perhaps however, this is easier said than done. The process which takes place from the birth of an idea until goods or service appear for sale is long and often complicated. When what is being designed is a service, the matter is even more complicated than when goods are designed. Even though the design of goods and services takes time and capital, it may not be self-evident that one should reduce the expenses of the company in other areas at the same rate. Rationalization is certainly useful and even necessary in some instances, but risky in others.

13 CONCLUSION

As you will have realized by this point, this is not a conventional guide to horse tourism. Our research suggests that most equine tourism operators know much more about horses than we do. Clearly, this knowledge is extremely important. Further, most folk who are serious about running an equine tourism business already have created a network of information sources about horses long before they embarked on this adventure. The web is full of information, suggestions and advice about horses, and most national horse organisations offer courses, training and even, in some cases, specific departments which focus on horse tourism.

Our research, however, suggests that a lifetime of learning about horses is necessary but not sufficient to build a sustained successful equine tourism business. Operating a successful tourism enterprise is not necessarily like operating a riding school or other core equine enterprise. Relations with customers can be very different, and the use to which horses are put can be so too. Further, equine tourism businesses exist within a *tourism sector* and are subject to competition from other types of activities. That said, the focus of this Good Practice Guide on *business* and much of the advice it offers can actually be also of use in these other types of equine enterprises too.

When learning from our very helpful respondents we were often reminded of the classic joke: "How do you make a small fortune from horses? Take a large fortune and get some horses!" We found that equine businesses seldom make their operators extremely wealthy, unless perhaps they are breeding for millionaires. Most of us in the industry are in it because of our passion for horses, for the wonderful things we can do with them, and to be with the like-minded folk who share that passion. To spend a life *working with horses* is a dream for many. Making that working life profitable and financially satisfying is the point of this Good Practice Guide.

The business of tourism requires specific types of professionalism and we hope that this Guide will help you build that. Remember, there are many tourism organisations who can help you with setting Quality Standards, marketing or benchmarking your customer service. And we highly recommend taking advantage of this. Nevertheless, as the owner of a horse tour-

ism business, you remain responsible for the professionalism of your business. We hope that this Guide provides you with a framework which you can work with, either on your own or in partnership with others. By professionalising how you deal with your customers, and by managing the executive functions of your business we hope that you enjoy the best experience possible – satisfying relations with both your horses *and* your customers, satisfying economic returns from your investment of time and money, and progress in your profession. Further, we offer our best wishes to every one of you who want to realize your dreams of operating an equine tourism business. The market is definitely growing, opportunities for innovative new services are waiting to be realized, and we hope to see many more folk offering equine tourism across the Nordic region.

Image: Nora Shuurman

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