Strategic Management for Hospitality & Travel: Today and Tomorrow

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"This book is dedicated to our mentor and friend Dr. Michael D. Olsen and his lovely and very supportive wife Sandy Olsen of Virginia Polytechnic Institute & State University. The many fortunate Ph.D. students directed by Dr. Olsen (affectionately called the "Olsenites") continue to excel and lead in the world of academia and in the hospitality and tourism profession. We are extremely fortunate and grateful that the Olsen's came into our lives.

Foreword

By Kaye Chon, Ph.D.
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The hospitality and travel manager's goal is to provide guests the most satisfying experience possible, and thereby to ensure their company's prosperity. As simple as this sounds, doing so effectively requires a remarkable array of skills. The four years required to complete an undergraduate degree in hospitality and travel management are only the beginning of a study that will occupy an entire career.

This text deals with one of the most important skills, and one too often learned by trial and error: developing new competitive methods to attract the guests who give the company both its reason for being and its hope of survival. This is not the only book to touch on this crucial subject. Yet, none I have seen duplicates the concept that makes *Hospitality 2020* uniquely valuable.

This text combines business strategy and forecasting. At first, this may seem an odd pairing. Yet, these topics quickly prove to be the heart of any market-driven enterprise.

Forecasting, as it is meant here, is not the finicky quantitative work of anticipating tourist demand. Instead, the authors try to figure out how the unique circumstances and requirements of each industry segment and company will interact with the broad trends now changing the world. For example, what will it mean for tourism that birth rates are declining throughout the developed countries? How will tomorrow's oil prices affect the bottom line for airlines and cruise operators? How will new technologies change hotel operations?

These are qualitative issues, and getting them right is as much a matter of judgment and experience as of data. Developing them requires, like so many other skills, practice as well as theoretical understanding. In this text, the authors provide both.

They are uniquely qualified to do so. No one in the hospitality industry has as much experience in the use of forecasting to create new competitive methods as the present writers.

Dr. Frederick DeMicco is Professor and ARAMARK International Endowed Chair in the Department of Hotel, Restaurant and Institutional Management at the University of Delaware, among many other appointments. Dr. DeMicco is a knowledgeable educator and hotel consultant on global strategy and innovation to our hospitality industry.

Dr. Marvin Cetron is one of the world's pre-eminent forecasters. He and his colleagues have carried out studies for some 450 of the *Fortune* 500 companies, more than 100 government agencies, and 150 professional and academic associations. In our industry, his clients have included World Travel Market, the National Restaurant Association, the International Association of Exhibition Management, the Hospitality Sales & Marketing Association International, Marriott International, and Carlson Wagonlit.

Owen Davies is a long-time writer and an accomplished forecaster in his own right. Over some three decades, he and Dr. Cetron have collaborated on nine books, including the first edition of this text, and more than 100 studies for business and government. At present, he is Executive Editor at TechCast Global, a forecasting consultancy based in Washington, D.C. He participated in all the studies of hospitality and travel mentioned above.

The Co-Alignment Model of business strategy presented in this volume's early chapters rightly makes forecasting the first step in all strategic planning. It uses the term "environmental scanning," but anticipating future developments is clearly at the core of its process.

In fact, it is not possible, other than by luck, to create a successful new competitive method without forecasting. Business strategies succeed or fail, not in today's environment, but in the one they will meet months or years ahead. If business planners cannot anticipate these future conditions, their competitive methods are likely to fail. So, eventually, will their companies.

This is an essential lesson in an industry such as hospitality and travel, where a single decision can involve hundreds of millions of dollars in investments, years of effort, and thousands of jobs. Teaching it the easy way, rather than by costly experience, is the goal of this text. In this, it succeeds admirably.

As you look back on your professional education some years from now, a few experiences will stand out because they opened your eyes to a uniquely valuable skill. Studying this text is certain to be one of them.