
**Recommendations On The Institutionalisation Of An
Investment Advisory Service Within The Hotel And
Tourism Ass. Of Botswana (Hatab).**

Prepared by
MAJ (RTD) A. WALKER & MISS P. MATUMO

for

DIRECTORS
HOTEL AND TOURISM ASS. OF BOTSWANA (HATAB)
BOTSWANA CONFEDERATION OF COMMERCE, INDUSTRY AND
MANPOWER (BOCCIM)

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INSTITUTIONALISATION OF INVESTMENT ADVISORY SERVICE WITHIN HATAB.

1. ORGANISATION

1.1 The Objectives Of The Association

Long Term

- 1.1.1 To promote the interest of its members as hoteliers, and other organisations, offering facilities for travel and refreshments;
- 1.1.2 To promote and aid the tourist industry in Botswana;
- 1.1.3 To promote the maintenance by members of the Association, acceptable standards of premises, equipment and services;
- 1.1.4 To promote, support or oppose legislation affecting the interest of members.
- 1.1.5 To present the views of members through or in association with the Botswana Confederation of Commerce, Industry and Manpower in all matters affecting employment and related economic and social conditions.
- 1.1.6 To encourage and promote the education and training of potential and existing employees in the industry with the object of maintaining and improving standards of service in the industry.
- 1.1.7 To pursue any other course of action deemed by the Executive Committees, at the time, to be in the interests of the members of the industry or tourism in Botswana.

Short Term:

- 1.1.8 To advise, mediate and generally to assist members in resolving disputes affecting the interests of members individually or collectively.
- 1.1.9 To co-operate with and make representations to government departments and any other agency on matters affecting the interests of members.

1.1.10 To devote and apply the funds of the Association exclusively to the objectives of the Association in such manner as the Executive Committees may from time to time see fit.

1.2 Current Activities:

♦ **Marketing :**

- Attendance at International Travel Fairs
- Endorsement and development of
- Promotional literature e.g. brochures, maps, videos
- Development of a national marketing plan

♦ **Government Policy Relations and Lobbying**

- Input in licensing and regulatory policies
- Input into development policies
- Input into wildlife management and land use plans
- Development of private sector guidelines and liason for community joint ventures.
- Lobbying for training, Industrial Relations activities
- Issues specific to individual sectors

♦ **Conservation Education**

- Education and promotion to membership
- Encouragement of development of local conservation communities
- Liaison with local and international NGO's e.g. KCS etc.

1.3 Membership

Membership is available either

- as a corporate member and on payment of the annual subscription fee of P3 000
- as an individual member and on payment of the annual subscription fee of P340

It is open to individual and, companies registered within and outside Botswana.

1.4 Current membership is 86 corporate and 4 individual.

1.5 The composition of members is in eight sectors:

Hotels, lodges/camps, airlines, tour operators, services, hunting, mobile safaris, air charter and restaurants

HATAB maintains a full time Secretariat headed by a Director reporting to the Executive Committee.

The following are functional committees :

- Finance and Management Committee
- Marketing
- Community Development/Projects
- Conservation
- Training

2. DESCRIPTION OF PROPOSED PROJECT

2.1 Objectives:

Long term

- 2.1.1 To facilitate sustainable investments of potential tourism projects, by the provision of holistic project planning facilitation services, on an individual company basis. In addition, to maintain a register of HATAB approved, private sector tourism and environmental consultants.
- 2.1.2 To provide and facilitate private sector research and statistical services for HATAB, potential investors and current members.
- 2.1.3 To develop appropriate investment literature to assist entrepreneurs.
- 2.1.4 To provide a liaison function for potential joint ventures amongst investors and community members.
- 2.1.5 To provide on- call diagnostic consulting services to small business entrepreneurs, on a confidential basis. In addition provide a referral service to medium and large entrepreneurs seeking consulting firms.

Short Term

- 2.1.6 To establish in respect of all new developments, project planning guidelines and standards for
 - a) environmental considerations
 - b) marketing considerations
 - c) financial aspects
 - d) community development
 - e) linkage industries

2.2 Proposed Activities

2.2.1 Research

- * **Comprehensive, computerised, statistical data base and analysis:**
 - i) Sector by sector trend analysis and forecasts
 - ii) Regional comparative statistical data and analysis
 - iii) Product information for the industry
 - iv) Analysis of source markets, trends, profiles, demography
- * Guidance to accessing additional research assistance. eg NGO's or market research companies.
- * Reference library - latest journals and texts and studies.
- * Press cutting service.

2.2.2 New Project Facilitation

- * Quick check financial methodology
- * Quick check marketing methodology
- * Guidance to preparation of tender documents
- * Facilitation of feasibility study preparation on a " Team Basis " for small business enterprises. The team will consist of relevant consulting teams with specialist functions : marketing, operational, financial, environmental, and product design.
- * Co-ordination of on - call " diagnostic analysis teams " to help solve problems during the incubation period for small business.
- * Maintenance of an 'approved HATAB / BOCCIM locally registered Consultants' list.

2.2.3 Investment Guidance

- Production of relevant literature such as
 - * **Guide to Tourism Investment Opportunities In Botswana.**
This can be broken down further into pamphlets.

- * Development of detailed booklets : "How to operate....."
- accommodation services eg, camps, lodges
- transport services , eg car hire
- tour operation eg, ground, incoming, mobile operator
- specialist safaris activities, eg trails
- select linkage industries, eg craft, fish, veldfood production,etc
- * Developer's guide, which can also be broken down into pamphlets.
- * Provide a service to have available application forms for various licenses etc.

2.2.4 Development Guidelines

- * Guidelines to be standardised and developed in conjunction with relevent stakeholders; Govt., National Boards, Hatab members and communities.

2.2.6 Joint Venture Liaison

Introductory service and guidance between :-

- a) individual
- b) companies
- c) communities
- d) groups and consortiums
- e) franchises

2.2.7 Accessing Finance

- * Provision of information relating to sourcing finance internally and externally of Bostwana.
- * Financial Assistance Policy
- * Loans and guarantees

2.2.8 Marketing

- * Facilitate basic marketing services to small business entrepreneurs, specifically on packaging, advertising and marketing strategies on a confidential basis
- * Plan and implement national marketing strategies to sell Botswana internally and externally.

2.2.9 Training Co-Ordination

- * identify national training needs and companies to provide the training
- * providing career guidance to schools
- * assisting in placement of tourism personnel
- * assisting in identifying and guiding management and skills transfer programmes with the Govt, parastatal and private training organisations

3 DEMAND ANALYSIS

The high profile political publicity accompanying the Government strategy and policy to diversify the economy through the development of tourism, to be the new engine of growth, has permeated throughout the country and across all economic and social groups.

However, as the publicity only relates to the policy without any supporting development programmes, the nation is unable to participate in this new direction in line with the Government's intentions.

As noted in the accompanying report to this document, "**Facilitating Investment Opportunities And An Enabling Environment For The Participation by Botswana and Current / Resident Stakeholders**", Botswana believe that they are being denied access to opportunities through the lack of information, education and skills required for this industry.

As a result, a perception has been created that the nature of the industry requires investments of substantial magnitude as the costs to set up operations in this sector are extremely high. Further misunderstood according to one's interpretation of the Tourism Policy. To the point where even low cost tourism activities such as cultural, historical or nature trails are not considered.

Not enough information and support is available to access markets for those individuals that may possess technical skills. The few Botswana that have attempted to own and operate hotels have faced tremendous problems that have sometimes had a negative impact on their business leading to their liquidations. In some cases, the problem could have been solved through the ability to access specialist help, such as hotel marketing, or identifying professional management.

Where communities, companies and individuals have been conscientised about the industry, their next problem has related to the lack of structures to offer consulting, diagnostic or project management services during the incubation period of the new project and unless these are purchased, at a cost through the established management consulting houses, (such as Delloite and Touche, Pricewater House), but again these organisations have to in turn source tourism expertise from outside their own organisations, or the country.

The government has fostered a paternalistic and "dependency driven" cultural attitude: -in education, where it provides scholarships on the basis of also providing a job, or ensuring the private sector provides graduands with automatic jobs; in skill creation at a craft level, where only a portion of the support is provided to eventually lead to a position of self sustainability (ie the former only facilitates production oriented skills).

There has been little effort to assist with the provision of "holistic" skills facilitation to enable the development of entrepreneurial initiative.

Within the country, there is more support for development programmes that are managed with the assistance of third party' such as NGO'S and Donor programmes. Hence, the need has been identified to provide a mechanism whereby development programmes are facilitated through such organisations. At a community level, it is widely believed that ngo's are more experienced and more efficient in response to community efforts than Government Agencies.

The Hotel and Tourism Ass. of Botswana is the only organisation within the tourism industry with the experience to be able to facilitate the need of an NGO. The intended additional objectives for the organisation have been drawn as a result of consultation with the industry on what assistance is required to enable participation in this sector.

A situational analysis follows, indicating Hatabs strengths and potential limitations in being able to offer such assistance.

Strengths

- 1) Recognition by Govt as the industry representative body
- 2) Committed and professional structures and personnel
- 3) Ability to implement programmes, eg Kgotla, International Fair attendance
- 4) Link with Boccim
- 5) Proactive, and takes the lead with regards to tourism
- 6) Focussed on needs of current constituent members

Weakness's

- 1) Lack of sustainable financial structure
- 2) Small Secretariat and reliant on volunteers
- 3) Additional activities required by members, and cannot service with current structure
- 4) No overall planning guidelines in place

Opportunities

- 1) Facilitate tourism investment
- 2) Opportunity to diversify the tourism product
- 3) To facilitate capacity building
- 4) To coordinate and provide liason service with community joint ventures
- 5) To link with other bodies internally such as "UB Business clinic "

Threats

- 1) New entrants, Chamber of Commerce with a similar tourism body
- 2) Continuity of leadership commitment
- 3) Lack of depth in secretariat human resource base
- 4) Loss of credibility with Government
- 5) High subscription base, only attract well established big companies
- 6) Lack of formalised extension offices
- 7) Becomes unfocussed as the composition of members changes.

4. PROJECT SELECTION CRITERIA

It is the consultants belief that the proposed service to be offered is the intervention required to assist Batswana to enter the industry. The Government is naturally the cooperating partner in its ability to commit huge financial, manpower and information resources nationwide to this industry. However, Government structures lack the flexibility, dynamism and innovativeness required to implement operating structures, required as the industry not only competes on a national or regional basis, but by its nature is reliant in international markets.

The centre will be unique and be able to be a prototype, when successful, for the facilitation of structures that provide guidance and technical expertise in a very new and dynamic world industry. As mentioned previously, Botswana has very little experience of the industry, and traditionally it has been focussed on two sectors , in only one area of the country. .

5 TYPE OF ASSISTANCE REQUIRED

- 1) Financial, see development and recurrent budgets attached.
- 2) Technical expertise particularly in the areas of new product and market development within the tourism sector.
- 3) Short term technical expertise to develop a user friendly, information bank, and research library.
- 4) Technological assistance in the provision of computers and desk top publishing equipment.

6 WORKPLAN

Short term :

- | | | |
|------|---|------------------|
| 6.1. | Finalisation of detailed project document to be utilised to source funding. | Month 1 |
| 6.2. | Ensure funding for project is committed. | Month 2-3 |
| 6.3. | Implement operating structure: | |
| | -Recruit Deputy Director | Month 3 |
| | -Locate office premises and purchase furniture | Month 4 |
| | -Recruit facilitators | Month 4 |
| | -Short term consultancy to set up - data base in computer | Month 5-8 |
| | - library | Month 5-8 |
| | -Identify and interview/appraise private sector consultants | Month 5 |
| | -Establish project development guidelines with relevant stakeholders : Govt; Consultants; Industry. | Month 5, ongoing |
| | Establish priority needs: Geog areas; & nature of projects | Month 5 |
| 6.4 | Launch the centre and promote to membership and public. | Month 6 |

Long term :

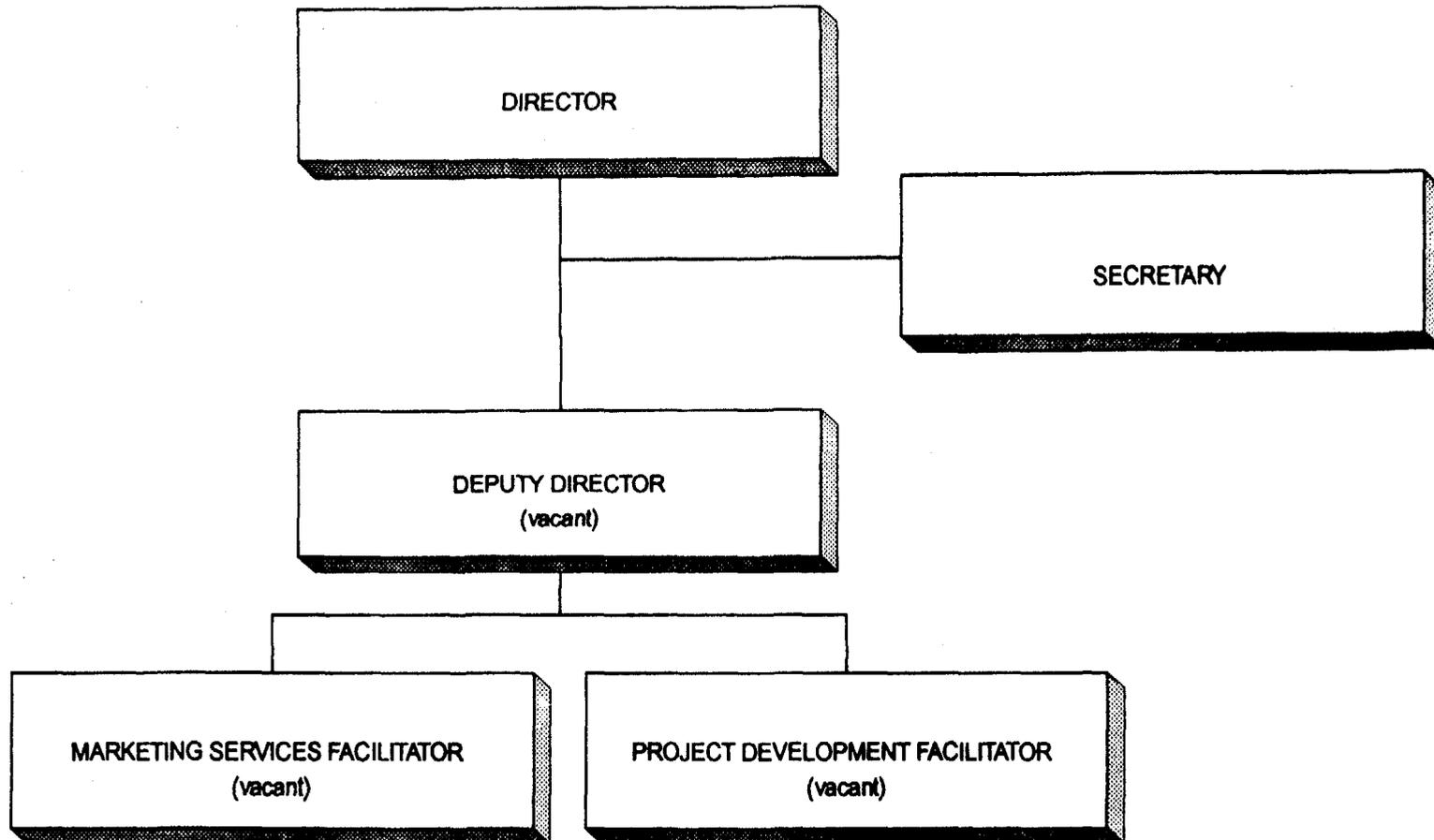
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| 6.5 | Review Centre operations - institute mechanism with cooperating partners. | Month 12
Therafter
biannually |
|-----|---|-------------------------------------|

- 6.6 Set up guidelines to measure Centre effectiveness. Month 12 to 36
- 6.7 Open a regional office, where there is the highest demand. Month 6 to 48.
- 6.8 Consolidate and implement an expansion project of regional offices Month 60.

7 MANPOWER REQUIREMENTS :

<u>Unit</u>	<u>Number</u>	<u>Qualifications</u>
Director	-1	Excellent Public Relations experience, vision and strategic planning ability.
Deputy Director	-1	Statistical research experience, manpower development, computer literate.
Project Development Facilitator	-1	Financial management and chartered accounting experience, project planning and problem identification experience, computer literate..
Marketing Services Facilitator	-1	Marketing planning and promotional experience, desktop publishing experience.

Hatab Investment Advisory Centre



8 BUDGET PLAN :

A. Development Expenses

	<u>NO.</u>	<u>UNIT COST PULA</u>	<u>TOTAL COST PULA</u>
Computer hardware	4	4 550	18 200
software		5 000	5 000
Office equipment-tables	3	520	1 560
-chairs	9	792	7 128
-filing cabinets	3	526	1 578
- Library		5 000	5 000
Vehicle	1	35 694	35 694
Desk top publishing machine	1	25 000	25 000
Sub Total			99 160

B. RECURRENT EXPENSES

	<u>No.</u>	<u>Unit Cost Per Month</u>	<u>Total Cost per annum</u>
Office rental	30 sq	1 665	19 980
Payroll Burden/Salaries			
-Director	1	8 073	96 867
-Deputy Director	1	7 599	91 118
-Project Development Facilitator	1	12 056	144 672
-Marketing Services Facilitator	1	12 056	144 672
-Secretary	1	3 083	37 000
Printing & stationery		1 000	12 000
Promotional literature		1 200	14 400
Travel expenses		1 800	21 600
Communication and admin expenses		1 900	22 800
Audit, legal and bank charges		1 500	18 000
Sub Total			458 457
Total Costs			597 577

ITEMISED SCHEDULE :

POSITION	DIRECTOR	PROJECT DEVELOPMENT FACILITATOR	MARKETING SERVICES FACILITATOR	SECRETARY
Basic Salary	6 600	6 200	6 200	2,340
Pension (7 %)	462	432	432	216
Medical Aid (P100-250)	200	200	200	100
Staff Training (4%)	264	248	248	101
13th Cheque (8.3%)	547	517	517	256

EXPENSE	UNITS	COST
486 Portable P.C.	1	7 900
486 P.C.	4	5 000
Laser Printer	1	3 000
Software	4	5 000
Fax/ Answering Machine	1	2 300

Office Rental @ P 18 per sq. metre

Vehicle Mazda 323

9 SOURCES OF FUNDS

9.1 Donor agency funds, HATAB registering as an NGO- EC

- PACT
- B-PED
- EBERT FOUNDATION
- S.N.V.
- USAID REGIONAL OFFICE
- JETRO

9.2 Government grant to HATAB to strengthen its service to the public.

9.3 SADC Tourism Coordinating Unit

9.4 Members paying service fees for individual services rendered

9.5 Agency fees from service charge for utilising HATAB camp sites

9.6 Service Charge for facilitating project preparation for small and medium sized companies. To seek FAP to cover feasibility and promotional costs of small business units.

9.7 Arrangement with Corporate Small Business Development units, eg : Barclays, Anglo American.

9.8. Tourism Board (possible long term due to bureaucratic delays)

9.9 Donations from corporate members, eg

- Furniture expenses (P 15 266).
- Computer Hardware