# BUSINESS PLAN

# THE NATIONAL TOURIST INFORMATION CENTER OF MONGOLIA

**John E. Heather, MIM**

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## ABBREVIATIONS

AERT        Association of Educational Research in Tourism

EPRC        Economic Policy Reform and Competitiveness Project

FIT           Free Independent Traveler

ITM         Mongolia International Travel Mart

MOU        Memorandum of Understanding

MTA        Mongolian Tourism Association

MTTD       Mongolia Travel Trade Directory

PPP         Public-Private Partnerships

TIC         Tourist Information Center

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## About This Business Plan

A business plan is now regarded as an essential element to any business. Businesses with formal plans are more successful, irrespective of size and type. Comprehensive planning will provide a clear focus for the Tourist Information Center (TIC) as it helps identify and solve problems before they occur. It eliminates guesswork and helps the TIC control its own destiny. Specifically, this business plan will act as:

- an *Action Plan* breaking down the overall concept into sequence of smaller, less intimidating tasks;

- a *Road Map* to keep the organization on track, delineate the roles of each of the partners, and help others understand the vision;

- a *Sales Tool* for attracting sponsorship, grants and investment.

To call this treatise solely a business plan is an understatement. Because this will be the National Tourism Information Center of Mongolia, extensive care has been taken to address many introductory and operational issues for TIC management.

## Tourist Information Center or Visitor Information Center?

Over the course of the last decade, our industry's terminology has evolved from a "tourist" to a "visitor" orientation. The term "tourist" is regarded in many instances to have negative connotations, whereas "visitor" is perceived to be the more appropriate word as it includes a broader definition of the traveling public, including business, VFR, missionary and military travel, etc.

However, to remain consistent with USAID terminology used prior to the business plan fieldwork, the term "tourist" shall remain in use, although the reader and the eventual management board should always be thinking in the broader, "visitor" terminology.

AUTHOR'S NOTE: This is a living, breathing document, subject to modification to suit the ever-changing tourism environment. No one rule is set in stone, all recommendations shall be subject to discussion, modification and consensus before implementation.

## SECTION I: DEFINING THE NATIONAL TOURIST INFORMATION CENTER OF MONGOLIA & ITS DIRECTION

### A. Concept for Mongolia

*In this section we will define the TIC mission and begin to chart its direction.*

The National Tourist Information Center of Mongolia will be a strategically-located, well-equipped and professionally-staffed facility established to:

- Increase business opportunities for Mongolia's tourism enterprises and other entities;
- Warmly welcome visitors to Mongolia by satisfying their orientation needs.

The Tourist Information Center (TIC) will enhance the enjoyment of the tourists' visit, entice them to stay longer, and spend more money throughout the economy. The TIC will also provide a venue to gain more knowledge and appreciation of Mongolia and its people.

Moreover, the stakeholder collaboration necessary to establish and operate the TIC will serve as a catalyst for advancing public-private partnerships throughout Mongolia's tourism industry and serve to better Mongolia's tourism services through the pooling of valuable expertise and resources.

The TIC will also provide an excellent "real world" venue for university students and entry-level tourism employees to gain professional experience in an international setting.

### B. Three Guiding Visions of Success

"Visitor services are probably the single most important group of activities that a community offers its visitors because these activities make the visitor feel welcome and well served." [1]

To successfully meet the challenges of providing visitor services of international quality, it is essential that the Mongolia tourism industry embrace three vision statements concerning hospitality, leadership and teamwork. These are:

- "Neelttei Khaalga" -- the Mongolian cultural concept of welcome, of keeping the ger door open for a weary traveler far from home ("welcome all visitors enthusiastically").

- "Juulchin-baatar" – Mongolia is a land of heroes, it is time to nurture & promote tourism heroes and committed volunteers ("do not be afraid to lead or participate").

- "Neg ni niitiin toloo, niit ni negiin toloo" – nature's conception of partnership, of the community working together for the betterment of all ("all for one, one for all").

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[1] Tourism USA, p147

## C. Project Background

As Mongolia continues to develop its tourism product – improving accessibility, attractions, facilities and tours – there is common agreement among the main stakeholders (private sector, central government, municipality, interest groups) that a tourist information center is a necessary and vital component in the promotion of tourism. Moreover, it is widely recognized in the international tourism community that information centers play a vital orientation component by informing the visitor about the full spectrum of opportunities a destination has to offer.

Over the past ten years there have been numerous attempts to develop a TIC in Ulaanbaatar, but differences between the interested parties on issues such as funding, premises, legal entity, and control have stalled the project's progress. Additionally, over the years, several private-sector information centers have opened and closed, none very successful or inclusive of all the country's tourism opportunities.

USAID EPRC, as advisor to the tourism stakeholders, agreed to hire a tourism specialist to prepare a comprehensive business plan to develop the TIC consistent with international best practice standards and the unique needs of the Mongolia tourism industry. The stakeholders, USAID EPRC, and a tourism specialist dedicated fifteen days in March 2004 to develop this collaborative study.

## D. Situational Analysis

The core objective of this business plan is to address the "information anxiety" that confronts many visitors and potential visitors to Mongolia. Lack of information limits both in-country experience and potential travel to the country. The end result is a loss of revenue, employment, wages, taxes, opportunity, investment, etc.

Mongolia ranks very low worldwide regarding the provision of tourism information to existing and potential visitors. There is little to no "worldly" knowledge about Mongolia, meaning, very few people outside of Mongolia have been informed or educated about the country. Bookstores and libraries carry limited and outdated reference materials. Information at travel agents is nonexistent. The country's presence on the Internet is scarcely above the bare necessities and does the country's tourism attributes no justice.

Once in the country, the entry points are chaotic messes, and there is little to no provision of comprehensive tourism information anywhere, including the hotels. In fact, it was a major endeavor just to find a tourist map of Ulaanbaatar city.

And so, providing tourism information in Mongolia seems much like the weather, *everyone complains about it but nobody does anything to improve it.*

## E. Market Analysis

Some 200,000 visitors came to Mongolia in 2003, a 12% decrease from the previous year (reportedly due to the SARS epidemic in China). Only 27,000 (13%) of total arrivals in 2003 were classified as tourists, with the remainder predominantly of business and other motivations. Tourism revenues in 2003 declined to $150 million from $167 million in 2002. Average length of stay is 13.7 days with an average daily expenditure of $94, or $1,217 per trip. Japan is the leading inbound market, 29% of arrivals, 24% of total expenditure; while the US contributes 21% of arrivals and 25% of total expenditure.

Tourist arrivals are hugely seasonal, with the vast majority visiting during the three main summer months. Attracting visitors during the winter months is currently a hot topic of discussion, with special events proposed to stimulate demand.

Tourism is expected to grow modestly in 2004. Specific interest should be given toward expanding the Free Independent Traveler (FIT) market which is characterized by open itineraries, expanded travel into remote areas and longer stays. Additionally, further attention should be given to the business, expatriate and "travel-able" resident markets capitalizing on their stay in Ulaanbaatar by encouraging them to travel to the other aimags. Extensive information about the range of tourism opportunities is vital to satisfying these market segments.

## F. Satisfying the Needs of the Tourist, the Tourist Industry & the Community

The TIC should address the following functional components in order to satisfy the needs of the tourist, the industry, and the community:

- *Marketing & Access Functions* to promote the full range of Mongolia's tourism opportunities to visitors and residents.
- *Orientation, Information & Enhancements Functions* building a greater visitor appreciation for Mongolia, its history, land and people.
- *Control & Filtering Functions* managing visitor access and behavior to sensitive destinations.
- *Substitution Functions* by providing a "representative" destination experience for places in Mongolia that the visitor will not be able to visit, but nonetheless should experience
- *Public Relations Functions* as a flagship emphasizing the importance of tourism to the visitor and the community.
- *Industry Collaboration Functions* as a focal point for visitor industry meetings, use of facility for special functions, group- tour orientation, and the "nexus" for industry communication & information exchange.
- *Community Learning Center* educating Mongolians of all ages about the country's tourism product and encouraging interaction with international visitors.
- *Income Generation Function* via an Art & Souvenir Gallery providing retail opportunities to both buyers and producers.
- *Internet Marketing Function* as students will use the TIC computers to answer email inquiries and create Mongolia travel websites.
- *Research, Product Improvement & Integration* functions improving the quality of Mongolia's visitor experience.

Factors such as budget, location, and management resources will limit the commitment to each functional component. See Table 3 for greater detail on the integration of these components.

## G. Leadership and Management

In order to attract international grant funding, it is essential that a **nonprofit, nongovernmental** management board should be chartered to develop, operate and fund the tourist information center and related visitor services. As mentioned in the project background, individual TIC plans and control issues between Ulaanbaatar

City, the Mongolia Tourism Board and the Mongolia Tourism Association have stalled progress in a collective effort to develop an information center. Each entity has individual plans for their own center, but no resources for implementation. USAID-EPRC, in an effort to consolidate resources and promote public-private partnerships (PPP), has attempted to form a management board among these major stakeholders, also involving the Arts Council of Mongolia as a second private-sector partner, adding cultural information and fundraising expertise to the partnership.

## H. Proposed Information Center Management Board

PUBLIC SECTOR | PRIVATE SECTOR
--- | ---
Mongolian Tourism Board | Mongolia Tourism Assoc.
Governor's Working Council of Ulaanbaatar City | Arts Council of Mongolia

A USAID-EPRC-drafted Memorandum of Understanding (MOU) to form a TIC management board has been submitted to these stakeholders suggesting a 2-month "engagement" to develop a cooperative "marriage." The MOU is presently under consideration by each entity's directors.

## I. Alternative Board Structure

As in many international settings, a purely private sector board may be the most functional, as it may be impossible for the public sector institutions to make timely decisions or share control with other partners. This 3-member alternative board structure could be:

*Mongolia Tourism Asso. / Arts Council of Mongolia / Asso. of Educational Research in Tourism*

Over the course of this study period, excellent input has been received from the *Association of Educational Research in Tourism* (AERT), a newly-formed group of tourism academicians whose institutions enroll over 2,000 tourism students (see Appendix 1 for background information). This pool of able and willing volunteers is essential to tourism success. However, at this time, more relationship building is necessary between MTA and AERT in order to understand their shared missions and explore ways of cooperation. It is hoped that MTA will ask AERT to assess its tourism education institute and recommend improvements and participation in the training program.

## J. The Implementation Strategy

A four-phase implementation plan is recommended that will address the "information anxiety" experienced by tourists to Mongolia. Specifically:

### J1. Phase I (1 month completion):

Immediately develop the *Mongolia Travel Trade Directory*, a loose-leaf notebook style compendium of tourism suppliers and providers. Registration for this directory took place during the 3-day, Discover Mongolia International Travel Mart (ITM), April 2-4, 2004. Once the data is compiled it will be followed up periodically by MTA and MTB with companies that did not attend the ITM.

### J2. Phase II (3 months completion):

Create four tourism information bulletin boards at strategic tourist locations throughout Ulaanbaatar. These boards should include a locational map, as well as pertinent tourism information. Also consider adding basic tourism information and training to police kiosks. All venues should also direct tourists to the tourist information center.

### J3. Phase III (4 months completion):

Open an "Interim" Tourist Information Center before the summer season starts. This center can be rented space, space dedicated by the city, or even possibly a "Tourist Information Ger Cart." Two possible rental facilities are suggested in Appendix 2, however, one is from an existing tour company and this might be a conflict of interest. Additionally, the Nomin Tourist Information Center will be closing in a few months, and they have offered for sale many items required by the Interim TIC.

### J4. Phase IV (1-2 years completion):

Design and construct the *National Tourism Information Center of Mongolia* as a one-stop information destination to be located in the north east corner building of Urt Tsagaan on Tourist Street. MTB , MTA and Ulaanbaatar City Tourism offices should be considered for the second floor.

## K. The TIC's Location

The TIC facility should be developed into a "must see" destination where visitors will naturally be drawn to the facility during their stay in Ulaanbaatar. The critical issues in determining a site are location access, floorspace and cost.

"Tourist Street", also known as Khudalnaanii Street or Urt Tsagaan, has been identified by the Governor's Working Division of Ulaanbaatar City and the Mongolian Tourism Board as the future site of the information center. This is an excellent location as it is a pedestrian mall away from the city's congestion and traffic, but near enough to the Central Ulaanbaatar attractions.

The city government-owned trade buildings along the north side of the mall will be converted into a tourism enterprise zone within the next year. This is also excellent news as it will encourage the development of  "critical mass," that is, a cluster development of cafes, shops, galleries, services, attractions, and accommodations.
Because Tourist Street will become the visitors' main congregation point, the information center will be ideally located.
To encourage tourists and residents alike to embrace to the coming evolution of Tourist Street, the Interim TIC should be located on or near this mall.

## L. TIC Operations

The TIC management board will predominantly be responsible for oversight, business planning, fundraising and lobbying. It is recommended that initially a director and administrative assistant be hired to plan, build out and manage the Interim TIC, with a structured student internship program providing the volunteer staffing. As plans for the permanent TIC begin to take shape, defining the nature and extent of the building and mission, additional personnel may be required.

**M. Promotion**

All visitors to Mongolia should be informed about the purpose and location of the TIC before they arrive. The TIC can be effectively promoted via an independent TIC website, with all prominent Mongolia tourism and government websites providing linkages. Additionally, in-flight magazines and airline video promotions are recommended.

Within Ulaanbaatar, the tourist information bulletin boards and all tourist maps should have the location prominently displayed with the information "i" symbol. Performances, lectures, concerts, art exhibits and other special events should also help steer traffic to the center.

**N. Goals, Budget & Funding**

After adapting Mongolia's unique tourism requirements to international standards in the next section, we will conclude the business plan with a section on Goals, Budget and Funding.

## SECTION II: WHAT IS A TOURIST INFORMATION CENTER?

*In this section we will explore at length the international standards of a tourist information center.*

Tourist information centers (TIC) are one of the most important elements of the visitor industry, playing a vital front-line role and making a significant contribution as a key element in the marketing chain and information distribution system.

On an international basis, TIC premises range from commercial buildings, heritage buildings, chamber of commerce offices, city council offices, purpose-built buildings, or as an adjunct to a museum or tourist attraction. In small communities the TIC is often a service offered in conjunction with another business, or in premises occupied by a community organization.

There is growing trend worldwide for TICs to be more than the traditional outlet for tourism brochures and visitor information. Verily, this new generation of TICs have become the showcase for their respective communities – the point of welcome for visitors, displaying history, industries, arts, crafts, and activities which are relevant to visitors and characteristic of the town, state, or country. These TICs play a vital role as interpretive centers.

This newer generation of TICs have also incorporated community facilities such as lounges, parks with playgrounds, picnic areas, meeting rooms and theaters for community displays and presentations. Others have included corporate sponsorship, historical, environmental and other displays.

The development of a TIC establishes a destination as a visitor-friendly area, effectively promoting local, regional and country-wide assets, and encourages community appreciation and ownership of tourism by involving all sectors of the community through activities and displays conducted at the center.

While many TICs enjoy paid staff, one factor which has yet to achieve wide recognition is the large number of volunteers who staff these centers. There can be no doubt that without the untiring efforts of the large volunteer labor force, many information centers would be unable to function.

In addition to the traditional retailing of souvenirs, many more centers are introducing a range of income-generating activities to offset operating costs. Examples of these activities include:

- Commission booking services
- Sales of maps, posters, guidebooks and other publications
- Sale of local art, handicrafts and other products
- Sale of visitor survey data collected through the center
- Local tour guiding services
- Café and self-service food
- Fax, email, and Internet services
- Photocopying and secretarial services
- MICE (meetings, incentives, conference & events) management

Starting and operating a TIC is not just a matter of finding suitable premises, stocking brochures and establishing a pool of volunteers. There are many issues to be considered if a center is to operate efficiently and effectively, such as funding, location, design, displays and management.

The establishment of a TIC requires considerable thought and planning. Too often, the decision is made to set up a TIC on the basis of strong parochial attitudes, or to satisfy

local politics, or that it seemed a good idea, without regard to feasibility of the project. In other instances, a center is established on a larger scale than is needed, because of unrealistic expectations of a large increase in visitor numbers.

Irrespective of the options available, when making the assessment and decision, it is essential to remember that the primary objective is to service the needs of visitors, in the most effective way.

*There is only one opportunity given to create a good first impression.*

## A. Types of Information Centers

TICs generally fall into three categories:

- <u>GATEWAY</u>: These centers are strategically located as gateways to region or popular destination area, and have several paid staff and supported by volunteers. In the case of Mongolia, this would be the National Tourism Information Center.

- <u>SUB-REGIONAL</u>: Usually these centers cover larger regional tourism or local government authority areas, many times covering several communities within a region. Generally, these centers have a paid manager together with volunteers. In the case of Mongolia, this would be an Aimag Tourist Information Center.

- <u>LOCAL</u>: Local centers serve visitors to a particular community and are usually smaller, operated by the local tourism association, local government, or business organization. There may be a paid manager, but many local centers share staff with other business or government responsibilities, and rely heavily on volunteers for day-to-day operation.

## B. Visitor Ex7pectations

Today's travelers are smarter, more experienced, and more demanding. They are more selective, their expectations run high. Top TIC expectations from the visitor include:

Table 1: Visitor Expectations of a TIC

| Expectations | International Standard | NTIC Of Mongolia |
|---|---|---|
| Strategically Place | Gateway or centralized tourism location, easily seen, advance signage, | Tourist Street Location, north east corner building |
| Easily Accessed by Vehicle | Entrance, parking, handicapped accessible | Should have bus & taxi drop off |
| Friendly & Professional Staff | Well trained, area product knowledge | Foreign language capabilities, national product knowledge |
| Comprehensive Information | Local & adjoining areas, full range of tours & attractions; interpretive display | National as broken down by region, promotion of large & small attractions; interpretation |
| Open Daily | 7 day, 9 to 6 | 7 day, dependent upon season |
| Services | Reservations/bookings | Reservations / bookings, permits, business services, Internet |
| Public Facilities | Toilets, self-serve snacks | Toilets, tea room, meeting room, theater |

## C. Is a National Tourist Information Center of Mongolia Justified?

While all stakeholders are very confident that a National TIC is warranted, the following checklist will be helpful in the development of other satellite tourist centers throughout the country.

Table 2: TIC Justification

| Overall | Yes | No |
|---|---|---|
| Does the area have sufficient product (attractions & facilities) to attract substantial level of visitation? | | |
| Is the area attracting, or have the potential to attract, increasing visitation? | | |
| Are there new tourism products / initiatives being developed in the region which will attract more visitors to the area? | | |
| Can any of the existing government or business entities in the region adequately serve visitors to your community? | | |
| **Location** | | |
| Can a center be established at a location that will attract a large percentage of visitor traffic? | | |
| What are the location / site options? | | |
| What are the advantages / disadvantages of each site? | | |
| Is the site easily accessible? | | |
| Is sufficient parking available? | | |
| What type of premises are required? Existing / Purpose Built? | | |
| If existing premises are available: <ul><li>Will there be sufficient floor area to operate the center effectively?</li><li>Will the internal layout impose any constraints on operation?</li><li>If facilities for disabled travelers are not available, can these facilities be made available?</li></ul> | | |
| If the TIC is established in shared premises: <ul><li>Will the TIC be compatible with other activities / business in the premises?</li><li>Can the TIC be clearly separated?</li></ul> | | |
| For construction of a purpose-built TIC: <ul><li>What are the physical constraints?</li><li>Are services available: power / water / sewer / telephone?</li></ul> | | |
| Has consideration been given to access requirements for disabled travelers? | | |
| What will be the establishment costs? | | |

Table 2 cont.: TIC Justification

| Funding / Staffing | Yes | No |
|---|---|---|
| How will funding be obtained for: <ul><li>Establishment?</li><li>Sustained operation?</li></ul> | | |
| How will the TIC be staffed? <ul><li>Paid staff?</li><li>Volunteers?</li><li>Shared staffing with other entities?</li></ul> | | |
| How many volunteers will be needed? | | |
| Are there sufficient volunteers available in the community? | | |

| | | |
|---|---|---|
| What volunteer recruitment and management procedures will be required? | | |
| Are Job Descriptions in place for paid staff and volunteers? | | |
| **Brochures / Operations** | | |
| What will be the brochure acceptance policy? <br> • Only for members of a local or regional tourism association? <br> • Only for tourism-dominant businesses? <br> • Free of charge for any business? <br> • Monthly charge for businesses outside tourism (or the region)? | | |
| Is the TIC intended to provide an after-hours information facility? If so, how will this after-hours service be provided? (Tourist telephone hotline?) | | |
| Will the TIC operate a commissionable booking service? | | |
| What financial management booking service will be required for the booking service? | | |
| What are the other revenue-generating opportunities? | | |
| What staff & volunteer training programs will be necessary? <br> o How will this training be provided? <br> o What will be the training cost? | | |
| Have establishment and operating budgets be prepared? | | |
| Has a business plan been prepared? | | |
| **Is the establishment of a TIC feasible?** | | |

## D. Information Center Design Criteria

Organizers and planners involved in establishing a new TIC are confronted by many challenges. The internal design and layout must facilitate maximum efficiency and minimal staffing. Poor internal layout can sometimes result in the need for too many staff. The foremost question to be answered:

- "What functional components are appropriate for the center given the current and planned levels of tourism, and current and planned levels of funding?"

The following table details the full range of functions that a TIC may address to satisfy the needs of the tourists, the tourism industry, and the community at large.

Table 3: TIC Functional Components

| Functional Component | Objectives | Information Center Component |
|---|---|---|
| Marketing & Access | Promotion of enterprises and communities interested in attracting visitors | Brochure rack, maps, photo wall, computer, video, counseling area, notebook distribution, bookings, call center |
| Orientation, Information & Enhancements | Increase the quality of the visitor experience through understanding & appreciation of Mongolia | Interpretive displays, events, library, videos, lectures, tour orientations, front window board, message board, meeting area |
| Control & Filtering | Visitor management by controlling volume and behavior at sensitive areas; help prevent tragedies | Access permits / fees, counseling, suggested itineraries, displays, video, lectures |
| Substitution | "Representative" destination experience for places in Mongolia that the visitor will not be able to visit | Interpretive displays, events, videos, lectures, performances |

| | | |
|---|---|---|
| Public Relations | Flagship emphasizing importance of tourism to visitors & community | Professionally designed, staffed & promoted facility, hosting of special events |
| Industry Collaboration | Industry focal point, information network linkages, tour sales, central meeting place, tour orientation | Internet communications, newsletters, booking service, board room / theatrette |
| Community Learning Center | Tourism resource center educating residents on tourism opportunities, encouraging interaction with int'l visitors | School tours, lectures, computer learning center, library materials, special events |
| Emergency Services | Focal point of industry contact to coordinate emergency services | Call center, crisis management plan |
| Income | Capitalize on income opportunities to become self sustaining | Grants, donations, souvenir sales, booking commission, venue rental, business services, contractual projects, event mngmt. services |
| Internet Marketing | Answer to email inquires; developing & marketing niche websites | Computer center, IT internships |
| Research | Acquire vital information from present & prospective visitors | Sign in book, questionnaires, interviews, contractual projects |

The TIC will be constrained by budget, staffing, or possibly by the selected premises. This is especially true of renovated historic buildings, or locations with limited floor space. Therefore, minimum requirements are set forth below. If the budget and premises allow, expanded services should be planned.

## E. TIC Requirements

Minimum

- Outside (external) tourist information board with essential information available when center is closed
- Interior welcome area
- Counter / enquiry area
- Brochure display
- Map & geography displays
- Manager's office
- Storeroom
- Staff room
- Clean, western-style public toilets

Expanded

- Visitors' lounge
- Retail sales
- Computer research area
- Video viewing area
- Library: country books in foreign languages
- Self-serve snacks
- Tea room or café
- Outside seating or play area
- International telephone service
- Meeting room
- Theater

## F. Design & Layout

### F1. Public Area

The public area should be large enough to avoid crowding, and to allow placement of static displays according to season and type of display. There should be a comfortable lounge area where visitors can review tourism materials. This is also an opportune location for a TV and VCR for video review.

### F2. Information Counter

Following are design recommendations for the information counter:

- The information counter should be normal counter height, and not less than 3 meters in length.
- The width should be a minimum of 900mm. While this may appear excessive, a wide counter facilitates reading and discussing information on maps.
- A glass top as part of the counter can be used for the placement of maps and other standard under the glass.
- Expensive souvenir items such as jewelry should be incorporated in a secure section of the counter.

Correct positioning of the information counter is important for several reasons:

- It should allow easy access for staff to move from behind the counter to service and mix with the visitors.
- Visitors should not see the counter as a physical barrier when seeking information.
- It must allow efficient use of available staff and staff time. Staff must be seen as the visitor enters the TIC, as this offers security and a prompt "Meet & Greet."

### F3. Brochures & Displays

Displays should include the following:

- Self-service, wall-mounted brochure racks, separated by aimag, then further classified by accommodation, tour, attraction, adventure activities, cultural, support facilities and services, other; (note: in popular destination areas with a wide range of products, activities and services, the above categories should be subcategorized and expanded, such as breaking down accommodation by hotel, motel, guest house, hostel, ger camp, etc.).
- Notice board which will include current events and discounts.
- Map and photo wall for each aimag.
- Interpretive displays for culture, history, geography, etc.

The TIC should have adequate wall space for displays. One common fault is the use of too much glass for the external walls, which reduces space for racks. Brochure racks and displays must be professionally lit with feature lights. Do not rely on florescent lights for the main light source.

To ensure maximum impact, wall displays should be professionally designed. Pictorial lightboxes can be extremely effective, particularly if they are computer-operated, animated displays.

### F4. Theater or Theaterette

For large TICs with a high level of visitation and large bus groups, consideration should be given to the inclusion of a theater, or the smaller theaterette. This facility should be designed as a multi-purpose room in accordance with the following guidelines:

- Minimum seating for 50 persons (one bus load).
- A flat floor to enable the room to be expanded for meetings, training, and special exhibitions.
- The flexibility to allow use of a large video screen and overhead projectors.
- Adequate and flexible lighting to allow multi-purpose use.
- Seating should be stackable, minimum-maintenance chairs.
- Access should be through the public area and preferably through the merchandising area. This arrangement encourages increased retail sales through impulse buying.

### F5. Administrative Area

The secretarial / clerical work area should be grouped behind the counter, with sufficient space for office equipment such as facsimile, copier, and computer. During their work, staff must be able to observe and attend to visitors requiring information.

### F6. Manager's Office

This office should be fully enclosed, and situated in the staff work area but accessible to the public area. The office should have appropriate computer equipment (computer, printer, scanner) as well as a desk, work table, and adequate file cabinets.

### F7. Staff Amenities

In many locales, the design and placement of staff amenities are governed by law. The staff room should be immediately accessible to the public area, and should include: small kitchenette with water cooler and microwave; table and chairs; refrigerator; and first-aid kit.

### F8. Office Equipment

While the amount of equipment is dependent upon the size of the center, for this plan we are focusing on the Interim TIC. The following office equipment is recommended:

- 4 computers; 2 for public areas, 1 for the manager, 1 for the enquiry counter staff.
- 1 printer, networked
- copier, fax, scanner, answering machine
- Internet access for all computers

### F9. Merchandise Sales

Merchandise sales take many forms depending on the ambitions of the TIC. A word of caution at the outset, in many instances merchandise sales cause more headaches and loss of income and time than they contribute to revenue. The Interim TIC should concentrate on basic amenities, information books and souvenirs displayed and sold from behind the counter. Should space and demand allow, a retail area can be

developed adjacent to the enquiry counter, providing that the enquiry staff can monitor and cashier the area.

One last thought on merchandise sales. Some TICs lease the retail area to a professional retail company, or another nonprofit group. They either charge a flat monthly rental, or receive a percentage of retail sales.

### F10. Refreshment Sales

If space and resources allow, a refreshment / snack outlet can provide additional revenue. This facility can be in the form of self-service drink and snack dispensers, or a café / coffee shop, either leased or operated by the TIC staff. Although revenue may well be limited from a small food-service / snack outlet, it provides another service for visitors.

### F11. Self-Service Touch Screen Information Systems

A growing number of TICs are using self-service touch screen information systems to provide satellite and after-hours information. Provided that adequate security can be maintained, these systems might make sense in difficult to staff tourist points in Ulaanbaatar such as the airport, the train terminal and other key points of tourist interaction.

Additionally, the information on these computer systems can easily translated into the many languages of Mongolia's visitors. The effectiveness of these systems depends on:

- Level of user friendliness.
- Ease of navigation through the sequence of information.
- Scope of information available.
- Fast response.
- Capacity of system supplier to effectively monitor and quickly rectify any problems.
- Frequency of updating.
- Costs to the TIC.

In many instances, the costs of these systems can be reduced through corporate sponsorship and advertising. Some systems are even able to print coupons.

### F12. Security

Many TICs are target for burglary and vandalism. Therefore, security measures should include:

- Adequate external and internal lighting.
- Burglar alarms.
- Security for cash such as a lockable safe.

In TICs with large retail stock, consideration must be given to installing security cameras.

## SECTION III: TOURIST INFORMATION CENTER OPERATIONS

*In this section we detail the important aspects of day-to-day TIC operations.*

Every TIC must present a professional image and create a feeling of welcome. This impression can be achieved through choice of colors, furnishings, artwork, displays, and, of course, staff presentation, attitude, and standard of customer service.

The information center must be operated as a business. In other words, the operation must be efficient with a high level of professionalism. Furthermore, the center must be well-maintained and kept clean and tidy at all times.

Points sometimes overlooked are the importance of removing out-of-date and faded photographs, posters and other display materials and brochures. Local product displays should be changed and updated each month.

The center should be open 7 days per week, with the opening hours dependent upon the tourism season, i.e., the TIC should be open longer in the summer, possibly 10am to 10pm, and restricted in winter, possibly noon to 5pm. The TIC should be flexible in the first year to determine the optimal hours of operation. Again, it is essential to provide vital information when the TIC is closed in the form of an information board or computer kiosk.

### A. Essential Information Required By Staff

#### A1. Product Files

Every information center should have a file of information on the attractions, facilities, and services which provides an essential reference resource for staff, particularly in centers using the services of volunteers.

This Product File enables staff to quickly and efficiently respond to questions which cannot be answered readily with existing product and area knowledge. This file provides the detailed information which is difficult to quote from memory regarding the various products, facilities and services in the area.

The Product File should compromise information sheets which are divided into a number of main categories. The following checklist provides a guide to the development of this system. Each Aimag should have a Product File divided into the following sections:

#### (a) Section 1 – General Information

- Medical Facilities
- Churches / Places of Worship
- Banks & Automated Teller Machines
- Gas & Service Stations
- Transportation Services
- Community organization directories
- Basic statistics on the Aimag
- Street maps of the towns
- Regional maps
- Aimag maps

**(b) Section 2 – Accommodations**

- Hotels
- Motels
- Self-catering units / cabins /gers
- Ger camps / resorts
- Health spa
- Campgrounds
- Home stay
- Bed & Breakfast
- Guesthouses
- Youth hostels

**(c) Section 3 – Attractions & Tours**

- Natural attractions
- Cultural attractions
- Built attractions
- Tours

**(d) Section 4 – Restaurants & Entertainment**

- Restaurants by prices type of cuisine, ordered by price
- Pubs, bars, music & dance venues
- Other entertainment (dinner theater, opera, cinema, etc.)

**(e) Section 5 – Conference & Meeting Venues**

- By size & facilities
- With & without accommodations

**(f) Section 6 – Sporting Venues**

- Swimming
- Gymnasiums
- Health clubs
- Bowling
- Racquet sports
- Football / rugby stadiums / fields

While a computerized data base is recommended, a manual system can also be used. The Product Sheets should be kept in notebooks in clear plastic sheet protectors, and copied when necessary. Regular updating is essential and should be done monthly. [See Appendix 3 for an example of a Product Sheet.]

### A2. Day Book

The Day Book is for daily recording of total visitors, phone enquiries, brochure re-orders and for any messages for further attention or the information of other staff.

This book must be used on a daily basis and be kept on the desk at the front counter. Emergency and other important numbers should be listed in the front. The Day Book must be ready daily by all staff and initialed by staff members when action is taken.

### A3. Diary of Coming Events

This diary is used to record details of local, regional and national events of interest for tourists. TIC staff must be alert to include any useful information  from outside contacts and go through the newspapers daily to include all relevant notices into the coming events diary. Moreover, the TIC should establish an information-sharing system with the tourism officers throughout Mongolia to record and post event information from the Aimags. It is essential that this Diary information be publicized in the public domain.

### A4. Brochure Display Management

In the display of brochures, three main problems are common:

- Poor separation of brochures into the different geographic areas.
- Inadequate identification (labeling) of the different categories / regions.
- Out-of-date material retained in the racks.

The brochure racks must be kept neat and tidy (not overcrowded) and contain current and relevant brochures. Restocking of the shelves is a continuous requirement and should be undertaken by staff on a daily basis and should include removal of damaged brochures.

It is advantageous to place a small notice at the back of each brochure holder: 'Temporarily out of stock" as a reminder to refill, or obtain more stock from the operators.

### A5. Brochure Acceptance Policy

A brochure acceptance policy should address the following issues:

- *Overall Standard*: Policies for overall standards should cover such matters as paper quality, and acceptable print quality.
- *Standard Sizes*: The TIC should establish standard sizes consistent with their brochure racks and the spirit of equality among companies.
- *Legal Requirements*: Before accepting brochures, the company should sign a release stating that their brochure advertising is true, and that they have all the necessary licenses, permits and insurance as required by law.
- *Charging for Displaying Brochures*: This is a widely debated issue. Even though it encourages revenue generation, the author believes that charging for brochure
- Display is in direct conflict with the role of the TIC because the visitors <u>do not</u> receive a true picture of the range of attractions, facilities, services, and experiences of the destination. Again, the key issues for any TIC are a strong customer focus and a high standard of customer service.

- One compromise that may work is a special "TIC Sponsorship Partners" brochure rack that separately displays paying sponsors based upon their level of contribution and the size of their operation.
- *Tabloid Newspaper Tourism Publications*: These publications create display and storage difficulties because of their size. Because the publishers of a vast majority of these tabloid publications are simply aiming to make money from advertising, the TIC should stipulate that these tabloids provide their own displays and be responsible for daily stocking.
- *Restricting Acceptance of Non-Tourism Brochures*: It is a growing problem with many TICs being flooded by requests to stock non-tourism brochures. If space is not available, then these requests should be denied. If space is available, then a "Paid Advertising" brochure rack can be installed and an appropriate fee charged.

## B. Overcoming Language Difficulties

Mongolia faces many language challenges due to a diverse tourism base not conversant in  English or other foreign languages. One way to overcome this constraint is to identify student volunteers or local residents who speak different languages and who agree to be contacted from the TIC to act as interpreters and speak directly to tourists on the phone.

Most communities have residents with multi-lingual skill and several information centers have established a pool of interpreters in this way, and have a list with the names of these residents, languages spoken, and phone numbers for quick reference by staff. These TICs indicate that this system is worthwhile, and international visitors are very appreciative of the service.

## C. Provision of After-Hours Information

There are various ways to provide after-hours information:

- Weather-proof bulletin board boxes with hours of operation, relevant tourist information, maps, & community / emergency service information.
- Should budget and location permit, a touch-screen computer kiosk accessing the tourist information data base.
- Cell-phone "on-call" system.

## D. Souvenir Retailing

Retailing in TICs mainly focuses on souvenirs, convenience goods and published materials. The most popular items appear to be:

- *Souvenirs*: teaspoons, badges, caps, t-shirts, refrigerator magnets, key rings, tea towels, local handicrafts and art, soft toys.
- *Convenience Goods*: film, drinks, snacks, general medicines.
- *Published Materials*: Postcards, maps, guide books, "coffee table" picture books, history books, books of local interest or by local authors, posters, music, video/DVD

## E. Handling Complaints

All TICs receive complaints from time to time, but in many instances there are no formal procedures in place to ensure follow-up, and no feedback to the person or

organization making the complaint, with the result that little or nothing is done to address the problem or satisfy the customer.

So yet another important facet of the TIC is the establishment of policies and procedures for handling complaints – either from tourists or operators. These procedures should include:

- Recording of the complaint on a Complaint Record form.
- The detailed actions to be taken by the staff member dealing with the complainant.
- The procedure for follow-up including who is responsible for this follow-up.
- The procedure for feedback to the complainant and allocation of responsibility to ensure this is done.

The above procedure is an integral part of providing a high level of customer service, which in essence demonstrates that the center genuinely cares about the tourist. Additionally, this complaint system may evolve into "self policing" by the industry, a vital component to ensure tourist satisfaction and keeping government regulations to a minimum. [See Appendix 4 for a sample of a Complaint Record.]

## F. Risk Management

Time has not permitted a review of the rules and regulations for doing business in Mongolia. However, following are risk management problems faced by other TICs around the world:

- Lack of, or inappropriate placement of fire extinguishers and first-aid kits.
- Passageways and doors obstructed with boxes, display equipment and bundles of publicity materials.
- The potential for free-standing racks and displays to fall over if bumped, causing injury.
- Secure positioning of any electrical leads for displays and other components.
- Proper and secure storage of cleaning products and any chemicals.
- Ensuring the items used from first-aid kits are replaced.
- Proper first-aid, fire and evacuation training for staff.

Should an accident occur either to staff or a member of the public, details should be recorded as soon as possible. These include: name and address of person involved; what happened, including date and time; where it happened; how it happened; and, the action taken. If the accident is serious, the names and contact details of any witnesses should also be recorded.

## G. Insurance

Again, more Mongolia research is necessary to determine the local requirements. However, following are the most common international insurance requirements:

- Public liability
- Property
- Professional indemnity
- Workers' compensation
- Workers' medical
- Volunteers worker coverage

## H. The Importance of Networking & Industry Communication

Networking is essential for the exchange of ideas and gaining industry knowledge. Due to Mongolia's expansive size and transportation constraints, the Internet seems to be the most appropriate way to network and communicate. An "Intranet" is recommended, a "special access" section of the TIC's website that addresses tourism industry updates and issues. The TIC should have a special email address for the network, as well as a comprehensive list of industry email addresses.

## I. Data Collection

One of the main constraints in the development and marketing of tourism is the lack of tourism research data. TICs play an important role in data collection by providing up-to-date information on the visitor market of their specific area. Data collection by TICs is approached in several ways:

- *Counts of TIC Visitation*: Given the constraint on staff time, many TICs are using entry door automatic counters which record all visitors entering and leaving the center. Numbers must be adjusted based upon exits and non-visitor traffic. The primary value of this data is visits to the center over time.

- *Record the Enquiry Type*: A comprehensive record of the enquiry has three benefits: It enables the TIC to provide more cost-effective service by preparing a number of low-cost standard information sheets  appropriate for enquiry categories; It provides a record of the number of enquiries for the days of the week and weeks of the year, determining when peak demand occurs. This also enables better use of staff resources to be achieved when developing the work roster. It allows a comparison of information demand factors with the previous year, and with other information outlets.

- *Surveys*: Many TICs are conducting surveys to provide a visitor profile of the visitor center patrons, assess their needs and wants, and gauge their satisfaction with the destination. However, many of these surveys are hap-hazardously administered, quickly tabulated, and often times over burdensome to the respondent. The key is to keep it simple to yield the best results.

- *Visitor Books*: Also known as Guest Books, are sign-in journals at the entrance of the TIC or at the enquiry counter, recording the visitors name, address, and other information. These books have limited use other than collecting specific "Remarks" concerning the destination.

## J. Marketing the Tourist Information Center

As with any business, there is a vital need for the center to market its important front-line role in the industry and community. TICs have four markets that they must address: Tourists/Visitors, The Tourism Industry, Sponsorship & Funding Bodies, and, The Community. The following information highlights various methods internationally used by TICs to address these markets:

### J1. Marketing to the Traveling Public

The aim of any TIC is to encourage as many visitors as possible to call on the center, therefore, marketing to visitors requires letting travelers (both foreign and domestic) know about the center and the services available, through initiatives such as:

- Listing the TIC and contact details in all relevant tourism-related publications & websites, including airline in-flight magazines.

- Listing on national data bases and websites.
- Publicizing the center in the local media.
- Networking with other information centers.
- Encouraging tourism operators to recommend their customers visit the center.
- Good signage
- Strategic tourism bulletin board maps noting location of center.

### J2. Marketing to the Tourism Industry

Ways to target the tourism industry include:

- Inviting tourism operators to spend time at the center.
- Regular contact through requests for brochure stock.
- Inviting operators to a special presentation on the role and functions of the TIC and to get to know the staff and volunteers.
- Inviting operators to participate in familiarizations of the area.
- Low-cost newsletters highlighting the center's recent achievement and upcoming events.

### J3. Marketing to Sponsors & Funding Bodies

Marketing to sponsors and funding bodies requires personal contact whenever and wherever possible. Again, media publicity for the center and its achievements helps get the message across. Other methods of marketing include:

- Personal invitations to members of funding organizations to visit the center.
- A special event solely for funding organization representatives held every 6 to 12 months at the center.
- Inviting representatives to familiarizations and other industry events.

### J4. Marketing to the Community

In the majority of communities, residents and the non-tourism business sector have little or no understanding of the role of the TIC, yet residents can be the best ambassadors for an area. Ways to highlight the center to the community include:
- Volunteers assisting in community events.
- Open days for the community during low seasons, published through the media.
- Public speaking by TIC managers at clubs, schools and other meetings.
- Encouraging residents who have friends and relatives staying with them to visit the center for information and suggested tour itineraries.
- Encouraging residents who want to travel throughout Mongolia to visit the center first to get travel information.

## K. Booking Services

Booking services may not be appropriate for small TICs or TICs just starting operations. However, the operation of this service as an integral part of the center has three main advantages:

- It provides another important service for visitors.
- It fosters support from tour operators.
- It provides another source of revenue.

TIC booking services generally focus on : Accommodations, Tours, and Multi-Attraction Tickets. Some centers provide booking services for local packages, special events, group and special interest tours, conventions / conferences, business training programs and the theater.

A booking service should cater for counter, mail, phone, fax and email enquiries. As an increasing number of travelers use the Internet for information and bookings, a well-designed webstie with a booking facility is an important communication medium and will become more important in the future.

To operate a booking service effectively there are three important requirements:

- TIC staff must be fully trained.
- There must be co-operation of tourism operators and other product providers.
- An appropriate financial management system is required to facilitate prompt commission payments and account for all monetary transactions. The Travel Book System is widely used in Australia.

Normal commission rates on bookings are from 10 to 15%.

# SECTION IV: VOLUNTEER RECRUITMENT, MANAGEMENT & TRAINING

*In this section we explore critical TIC management issues.*

The vast majority of TICs worldwide are dependent upon volunteer labor to sustain operations. Some busy centers have over 100 volunteers. Volunteers can be described as someone who:

- contributes their time to provide a service that benefits the community,
- of their own free will,
- without payment.

Traditionally, most volunteers are retirees or older age groups. However, with the exception of Russian speaking tourists, the Mongolia model would be better served by utilizing the over 2,000 university-level students studying tourism. For these young people, working as a volunteer has the following advantages:

- Helps them develop interpersonal and language skills.
- Builds self confidence.
- Provides experience in front-line public contact work.
- Gain college credit & further learning through an internship program.
- Networking with the tourism industry, potential employment after graduation.

For many young people considering entering the tourism industry as a career, TIC work enables them to gain a better understanding of the industry and the career path options.

## A. Principles of Volunteering

- Volunteering is always a matter of choice, and should not be connected to the receipt of pensions or benefits.
- Volunteering is performed for the benefit of the community and the volunteer.
- Volunteering is not a substitute for paid work.
- Volunteering should not be used as a pre-condition of paid employment.
- Volunteering is an activity performed in the non-profit sector.
- Volunteering is a legitimate way in which citizens can participate in the activities of their community.
- Volunteering does not interfere with the reasonable expectations and rights of others.
- Volunteering does not deprive others of a livelihood or constitute a threat to the security and job satisfaction of paid staff.

## B. Organization Responsibilities to the Volunteer

To …

- Plan the volunteer program before recruiting volunteers.
- Recruit, interview and select the right volunteer for the right job.
- Provide written job descriptions and procedures for volunteer jobs.

- Orient volunteers by providing information about the organization's purpose, structure, programs, policies and procedures.
- Provide initial training and ongoing training where necessary.
- Include volunteers in decision making where decisions affect volunteer work.
- Keep records of volunteer's goals, training, and feedback sessions.
- Communicate clear expectations and provide the appropriate support and supervision for volunteers.
- Formally and informally recognize volunteers' efforts in the organization.
- Continually evaluate the efficiency and effectiveness of volunteers in the organization.

## C. Management Issues

Good management makes for a happy, motivated and loyal team. Important points to observe include:

- *Good Communication*: Good communication, both verbal and written, is a mandatory requirement. Communication must be concise and unambiguous. Never just assume that instructions or other communications are understood – make sure. Good communication keeps the group together.
- *Give Volunteers a Sense of Purpose*: Give volunteers meaningful tasks to do and keep in mind that a meaningful task for one person may not be for another who may prefer to be fetter at other work in the center.
- *Work as a Team*: Volunteers are often involved in sweeping, dusting or cleaning, etc. Paid staff should show that they are also willing to do these menial tasks. This builds teamwork.

- *Be Sensitive to the Fact that they are Volunteers*: Exercise care in what you say and how you say it, irrespective of how you feel. Be aware of sensitivities. Also, make sure volunteers feel comfortable with the work they are asked to do.
- *Create a Positive Environment*: Ensure that the center is a positive working environment. If relationship problems occur within the volunteer pool, address and resolve them quickly. A happy, positive environment encourages volunteers to stay on, and in doing so, they are likely to attract others in the community to volunteer their services.
- *Avoid Under or Over-Utilization*: Make sure volunteers always have something worthwhile to do and don't get the feeling they are just "filling in time." On the other hand, avoid asking too much of them – a situation which can occur in centers having difficulty obtaining sufficient volunteers or paid staff. Make every effort to strike the right balance.
- *Ensure Volunteers have Name Badges & Uniforms*: Volunteers take pride in giving their service, and visitors and other residents should know they are volunteers, and that expectations should not be the same as paid staff. Recognition also helps publicize opportunities for other people in the community to become volunteers at the center.
- *Prepare Rosters One Month in Advance:* People usually know their commitments 1-2 months ahead. Establish a system which requires volunteers to advise well in advance the days during the next month that they not be available.

Other advice on managing volunteers includes:

- Encourage volunteers to move out from behind the counter.
- Explain the importance of data collection.
- Emphasize the importance of up-to-date product knowledge.
- Encourage volunteers to discuss any problems or difficulties they are experiencing.
- Encourage volunteers to gain a greater understanding of the world-wide tourism industry.
- Give recognition showing appreciation for their efforts.
- Remove unsuitable volunteers. Codes of conduct and probationary periods should be employed.

## D. Training

Volunteer training must cover three main aspects and it should be a requirement for working at the center that volunteers attend and pass the training programs:

### D1. Information Center

- Introduction
- Day to day operational procedures
- Sourcing information
- Understanding the tourism industry

### D2. Product Knowledge

- Familiarizations
- Operator presentations

### D3. Customer Service

- Customer service issues
- Telephone techniques
- What to do when the answer is not known
- Handling complaints

While all three training programs are essential, TIC managers have indicated that the most important training for volunteers is in customer service and telephone techniques. This is where volunteers or frontline staff can 'make or break' the TICs image and consequently the image of the region, hence the need to constantly reinforce the importance of face-to-face customer service and a good telephone manner.

Regular refresher training is essential and a 12-month training program should be developed at the beginning of each year. This program lets all staff and volunteers know when training sessions will be conducted and enables them to plan their commitments and time to ensure attendance.

## SECTION V: GOALS, BUDGETS & FUNDING

*In previous sections we have defined the direction of the National Tourism Information Center of Mongolia then detailed the logistical, operational and managerial "nuts and bolts" of a TIC according to international standards. In this section we will lay out our specific goals, the proposed roadmap to reaching our destination.*

### A. Goals

When setting goals, it is essential to recognize the SMART formula:
- **S**     Specific
- **M**    Measurable
- **A**    Achievable with available resources
- **R**    Relevant
- **T**    Time framed

In the opinion of the author, it is fruitless to plan for the TIC any further than the next six months. As mentioned, Mongolia tourism stakeholders have been discussing a TIC for the past decade but to absolutely no avail. What is needed now is forward momentum, the optimal blend of goals that will coalesce the proposed board into a working relationship without overwhelming them right out of the starting gate.

The next two months are crucial due to the upcoming peak summer season. All parties will have to show extraordinary cooperation. Should these deadlines be impossible to meet, then this summer season should be written off and the timeline for these goals relaxed to a 9-month or 12-month schedule.

Table 4: Six-Month TIC Goals

| # | Goal | Description | Date |
|---|------|-------------|------|
| 1 | Solicit Publication Funding | Proposal sent to Friends of Mongolia for publishing funds. Follow up. If declined, solicit other sources. | Mar 04 |
| 2 | Complete Travel Trade Notebook | Compilation of Mongolia Travel Trade information. Copied and distributed. | Apr 04 |
| 3 | Sign Engagement  MOU | Memorandum of Understanding creating a 2-month 'engagement' period. Board members concentrate on Charter & legal entity. | Apr 04 |
| 4 | Begin Tourist Information Bulletin Boards Project | Design, get quotes | Apr 04 |
| 5 | Install Tourist Information Bulletin Boards | 4 strategically placed information boards including a city map, vital information, current events, etc. | May 04 |
| 6 | Complete Interim TIC Business Plan | Finalization of a business plan for an interim TIC to address the summer peak of visitors | May 04 |
| 7 | Establish NGO | Charter agreed upon, legalized | May 04 |
| 8 | Raise funds / grant applications | New board applies all energies to fundraising | Jun 04 |
| 9 | Hire TIC Director | Qualified tourism professional to implement policy | Jun 04 |
| 10 | Open Interim TIC | Temporary TIC is opened to address the peak summer months | Jul 04 |
| 11 | Begin National TIC Planning | Decide location and begin flushing out budget issues. | Aug 04 |
| 12 | Assess Interim TIC | Detailed assessment of the Interim TIC and working relationships. Decision on whether to leave TIC open. | Sep 04 |

## B. Budgets

### B1. Total First-Year Costs

It's all been good news so far, but now how much will our grand plans cost? A summary of the first-year's investment shows that our grand total is just under $35,000, or 41,000,000 tugrits.

Table 5: Total First-Year Costs

| # | | Total |
|---|---|---|
| 1 | Phase I & II Costs | $ 650 |
| 2 | Start-Up Costs | $ 11,550 |
| 3 | First-Year Operations | $ 22,497 |
| | **Total** | **$ 34,697** |

### B2. Phase I & II Costs

Breaking the project down into the suggested phases, let's first explore the costs of immediately addressing Mongolia visitors' "information anxiety":

Table 6: Phase I & Ii Costs

| # | Item | Quantity | Cost | Total |
|---|---|---|---|---|
| 1 | Travel Trade Notebook | 50 | $ 5 | $ 250 |
| 2 | Tourist Info Bulletin Boards | 4 | $ 100 | $ 400 |
| | **Total** | | | **$ 650** |

### B3. Start-up Costs

Now that Phase I & II are completed and basic tourist information has made it to the streets, hotels and transport centers, it's time that the management board move on to Phase III, The Interim Tourist Information Center. The Interim TIC will provide an excellent learning experience in TIC planning, design, build-out and operations directly applicable to the decision-making process for the permanent National Tourist Information Center of Mongolia.

Table 6: Start-Up Costs

| Furniture, Fixtures & Equipment | | | | |
|---|---|---|---|---|
| Item | Quantity | Cost | Total | Notes |
| Computers | 4 | $1,000 | $4,000 | Director, front desk, 2 visitors |
| Software / Maintenance | 1 | $500 | $500 | |
| Scanner / fax / printer | 1 | $500 | $500 | All in one machine |
| Copier lease | 1 | $200 | $200 | annual lease |
| Monitor, VCR/DVD, stand | 1 | $700 | $700 | Lounge equipment |

| Office furniture | 1 | $750 | $750 | Counter, director & asst desks, computer desks, chairs, lamps |
|---|---|---|---|---|
| Interpretive Displays / Maps | 1 | $300 | $300 | |
| Couch & coffee table | 1 | $500 | $500 | |
| Brochure racks | 4 | $100 | $400 | |
| Meeting Table, chairs | 1 | $400 | $400 | |
| Misc. | 1 | $500 | $500 | |
| **Total** | | | **$8,750** | |

| **Premises** | | | | |
|---|---|---|---|---|
| Security Deposit | 1 | $500 | $500 | 1 month rent |
| Utility Connections | 3 | $50 | $150 | |
| Phone / Fax / Internet / Cell Connections | 4 | $50 | $200 | |
| Supplies | 1 | $500 | $500 | |
| Uniforms / Badges | 10 | $20 | $200 | |
| Improvements | 1 | $1,000 | $1,000 | |
| Signage | 1 | $250 | $250 | |
| **Total** | | | **$2,800** | |
| **Grand total start up** | | | **$11,550** | |

### B4. Monthly & Annual Operating Costs

Once we've determined a budget that will lead us to opening the doors of the Interim TIC, let's next explore what will it cost to operate the center for a year:

Table 7: Monthly & Annual Operating Costs

| **Personnel** | | |
|---|---|---|
| **Item** | **Monthly** | **Annual** |
| Director | $ 300 | $ 3,600 |
| Income Tax @ 19% | $ 57 | $ 684 |
| Assistant | $ 175 | $ 2,100 |
| Income Tax @ 19% | $ 33 | $ 399 |
| Volunteers Stipend | $ 50 | $ 600 |
| Income Tax @ 19% | $ 10 | $ 114 |
| **Total** | $ 625 | $ 7,497 |
| **Operating Expenses** | | |
| Rent | $ 500 | $ 6,000 |
| Utilities | $ 100 | $ 1,200 |
| Communications | $ 200 | $ 2,400 |
| Professional Fees | $ 50 | $ 600 |

| | | | |
|---|---|---|---|
| Supplies | $ | 50 | $ | 600 |
| Printing | $ | 50 | $ | 600 |
| Newsletter | $ | 50 | $ | 600 |
| Travel | $ | 50 | $ | 600 |
| Misc. | $ | 75 | $ | 900 |
| Advertising | $ | 75 | $ | 900 |
| Educational Materials / Training | $ | 50 | $ | 600 |
| | $ | 1,250 | $ | 15,000 |
| **Total** | **$** | **1,875** | **$** | **22,497** |

## C. Funding

*We've determined what we need to do and how much it is estimated to cost. Now let us conclude this business plan with some quick bullet points on where to start looking for funding.*

### C1. In-Kind Contributions

When approaching sponsors and aid-giving institutions, it's always helpful to begin by showing how much investment the founding partners will be providing in the first year.

Table 9: In-Kind Contributions

| Donation | Entity | Cost | Notes |
|---|---|---|---|
| Office FF&E | MTB | $ 30,000 | Per their estimates |
| Building & Improvements | UB | $ 20,000 | Renovation & Free Rent |
| Tourism Displays | MTA | $ 10,000 | Brochure racks, regional displays |
| Interpretive Displays | Arts Cncl | $ 10,000 | Culture/heritage displays |
| Volunteer Staffing / Guides | AERT | $ 10,000 | 4 volunteers per day x 4hr shifts |
| **TOTAL** | | $ 80,000 | |

### C2. Revenue-generating Activities

As suggested on page 12, following are potential sources of revenue for the TIC:

- Commission booking services
- Sales of maps, posters, guidebooks and other publications
- Sale of local art, handicrafts and other products
- Sale of visitor survey data collected through the center
- Local tour guiding services
- Café and self-service food
- Fax, email, and Internet services
- Photocopying and secretarial services
- MICE (meetings, incentives, conference & events) management

### C3. Grant-giving Entities

Following is an abbreviated list of potential sources of grant funding:

- USAID Small Grants Program (50% matching grant)
- Japan International Cooperation Agency
- Japan Association of Travel Agents
- Korea Association of Travel Agents
- KOICA – Korea Overseas Investment Corporation Agency
- German Technical Cooperation (Zed)
- Pacific Asia Travel Association Foundation
- UN Development Bank
- Asian Development Bank
- World Tourism Organization
- North America – Mongolia Business Association

### C4. Government Funding

Because tourism is identified as a priority economic sector for the Mongolian government, it is only logical that they should be investing in tourism marketing and infrastructure to ensure its growth. This business plan, in conjunction with an effective management board and pressure from the industry, will be an effective tool to lobby for the necessary government support. On an international basis, it is estimated that 75% of TICs receive government support in one form or another.

The author has located one study regarding the economic contribution of visitor information centers. The study concludes that because of the region's visitor information centers:

- 13% stayed additional nights.
- 21% undertook additional tours.
- 56% visited additional attractions.

Translating this into economic terms:

- In total, gross economic contributions of the 17 New South Wales (Australia) information centers is estimated to be around 864,000 additional visitor nights which generates about $57.5 million in additional visitor expenditure. It is estimated that the total VIC budget generates additional visitor expenditure in the order of 4.3 times the size of its budget.

## CONCLUSION

Let us conclude with one last word on partnerships – the key to this business plan's success. Partnerships are defined as "arrangements devoted to some common end among otherwise independent organizations." Partnerships have become a popular tourism management strategy for leveraging scarce resources in an era of fiscal constraint.

The evolution of tourism partnerships begins in a context of environmental forces that cause a partnership to be initiated. From this environmental context, partnerships evolve sequentially through a problem-setting, direction-setting, and structuring phase. Partnership outcomes and feedback arrows emphasize the dynamic and cyclical nature of partnership evolution.

Table 10: An Evolutionary Model of Tourism Partnerships

| | |
|---|---|
| **Environmental Forces** | <ul><li>Crisis</li><li>Broker</li><li>Mandate</li><li>Common vision</li><li>Existing networks</li><li>Leadership</li><li>Incentives</li></ul> |
| **Problem-Setting** | <ul><li>Recognize interdependence</li><li>Consensus on legitimate stakeholders</li><li>Common problem definition</li><li>Perceived benefits to stakeholders</li><li>Perceived salience to stakeholders' missions</li></ul> |
| **Direction-Setting** | <ul><li>Establish goals</li><li>Set ground rules</li><li>Joint information search</li><li>Explore options</li><li>Organize sub-group</li></ul> |
| **Structuring** | <ul><li>Formalize relationship</li><li>Assign Roles</li><li>Raise necessary funds</li><li>Design monitoring & control systems</li></ul> |
| **Outcomes** | <ul><li>Programs</li><li>Impacts</li><li>Benefits derived</li></ul> |

Essential to the success of this partnership is the continuing facilitation by the USAID-EPRC business development team through each stage of the development life cycle. They truly are:

*The tourism heroes that will promote the all for one, one for all partnerships that will keep the Mongolian tourism door open to welcome all visitors enthusiastically.*

**"Juulchin-baatar" "Neg ni niitin toloo, niit ni negiin toloo" "Neelttei Khaalga"**

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