

**INNOVATIVE ASPECTS OF  
DEVELOPMENT INTERNATIONAL  
TOURISM**

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**FORMATION OF A  
COMPLEX DEVELOPMENT  
STRATEGY FOR TOURIST  
BUSINESS TOURISM  
ENTERPRISES WITHIN  
THE FRAMEWORK OF  
OUTSOURCING**

Developing a highly efficient and competitive tourism industry is a promising direction for the development of national economy. Tourism affects the economy of countries: it is a factor for the improvement of the quality of life, foreign currency reserves replenishment, employment assurance and income growth. Under the modern circumstances of economic globalisation, tourist industry within the framework of outsourcing requires strategic development and elaborating a universal scheme of tourism development strategy formation.

Scientific works of such foreign and domestic scientists as I. Ansoff [1], M. Borushchak [2], H. Mintzberg [4], V. Nemtsov [5], M. Porter [6], A. Thompson and A. Strickland [7], O. Shershniyova [8] and others are dedicated to the questions of strategic management and forming the strategy of tourist business tourism enterprises. However, despite theoretical researches of various strategy developing process aspects, formation of the tourism industry development strategy in transitional economy requires a complex research.

The aim of the article is to research conceptual approaches to the formation of the strategy, reveal the essence and the meaning of the

“development strategy” notion for tourist business tourism enterprises within the framework of outsourcing, research the principles and the stages of strategy formation and develop a conceptual model of tourism industry development strategy.

Let us investigate the evolution of the main conceptual approaches to the definition of the “strategy” notion, which is used in economic literature, in order to elucidate its essence and meaning. In the management sphere the notion of “strategy” started to be used in the early 1960s when the problems of prompt response to the sudden changes of the environment and adaptation to the new economic management conditions became important. The works of I. Ansoff, H. Mintzberg, A. Thompson, A. Strickland and others led to the more extensive research of the strategy notion and meaning as well as the processes of its implementation.

M. Porter’s book called “Competitive Strategy” [6] published in 1980 gave a new push for looking at the strategy and its interpretation in the context of competitive environment. Strategic thought greatly developed, the main attention was paid to the introduction and implementation of the strategy as well as the implementation of the strategic management in management spheres.

It is worth mentioning that the Economic Encyclopaedia defines “Strategy” as “a generalised action model aimed at achieving the goal via allocation, coordination and efficient resource utilisation, the system of rules and methods of strategic development concept implementation” [9, c. 482].

Scientists A. Thompson and A. Strickland understand strategy as “a combination of planned actions and quick solutions regarding the adaptation to the new industry achievements and the new disposition in the competitive field” [7, c. 20]. H. Mintzberg defines strategy as a combination of such five structural elements as: plan (course of action, reference point), stratagems (manoeuvres), position, behaviour principles and prospects (the main way of action) [4].

Now let us pay attention to the importance of business tourism and its development in Ukraine.

Business tourism in Ukraine has to develop on the basis of special Ukrainian national particular nature, on the conscious level of national environment reproduction, certain national colour and atmosphere. Under such conditions a boring and tiring trip will turn into a special occasion which is able to increase working ability and creativity. The main things for the host country are nice attitude of business tourists

towards Ukraine and a desire to visit it again. Unfortunately, current business tourism conditions in Ukraine often do not cause such a desire.

In the light of tendencies of international business tourism, topicality and long-term benefits of this sphere, International Business Travel and Trade Association and Business Travel Association of Ukraine were founded in Ukraine in 2005 and 2007 respectively; their aim is to unite companies and organizations that work in this field. Top targets of these associations are:

1. Drawing the attention of Ukrainian and foreign tourists to the opportunities of business tourism in Ukraine;
2. Developing an international business tourism concept in Ukraine;
3. Developing a modern powerful business infrastructure in Ukraine;
4. Providing with consulting, marketing and legal help;
5. Developing a network of regional business tourism centres;
6. Aiding the involvement of investments for the development of tourist business infrastructure in Ukrainian regions;
7. Establishing business ties with similar foreign organisations;
8. Developing new programmes and holding events aimed at improving business environment in Ukraine, mutual support of business trips and services market entities, developing incoming business tourism etc [9].

So, modern business-aimed tourism is becoming the most promising tourism direction due to its absence of seasonality, forecastability and focus on financially comfortable customers. The main drag for business tourism development is, however, the absence of proper hospitality industry. Infrastructural and informational facilities of tourist properties do not meet the modern demands. Facilities and resources of health resorts are out-of-date. Skilled staffs with the appropriate world experience in tourism industry are lacking. A well-coordinated system of promoting Ukrainian tourism products on the world market is absent; advertising of Ukrainian resorts is lacking. And, certainly, the most important issue is finding the sources of financing tourism industry in general and business tourism in particular.

It is worth mentioning that outsourcing can be efficiently used in tour operator business, both in the main and supporting activity (fig. 5.1).

I believe that outsourcing is an integral feature of modern business approach and management; its options can be used in any sphere, for instance, it is quite promising for the tourism industry enterprises.

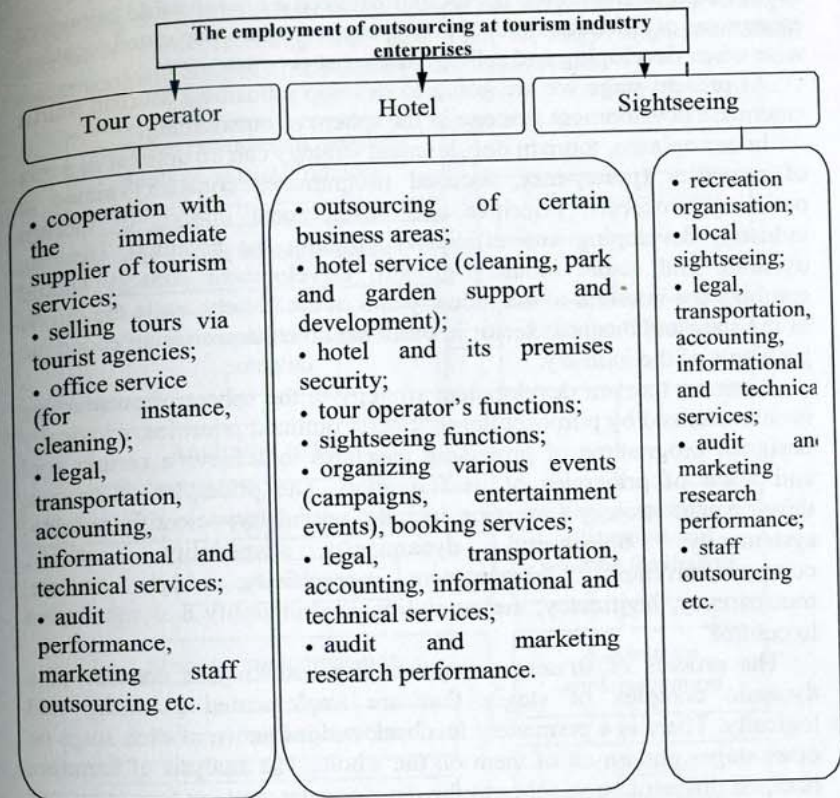


Figure 5.1. The employment of outsourcing at tourism industry enterprises

The source: The author's own development

While a tourist product is being formed, which includes shipping and allocating operations as well as other services that are not connected with shipping and allocating (sightseeing, recreation and entertainment services, sales of souvenirs etc) [6], long-term ties between different material production and non-production enterprises are being established.

The employment of outsourcing at tourism industry enterprises is a promising and necessary means of efficient performance assurance. It

can be explained with the interaction between a considerable amount of enterprises of different fields that are, in most cases, separated location-wise when developing and selling the tourist product.

At present stage we are going to develop a business tourism tourist enterprise development strategy in the sphere of outsourcing.

In our opinion, tourism development strategy can be defined as a mix of remedies (policy-mix, focused programmes complex) aimed at outlining prospects, priorities and development options of tourism industry, developing and efficiently utilizing the potential, ensuring dynamic and stable industry growth. Development strategy should combine the interests of the industry and of the society, unite the efforts of the state and business sector in order to solve the promising economic problems of the industry.

Business tourism development strategy in the sphere of outsourcing is characterized by purposefulness, clearly outlined priorities, a logically designed programme of promising measures to achieve a certain goal and a set of principles of its formation. The principles of tourism development strategy formation include: optimality, scientific validity, systemacity, objectivity, dynamism, adaptability, activity, comprehensiveness, adequateness, specificity, logic nature, transparency, legitimacy, measurability, controllability and submission to control.

The process of strategy formation is painstaking; it consists of a dynamic complex of stages that are implemented gradually and logically. There is a permanent feedback and influence of each stage on other stages and on all of them on the whole. The analysis of literature outlined different approaches to the development strategy formation and the stages of strategic management.

I. Ansoff defines such a group of solutions in the process of business tourism strategy formation in the sphere of outsourcing [1]: internal assessment; assessment of external options; formulating goals and selecting tasks; portfolio strategy solution; competitive strategy; developing alternative projects, their selection and implementation. According to M. Mescon [3], the process of strategy formation consists of such stages: developing missions and goals; assessing and analyzing the environment; administrative monitoring of strong and weak points; analyzing strategic alternatives; choosing a strategy, its implementation and assessment.

In our point of view, business tourism development strategy in the sphere of outsourcing has to be gradually formed according to certain

stages (fig. 5.2): intellectual stage, diagnostic stage, analysing strategic alternatives and selecting the best one; strategy implementation, assessment and control of the strategy implementation.

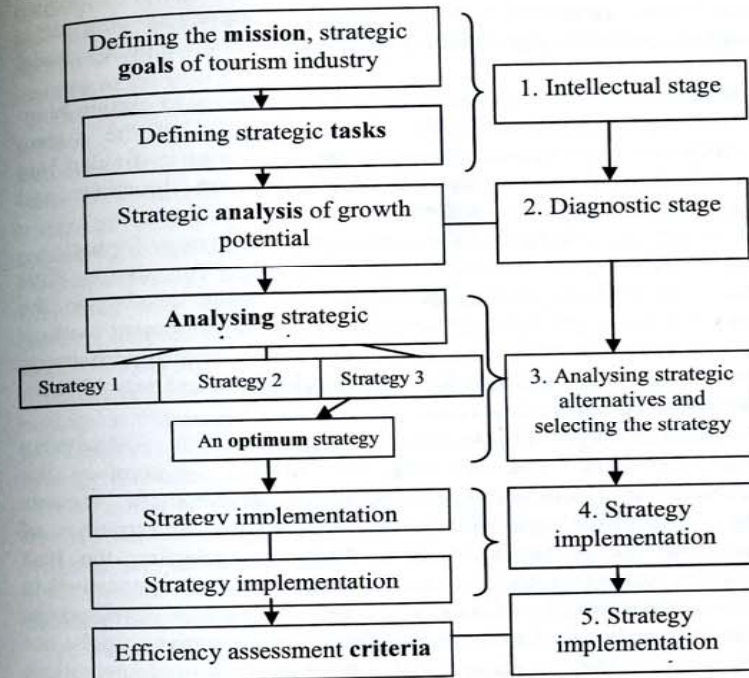


Figure 5.2. The stages and a conceptual model of the development strategy of a tourist business tourism enterprise in the sphere of outsourcing

The source: The author's own development

It is worth mentioning that the first formation stage of the development strategy of a tourist business tourism enterprise in the sphere of outsourcing – the intellectual stage – involves defining the mission, i.e. the main goal, the sense of existence, the main functional purpose and role of the industry in the long term.

The main goal of the development strategy consists in increasing the functional efficiency of tourism industry, developing a modern competitive tourism industry that will make a significant contribution to the development of national economy (increasing the amount of tourism services sales, currency earnings, budget revenue, opening extra employment positions, introducing an efficient investment policy model in the field of tourism etc).

After formulating the goal (mission), it is necessary to outline long-term and short-term aims – the desirable results of the system functioning and development in the future. Each aim is divided into strategic tasks for the substantiation of reforming directions and priorities of tourism sphere development.

It is worth mentioning that the second stage of strategy formation – diagnostic stage – serves as the basis for specifying the mission, aims and tasks as well as strategy selection. This stage consists in the strategic analysis of growth potential; researching development markers in the sphere of tourism, functional macro- and microenvironment; assessing the state and factors of tourism development and searching for competitive advantages of the field.

The third stage of development strategy formation – analysing strategic alternatives and selecting the strategy – involves the development and formation of alternative development variants (strategic alternatives), modelling and assessing the opportunities of implementing the strategies in these directions, selecting the best strategic alternative (the main optimum strategy, the main alternative) in order to implement it and develop a general tourism development pathway on the basis of this variant. Strategic alternatives imply not only formulating the strategies but also ways of their implementation, means of achievement, the necessary resources, risk evaluation etc.

A special array of tools and scenario methods are used on this stage. Scenarios assume different variants of tourism development which allows us to prepare alternative plans, assess how much they meet the set goals, ensure the maximum financial profits and minimise the negative consequences for the environment. Scenarios can be “optimistic”, “pessimistic” and “realistic”.

The fourth stage of strategy formation – strategy implementation – implies the implementation of the strategy according to a certain action plan (developing tourism development programmes, budgets and procedures that can be seen as medium-term and short-term plans of strategy implementation), strategic changes, strategic tasks, approved

indicators and indexes implementation. Achieving indicator readings and strategy implementation efficiency criteria are ensured with the help of mechanisms (an interrelated complex of techniques, methods and leverage over business entities in tourism sphere in order to achieve the set goals) and strategy implementation directions (key strategic alteration directions, a complex of certain measures that reflect the essence of the new strategy).

The fifth, final stage of strategy formation – strategy implementation control – is constantly performed from the beginning of strategy formation with the help of strategy formation evaluation criteria such as: quantitative and qualitative characteristics, standards which meet the levels of achieving goals that are according to the certain rules compared to the results of strategy implementation. On this stage the results of strategy implementation are being compared to the goals, the efficiency and resulting quality of the strategy are being analysed, strategy implementation is being controlled with the help of the feedback system.

**Conclusions.** In this article we analysed the interpretation of such notions as “strategy” and “development” and came to the conclusion that scientists had not arrived at a common view regarding development strategy formation.

The notions “strategy” and “development” are interrelated. Tourism development strategy is a mix of remedies (policy-mix, focused programmes complex) aimed at outlining prospects, priorities and development options of tourism industry, developing and efficiently utilizing the potential, ensuring dynamic and stable industry growth.

A conceptual model of the development strategy of a tourist business tourism enterprise in the sphere of outsourcing was developed; it is based on outlining goals, scenarios and top-priority directions, mechanisms and strategy implementation efficiency criteria taking into account the modern development tendencies and potential opportunities of the sphere.

So, efficient implementation of the conceptual model of the tourism development strategy formation will be favourable for solving the burning issues of tourism, strengthening the national economy and developing a powerful tourism sphere.

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