



# Michigan Tourism Strategic Plan

*"a plan for the industry, by the industry"*

## Hospitality Training IWT Report to the Council November 2, 2006

### SUMMARY

The team believes that service quality could become a competitive market advantage for Michigan, and a point of distinction that could be marketed to out of state travelers. It recommends a coordinated, statewide, hospitality training program at two levels: 1) a basic certificate program offered to front-line service providers who would become certified as *individuals*. 2) an advanced certificate program offered to owner/managers who would become certified as *businesses*.

As part of the communications and promotion message for the Michigan tourism industry, the hospitality training initiative should be tied into the branding campaign. Industry participation would be voluntary, but those businesses earning the distinction would be eligible to display the branded icon and promote themselves as participants. The designation might be called "Michigan Hospitality" (just an example title).

#### Key Objectives:

- To provide a great Michigan visitor experience, leading to repeat visitors and competitive advantage in attracting out of state travelers.
- To develop an in-state sales force for promotion of area attractions/ secondary sales.

#### Team Members:

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### Section 1: **Overview**

There is considerable importance placed on service quality within the tourism industry, driven by the traveler's demand for a positive overall visitor experience and the competition among destinations for the travel dollar. We heard this at our March planning meeting, at each of the regional listening sessions, through the website feedback forum, and across a number of other Issue Work Teams' reports. We also heard some people mention the need to elevate the professionalism of their sectors. Others talked about the need to recruit talented people to the hospitality industry.

As a point of clarification, the team suggested that this initiative target all in the service industry, rather than focus on the tourism industry. The intention is to broaden, rather than narrow, the field. The promotional program should reflect that goal to be more inclusive.

There are nearly 10 million residents in Michigan, with a significant portion of them working in some service related job. In Washtenaw County alone, there are 5,700 jobs in the hospitality area (hotels, attractions, transportation, a portion of retail), representing 3% of the work force. There is an enormous potential population of service providers in the state who would be eligible for this training program.

Building on the 2006 Detroit super bowl training program, *Get in the Game, the World is Coming*, the team considered the elements of that training program that led to its success. The program has become the impetus for a 7 county Regional Skill Alliance (RSA) that specifically identifies tourism as a key workforce development area. Its success can be attributed to the broad participation across tourism sectors (transportation, hotel/motel, attractions, sporting events) and the leadership and financial resources of Michigan Works!

Other hospitality training programs that informed our recommendations included the successful programs at Disney, the Ritz Carlton, Destination Marketing Association International, and the city of Indianapolis

#### Work Statement:

Excellent customer service should be a hallmark of Michigan tourism. A coordinated and recognized hospitality/service quality training program should be created and funded. This program will:

- Be available for owners, managers and front-line staff members in all sectors that have a significant impact on the traveler's experience,
- Award personal credentials as well credentials for the business,
- Include a continuing education component necessary for owner/managers to retain their credentials,
- Incorporate a method where the economic return of such a program can be verified and documented,
- Include access to an up-to-date comprehensive database of Michigan travel related attractions and service providers, managed at the state level, so service provider staff can help market related travel opportunities to visitors in their area, and
- Include a mechanism to recruit and retain quality candidates.

#### Components of the IWT statement emerged from these beliefs:

- An integrated, state-wide hospitality training program would significantly elevate the quality and standardization of the tourism service industry.
- A high standard of service quality would improve the customer experience, leading to repeat travelers and positive public relations for the tourism industry.
- Many sectors within the tourism industry share a common set of skills necessary to provide quality customer service; from this core we would find the elements of a basic curriculum applicable to service providers in attractions, sporting events, transportation, conventions, hotel/motels, recreation, and restaurants.
- A professional hospitality designation would help create a more professional image of the tourism service industry, thus leading to promotion of career options to recruit qualified employees.
- A sustainable program must include continuing education (beyond the initial credentials). This also provides an opportunity to stay in communication with certificate program participants, providing a structured statewide network. The network could be used for advertising (sponsors to subsidize the program costs), intra-state promotion of seasonal travel events, industry news, career opportunities, etc.
- To succeed, the Michigan Hospitality program must have commitment from owner/managers who realize an economic benefit for participating in the program. To know this, we need a research base so the impact can be quantified. A component of that program must include customer-feedback and assessment of the service quality they experienced when traveling.
- As an additional incentive, and opportunity for industry recognition, the Michigan Hospitality program should include recognition of achievements (individually and by business) and celebration of excellence.
- The Michigan Hospitality program should be centralized, coordinated, and managed by an organization that represents the tourism businesses.

## Section 2: Challenges and Opportunities

### Opportunities:

- As a means of differentiation in the marketplace, a better trained work force could distinguish the Michigan travel experience from that of other regions. We know of no other state with a hospitality training certificate program, state wide and industry wide.
- The program could expand our sensitivity to diversity, multiculturalism, and promote more unique destinations and travel purposes (i.e. cultural tourism). We have an opportunity to influence how visitors are served.
- A statewide training program presents an opportunity to create a (hospitality related) branded message that conveys value to an out of state traveler.
- Personal and business recognition of training program participants could motivate adoption of the program. Much like the AAA awards program, we have an opportunity to recognize outstanding hospitality performance and promote those businesses who excel. That could be connected to a visitor survey; we collect data on the visitor experience and recognize excellent service providers for awards program).
- Within the network of certified hospitality workers, there is an enormous opportunity for intra-industry communications and continuing education. A better informed service force would function as a powerful referral and sales team for Michigan tourism businesses.
- A more skillful worker adds to the business's bottom line. There should be direct economic benefits to employers for having their staff certified.
- If that is true, research should be able to quantify the economic impact of a statewide certificate program.
- We may actually enhance the ability to recruit seasonal workers if they know they will earn credentials, and if the service industry image becomes more professionally aligned.
- The branding message of the Michigan Hospitality program should be integrated with the branded message of the statewide tourism campaign (i.e. Pure Michigan).
- As part of the communications message, we could drive visitors to a common website (i.e. MichiganHospitality.org). On that website, the visitor can access the quality of the service received (our service awards program), write and read about actual travel experiences (the blog), and learn about travel packages/events (what they can find now on Travel Michigan's site). This advertising message serves the industry on more levels than is currently available. It also opens a direct communications channel to the customer, giving us candid feedback for product/service development and target marketing. With heavy traffic to the website, advertisers could sponsor the website and subsidize the marketing costs. High achieving businesses (those with Michigan Hospitality program alumni) could earn special designations (i.e. like AAA gold level) that distinguish them from the competition and reward them economically for supporting the program.
- The Michigan Hospitality program could be part of the high school curriculum, improving the industry's access to qualified entry-level service providers and recruiting young people to careers in tourism and hospitality.
- Link certified hospitality workers to one another through an online newsletter. Use this opportunity to promote jobs, education, industry news, events, and one another. This could become a unifying tool, a point of pride in what they do and the state they're working in.

### Challenges:

- Consensus on the need for, and elements of, a certificate program (topics, emphasis, credentials) would be difficult, especially within a fragmented industry, and without consensus the program would have little value. Businesses must promote the program for it to succeed.
- A central management organization is needed to coordinate the program; one doesn't currently exist.
- Promotion across and within the broad tourism industry is necessary to promote the training program to businesses and service employees. This is expensive. A more limited sector could be defined to initially launch the program (i.e. lodging, attractions), with later expansion to allied sectors as the program grows (i.e. ski resorts, specialty restaurants).
- Communication across and within the broad tourism industry (and within geographic regions) is necessary to know what destinations and services to promote to travelers for more intra-Michigan travel commerce. Local and regional knowledge of area attractions must be communicated, centralized, updated, and used. This requires central coordination and would be expensive to keep current.

- Small businesses may lack willingness, and ability, to pay for training programs and to cover release time for staff. Owners need financial incentives to invest in training programs.
- Summer workers, students, seasonal, and part-time workers would be difficult to reach and train because of turnover and short term employment terms.
- Nonprofit organizations (i.e. museums, gardens) would need to find other financial resources and incentives to participate in the program.

### Section 3: **Recommendations**

We recommend an initial core program and subsequent consideration of more specialized, advanced programs.

Fundamental Michigan Hospitality Certificate program (NOTE: this is just an example name)

- Develop a program for all “front line” staff who serve in the food, lodging, travel, recreation, event, cultural, attraction, and sports businesses. These are seen as general *service* industries (term of service is more inclusive than tourism).
- Design a curriculum to cover these key topics within 4 hours: sales techniques and approach (utilize role playing), courtesy and etiquette, multicultural and ethnic sensitivity, knowledge of state and regional attractions (each becomes an ambassador for tourism), problem solving for the traveler, soft skills (i.e. empathy, patience), career pathways, tourism resources.
- Require participants to pass an exam afterwards to earn their certification. This credential would award a lapel pin and a certificate. It would be a recognized credential for service providers in hospitality areas.
- Adopt a brand name and message that conveys the value to the visitor/traveler. Promote that branded message to establish market distinction and to build tourism industry pride.

Owner/ Manager Michigan Hospitality Certificate Program:

- Expect owner/ managers to know the material in the *Fundamental* Michigan Hospitality Certificate Program, then add more advanced topics. Design the curriculum to cover these additional topics for a total of 6 contact hours: hiring hospitality workers, training and motivating, resources for managers.
- Require participants to pass an exam afterwards to earn their certification. The credential is awarded to the manager and allows the business to advertise its designation (i.e. the campground becomes a member of the program. We may want to require that a minimum number of front line workers are similarly designated).

Manage both programs through a central organization (a new Michigan Travel and Tourism organization?). It should be managed and regulated by the travel and tourism industry itself.

Develop the training components through a proposed state wide Regional Skills Alliance (RSA). This organization would design and deliver the curriculum. The (new) Michigan Travel and Tourism organization should be represented on the board of the RSA.

### **Budget**

#### **A. Instructional Program Components**

It is suggested that this portion of the initiative would be led and financed through public resources, as part of workforce development (state and federal, in partnership with local perhaps). Consider potential grants from Community Foundations, Center for Regional Excellence awards, MEDC, Michigan Community Service Commission, MSHDA, Michigan’s 21 Century Jobs Fund, and sponsors (i.e. arts councils, airlines).

#### **Phase 1 Program Development**

Perhaps 2 years or more.

Apply for public funds to create a statewide RSA for hospitality. The RSA would be responsible for creating the curriculum, resource materials, and certification exams. Limit class sizes so participants can spend some time role playing, networking. Offer classes in person rather than online to build communications skills and to network.

Ask CVBs and Chambers to augment programs with information of local attractions. They should be utilized for local promotion (customization) of the classes, and identification of local components of the curriculum. Some of the components of the program should emphasize major statewide tourist attractions and state historical facts.

Create an advisory board to evaluate and continually improve the program.

We envision an electronic bank of test questions that would randomly rotate. Participants could take the exam at any public library, logging into the RSA's website. The library would verify the identity of the test-takers.

**Phase 2 Program Management** Ongoing, after launch.  
 Once the curriculum is developed, the RSA would select instructors, schedule and teach the program, and monitor the exams. They could set the program fees to cover all direct and indirect costs so the program would be self-funded by those earning the certificates (likely the owners of the businesses who send their employees). At this phase the program should become self supporting (break-even, nonprofit), with participants and their employers paying enrollment fees to cover costs.

## B. Tourism Industry Promotional Components

This portion of the initiative should be developed and managed by the industry itself, for the industry. There is economic opportunity here for businesses to capitalize on the quality of the training program, impacts on service quality, and the recruiting of young people to the industry.

**Phase 1 Promotional Development** Perhaps 2 years.

Develop the campaign to sell the program to businesses in the industry. Sell the program through association and industry meetings. Create the awards and recognition programs. Develop the website that the marketing program will direct visitors/customers to. Develop the branding message for the state, tied into the general tourism messages. Develop additional market opportunities by creating study guides, flash cards, DVDs, branded merchandise. Develop a database to monitor credentials and continuing education credits. Find sponsors and advertisers. We don't have a budget summary for this section.

**Phase 2 Promotional Management** Ongoing, after launch.

These management costs could be offset by revenue from the sale of related products, and from advertisers. Those potential revenues were not included in the budget.

Administrative staff	State Program Director	1.0 FTE	120,000	
	PR and Salesperson	1.0 FTE	80,000	
	Web Administrator	1.0 FTE	50,000	
	Program Assistant	1.0 FTE	25,000	\$275,000
Contractual	Newsletter/ web design/ writer		40,000	
	Marketing program		60,000	\$100,000
Administrative support	Travel, Professional Memberships		40,000	
	Office, utilities, supplies, equipment		50,000	
	Recognitions and awards program		10,000	\$100,000
			Total ongoing operating	\$475,000

Consider this expense an investment in the industry that should generate a profitable return.

## Section 4: **The Process**

### Positive:

- The core of team members was committed to, enthusiastic for, and knowledgeable about hospitality training. We worked well together. Team members followed through on commitments.
- Meetings rotated among team member offices, so we got to know each other better professionally.
- We met at least 5 times in person and by conference call. Members could always participate via conference call. Notes were circulated after meetings. In the interim we communicated by Email.
- Gary Warnell did an excellent job keeping IWTs informed and coordinating activities among the IWTs via the biweekly Planning Team meetings.
- The listening sessions provided a solid base for the team to build on and were inclusive.
- Notes were always accessible on the Tourism website.

### Needs Improvement:

- Only half of the assigned members of the IWT participated. If they had, a more diverse representation of the tourism industry would have broadened the perspective of the team.
- Since each IWT proceeded at a different pace, and not all shared much about their deliberations, there was a communications vacuum among the 8 IWTs until near the end of the project.
- We proceeded under the guideline that we could rely on other IWTs to help with specific elements of the recommendations (as related to that IWT's topic assignment; i.e. funding, research, organization IWTs). If this was incorrect, then we didn't use our time or resources wisely.

Prepared by Barb Fails, IWT liaison.