

USING BUSINESS PROCESS MANAGEMENT AS AN EFFECTIVE WAY OF MANAGEMENT IN SPORT TOURISM

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Abstract Global travel industry is a sector that generates hundreds of billions of Euros per year, in a competitive environment with high growth rates. The adoption of active management approaches to increase effectiveness and efficiency is of extreme importance for sport tourism organizations. In order to facilitate the adoption of management actions with impact in the organization effectiveness and efficiency, this paper presents a proposal of an approach to applying Business Process Management (BPM) in Sport Tourism Organizations. The research method used is based in action research aiming to analyze the initial context for developing organizational improvements, articulated with the real needs of the organization, materialized in their core capabilities. Semi structured interview to a CEO of a sport tourism organization was implemented to collect information for the diagnostic phase regarding information about mission and vision, strategic objective, stakeholders assessment business capabilities and stakeholder concerns and objectives. It was developed the initial assessment and action planning, identifying an approach, before conducting the action after the development of the initial problem and the clarification of the identified organizational competencies, with special focus on dynamic capabilities analysis.

Keywords: Business process management; Effectiveness; Sport tourism management.

1. Introduction

The tourism sector has recorded strong growth worldwide, where Portugal is not an exception. This growth enhances the contribution to the Gross Domestic Product of the country (European Union, 2012). This paper seeks to integrate the concepts of dynamic capabilities to support the organization resilience using a Business Process Management approach. Enhancing adaptability creates better support to the organizational resilience in a competitive and changing environment. This is an important factor to ensure sustainability. Our research is an ongoing study in an action research methodological approach, with the development of the initial assessment and action planning, before conducting the next steps leading to the action taking. The paper is structured as follows: initially a theoretical framework will be focused giving an overall context to the problem; clarification of the importance of organizational

adaptability, giving the organization ability to react to the changing environment; description of the alignment between the organizational adaptability and operations. Assuming the organization requirements is proposed an approach to facilitate the articulations of the capabilities with their operation. Finally is presented the research methodology and the results and conclusions of the study.

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2. Theoretical framework

2.1. Sport tourism context In a globalized world sport tourism has become more important because of its economic contribution, well-being and social impact. Tourism is considered a key driver of socioeconomic progress and many destinations have invested in this industry, as it is associated to increasing export revenues, creation of jobs and infrastructure development (UNWTO, 2014). Deery, Jago, & Fredline (2005, p. 378) state: Sport tourism makes an important potential to further to local and national economies and appears to have substantial potential to further build on this contribution. As the largest and fastest-growing segment of tourism industry (Standeven & Knop, 1999), the sport events contribute significantly to economic development (Turco, Swart, Bob, & Moodley, 2003), because it represents a multi-billion dollar industry, within a trillion dollar tourism industry (Kurtzman, 2005), having positive effects on social, environmental and economic aspects (Hritz & Ross, 2010). Expansion and diversification of tourism has positioned this economic sector as one of the largest and fastest-growing in the world, and geographic areas such as Europe have experienced, in 2013, an impressive growth in international tourist arrivals summing a total of 368 billion euros in receipts, accounting for 42% of receipts worldwide (UNWTO, 2014). Concerning Europe, in 2012, the sport-related value is 1.13% to 1.76%, whether is from narrow or broad definition of sport, which represents amounts of 112.18 bn Euro to 173.86 bn Euro (European Union, 2012). Portugal, located in the Southern and Mediterranean Europe, recorded 8% increase in arrivals last year (UNWTO, 2014) contributing to 9,2% gross domestic product (European Union, 2012). According to data from 2006 (Turismo de Portugal, 2006), 22 million international travels are nature based, representing 9% of the total of leisure travels in Europe, with an estimated of 7% growth per year. This specific segment includes travelers that seek an adventure/nature based activity as their main motivation for traveling and those who aim to participate, but not exclusively in this kind of activities, projecting this touristic product as great potential. Portugal has some of the basic requisites to be considered an important adventure/nature based destination: diversity of natural resources, existence of natural parks and other protected areas (21% of the territory is protected area), and good accessibilities (Turismo de Portugal, 2006). Portugal could benefit from more investment in infrastructures and services, more legal permits to act in this sector, and more competitive enterprises and specialized human resources. However, the country is seen as an interesting, appealing and safe destination to this kind of travelers, placing Portugal as an emergent sector in the national tourism industry (Turismo de Portugal, 2006). Since the role of sport tourism in every country has been growing, Portugal is not an exception. The operationalization of management actions is essential because allows the creation of mechanisms that improve the knowledge of customers and organization adaptability.

2.2. Organizational adaptability

The specific characteristic of sport tourism market, such as pulsating and flexible organizations, incurs in the need of an adaptable organization, dealing with how to bring about strategic change, renewal and adaption, with a particular eye to the competencies, processes and mechanisms for doing so. The new business environment is characterized by constant changes and by an extremely dynamic context. Working on “successful new strategic tourism planning initiatives will require that decision makers not only understand historical and contemporary trends and movements in the business environment but will require the ability to predict new key emerging developments and shifts” (Moutinho, 2011 : 1). This unstable environment of rapid transformations creates a need for managers to recognize and manage existing competencies in a firm and also acquire new ones (Prahalad & Hamel, 1994) in order to adapt to new realities. Several authors emphasize the importance of the internal process management, as how they are deployed and how they will evolve (Teece, Pisano, & Shuen, 1997; Peteraf & Bergen, 2003; Helfat & Peteraf, 2003; Teece, 2007; Peteraf, Di Stefano, & Verona, 2013), focusing the sustainability of a competitive advantage of a firm in their “dynamic capabilities”. Teece et al. (1997) define dynamic capabilities as “the firm’s ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments” (p. 509) going beyond traditional approaches, emphasizing the “traits and processes needed to achieve good positioning in a favorable ecosystem, but it also endeavors to explicate new strategic considerations and the decision-making disciplines needed to ensure that opportunities, once sensed, can be seized; and how the business can be reconfigured when the market and/or the technology inevitably is transformed once again” (Teece, 2007 : 1347). A dynamic resource-based view of competitive advantage (and disadvantage) over time, based on capabilities and resources, benefit from incorporating the concept of dynamic evolution (Helfat & Peteraf, 2003, p. 1008). For these authors, competency, core competencies and organizational capability need to be dynamic and change and evolve to remain a source of competitive advantage.

Kor and Mesko (2013) also highlights the importance of dynamic managerial capabilities as the key mechanism to achieve congruence between the firm’s competencies and changing environmental conditions (Peteraf & Bergen, 2003) and emphasize that CEO’s dynamic managerial capabilities in concerto with senior executive managerial capabilities will drive top management’s ability to revitalize the firm’s dominant logic and to achieve evolutionary fit.

The model of the resource management process by Sirmon et al (2007) – Figure 1 – shows that managers should also have the skills necessary to bundle resources to create effective capabilities. Firms especially need to be able to develop new capabilities, in that discontinuous environmental changes can greatly reduce the value of their current capabilities.

A Dynamic Resource Management Model of Value Creation

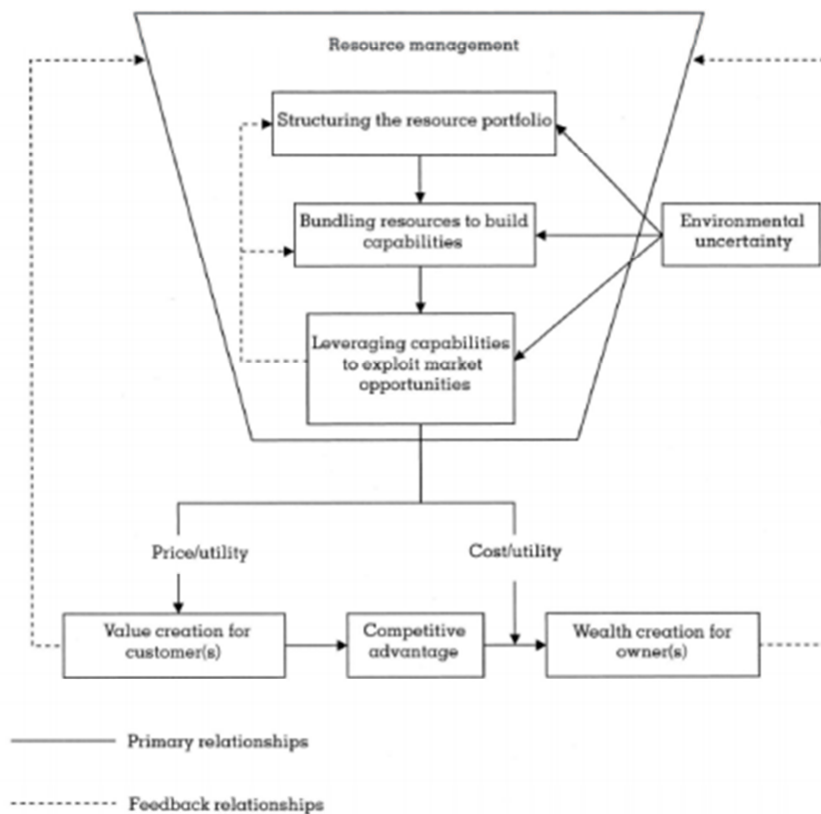


Figure 1. A dynamic resource management model of value creation.

The model developed by Sirmon et al (2007) is based on processes and incorporates a temporal dimension. However, “because the firm must have resources to bundle into capabilities and because capabilities must exist for leveraging to occur, the resource management process is at least partially sequential in nature” Sirmon et al (2007: 275). The model also incorporates feedback relationships permitting continuous adaptation for synchronization and fit with the environment. In consequence, the management of resources is essentially dynamic, with change resulting from adapting to environmental contingencies and from exploiting opportunities created by those contingencies (Sirmon et al., 2007). Helfat and Peteraf argue that “it is difficult to fully explain how firms use resources and capabilities to create a competitive advantage” (2003 : 997). Although, Sirmon et al (2007) presented a model in the attempt to fill this void, providing an important value-added contribution to knowledge of managing resources in dynamic and uncertain environments. This model has multiple implications for managers, that need to be able to acquire, accumulate (develop), and divest (when necessary) resources to have the most effective resource portfolio at any given time (Makadok, 2001).

2.3. Capability alignment

Business Process Management (BPM) requires an alignment with the organizational strategy. The strategy needs proper business capabilities necessary to developed rapid adjustments to the changing environment. This assumes the clarification how to define the organization operations articulated to the business needs. To achieve the operationalization of the strategy

can be used several approaches. In our research were analyzed several BPM approaches proposed by BPM practitioners, the selection criteria was based in the availability of approach information (Table 1).

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Table 1. BPM approaches.

Authors	Approach	Brief Description
(Ramias & Rummler, 2009)	<i>Effective Process Framework</i>	Organization as a system, from outside to inside (super system) and decomposing the organization by levels, proposing the Value Creation Architecture composed of Business Architecture, Architecture Management, System Architecture and Technological Performance System Human Performance
(Tregear, Alkharashi, Leandro, & Macieira, 2010)	<i>Office of BPM</i>	BPM adoption using a BPM center of excellence based in three accelerators: (1) <i>OBPM reference model</i> ; (2) <i>staged implementation</i> and (3) <i>BPM capability development program</i> .
(Jeston & Nelis, 2008)	<i>Project Framework 7FE</i>	Starts with the formulation of strategic objectives and ends their fulfillment. Proposes an alignment between strategy, process execution and implementation of projects with a process governance and suggest its application supported on the Balanced Scorecard (Kaplan & Norton, 1996).
(Sharp, 2009)	<i>Tools for process improvement</i>	Identifies a set of guidelines, beginning with a contextualization of the processes supported by its goals framed in the organization's strategy. Involving the establishment of the process context, scope and goals, understanding the workflow (as-is) and its enablers and define the characteristics of the intended process (to-be) and requirements.
(Miers, 2006)	<i>BPM Project Delivery Framework</i>	Ensures that the projects are approached in the proper sequence, linked to business goals and supported by BPM technology. Supported in eight steps starting with the establishment of a coordination group and ends with the implementation of organizational change.
(Harmon, 2007)	<i>BPTrends</i>	BPTrends provides an approach for the strategic level and process level. At the strategic level, the goal is to create and organize the tools and resources that managers need to coordinate the process across the organization. At the process level, are developed projects with the greatest impact on processes improvement, through a systematic approach to the underlying business model, inputs and outputs, activities and flows, process management, process control and support processes.
(Coelho, 2005)	<i>MLearn</i>	Identify key factors for a successful implementation based in a model of continuous improvement directed to an effective strategy execution. Uses a top-down approach executed in two cycles, the first cycle is designed for interactive sessions capturing the strategy, while the second corresponds to the characterization of the as-is, which reflects how activities are performed in the organization. The goal is to discover existing processes.

BPM has become a holistic management discipline that requires several facets to be addressed for a successful implementation (Rosemann & Brocke, 2010). The identification of critical aspects helps the understanding of what needs to be addressed more carefully. Rosemann and Brocke (2010) identify six core elements: strategic alignment; governance; methods; information; technology; people and a culture. Bucher e Winter (Bucher & Winter, 2010)

identify four factors to successful BPM development: degree of performance measurement; professionalism of process management; impact of process managers and usage of methodology and standards.

The critical factors to BPM implementation give us the identification of aspects to consider in an overall approach, articulated with the BPM approaches in a suitable way for the adoption in the sport organizations.

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2.4. Proposed approach

The proposed approach is based in eight steps: (1) organization mission and vision; (2) identification of strategic objectives; (3) stakeholders assessment; (4) identification of business capabilities; (5) assessment of stakeholder concerns and objectives; (6) clarification of operational objectives aligned with stakeholders, business capabilities and strategy objectives; (7) prioritization of improvement areas and (8) definition of an action plan, based in the improvement needs to be identified and materialized in projects. The main goal is to get an initial context for developing organizational improvements, articulated with the real needs of the organization, materialized in their core capabilities. The improvement should be developed in the main or priority capability, clarified and prioritized in the initial assessment of the organization.

3. Research methodology

The research method is based in action-research. Lewin (1946) considered the founder of action research, relates as a research that helps to generate knowledge about the social system and at the same time attempt to change it. As methodology as two objectives: (1) action to achieve change in an organization, community or program and (2) research to increase the comprehension of the researcher (Dick, 1993). Baskerville (1999) identify five phases: (1) diagnosing; (2) action planning; (3) action taking; (4) evaluating and (5) specifying learning. The action research phases can be conducted in two action research cycles (Susman & Evered, 1978), framed in a cyclical nature, considering a cycle before the action and after. Our research is an ongoing project. We develop the initial assessment and action planning, identifying an approach, before conducting the action taking. The diagnostic phase was developed based in the interview script that incorporates the research approach proposed. The script was implemented as semi-structured interview to a CEO of a Sport Tourism Organization. The Small Medium Enterprise (SME) develops customized active vacations over the world, such mountain biking in Patagonia, hiking in Turkey, trekking in Himalayas. Develops consulting services like: improvement of Nature Tourism; Nature Sport Activities; Conception and implementation of walking trails; implementation of mountain bike centers and signage for biking trails, to name few services. Is a SME, with an annual revenue of approximately 500.000€ and with 10 collaborators. In the interview the assessment of the mission led us to the business areas being developed by the organization ensuring the client satisfaction. The Vision reflected that concerns to maintain the organization activity and it's sustainability,

suggesting that if the organization continues a sustained growth could origin a spin-off of major activities areas being developed. The clarification of strategic objectives was centered in the customer satisfaction, financial sustainability and organic growth. Main stakeholders identified were: customers; partners; travel agencies; hotels and government. The identification of business capabilities clarified: evaluate customer's needs; select employees with adequate skills; activity design and manage equipment's. The articulation of strategic objectives, stakeholders and business capabilities allowed the assessment of stakeholders concerns and objectives. Was identified two major concerns. The first is related to the development of bigger notoriety for Portugal increasing customer flow, which assumes two stakeholders (clients and government) and two issues (more clients and more initiatives), supported by the increase of the notoriety by

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the government operationalized in internal tourist services, presences in the biggest thematic fairs and less bureaucracy. The second concern is related to partners for activities and the service quality and its recognition.

4. Results and conclusions

It's an ongoing study that developed a diagnostic phase. The approach used allows the development of the initial problem and the clarification of the identified organizational competencies. These are fundamental to the organization survival and should be carefully operationalized and contextualized in its objectives. The proposed approach simplifies the identification of priority areas, facilitating the organizational insight without too much time. The sport tourism market is exposed to the global one, however as its significance grows, due to its major contribution to tourism industries and GDP of a country, a new approach to competences is necessary. In fact, dynamic competences, operationalized with BPM strategies, allows organizations to achieve efficiency and effectiveness. The BPM, as a tool to promote active management, encompasses an integrated and top-down approach to define business strategy and bottom-up to its operationalization. As a result of sport tourism market dynamics, the organizations can benefit from the use of BPM to manage the adaptability, flexibility, efficiency and effectiveness of the decisions, adapted to the constraints and to the market needs.

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