

This article describes the activities undertaken to support the transformation of the tourism industry in Saudi Arabia at the start of the new millennium

Drivers of change

At the start of this century the Kingdom of Saudi Arabia was facing a number of significant challenges:

- There had been a population explosion – growing by a factor of four in a single generation
- Fewer people were now being employed in the oil industry and there was a need to reduce future reliance of the economy on oil revenues alone
- Unemployment had also become a major issue – particularly amongst the young men of Saudi society
- Finally, the international perception of Saudi Arabia had been seriously tarnished by the increasing threat of global terrorism

In response to these key drivers, in 2000 the Council of Ministers set up the Supreme Commission for Tourism (SCT). Over the next two year period, they developed a twenty year vision for the creation and promotion of a new industry. The emphasis in the first five years was on 'domestic tourism' – seeking to raise awareness of the industry internally before looking to develop new tourist sites and events in fields such as eco-tourism and sport and adventure tourism. The challenge was significant; the SCT team faced many obstacles:

- The culture of society was not an active one, with Saudi people from all demographic groups having the highest 'inactivity ratio' anywhere in the world – a fact that is not unrelated to daytime temperatures in Saudi above 50C
- Many Saudi residents do go on holiday, but unfortunately most tended to travel overseas – this had done little to develop the domestic tourism industry
- Saudi Arabia contains the most important religious sites in the Muslim world, and as such there would be significant restrictions in terms of what could and could not be done in terms of tourism. At the same time, Religious Tourism offered enormous potential with over 4 million Muslims visiting Mecca every year from all over the world
- 'Tourism' was also associated with Western values, and there was general concern that increased tourism meant an increased Western influence which would not be welcomed amongst the religious community
- Even though Saudi Arabia is perceived to be enormously wealthy because of their oil revenues, finance was a problem. To build an industry from scratch requires a multi-billion dollar investment, but there was little appetite for this within the Council, and so limited funds would have to be spent wisely
- The high profile tourism developments in Dubai and more latterly Bahrain with the Formula 1 Grand Prix has increased the pressure on Saudi Arabia to 'do something' but as the protector of the religious sites, Saudi's approach must be different
- Finally, skills of all sorts were in short supply. Historically, imported skilled labour would be used for both the planning and management functions, and most of the manual

activities. The youth of Saudi society are much more commercial and entrepreneurial in their outlook, and with unemployment being a primary driver, the whole industry needed to be created and managed by Saudis

Moving forward

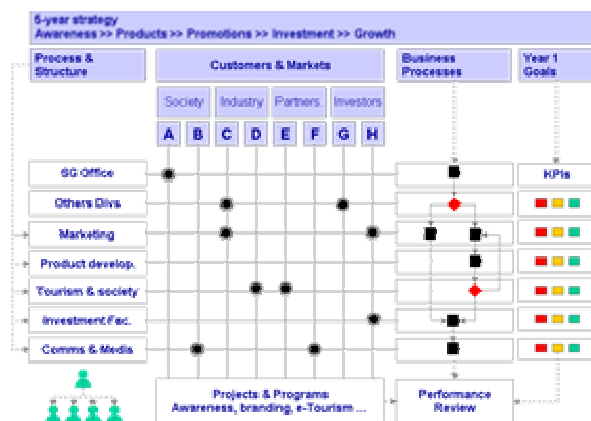
Once the SCT had completed an initial two year period of strategic planning it was vital that they moved into the implementation phase as quickly and smoothly as possible. The planning phase had gathered a significant amount of information but the use of KPMG consultants had proved enormously expensive, and to an already sceptical population it had actually delivered very little.

This placed a significant amount of pressure on the newly formed Tourism Investment and Marketing Division (TIMD) of the SCT, who would need to take the lead in terms of developing new tourist sites (hard products) and organising events and conferences (soft products).

Their first priority was to build capability, and this meant people, skills and processes – specifically in the area of project and change management. They needed a structured and systematic approach to the implementation of strategic change, based on best practices. They also recognised that many of the systems and tools used in the planning phase (such as Microsoft Project) were too complex and bureaucratic for the needs of a marketing division that would need to develop quickly and be highly flexible and adaptive. To meet this challenge a dynamic and motivational leader was selected to head up the new Division, but at the same time he recognised the need to find a partner that specialised in the field of implementing strategic change and that could quickly adapt to the local culture and operating constraints.

Following an in-depth review of potential solution providers, Project Leaders International (PLI) were selected because of their expertise in this field,

and their ability to work in all six areas of the SCT business that needed development: these became known as the '6 Ps' - Planning, Projects, Processes, People, Platform and



Performance. There was also a general concern about working with the larger Western consulting firms that are perceived to be expensive and frequently fail to deliver against expectations – SofTools were large enough to be able to deliver whilst small enough to care.

Project Leaders International Ltd. and its technology partner, SofTools Ltd., are specialist UK-based training, consulting and software companies that focus on Project and Portfolio

Management (PPM) solutions. They work with a variety of international organisations in both the public and private sectors including: Coca-Cola, Nokia, and BNFL, and they are a partner organisation of Henley Management College in the UK. Andrew Bruce, the SofTools CEO is author of the best selling Dorling Kindersley Essential Manager book: 'Project Management', and was able to bring international best practices to the Saudi Arabian project - but in a format that was both pragmatic and adaptable to the local culture and environment.

At the heart of their approach, SofTools use a web-based platform that captures and presents easy-to-use interactive templates for planning, implementing and controlling projects. These systems are ideal for non-technical businesses where the focus is on: 1) provision of visibility and control for the senior management team, and 2) the consistent application of best practices by all those involved.



Building Best Practices

An initial review of the current state quickly identified a number of gaps that reflected each of the six P's – the challenge was not to implement a project, but with the newly formed TIMD, it was effectively to build a business from scratch. Even though there was a highly enthusiastic and committed top team, everyone knew that this would take time. Unfortunately there was also a significant amount of external political pressure to be seen to be delivering results quickly.

It was therefore decided that a two step approach was required. Step one was the FastTrack approach that defined the project management process from concept to improve - focusing on a small number of high profile projects such as the re-branding of 'Saudi Tourism'. The initial stage also resulting in the creation of a project management 'dashboard' that would provide an initial level of visibility and control of the full portfolio.

	1. Concept	2. Scope	3. Business Case	4. Implement	5. Improve	Closed	TOTALS
1. Eco-Tourism		4	1	1			6
2. Sport & Adventure	12	2		1			15
3. Cultural Heritage	6	2	10				18
4. Tourism & Society	1	2	4				7
5. Investment Facilitation	5	2	2				9
6. Marketing	5	2	2	2			11
7. Communications & Media	1	1	1	1			4
8. Cross TIMD				1			1
9. Cross-SCT					1		1
TOTALS	36	2	19	11	1	0	69

Step two focused on the introduction of sustainable best practices in all areas of the organisation. It started with the definition of the

Operating Framework for TIMD and moved quickly on to the development of core skills in the areas of: Project Management, Issue and Risk Management, Critical Decision Making, and Process Design. To coordinate activities, a Project Office was established that quickly became the focal point for guidance and advice for the newly forming teams. Finally, once the year one project portfolio had been defined, a Project Review Group was formed, and the monthly management meetings quickly became the heartbeat of the division – reviewing status red projects, checking alignment with SCT Key Performance Indicators (KPIs), and sharing insights across departmental teams.

Proj	Project details	Project Manager	Department	Phase	Start Date	Close Date	Budget	Status	Lead
1	Eco-Tourism								
1	Hal Nature Photo Event	Sprandi@kth	1. Eco-Tourism	4	28 Dec 2003		20,000	Green	
2	Desert Beach Front Public	Sprandi@kth	1. Eco-Tourism	3			175,000	Orange	
3	Marine Environment Seminar	Sprandi@kth	1. Eco-Tourism	3			130,000	Green	
4	Learn-Go Trace Statement Event	Sprandi@kth	1. Eco-Tourism	3	1 Jan 2004		100,000	Green	
5	Adventure Guide Training	Sprandi@kth	2. Sport & Adventure	2	15 Apr 04		1,000,000	Red	

During both the FastTrack and Best Practice stages, many unexpected issues arose that had to be understood, prioritised and addressed. These included: the role of women in the Division where men and women are not allowed to work face-to-face; the preferred leadership style that needed to balance a dynamic motivational vision with a pragmatic results based approach; and the need to focus on clear objectives, where the goalposts at a higher political level were constantly changing.

Looking back

The new Division is now in place and performing well in what is a highly challenging environment. The regular review meetings are starting to drive consensus in terms of priorities, resource allocation, budgets and cross-team cooperation. Teams are now more confident and proactive, and the projects for the following year are now planned in good time to get the necessary budgets approved by the Ministry of Finance. New skills have been learned and (gradually) are being applied to good effect – and a noticeable success is the continued development of the Project Office.

However, there is still much more to do and now that the first 12 months has been completed, it is increasingly clear why the strategy was set for a 20 year period. Implementing projects is part of the process of creating an industry from scratch in what is a highly unsettled political climate, and ultimately this programme will potentially change the culture of the nation.

Contact

For more information please contact Andy Bruce at info@project-leaders.net