

Qualifi Level 7 Diploma

Strategic Planning Facets in Hospitality and Tourism

Level 7: Diploma in Hospitality & Tourism Management
UeCampus Study Guide



Academic Module



Study Guide



Online Learning

Unit Overview: Five Chapters

Ch 1

Theories & Approaches

PESTLE, Five Forces, RBV, Value Chain, SWOT, BSC

Ch 2

Strategic Options

Ansoff, Porter, BCG, Bowman, Blue Ocean, Asset-Light

Ch 3

Risk & Justification

Risk taxonomy, mitigation, resilience, recommendation

Ch 4

Strategy Development & Ethics

7-stage process, strategy document, ethical frameworks

Ch 5

Conflicts & Mitigation

Structural, cultural, resource, stakeholder; 7 techniques

From analysis to strategy formulation, ethical evaluation, and implementation conflict management

External Environment Analysis

PESTLE Analysis

Political, Economic, Social, Technological, Legal, Environmental forces. Tourism is uniquely sensitive: political instability collapses visitor numbers; health crises halt travel overnight.

Porter's Five Forces

Competitive rivalry, supplier power, buyer power, threat of new entrants, threat of substitutes. OTAs have shifted buyer power dramatically; Airbnb disrupted barriers to entry.

Scenario Planning

Constructing multiple plausible futures (optimistic, pessimistic, transformational) rather than predicting a single outcome. Essential for VUCA tourism environments.

External forces exert unusually direct and immediate influence on hospitality demand

Internal Analysis & Integrative Models

Internal Capability

Resource-Based View (RBV)

VRIN framework: valuable, rare, inimitable, non-substitutable resources. Service culture, brand, guest data.

Value Chain Analysis

Primary activities (inbound, operations, service, marketing) and support activities. Where does the organisation create or destroy value?

Balanced Scorecard (BSC)

Four perspectives: financial, customer, internal process, learning & growth. Links strategy to operations.

Integrative Models

SWOT Analysis

Synthesises internal (S/W) with external (O/T). Forces confrontation of strategic reality. Limitation: can become a listing exercise without strategic prioritisation.

TOWS Matrix

Extends SWOT by generating strategic options: SO (leverage), ST (defend), WO (improve), WT (avoid). Converts diagnosis into direction.

Comparative Framework

Six evaluation dimensions: unit of analysis, external vs internal, theoretical assumptions, time horizon, competition vs collaboration, practical applicability.

Strategic Options: Growth & Competitive Positioning

Ansoff Growth Matrix

Market Penetration

Loyalty programmes, occupancy drives

Product Development

Spa, wellness, co-working additions

Market Development

New routes, new source markets

Diversification

Hotel brands entering cruise/wellness

Porter's Generic Strategies

Cost Leadership

Budget airlines, economy hotel chains

Differentiation

Luxury resorts, heritage experiences

Focus (Cost)

Budget backpacker hostels

Focus (Diff.)

Boutique wildlife lodges

Additional Strategic Frameworks

BCG Matrix

Stars, Cash Cows, Question Marks, Dogs — portfolio resource allocation

Bowman's Strategy Clock

8 competitive positions beyond Porter: hybrid, focused differentiation

Blue Ocean Strategy

Create uncontested markets: capsule hotels, glamping, sleep tourism

Asset-Light Model

Management/franchise vs ownership: Marriott, IHG scalability revolution

Evaluating Strategic Options: The SAF+ Framework

Suitability

Does it address the strategic situation?

Connects option to PESTLE/Five Forces findings, builds on strengths, addresses threats. Logically consistent with strategic position.

Feasibility

Can the organisation actually deliver it?

Financial capital, human talent, operational expertise, technology, management bandwidth. "Brilliant but unfeasible" is not strategic.

Acceptability

Will stakeholders support it?

Complex multi-layered stakeholder ecosystems: investors, owners, employees, guests, communities, regulators, partners.

Risk

What could go wrong?

Market risk, operational risk, financial risk, reputational risk, regulatory risk. Systematic + option-specific. Scenario analysis.

Sustainability

Does it create durable value?

Short-term wins creating long-term problems: aggressive discounting erodes brand; rapid franchise dilutes quality.

Evaluation integrates all five dimensions — a strategically suitable option may be unfeasible; a feasible option may be unacceptable to stakeholders

Strategic Risk in Hospitality & Tourism

External Risks

- Macroeconomic & geopolitical (recession, currency, instability)
- Public health & biosecurity (pandemic, travel restrictions)
- Climate & environmental (extreme weather, sea-level rise)
- Technological disruption (OTA dominance, AI, platform shifts)
- Regulatory & compliance (visa rules, sustainability mandates)

Internal Risks

- Execution risk (capability gaps, project overruns)
- Financial risk (capital constraints, cost escalation)
- Talent & capability risk (skills shortages, staff turnover)
- Brand & reputation risk (service failure, negative reviews)
- Cultural & change risk (resistance, misalignment)

Risk Mitigation & Resilience

Diversification

Scenario planning

Flexible investment

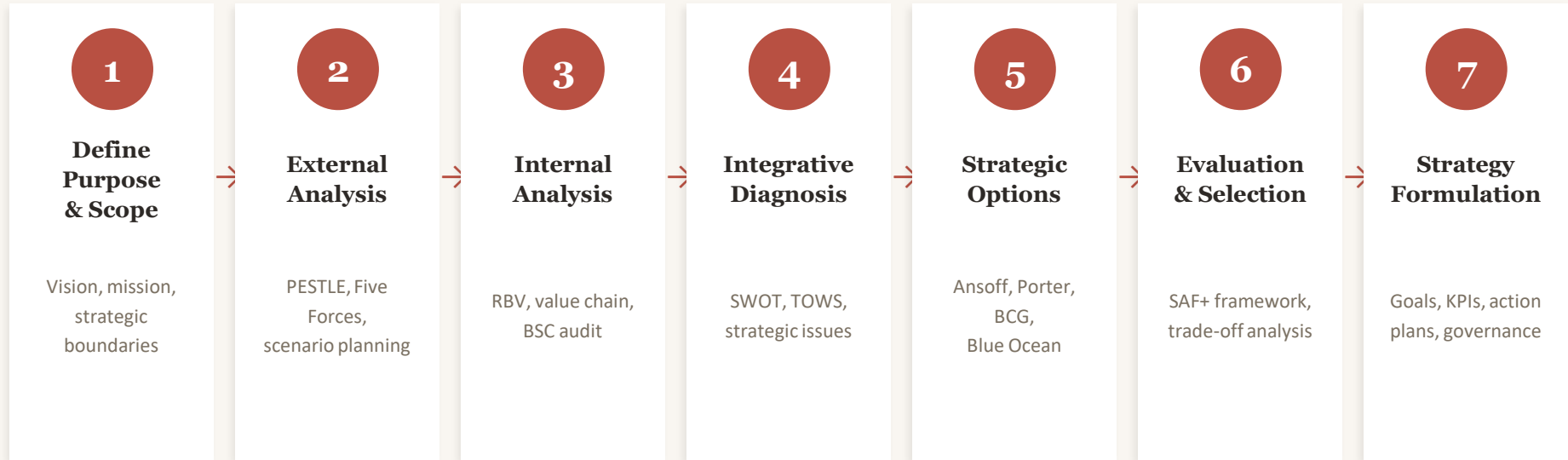
Financial reserves

Strategic partnerships

Agile governance

The 7-Stage Strategic Development Process

Sequential but iterative — insights at later stages require revisiting earlier assumptions



The strategy document should include: strategic vision, situational analysis summary, strategic objectives, competitive strategy, functional strategies, financial projections, implementation roadmap, governance framework, and monitoring mechanisms.

Ethics in Strategic Planning

Whose interests does the strategy serve?

Utilitarianism

Greatest good for the greatest number.
Evaluate total consequences: jobs created, communities displaced, environmental impact.

Bentham, Mill

Deontological Ethics

Certain actions are inherently right or wrong regardless of outcome. Duty to stakeholders: fair wages, honest marketing, guest safety.

Kant

Virtue Ethics

Character of the decision-maker and the organisation. Does the strategy reflect integrity, fairness, and responsibility?

Aristotle

Ethical Challenges in Hospitality & Tourism Strategy

- Labour exploitation in cost-reduction strategies (zero-hours, seasonal precarity)
- Environmental sustainability vs profit growth (overtourism, greenwashing)
- Community displacement and cultural commodification in destination development
- Guest data privacy and algorithmic pricing (dynamic pricing transparency)
- Supply chain ethics (modern slavery, local sourcing, fair trade)

Implementation Conflicts: Four Dimensions

Structural Conflicts

Organisational design lags behind strategic intent. Departmental silos, central vs local tension, owner-operator misalignment in franchised/managed models.

Cultural Conflicts

Shared values and 'how things are done here' resist change. Culture typically wins unless deliberate, sustained effort is invested. Identity threat triggers resistance.

Resource Conflicts

Finite resources: capital, attention, time, bandwidth. Operations-transformation tension: today's guests cannot wait while tomorrow's strategy is built.

Stakeholder Conflicts

Divergent interests: investors want returns, employees want security, guests want consistency, communities want employment without disruption.

Seven Conflict Mitigation Techniques

Technique	Purpose	Addresses
1 Strategic Communication Architecture	Every stakeholder understands rationale, personal implications, and their role	Cultural, stakeholder, resource
2 Participative Strategy Translation	Those who implement determine how the strategy adapts to their context	Cultural, structural, stakeholder
3 Change Champion Networks	Respected peers advocate across properties, departments, and levels	Cultural, stakeholder, structural
4 Incentive Realignment	Redesign rewards so strategy-required behaviours are the ones rewarded	Resource, structural
5 Quick Wins & Visible Progress	Tangible early results build credibility during the long middle phase	Cultural, resource, stakeholder
6 Formal Stakeholder Governance	Advisory boards, owner forums, community liaison — structured dialogue	Stakeholder
7 Transition Support & Capability	Training, coaching, and support for people whose roles are changing	Cultural, resource

Structuring the Business Strategy Document

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|-----------|---------------------------------------|---|
| 01 | Strategic Vision & Mission | Where the organisation intends to be; the purpose it serves |
| 02 | Situational Analysis Summary | Synthesised PESTLE, Five Forces, RBV, SWOT findings |
| 03 | Strategic Objectives | SMART goals across BSC perspectives with KPIs |
| 04 | Competitive Strategy | Chosen positioning (Porter/Bowman) with justification |
| 05 | Functional Strategies | Marketing, operations, HR, finance, digital, sustainability |
| 06 | Financial Projections | Revenue forecasts, investment requirements, break-even, ROI |
| 07 | Implementation Roadmap | Phased timeline, milestones, responsibilities, quick wins |
| 08 | Governance & Monitoring | BSG dashboard, review schedule, accountability structures |
- hospitality, specific dimensions, service, brand architecture, BSC, digital system, reviewing, distribution, operations, stakeholder, engagement*

Building Organisational Resilience

Not rigidity against threats, but flexibility to absorb shocks and maintain strategic coherence

Financial Reserves

Liquidity buffers that provide breathing space during demand shocks. COVID revealed which organisations had reserves and which did not.

Revenue Diversification

Multiple revenue streams (rooms, F&B, events, retail, digital) reduce dependence on any single source. Geographic and segment spread.

Flexible Cost Structures

Variable cost models (outsourcing, managed contracts, gig staffing) that can expand and contract with demand.

Adaptive Culture

Workforce that treats disruption as normal. Psychological safety, learning mindset, decentralised decision-making.

Digital Infrastructure

Technology that enables rapid pivoting: direct booking, contactless operations, dynamic pricing, real-time analytics.

Stakeholder Relationships

Strong partnerships with communities, suppliers, regulators — social capital that provides support during crises.

Key Takeaways

- Strategic analysis requires both external (PESTLE, Five Forces, scenarios) and internal (RBV, value chain, BSC) lenses — integrated through SWOT/TOWS
- Seven strategic option frameworks provide a comprehensive toolkit: Ansoff, Porter, BCG, Bowman, Blue Ocean, alliances, asset-light models
- Evaluate options across five dimensions: suitability, feasibility, acceptability, risk, and sustainability — no single dimension is sufficient alone
- Risk in hospitality is amplified by demand volatility, intangibility, and geopolitical sensitivity — resilience is a strategic capability, not a cost
- The 7-stage strategy process is sequential but iterative — later insights must feed back into earlier assumptions
- Ethics are not peripheral to strategy — they permeate every stage from purpose definition through implementation
- Implementation conflicts (structural, cultural, resource, stakeholder) are predictable and manageable through seven endorsed mitigation techniques