

VALUE CHAIN APPROACH TO SME DEVELOPMENT: THE CASE OF THE TOURISM SECTOR OF BOHOL, PHILIPPINES

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Abstract: *The development of the tourism industry depends on the competitiveness of the small and medium enterprises (SMEs) that directly deliver value to the tourists. The Philippines promotes tourism as engine of investment, employment, growth and national development. The island province of Bohol in the Visayas region has picked up from this national policy to install initiatives to improve their competitiveness as a tourism destination. This was identified by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), an international development agency, as a pilot area for the implementation of the value chain approach to development. Grounding on the concepts of value chain, systemic competitiveness, and TOWS matrix, a participatory process was designed where stakeholders were sensitized to the need for a collective effort in mapping and analyzing the value chain of the tourism industry, determining the direction they would take and formulating upgrading strategies. What resulted were the formulation of a provincial vision statement for tourism and a shortlist of upgrading strategies at every function of the tourism value chain.*

JEL classification numbers: L26, O20, O14

Keywords: *value chain, competitiveness, small and medium enterprises, tourism, participatory process*

1. INTRODUCTION

As a developing country, the Philippines recognizes the small and medium enterprises (SMEs) as economic drivers. According to the Department of Trade and Industry (DTI) the SMEs account for 98% of the total registered businesses in the Philippines. Side by side, the Philippines is also promoting tourism as an engine of investment, employment, growth and national development with the enactment of the Tourism Act of 2009. At the front line of tourism are the SMEs which deliver the products and services to tourists. In other words, SMEs make up the tourism sector, thus, to develop tourism the SMEs must become more competitive.

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The Philippines is a beneficiary of technical assistance from various international agencies. The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) in partnership with the DTI implemented the Private Sector Promotion (SMEDSEP) Program in pursuit of a more favorable business climate for the SMEs, particularly in the Visayas region of the Philippines. In 2011 Bohol, an island province in the Visayas known for its tourism, was chosen as the pilot area for developing strategies to upgrade the competitiveness of its SMEs.

Prior to the SMEDSEP Program of GIZ and DTI, the Provincial government of Bohol has not been lacking in initiatives to improve its competitiveness as a tourism destination. It has crafted the *Bohol Tourism Master Plan*, the *Biodiversity Conservation and Ecotourism Framework Plan*, and the *Tourism Sector MSME Development Plan*. However, even with these initiatives the SMEDSEP Program identified a need for a cohesive, integrative and participatory process where the stakeholders analyze their situation, identify solutions and commit to their implementation.

1.1. Tools for Analysis

Three tools were adopted in the design of the participatory process used in this study: (1) value chain, (2) systemic competitiveness, and (3) the TOWS matrix. The value chain is the overarching concept used in this study, thus the title of the paper. The Value Chain Approach to Development could be found used in many projects by the GIZ focused mainly on specific products.

Value Chain. In his 1986 book *Competitive Advantage* Michael Porter introduced the value chain concept. Although Michael Porter explained it more thoroughly in his book, the concept is simplified here for the purpose of usability and transferability. As tool for analysis, one would be able to determine weaknesses in systems or processes by simply acknowledging that value is created by activities that are sequential. All activities in the chain should contribute value—every activity producing value that is added on by the next activity, and so on. Guided by the principle that ‘the strength of a chain is measured by the weakest link’, a chain or sequence of activities is determined to be competitive only when all the activities contribute value.

The GIZ has been using the value chain as tool for analysis, but with modification. The chain of activities is mapped out, either vertically or horizontally. This would be followed by the identification of stakeholders classified as players and enablers. Players are those who perform the function or activity in the chain while the enablers are agencies that are expected to support the players by working for an environment conducive to business.

Once mapped out, the value chain may become more useful as information is added to the map. For example, statistics in terms of value created per activity relative to cost of inputs in the creation of value may provide valuable insight

regarding the strength of the chain. Depending on the purpose for which the analysis is performed, the value chain approach provides an excellent view of the bigger picture without losing sight of the important details.

Systemic Competitiveness. Systemic Competitiveness is the contribution of the German Development Institute originally developed for industrial development. In the 1998 report of Altenburg, Hillebrand, and Meyer-Stamer – *Building Systemic Competitiveness: Concept and Case Studies from Mexico, Brazil, Paraguay, Korea and Thailand* – systemic competitiveness as concept “seeks to capture both the political and the economic determinants of successful industrial development. It refers to a pattern in which state and social actors deliberately create the conditions for successful industrial development.” They further argued that as a framework for analysis, there are four levels at which one should approach development.

The first is the *meta* level where the development-readiness of a culture is determined and whether or not there is a consensus on the need for development and integration into the world market. It also looks into the ability of the social actors to jointly work together to formulate visions and strategies and implement policies. The second level is the *macro* level. At this level one examines whether or not there is a stable and predictable macroeconomic framework in place. Among others, the exchange rate and general foreign trade policies are analyzed – whether or not they stimulate investments.

The third is the *meso* level where policies and institutions are examined to determine whether or not they “shape industries and their environment (technology institutes, training centers, export finance, etc.) and create a competitive advantage. Moreover, it is the world of local and regional industrial competitiveness initiatives to strengthen the firms’ environment. Many of the institutions that act at the *meso* level are typically, or can in principle be, non-government entities, e.g. business associations or nonprofit entities.” And the fourth is the *micro* level where firms or network of firms are examined to find out how strong their external linkages are and their capability for continuous improvement.

TOWS Analysis Matrix. While value chain and systemic competitiveness offer a way to look at the bigger picture, the TOWS analysis matrix is a handy tool for generating issues and concerns and formulating strategies. This tool may be found among the many tools for analysis offered by *mindtools.com*. TOWS is the abbreviation for Threats, Opportunities, Weakness, and Strengths. This tool is in fact a modification of the more popular SWOT Analysis. However, the TOWS Analysis Matrix does more than just listing issues and concerns regarding the firm’s internal and external environment. It clearly defines how strategies may be formulated using the information generated.

As a process, one can start at determining issues and concerns (positive or negative) classified as Threats and Opportunities for those external to the firm,

and Weaknesses and Strengths for those internal to the firm. Then a matrix can be prepared which will facilitate the comparison of Threats with Strengths to generate *mini-maxi* strategies (or strategies that minimizes threats by maximizing strengths). Threats can also be compared with weaknesses to formulate *mini-mini* strategies or strategies that minimize threats and weaknesses. Opportunities can be paired with strengths to formulate strategies that maximize opportunities and strengths or *maxi-maxi* strategies. Opportunities and weaknesses can generate *maxi-mini* strategies or strategies that maximize opportunities and minimize weaknesses.

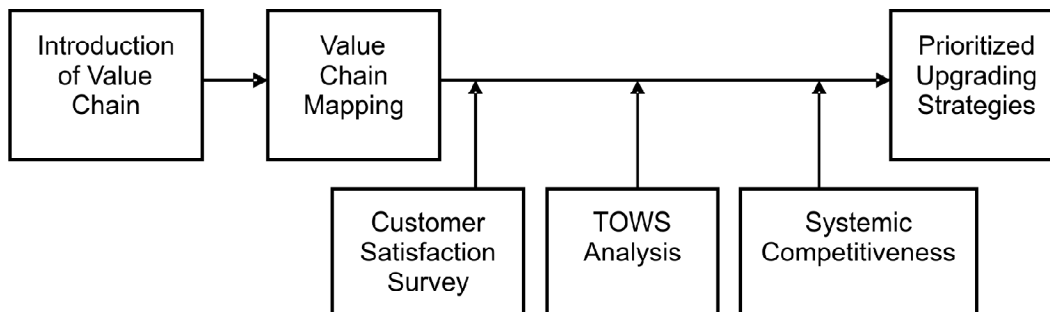
The long list of strategies generated from the exercise can then be prioritized. The process should produce more strategies than can be managed for implementation. Thus, the prioritization of these strategies would be critical. For the prioritization exercise to be bias-free somehow, the easiest would be to vote on the strategies in terms of specific criteria such as impact to vision, practicability, and cost of implementation.

1.2. Procedure

With the assistance of the Department of Tourism (DOT) attached to the Povichal Government of Bohol, the stakeholders of the tourism sector were identified, oriented on the value chain approach, and guided to map out the value chain of tourism. Using the tools for analysis, a series of participatory meetings were held to gather and analyze information from/by the stakeholders. Based on their analysis, decisions to upgrade the tourism sector's competitiveness were made collectively. Independent of the participatory meetings, a customer satisfaction survey was conducted to provide objective inputs into the analysis. The procedure is illustrated below.

Individuals, groups, and institutions from the public and private sectors composed the stakeholders of the tourism sector. This included educational institutions, public agencies, and enterprises in travel and tour, transportation, hospitality, sites and tourism activities, health and wellness, souvenirs, and food.

Figure 1: Procedure



With the leadership of the Governor of the Province of Bohol, who was the author of the Tourism Act of 2009 when he was congressman, resources were mobilized to implement the process.

2. RESULTS AND DISCUSSION

2.1. Launching the Tourism Value Chain Approach

In August 2010, the tourism stakeholders of Bohol were gathered to a presentation and appreciation of the Value Chain Concept. They participated in a workshop where they defined the Tourism Value Chain Map of the province. The output was a tentative value chain map (presented as Figure 2 below) showing the functions performed in the chain, the players that perform the functions, and the agencies that support the players in terms of policies and services directed at improving business environment, access to market, productivity and efficiency, and access to finance.

As result of the presentation and the workshop that followed, the stakeholders recognized the need to work together knowing that the development of tourism in Bohol requires that the functions in the value chain are performed well. It was further acknowledged that to have a better analysis of Bohol's tourism value chain there must be information. It was resolved that the stakeholders would cooperate in the data gathering initiatives that would be undertaken after that.

2.2. Customer Satisfaction Survey

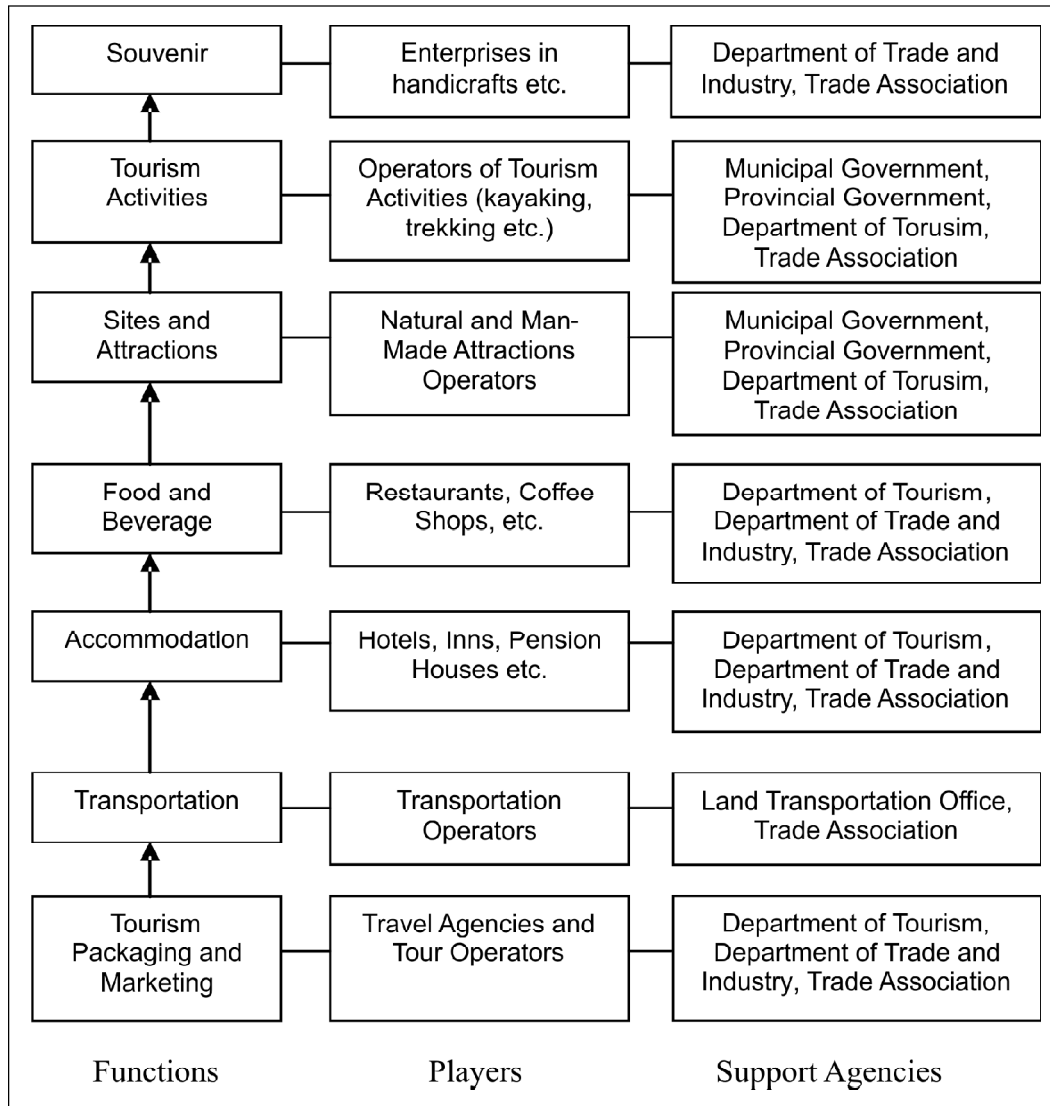
After recognizing the need for information to properly analyze the tourism value chain, a customer satisfaction survey was the first data-gathering activity conducted. The Holy Name University of Bohol was commissioned to conduct the survey using the instrument designed by Mr. Uwe Sturman of GIZ. Through convenience sampling, 4,000 domestic and foreign tourists were asked to rate their experience of Bohol as a tourism destination. Table 1 shows the results of the survey.

The results of the survey were presented to the stakeholders as input during the consultation workshops. Simple percent of total was used in the treatment of the survey results to allow the participants to understand the data and use the same in their discussion.

2.3. Results of Consultation Workshops

The first consultation workshop was done in the afternoon of April 13, 2011 immediately after the Pre-Tourism Summit program, which marked the official launching by Governor Chatto of the Bohol Tourism Summit, scheduled on June 9-10, 2011. The first consultation was held with the representatives of the Local Government Units (LGUs). The second consultation was conducted on April 27

Figure 2: Value Chain Map



with the hotels, resorts, and restaurants owners. This was followed with the tour operators and tour guides on May 4, 2011. The transportation operators group had theirs on May 16 while the Sports and Health and Wellness group on May 17, 2011. On May 27, 2011 the Suppliers (souvenirs makers and food suppliers) were also gathered for the consultation workshop. And finally, the heritage group also had their separate meeting to discuss tourism issues and concerns relative to heritage and culture.

Table 1
Customer Satisfaction Survey (in per cent)

	<i>Very Good</i>	<i>Good</i>	<i>Average</i>	<i>Poor</i>	<i>Very Poor</i>	<i>NA</i>
Accommodation						
Value for Money	12	55	24	8	1	-
Complaints Mgt	5	41	12	1	3	38
Service Attitude of Staff	40	47	9	4	-	-
Cleanliness and Pest Control	11	60	17	10	2	
Bathroom Standard and Maintenance	8	45	21	24	2	-
Airconditioner	13	60	15	5	2	4
Guestroom Appearance	8	63	15	11	3	-
Garden and Landscaping	35	25	14	11	4	11
Maintenance and Repair	14	55	23	8	-	-
Building Standards	62	14	19	5	-	-
Adventure						
Value for Money	14	28	21	31	6	-
Service Attitude of Staff	31	38	28	3	-	-
Quality of Instruction and Training	7	52	31	10	-	-
Safety and Maintenance	-	72	17	11	-	-
Attractions						
Safety Measures	6	56	29	5	1	3
Environmental Protection	18	56	12	2	2	10
Infrastructure	5	47	23	16	5	4
Information and Signage	3	51	24	19	2	1
Traffic and Air Pollution	5	40	21	9	3	22
Waste Water Disposal	-	11	15	2	-	72
Solid Waste Disposal	3	30	22	18	-	27
Unspoiled Character of the environment	38	44	7	7	3	1
Availability of Parking	5	36	26	16	3	14
Diving						
Value for Money	18	48	18	16	-	-
Service Attitude of Staff	36	42	15	7	-	-
Quality of Instruction and Training	6	48	9	32	5	-
Safety and Maintenance	6	75	9	10	-	-
Handicrafts						
Value for Money	-	28	17	55	-	-
Service Attitude of Staff	17	50	17	6	10	-
Uniqueness of Products	17	44	17	22	-	-
Variety of Products	17	50	17	10	6	-

contd. table 1

	<i>Very Good</i>	<i>Good</i>	<i>Average</i>	<i>Poor</i>	<i>Very Poor</i>	<i>NA</i>
Tour Guiding						
Value for Money	22	34	6	25	6	7
Service Attitude	38	50	6	6	-	-
Communication Skills	22	34	6	25	6	7
Environmental Protection Observed	6	66	15	3	-	10
Tour Guide Knowledge	35	53	6	6	-	-
Tour Operators						
Value for Money	11	56	18	15	-	-
Service Attitude of Staff	44	36	13	7	-	-
Environmental Protection Observed	11	55	20	9	2	3
Comfort and Cleanliness	4	62	24	4	-	6
Attractiveness of the Tour Package	25	62	9	4	-	-
Transportation						
Value for Money	4	36	28	29	3	-
Selling Behavior	4	21	32	33	5	5
Pollution Control	1	28	41	27	3	-
Safety	3	41	33	21	-	2
Comfort	7	35	36	21	1	-

The results of the consultations were consolidated showing the functions of the value chain, the players, and the issues discussed—classified as strengths, weaknesses, opportunities, and threats. The outputs are presented in Appendix A. Another output of the consultation workshops are solutions proposed by the stakeholders themselves. These solutions were further processed using the ‘systemic competitiveness’ framework where solutions that address the *meta* level were grouped. The same were done for those in the *macro*, *meso*, and *micro* levels. The outputs are presented in Appendix B.

The outputs of the consultation workshops were used by the ad hoc committee formed by the Governor to review the vision of the province for tourism. The revised vision statement is as follows:

Bohol is the country’s prime eco-cultural tourist destination where visitors experience and learn from its distinct beauty and culture nurtured by a community committed to environmental, cultural and economic sustainability while meeting global tourism standards.

2.4. Results of the Bohol Tourism Summit

The Bohol Tourism Summit was finally held on July 9 and 10, 2011 with the summit program design finalized by the Bohol Provincial Department of Trade

and Industry and the Bohol Tourism Office after it was discussed with and approved by the Governor. After the program on June 9, 2011 – the first day of the two-day event – the consolidated results of the consultations and the revised vision statement were presented to all the stakeholders for validation. The long list of solutions was then converted by the stakeholders into a short list of prioritized strategies as the output of a workshop held at the second half of the first day presented in Figure 3.

On the final day of the summit (June 10, 2011) Atty. Lucas Nunag, who chairs Bohol's Tourism Council, officially presented the revised vision statement and the prioritized value chain upgrading strategies.

3. CONCLUSION

The process used in this research was experimental for a value chain approach. The value chain approach has been used for the development of industries that produce and distribute specific products but not for the tourism sector. The focus of this paper is the documentation and presentation of the value chain approach as used for the tourism sector.

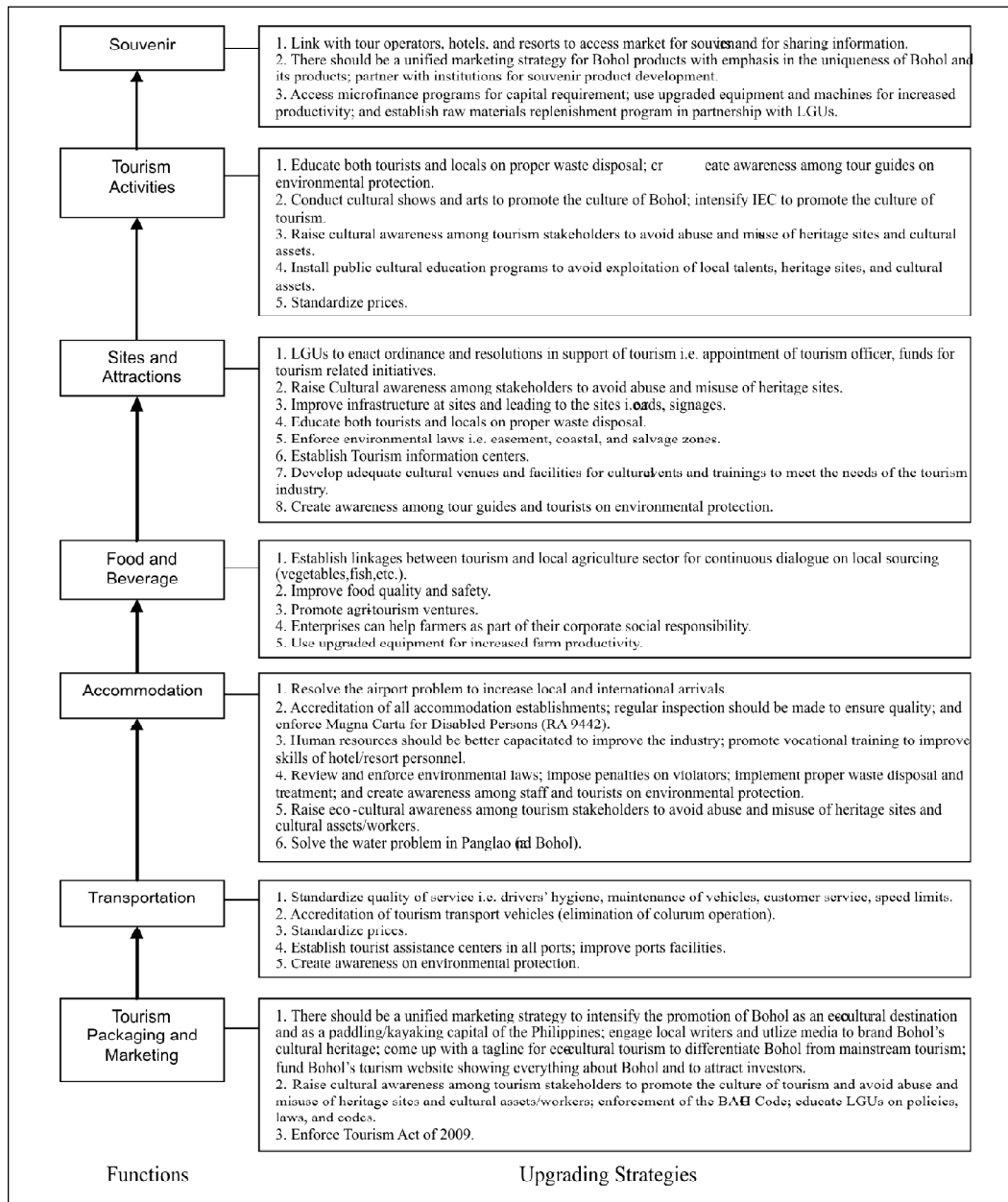
The value chain approach may be considered different in the sense that it is first and foremost a very participatory approach: (1) it introduced the concept to the stakeholders; (2) conducted a customer satisfaction survey; (3) presented the results of the survey as input during a series of consultations with the stakeholders who were grouped according to the various functions of the tourism value chain; (4) generated and discussed issues and formulated strategies; and (5) validated and prioritized the strategies.

The value chain approach as participatory process of arriving at the prioritized value chain upgrading strategies was indeed long and tedious. However, its effectiveness is in the fact that it is a participatory process. It brought the stakeholders together and made them recognize their connectedness. As a value chain, each individual, enterprise, group, and institution directly delivering value to a tourist is responsible for the entire sector. The weakness of the performance of a function in the value chain affects the entire chain. This was the most powerful realization of the stakeholders.

The support of the government agencies is necessary for the upgrading of the tourism value chain. The strength of the tourism value chain may depend largely on the stakeholders directly responsible for performing the functions; however, the government agencies have the mandate to provide them support by providing a business environment that is conducive to development. It is also worth noting that various non-government agencies are supporting local government units in initiatives that are expected to benefit tourism in the province from infrastructure to local governance. The value chain approach succeeded in bringing together

public and private agencies. In fact, one would be amazed at how much interest there is in the development of Bohol in general. The stakeholders at the end agreed to cooperate in the implementation of the prioritized upgrading strategies for the tourism value chain.

Figure 3: Bohol Tourism Upgrading Strategies



4. RECOMMENDATIONS

The following are recommended

- The value chain approach is also a planning process. As such, it is adding to the many plans already done for tourism in Bohol. To avoid confusing the stakeholders, it would be wise to push the process further to the implementation phase.
- Activate and capacitate the trade associations representing the functions in the tourism value chain for them to take a major role in the implementation of the upgrading strategies.
- There is a need to harmonize the MSMED plan with the value chain upgrading strategies, which are both recent initiatives, so that cooperation may also be considered.
- Capacitate the local government units so that they can properly implement laws and policies and properly manage tourism sites.

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Appendix A

Result of Consultations: The Strengths, Weaknesses, Opportunities and Threats of the Tourism Value Chain

<p>Tourism Packaging and Marketing</p>	<p>1. Bohol has sites that can be packaged into 3-day tours. 2. Local writers (newspaper, magazine, social networks through internet) can promote culture and tourism. 3. There are many packages available.</p>	<p>Strength</p>
	<p>1. Lack of tourist info. 2. Lack of cultural appreciation by tourists. 3. Lack of comprehensive promotion of Bohol. 4. No branding of Bohol. 5. Mismatch between promotion of Bohol as eco-cultural destination and tourism development practices. 6. Day-tour packages are exhausting-too many in one day. 7. Quality of tour suffers due to mis-information. 8. False advertising.</p>	<p>Weaknesses</p>
	<p>1. There are many MICE events in the Philippines. 2. Online access to national and international markets. 3. Cebu is an international hub which has access to 2 billion people in Asia Pacific. 4. More activities can be packaged around new sites away from the usual to benefit other municipalities. 5. Realization of the planned international airport will increase tourist arrivals. 6. People are more health conscious, thus health and wellness packages can be promoted. 7. Bohol can be promoted as the paddling capital of the Philippines. 8. There is a growing demand for organic produce. 9. Several gateways/port of entries 10. Sisterhood/twinning with Jianxi, China</p>	<p>Opportunities</p>
	<p>1. There are other destinations in Asia Pacific and within the Philippines offering ecotourism. 2. There are agencies from outside not packaging Bohol tours properly.</p>	<p>Threats</p>

<p>Transportation</p>	<p>1. Bohol as destination is accessible through airport and seaport. 2. Number of flights/floats is increasing. 3. There is an organization of transport operators. 4. There is a good road network in Bohol. 5. There are better land transport units and some are DOT accredited.</p>	<p>Strengths</p>
	<p>1. Overpriced transport services. 2. Old vehicles. 3. Insufficient capacity building to match industry's workforce demand. 4. Lack of good driving practices. 5. Fare war among drivers/operators 6. Congested seaport/airport. 7. Poor maintenance of boats and vehicles. 8. Incompetent crew. 9. Delayed flights. 10. Drivers act as tour guides without permits. 11. Colorful vehicles. 12. Some drivers act as pimps. 13. Poor enforcement of laws. 14. Some drivers are not well-trained, with poor manners and hygiene.</p>	<p>Weaknesses</p>
	<p>1. More vehicles will be required to serve a growing number of tourists.</p>	<p>Opportunity</p>
	<p>1. Hotels and resorts operating their own transport service. 2. Non-implementation of the international airport project.</p>	<p>Threats</p>

Accommodation	<ol style="list-style-type: none"> 1.The industry is resilient 2.There are schools offering tourism related programs. 3.There is an organization of hotels and resorts operators. 4. There are homestay programs available. 5. All accommodation categories are present in Bohol. 6. No. of rooms is increasing. 	Strengths
	<ol style="list-style-type: none"> 1.There is no standardization of facilities and prices. 2. Bohol is perceived expensive. 3. Lousy customer service. 4.False advertising and overpricing are observed. 5.Insufficient capacity building to match industry's workforce demand. 6.There is waste disposal problem. 7.Lack of rooms for MICE 8.Amenities need improvement. 9.Hotels act as tour operators without permits. 10.Facilities require upgrading. 11.There is no proper waste disposal/treatment. 12. Some operate without permits. 13. Unstable water and power supply. 	Weaknesses
	<ol style="list-style-type: none"> 1.Asia is a market of 2 billion people 2 The Chinese have money to spend for tourism and they come in all seasons 3.There is a growing interest to have MICE in Bohol. 	Opportunities
	<ol style="list-style-type: none"> 1. There is no proper waste disposal/treatment. 2. Some operate without permits. 3. Unstable water and power supply. 4. There are many investors interested to set up shop that can threaten the environment. 	Threats

Food and Beverage	<ol style="list-style-type: none"> 1.Abundant natural resources 2. There are processed food that are linked to the history of Bohol. 3. There are organic farms in Bohol. 4. Very active private sector initiative on food research & development and marketing (Boholano cuisine) 5. Food safety and packaging (ITS SAFE) 	Strengths
	<ol style="list-style-type: none"> 1.No standardization of facilities and prices. 2.Lousy customer service. 3.Insufficient capacity building to match industry's workforce demand. 4. There is waste disposal problem. 5.Food hygiene and sanitation need improvement. 6. Farm level support to sustain production of raw materials and agri products lacking. 7. There is insufficient information on what the tourism establishments require and what the farmers produce. 8.Raw materials have to be sourced from outside. 9.Short shelf-life of processed food products. 10.Quality of packaging of processed food products need improvement. 11.Limited production capacity of food producers. 12.Lack of support for the protection of marine resources. 	Weaknesses
	<ol style="list-style-type: none"> 1. enhancement of food production products for health and wellness 2. training on culinary arts in school. 3. Bohol has still has large idle lands for food production. 	Opportunities
	<ol style="list-style-type: none"> 1.GMO 2.Importation of contaminated food. 	Threats

Sites and Attractions	1. Abundant natural resources 2. There are many packages available, i.e. Abatan, hanging bridge, fire flies, Batuan, Sagbayan, Eco-agri Park, etc.. 3. Rich in biodiversity. 4. White sand beaches and coral reefs. 5. Hospitality and capacity to speak English. 6. Temperate climate and peace and order. 7. There are strategically located hospitals. 8. Bohol has many heritage sites. 9. presence of tourist police in most tourism areas 10. Bohol has many heritage sites (built & cultural) 11. There are still many potential tourism sites.	Strengths
	1. Not following the 20 meters salvage zone beach area. 2. Prices of packages are perceived expensive. 3. The same packages are offered. 4. Lack of clean public toilets. 5. The number of beggars (Badjao) is increasing. 6. Lack of studies on carrying capacity of dive sites and others. 7. 8. Poor access to beaches. 8. Lack of tourist info. 9. Some tour guides ignore some sites. 10. There is waste disposal problem. 11. No drainage system and lack of water supply. 12. Peace and order in the coastal areas need improvement. 13. Lack of financial support. 14. Inactive tourism council. 15. 20. Lack of support from LGUs. 16. Lack of site information. 17. Lack of signages. 18. Lack of coastal and river resources management. 19. Lack of awareness on culture of tourism among communities 20. Lack of enforcement of tourism policies and laws. 21. Lack of social development program to complement tourism boom. 22. The planned Panglao airport can pose a threat to the environment. 23. Investors are obstacles to LGU's implementation of laws. 24. Poor marine protection. 25. Blatant violation of environmental laws.	Weaknesses
	1. Bohol still has more sites to offer away from the major urban centers, i.e. Calape, Loon. 2. Presence of ports in Tubigon, Clarin, Getafe, Loon, Ialibon.	Opportunities
	1. The reclamation project can pose threat to environment. 2. Climate change. 3. The planned airport can pose a threat to the environment. 4. Lack of coastal and river resources management. 5. Lack of awareness on culture of tourism among communities 6. Lack of enforcement of tourism policies and laws. 7. Lack of social development program to complement tourism boom. 8. Investors are obstacles to LGU's implementation of laws 9. Poor marine protection. 10. Uncontrolled violation of environmental laws.	Threats

Tourism Activities	<ol style="list-style-type: none"> 1. There are existing organizations of tour operators and tour guides. 2. TESDA and DOT have trainings for tour guides. 3. Presence of active and vibrant cultural collectives/groups. 4. Great resource of musical, dance, and drama talents. 5. Credibility and creativity reflective of culture/heritage. 6. Bohol has rich cultural traditions i.e. fiestas. 7. JEC to students on Bohol tourism 	Strengths
	<ol style="list-style-type: none"> 1. Prices of packages are perceived expensive. 2. There is no standard pricing for packages. 3. The same packages are offered. 4. Activities make sites vulnerable. 5. Tour guides need information on Bohol. 6. Tour guides need to handle their customers better. 7. Tour guides deliberately lower their prices to get tourists. 8. Some tour guides operate without permits. 9. Dolphin watching has turned to dolphin chasing. 10. Tour guides need training in other language and culture. 11. Limited of access by masseuses into resorts. 12. Limited access by kayakers along coastline. 13. Presence of factions. 18. Deterioration of cultural identity; adaptation to tourists' demand. 19. High cost of cultural tourism products. 20. Lack of training to hone talents. 	Weaknesses
	<ol style="list-style-type: none"> 1. Bancas are available. 2. More activities can be packaged around new sites away from the usual to benefit other municipalities. 3. Bohol can be promoted as the paddling capital of the Philippines. 4. Health and wellness activities can be packaged. 5. There are national agencies that can support training and capacity building. 6. There are tourism establishments that are willing to support excellent cultural shows. 7. There are private establishments supportive of the arts and culture as their CSR. 8. Bohol is becoming a venue for sports/adventure & eskrima activities 	Opportunities
	<ol style="list-style-type: none"> 1. Possible extinction of talents. 2. Exploitation of local talents. 3. Lack of protection of intellectual property rights. 4. Ignorance of local culture. 5. Commodification of cultural traditions. 6. Marginalization/displacement of local artists. 7. Over-commercialization of talents. 8. Cybercrimes. 	Threats

Souvenir	<ol style="list-style-type: none"> 1. Abundance of natural raw materials. 2. Bohol is known for skills in weaving. 	Strengths
	<ol style="list-style-type: none"> 1. Souvenirs are also found in other provinces and malls. 2. Some raw materials have to be sourced from outside of Bohol. 3. Commission paid to tour guides increases prices of souvenirs. 4. Lack of management skills among souvenir makers. 	Weaknesses
	<ol style="list-style-type: none"> 1. Boom in tourism will increase demand for souvenirs. 	Opportunity
	<ol style="list-style-type: none"> 1. Substitute products from China pose a threat to local souvenirs. 	Threat

Appendix B

Result of Consultations: Solutions Classified using the Systemic Competitiveness Framework

Marketing and Packaging	<ol style="list-style-type: none"> 1. Raise cultural awareness among tourism stakeholders to avoid abuse and misuse of heritage sites and cultural assets/workers. 2. Install public cultural education programs to avoid exploitation of local talents, heritage sites & cultural assets. 	Meta
	<ol style="list-style-type: none"> 1. Fund the Bohol Tourism website showing everything about Bohol and to attract investors to Bohol. 	Macro
	<ol style="list-style-type: none"> 1. Come up with tagline for eco-tourism to differentiate from mainstream tourism. 2. Engage local writers and utilizing new media to brand our rich cultural heritage. 	Meso
	<ol style="list-style-type: none"> 1. Intensify promotion and advertising of Bohol as destination. 2. Promote Bohol as paddling/ kayaking capital of the Philippines. 3. Promote other parts of Bohol through new tour packages. 	Micro
Transportation	<ol style="list-style-type: none"> 1. Raise cultural awareness among tourism stakeholders to avoid abuse and misuse of heritage sites and cultural assets/workers. 2. Install public cultural education programs to avoid exploitation of local talents, heritage sites & cultural assets 	Meta
	<ol style="list-style-type: none"> 1. Standardize prices. 2. Standardize services. 	Macro
	<ol style="list-style-type: none"> 1. Drivers to undergo training as part of permit renewal requirements. 2. Crew of sea vessels to undergo training on customer service. 3. Capacitate transport group for self-regulation. 4. Establish Tourist Assistance Centers in all ports. 	Meso
	<ol style="list-style-type: none"> 1. Better vehicles should be used. 2. Improve ports facilities. 3. Shipping companies to install on-line booking systems similar to airlines. 4. Shipping companies to work for ISO accreditation. 5. Shipping lines to collaborate with tour operators in opening tourism loops i.e. Cebu-Bohol-Camiguin, Leyte-Bohol-Camiguin; Ilo-Ilo-Cebu-Bohol. 6. Upgrade other ports in Bohol to accommodate bigger boats. 	Micro
Accommodation	<ol style="list-style-type: none"> 1. Educate both tourists and locals on proper waste disposal. 2. Raise cultural awareness among tourism stakeholders to avoid abuse and misuse of heritage sites and cultural assets/workers. 3. Install public cultural education programs to avoid exploitation of local talents, heritage sites & cultural assets 	Meta
	<ol style="list-style-type: none"> 1. Standardize prices. 2. Standardize room rates. 3. There should be regular inspection of establishments. 4. Review and enforce environmental laws. 5. Impose penalties for violators. 6. Use Albur land fill for waste disposal. 7. Legislate the use of local designs in establishments. 8. Encourage investments in additional establishments and facilities. 9. Standardize hotel/resorts facilities, services, and classification. 10. Enforce RA 9442 	Macro
	<ol style="list-style-type: none"> 1. Human resources should be better capacitated to improve the industry. 2. Establishments should benchmark internationally. 3. Promote vocational training to improve skills of hotel/resort personnel. 4. Capacitate hotels/resorts groups for self-regulation. 	Meso
	<ol style="list-style-type: none"> 1. Hire only qualified personnel. 2. Upgrade facilities. 3. Implement proper waste disposal and treatment. 4. Hotels and resorts to help farmers as their CSR. 5. Proper waste disposal should be practiced i.e. segregate, recycle 6. Improve maintenance of facilities. 	Micro

Food and Beverage	<ol style="list-style-type: none"> Educate both tourists and locals on proper waste disposal. Advocate organic farming. Raise cultural awareness among tourism stakeholders to avoid abuse and misuse of heritage sites and cultural assets/workers. 	Meta
	<ol style="list-style-type: none"> Legislate the use of local designs in establishments. Organic Act of 2010 should be enforced Standardize services. 	Macro
	<ol style="list-style-type: none"> Establish partnership between tourism and agriculture sector for continuous dialogue. Establish agri products consolidator. BISAD should prepare a marketing plan for organic products. Capacitate restaurants and farmers groups for self-regulation. Promote agri-tourism ventures. 	Meso
	<ol style="list-style-type: none"> Restaurants to help farmers as their CSR. Proper waste disposal should be practiced i.e.segregate,recycle. 	Micro

Sites and Attractions	<ol style="list-style-type: none"> Educate both tourists and locals on proper waste disposal. Intensify IEC to promote culture of tourism. Raise cultural awareness among tourism stakeholders to avoid abuse and misuse of heritage sites and cultural assets/workers. 	Meta
	<ol style="list-style-type: none"> Standardize prices. Review and enforce environmental laws. Establish more sanctuaries. Regulate dive shops. Environmental laws should be strictly enforced, i.e. easement,coastal,salvage zones. Police visibility at the shoreline. Improve infrastructure at sites and leading to the sites i.e. roads, signages. LGUs to enact ordinances and resolutions in support of tourism i.e. appointment of permanent tourism officer, funds for tourism related initiatives. Standardize services and classification. Development of standards of cultural excellence in products, services and talents. 	Macro
	<ol style="list-style-type: none"> Encourage Bohol-based universities to conduct studies on carrying capacity of sites. Strengthen ecotourism initiatives. Establish Tourism Information Centers. Review history of sites and develop stories for promotion collaterals and reference of tour guides. Engage government & church leaders in proper heritage conservation and restoration Upscale tourism industry by harnessing local artistic talents Strengthen multi stakeholder collaboration among artists and cultural workers and public & private sectors. Develop adequate cultural venues and facilities for cultural events and trainings to meet the needs of the tourism industry. 	Meso
	<ol style="list-style-type: none"> Promote other sites and offer new packages. Beaches to be cleaned by paid workers. Proper waste disposal should be practiced i.e.segregate,recycle. Improve maintenance of sites. Upgrade structures at sites i.e.clean toilets. 	Micro

Tourism Activities	<ol style="list-style-type: none"> 1. Educate both tourists and locals on proper waste disposal. 2. Intensify IEC to promote culture of tourism. 3. Raise cultural awareness among tourism stakeholders to avoid abuse and misuse of heritage sites and cultural assets/workers. 4. Install public cultural education programs to avoid exploitation of local talents, heritage sites, & cultural assets. 	Meta
	<ol style="list-style-type: none"> 1. Standardize prices. 2. Standardize services of tour guides and operators, including health and wellness services i.e. massage. 	Macro
	<ol style="list-style-type: none"> 1. There should be a unified marketing strategy for Bohol products with emphasis on the uniqueness of Bohol and its products. 2. Provide MSME management capacity building. 3. Tour guides to undergo training in customer service and on Bohol. 4. Capacite tour operators, guides, coops groups for self-regulation. 5. Develop island hopping circuits. 6. Develop activities around municipalities with ports. 	Meso
	<ol style="list-style-type: none"> 1. Enterprises to help farmers as their CSR. 2. Develop tour packages to include crafts production sites. 3. Use upgraded machines and equipment for increased productivity. 4. Conduct cultural shows and arts to promote culture of Bohol. 	Micro

Souvenirs	<ol style="list-style-type: none"> 1. Educate both tourists and locals on proper waste disposal. 2. Intensify IEC to promote culture of tourism. 	Meta
	<ol style="list-style-type: none"> 1. Establish raw materials replenishment program in partnership with LGU. 	Macro
	<ol style="list-style-type: none"> 1. Partner with institutions for souvenir product development. 2. Link with tour operators, hotels, and resorts to access market for souvenirs and for information sharing. 3. Establish one stop shop for Bohol products. 4. There should be a unified marketing strategy for Bohol products with emphasis on the uniqueness of Bohol and its products. 5. Access assistance of Govt/NGOs, i.e. DOST for productivity improvement. 6. Access microfinance programs for capital requirement. 7. Provide MSME management capacity building. 	Meso
	<ol style="list-style-type: none"> 1. Expand designs and develop new products/souvenirs for hotels and resorts. 2. Use upgraded machines and equipment for increased productivity. 3. Develop tour packages to include crafts production sites. 	Micro