

**EXPLORING THE STRATEGISING PRACTICES OF SMALL BUSINESS MANAGERS IN
SELECTED SMALL BUSINESSES IN THE ACCOMMODATION SECTOR IN TSHWANE
METROPOLITAN AREA**

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Exact wording of the title of the dissertation or thesis as appearing on the copies submitted for examination:

Exploring the strategising practices of small business managers in selected small businesses in the accommodation sector in the Tshwane metropolitan area.

I declare that the above dissertation/thesis is my own work and that all the sources that I have used or quoted have been indicated and acknowledged by means of complete references.



SIGNATURE

June 2016

DATE

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Summary

There has been few research studies aimed at investigating strategy in small businesses. The current study sought to contribute to small business management and help small businesses attain success as they are important in any economy. Furthermore to close the gap as a response to the call for research in what people actually do when strategising. The following study explored the strategising practices of small business managers from the accommodation sector and the tools they use when strategising. A total of 12 interviews were conducted during the period 2014-2015 in the Tshwane metropolitan area.

The findings of the study show that small business managers strategise although not in the way proposed by literature which may reveal that strategy-as-practice may be more appropriate for small businesses. The findings also show the tools that small business managers use in strategising. The research will serve as a contribution to the current challenges facing small businesses in the practice of strategic management or lack thereof in the managing of small businesses to ensure success.

Keywords

Strategising

Strategic management

Small business

Smmes

Small and micro enterprises,

Accommodation

Small business survival

Strategy-as-practice

Management tools

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CHAPTER 1

INTRODUCTION

1.1 Introduction

Small businesses contribute significantly to job creation, social stability and economic welfare across the globe (Nieman & Nieuwenhuizen, 2014:4). The evidence from both emerging and developed countries shows that small businesses can be a major employment creator in any economy, if they survive and grow. In the USA, for example, small businesses employ approximately half of US workers, and contribute more than half of the non-farm private gross domestic product (GDP) (Small Business Administration, 2011). The importance of small businesses to the South African economy is well established. According to the South African National Treasury Budget Review (2011:46), (latest available source at the time of study), businesses with fewer than 50 workers account for approximately 68% of private employment and 77% of all hiring that takes place in South Africa. This shows that small businesses are making a notable contribution to the South African economy, especially in terms of employment creation.

Despite the importance of small businesses to the economy, small businesses generally seem to fail within the first few years of operation. According to the Small Business Administration, (2011), seven out of ten small businesses survive at least two years, half at least five years, a third at least ten years, and a quarter stay in business fifteen years or more. This indicates a high failure rate of new small firms in the USA. Similarly, a high failure rate among small businesses in South Africa has been recognised (Ligthelm, 2011:62). The research carried out by Ligthelm shows that, in the face of heightened competition, a small proportion of small businesses experience long-term survival. The research results show that of the small businesses operating in the Soweto area in 2007, for example, only 38.9% were still operational in 2011 (Ligthelm, 2011:21). This means that more than half of the small businesses ceased to operate during the five years of the survey. In view of the above statistics, the South African

failure rate seems to be worse than that of the USA, possibly because South Africa is an emerging economy. This is true not only for small businesses in Soweto, but also for the country as a whole. According to Herrington, Kew and Kew (2014:27), the discontinuance rate among South African small and micro businesses remains greater than the established business rate. They further say that 62% of businesses in 2014 closed for financial reasons either because they were not profitable or because they encountered problems in accessing finance to sustain the business. These statistics show that there are challenges in the way small businesses are managed.

1.2 Background to the research problem

In view of the statistics of the failure rate of small businesses, it is clear that certain aspects of small business management need to be addressed. The way in which small businesses are managed may be the starting point to ensure that small businesses survive and make a positive contribution to the economy. Small businesses need to be managed with a view to future growth and this can be done through, among other management practices, strategising. Hence, the researcher examined the strategising practices in small businesses as a possible way of securing small business growth and sustainability.

The field of strategic management deals with the major intended and emergent initiatives taken by owners, or general managers on behalf of owners, involving the utilisation of resources to enhance the performance of firms in their external environments (Nag, Hambrick & Chen, 2007:944), presumably with a view of financial gain. Without a clearly defined strategy, a business will have no sustainable basis for creating and maintaining a competitive edge in the marketplace (Scarborough & Zimmerer, 2006:29), and will eventually cease to operate. Therefore, it becomes imperative for businesses, big or small, to practise strategic management in order to survive and remain competitive in their market or industry. Business owners or management need not only come up with a strategy, but should come up with one that is workable and sets the business apart from competition. Scarborough and Zimmerer (2006) assert that the key to survival is developing a unique competitive advantage that

will create value for customers and is not easily duplicated by competitors. Strategic management can also be seen to be “the dynamics of the firm’s relation with its environment for which the necessary actions are taken to achieve its goals and/or to increase performance by means of the rational use of resources” (Ronda-Pupo & Guerras-Martin, 2012). This definition is in line with that of Nag *et al.* (2007:944) above. Managers of businesses therefore need to possess the skill to take the necessary actions to properly allocate resources with a view of financial gain in the business. Strategising assists managers in that it gives direction to the whole organisation and specifically to what the organisation wishes to achieve. Strategic management can contribute to an organisation’s survival by generating relevant information, creating a better understanding of the environment and reducing uncertainty. It is therefore clear that the importance of strategic management is to give the organisation direction and contribute to organisational performance. This is vital for the survival of large organisations and could also hold true for small businesses.

In view of the failure rate of small businesses in general, the question that guided this research was: “How do small businesses owners or managers in Tshwane practise strategic management in running successful businesses?” As pointed out before, studies done across the world and in South Africa acknowledge the importance and contribution of small businesses to any economy. The researcher took the view that research was necessary to determine how the management of small businesses can be improved in the light of the importance of small businesses.

Previous studies in Southern Africa refer to different aspects in small business research, most of them addressing general challenges faced by small businesses. Examples are given in Table 1.1:

Table 1.1: Previous research

Author	Findings
April (2005)	There is an indication that there is a problem of small business failure in the Khomas region, Namibia.
Mboyane (2009)	There is a high failure rate among small and medium-sized enterprises (SMEs) in Kagiso township due to the lack of support and internal business weaknesses.
Nemaenzhe (2010)	The high failure rate among SMEs is attributed to lack of experience and planning in finance, monitoring and control, and cash control.
Lighthelm (2011)	There is a high rate of failure among small businesses in Soweto mainly due to heightened competition. Research shows that a very small proportion of firms are experiencing long-term growth.

Source: NRF (2015)

Studies carried out in Southern Africa, as shown above, are indicative of an inherent challenge for small business survival. The literature indicates that small businesses fail due to internal business weaknesses, competition, lack of experience, lack of support and a lack of planning, among other factors. The above studies do not specifically mention strategic management or lack thereof as a reason for failure; however, the reasons identified for failure relate to strategic management.

A lack of planning, with planning being one of the legs of strategic management, is given as one of the constraints faced by small businesses, especially in turbulent economic instances (Lighthelm, 2011). Few research studies (e.g. Brinckmann, Grichnik

& Kapsa, 2010; Verreyne, Meyer & Liesch, 2014) have been carried out that link small business management with strategic management or strategising. This study therefore serves as a basis for further research in the area of strategising in small businesses. A considerable amount of literature suggests that strategic management could yield positive results for the small business as it does for large organisations. The research of Sharma (2011) suggests specific strategies that small businesses can implement, for example the niching strategy, whereby the small business fills market gaps by offering products differentiated (but not substitutable) from that of bigger rivals; and the free riding strategy, which exploits the market-development efforts of the bigger rivals by offering products identical to theirs and by forming strategic alliances to gain competitive advantages over the bigger rivals and/or deter them from adopting aggressive competitive actions against the small businesses. These strategies have been suggested to deal with resource disadvantages commonly faced by small businesses. Therefore, there is some literature to support strategy making in small businesses that suggests that small businesses can benefit from practising strategy.

1.3 Rationale for the study

The researcher made use of the accommodation sector, as it is part of the tourism sector, which is an important part of the economy in the 21st century. The researcher chose Tshwane, because most small businesses in Gauteng are likely to offer services compared to businesses in other provinces (FinScope, 2010), (latest available at time of study). Moreover, according to Statistics South Africa (Stats SA, 2015b), the catering, accommodation and other trade sectors contribute approximately 12.5% to the GDP, marginally less than financial services, manufacturing and government services. This makes it the third largest contributor to the economy after financial services and manufacturing and government services.

Table 1.2 shows that the total income from the accommodation sector increased by 16.6% in the three months ending February 2016 compared to the same period in 2015 (Stats SA, 2016:2). This shows a growth in the sector.

Table 1.2: Income from accommodation

Dec 2014 to Feb 2015	Dec 2015 to Feb 2016	% change in income
5 136.1 million	5 991.2 million	16.6

Source: Stats SA (2016)

The wholesale, retail and motor trade, catering and accommodation sectors expanded by R16 billion to R148 billion and was the largest contributor to nominal GDP in the fourth quarter of 2015 (Stats SA, 2015a:4). This shows growth in the industry, which also makes it an important contributor to the GDP. Table 1.3 shows the contribution of the different sectors to GDP.

Table 1.3: Structure of the economy in terms of contribution to GDP

Industry	% contribution to GDP in 2014	% contribution to GDP in 2015
Finance, real estate and business services	20.7	20.7
General government services	16.9	17.6
Wholesale, retail and motor trade, catering and accommodation	16.0	16.3
Manufacturing	13.7	13.3

Source: Stats SA (2016)

The information above shows that there is a significant growth in the accommodation sector when measured against real annual GDP, which increased by 1.3% in 2015 (Stats SA, 2015b:2). Therefore, the researcher used the accommodation sector because it is growing and can also be used as a control for external variability, because the environment and factors that affect different industries are not always the same. Past research generally focused on all the industry sectors of small businesses;

consequently, aspects that are different from sector to sector were not taken into consideration.

1.3.1 Purpose of the research

The research sought to explore the strategising practices of small businesses. The research will serve as a contribution to the current challenges facing small businesses in the practice of strategic management or lack thereof. This study therefore aimed to determine whether small businesses in Tshwane strategise and how they do so.

1.3.2 Research questions

The research was guided by the following main research question:

How do small businesses owners or managers in Tshwane strategise in running successful businesses?

1.3.3 Secondary research question

This study also sought to answer the following secondary research question:

Which management tools linked to strategy do small business managers/owners in the accommodation sector in Tshwane use in strategising?

1.3.4 Research objectives

The objectives of the study were as follows:

1.3.4.1 Primary objective

- To investigate how small business managers/owners in the accommodation sector in Tshwane strategise and which tools they use to strategise.

1.3.4.2 Secondary objectives

- To explore how small business managers/owners strategise.
- To determine the management tools used by small business managers/owners in strategising
- To contribute to the knowledge regarding strategising in small businesses

1.3.5 Assumptions of the study

The following assumptions were made regarding the study:

- Business managers know what strategising is.
- All the businesses are small businesses according to the *National Small Business Amendment Act (Act No. 29 of 2004)*.

1.4 Definition of key terms

The following section lists definitions of key terms used in this study.

Small business: The definition of a small business varies from country to country across the world. The definition of a small business depends on the criteria for determining what is small and what qualifies as a business. The most common criterion used to distinguish between large and small businesses is the number of employees (Hatten, 2010:4).

The *National Small Business Amendment Act (Act No. 29 of 2004)* (South African Government, 2004) classifies small businesses according to industry and certain measures such as size, employment, turnover and asset value. Table 1.4 shows the criteria as given by the Act, which were considered in this study:

Table 1.4: Classification of small, medium-sized and micro enterprises (SMMEs)

Sector/subsector in accordance with the Standard Industrial Classification	Size of class	The total full time equivalent of paid employees	Total turnover	Total gross asset value (fixed property excluded)
Manufacturing	Small	50	R13m	R5m
Construction	Small	50	R6m	R1m
Retail and motor trade and repair services	Small	50	R19	R3m
Catering, accommodation and other trade	Small	50	R6m	R1m
Finance and business services	Small	50	R13m	R3m

Source: South African Government (2004)

This study focused on the accommodation sector and therefore the following definition of small business was adopted for this study:

Based on the criteria in Table 1.4, a small business is a separate business entity, with up to 50 full-time paid employees, a turnover of R6m per annum and a total gross asset value of R5m. For the purpose of this study, a small business is one with 50 or fewer full-time paid employees in the accommodation sector in Tshwane. The definition of a small business also includes very small (fewer than 20 employees) and micro (fewer than 5 employees) businesses. The businesses in the current study had employees ranging from 3 to 35 in number.

Strategic management: Strategic management has been defined differently by different authors. For the purposes of this study, the following definition of Ronda-Pupo and Guerras Martins (2012:180) was used: “the dynamics of the firm’s relation with its environment for which the necessary actions are taken to achieve its goals and/or to increase performance by means of the rational use of resources”. The rational use of resources may mean that they use resources reasonably after weighing the benefits and costs of a particular decision.

Small business management: This is the ongoing process of owning and operating an established business.

Small business manager: In the context of this study, a small business manager is a person who manages a small business, be it the owner of the business or an appointed manager.

Strategising: According to Jarzabkowski, Balogun and Seidl (2007), strategising refers to the ongoing interplay between managers and the strategising practices in shaping strategy over time. Strategising refers to the ‘doing of strategy’, that is, the construction of this flow of activity through the actions of multiple actors and the practices that they draw upon. In other words, strategising comprises the relationship between praxis, practices and practitioners (Jarzabkowski *et al.*, 2007:11). ‘Praxis’ is an emphatic term to describe the whole of human action, the nexus of what is going on in society and what people are doing. ‘Practices’ refer to routinised types of behaviours, which consist of several elements and are interconnected to one another, for example forms of mental activities or things and their use. ‘Practitioners’ are the actors; those individuals who draw upon practices to act. Therefore, practitioners derive agency through their use of the practices – ways of behaving, thinking, knowing and acting – prevalent within their society by combining, coordinating and adapting them to their needs in order to act within and influence that society. They shape strategy activity through who they are, how they act and what practices they draw upon (Jarzabkowski *et al.*, 2007:10). Therefore, in the current study, strategising refers to how managers put into practice the fundamentals of the strategic management process and management tools.

Strategising is the centre of strategising praxis, practice and who actually does the work of strategising. The three elements of praxis, practices and practitioners, are discrete but interrelated social phenomena, strategising occurs at the nexus between praxis, practices and practitioners. Therefore, in summary, it entails what managers do and the resources they use in order to reach strategic goals.

1.5 Methodology

The research problem determines the research design (Leedy & Ormrod, 2013). In this research, an exploratory study was carried out to explore the strategising practices of small business managers in the accommodation sector in Tshwane to ensure survival and success. The purpose in this study was to explore, hence an interpretivist epistemological approach was applied.

1.5.1 Research design

The research design is the plan for collecting and analysing evidence that will enable the researcher to answer the research questions (Flick, 2009:128; Mouton, 2001). The study in question was a qualitative case study. According to Mouton (2001:149), case studies are usually qualitative in nature and aim to provide an in-depth description of a small number of cases. A case study explores a research topic or phenomenon within its context or within a number of real-life contexts (Mouton, 2001:149; Yin, 2009:18). In the current study, a case refers to a representative of an organisation. The essence of a case study is that it tries to illuminate a decision or set of decisions; why they were taken, how they were implemented and with what results (Yin, 2014:15). An exploratory case study is valuable in that it seeks to determine what is happening and asks questions to establish why it is happening, in this instance, how do small business managers strategise and what management tools do they use in strategising. The research was carried out by making use of semi-structured interviews because it was deemed better suited to answer the research questions in the exploratory study. Textual data were gathered by the researcher, specifically on perceptions of and opinions on the practice or lack thereof of strategic management by small business managers.

1.5.2 Data sources

The researcher made use of primary data to answer the research questions. Primary data were deemed more consistent with the research questions and objectives of the study, as recommended by Ghauri and Grønhaug (2005:102). Primary data were collected through the use of semi-structured interviews, which were deemed most appropriate in solving the research problem. The researcher conducted the research by making use of an interview guide to collect data. The researcher also made use of secondary data to determine the theory of strategic management and strategising and to review the literature. Secondary data were collected from books, journal articles and websites.

1.5.3 Data-collection instrument

Semi-structured interviews involve the use of prepared questions guided by identified themes in a consistent manner interposed with probes designed to elicit more elaborate responses (Qu & Dumay, 2011:246). The purpose of the semi-structured interview was to collect facts and gain insights into and understand the opinions, experiences and behaviours of small business managers. Participants were made aware of what the researcher required of them as well as the possible benefits to participants and/or their businesses. The researcher shared the purpose of the research project, stated how the researcher believes the participants will be able to help the study, and what the participants will benefit in return, and provided assurances about confidentiality and anonymity, as recommended by Rowley (2012:264).

An interview guide was prepared by the researcher and consisted of sub-questions and prompts that were used by the researcher when necessary to ensure that the participants explore the main questions sufficiently, attached as Appendix B. Participants were required to answer all the questions in the interview guide, but not necessarily in the same sequence. The participants were allowed to use their own words to answer questions.

1.5.4 Population and sample

Exploratory research is not concerned with statistical generalisability and often uses non-probabilistic samples. The most commonly used samples are purposive and their size typically relies on the concept of saturation or the point at which no new information is observed in the data (Guest, Bunce & Johnson, 2006:61). The researcher made use of purposive sampling. Purposive sampling refers to selecting participants who serve a specific purpose consistent with a study's main objective (Collingridge & Grantt, 2008:391). The sample size in qualitative research depends on the interview structure, content and participant homogeneity (Guest *et al.*, 2006:75). A certain degree of structure will warrant fewer participants, because a similar set of questions will be asked to all participants. The more widely distributed a particular phenomenon is, the fewer the number of participants required to provide an understanding thereof. According to Guest *et al.* (2006:79), in most research studies where the sample consists of a group of relatively homogeneous units, 12 interviews should suffice. The researcher therefore used a sample size of 12, because the sample was homogeneous, as businesses from the same sector were chosen, and because the sample was purposive.

In the case of this study, a sampling frame was established using the Yellow Pages, Pretoria 2014. The researcher sought to gain access by identifying the appropriate small businesses from the Yellow Pages, that is, those from the accommodation sector in the Tshwane metropolitan area. The criteria for sample selection were that the small business had to fall in the accommodation sector and it had to have been in operation for at least a year. The size of the business, with regard to number of employees (which was fewer than 50, as alluded to before), was also an inclusion criterion, which is based on the National Small Business Amendment Act, 2004. The businesses that met all these criteria were chosen from the sampling frame as the purposive sample.

A sample of 12 potential participants were contacted and interviewed. Saturation was reached at Interview 8, after which no new themes were emerging. The researcher continued interviewing until Interview 12. The sample size of 12 was deemed sufficient to enable the collection of meaningful data and useful interpretations to ensure rigour. The interviews were conducted by the researcher in the Tshwane metropolitan area and

responses were recorded using a voice recorder. The researcher also made field notes during the data-collection process. According to Flick (2009:303), such notes can provide important information about the experiences in research.

1.6 Measures of trustworthiness of study

Rigour in qualitative research is a way to establish trust or confidence in the findings or results of a research study and is useful for establishing consistency of study methods over time. Lincoln and Guba (1985, cited in Thomas & Magilvy, 2011) proposed a model of trustworthiness that addresses credibility, transferability, dependability and confirmability, which are discussed below.

1.6.1 Credibility

Credibility refers to the value and believability of the findings, that is, the participants' viewpoints have been accurately reflected. Credibility allows others to recognise the experiences contained within the study (Thomas & Magilvy, 2011:152). The researcher ensured credibility by dividing the concept of strategic management into constituent parts to ensure that they are understandable. The researcher also made use of peer knowledgeability about the qualitative research process to review and discuss the research process. The credibility of a qualitative research depends on the ability and effort of the researcher (Thomas & Magilvy, 2011:153).

1.6.2 Transferability

The ability to transfer research findings from one sample to another relates to the extent to which findings are applicable in other contexts or with other participants (Thomas & Magilvy, 2011:153). To establish transferability, the researcher provided sufficient detail about the context of the research so that readers can judge the applicability of the findings to other known settings. The researcher kept field notes, which also ensure transferability by documenting all aspects related to the research process.

1.6.3 Dependability

When another researcher is able to follow the research trail used by the researcher and is able to discern the means by which interpretations have been reached, dependability is established (Thomas & Magilvy, 2011:153). The researcher ensured that there is

physical evidence of the research process. Documents, containing data, research methods and decisions made during the research process and why they were made, were kept. To ensure that the study is dependable, the following must be clearly stated: the purpose of the study and the research methods used, how the participants were chosen and why, how the data were collected and analysed and the interpretation thereof.

1.6.4 Confirmability

Confirmability refers to the freedom from bias in the research procedure and results. Confirmability occurs when credibility, transferability and dependability have been established. The research finding should be free from other biases, motivations and perspectives (Thomas & Magilvy, 2011:154). The research must have a chain of evidence that shows that there were no biases that influenced the research. The researcher's personal feelings and biases were recorded during data collection. The researcher made a conscious effort to follow, rather than lead, the direction of the interviews by asking for clarification of definitions and metaphors from the participants.

1.7 Data analysis and interpretation

The purpose of data analysis is to understand and gain insights from collected data. In this study, data were analysed for content of strategising practices of small business managers and management tools. The researcher went through the process of selecting, focusing, simplifying and transforming the data collected in order to create meaning from the mass of words, as maintained by Ghauri and Grønhaug (2005:206). The researcher used qualitative content analysis to analyse the data collected from the interviews. Qualitative content analysis is defined as a research method for the interpretation of the content of text data through the systematic classification process of coding and identifying themes or patterns (Hsieh & Shannon, 2005:1278; Vaismoradi, Turunen & Bondas, 2013:400). The goal of content analysis is to provide knowledge and understanding of the phenomena under study (Downe-Wamboldt, 1992, cited in Hsieh & Shannon 2005). The researcher began by identifying key concepts in strategic management as initial coding categories by using existing theory and relevant research

findings, after which operational definitions for each category were determined using the theory of strategising and strategic management. The interview guide also provided some predetermined categories, as it was semi-structured. Newly identified categories will either offer a contradictory view to existing theory, or help to further refine, extend and enrich theory. Categorisation involves naming or giving labels to instances of the concepts found in the data. All the processes or activities that fall under a particular concept were grouped together. Data were categorised by means of coding. The researcher used computer-assisted analysis (ATLAS.ti) to assist with content analysis to analyse knowledge that was obtained from the data. Data analysis in qualitative research seeks to elicit meaning from the data in a systematic, comprehensive and rigorous manner (Henning, Van Rensburg & Smith, 2004:127). Interpretation is when the researcher interprets and assigns meaning to the data collected, thereby making sense of the data.

1.8 Limitations to the study

Conducting semi-structured interviews effectively requires considerable experience and skill. One limitation of the research is that the researcher was inexperienced in conducting interviews.

Participants may be influenced by a number of different factors when responding in research. They may tend to tell the researcher what they think he/she wants to hear, which may cause some bias in the data.

The researcher made an effort to eliminate the effect of the above limitations by asking the participants for a follow-up communication after transcribing the interviews to ensure that the data were correct and that the results were a reflection of what the participants wanted to say. A follow-up interview allows both the participant and the researcher to reflect on the original conversation and fill in missing pieces or new information, and provides assurance that the participants' words and experiences were accurately described.

1.9 Ethical considerations

Codes of ethics are formulated to regulate the relations of researchers to the people and fields they intend to study (Flick, 2009:36). The researcher's behaviour should be appropriate in relation to those who are the subjects of the research or are affected by the research. The researcher explained and found answers to the research questions honestly and accurately. The participants gave their informed consent in writing. The participants were informed that they have the right to decline their consent outright, or withdraw their given consent at any time without reason and without penalty or prejudice. The participants were free to refuse to answer certain questions that formed part of the interview. The researcher maintained the privacy, anonymity and confidentiality of information in collecting, storing, accessing and transferring the data collected.

The researcher ensured that the participants did not suffer physical harm, discomfort, pain, embarrassment or loss of privacy. To safeguard against these, the researcher explained the participants' rights and protection and thereafter obtained informed consent. The researcher secured informed consent by fully disclosing the procedures of the proposed research design to the participants. The consent was deemed to have been given by someone competent to do so, and given voluntarily (Flick, 2009:41). All participants were asked to sign an informed consent form after being informed of the research procedure and potential benefits.

1.9.1 Confidentiality

The researcher maintained confidentiality of data provided by small business managers by not asking personal information such as names, telephone numbers, addresses or other identifying features.

The participants also maintained their right to privacy throughout the research process. The right to privacy means that a participant has the right to refuse to be interviewed or to refuse to answer any question in the interview. The researcher obtained permission to interview the participants and to inform them of their rights to answer any questions or to participate in the study. All information and records will remain confidential. The

participants were informed that their confidentiality would be safeguarded during and after the interviews.

1.9.2 Pilot study

A pilot study was also conducted in order to test the interview guide and make changes where appropriate. Four participants apart from the chosen sample were interviewed. The pilot study also assisted in determining the responses to questions and unclear questions in order to refine the interview guide.

1.10 Conclusion and outline of the study

In Chapter 1, an overview of the study was given. This included the background to the research problem, the research objectives and the research methodology of the study.

Chapter 2 contains a literature review on small businesses and their characteristics and also the nature of the accommodation industry in South Africa. The chapter focuses on the importance of small businesses in the economy.

Chapter 3 contains literature on strategising practices and the strategic management process. It also entails the most commonly used management tools and how they link to strategy. The chapter focuses on how strategic management can be a tool to grow small businesses so that they can benefit the economy. The emerging concept of strategising is also discussed, as small businesses are not as formalised as larger businesses in crafting strategy; therefore, the need to study specific practices is also emphasised.

In Chapter 4, the research methodology applied in this study is explained in full detail as well as all aspects relating to the way in which the research was carried out.

Chapter 5 reports on the findings of the research. The responses of the participants are discussed and linked with the current literature.

Chapter 6 provides an interpretation of the results, including recommendations arising from the study and conclusions of the researcher thereof.

This chapter introduces the current study and gives an overview of literature and how the study was conducted. The following chapter examines small businesses in the accommodation sector to give context to the study.

CHAPTER 2

SMALL BUSINESSES AND THE ACCOMMODATION SECTOR

2.1 Introduction

The tourism industry is not specifically classified in the *Small Business Amendment Act* according to the Standard Industrial Classification (SIC) of all economic activities (Stats SA, 2012), but is a combination of industries such as transportation, accommodation, food and beverage services, travel agencies and the like. This is because industries are classified according to the goods and services they produce, while tourism is a consumption-based concept that depends on the status of the consumer (Stats SA, 2016:4). Tourism holds an important place within South Africa's economy and employment market (Stats SA, 2016:11). Tourism directly supported 655 609 jobs in 2013, or 4.4% of total employment up from 645 755 in 2012 (OECD, 2016:379). Moreover, the tourism sector directly employed 680 817 people in 2014, an increase of 3.8% (25 230 people) compared to 2013 (Stats SA, 2016:2). The tourism industry has a potential to contribute to economic growth, job creation, poverty alleviation and wealth creation. The importance of the accommodation sector in the South African economy cannot be underestimated, therefore it is imperative that this sub-sector continues to grow and that small businesses in this industry survive and grow. This chapter therefore looks at the nature and characteristics of small businesses in general and also the nature of the accommodation sector in the South African economy specifically.

2.2 The definition of a small business

There is no universal, uniformly acceptable definition of a small business (Scarborough & Zimmerer, 2006:26). A business can be considered as small if it is independently owned, operated, financed and managed by one or very few people, normally without a formal management structure (Nieman & Nieuwenhuizen, 2014:11). A small business can also be considered to have a relatively small share of the market (Beaver, 2007:11).

A small business is defined by Small Business Administration (2011) as an independent business having fewer than 500 employees. In South Africa, the *National Small Business Amendment Act 29 of 2004* defines a small business as a separate and

distinct business entity, including co-operative enterprises and non-governmental organisations, managed by one owner or more, which, including its branches or subsidiaries, is predominantly carried on in any sector or subsector of the economy, as specified by the Act. The *National Small Business Amendment Act 29 of 2004* defines a small business in the accommodation sector as having a total full-time equivalent of paid employees of 50 or fewer, a very small business as having 20 or fewer and a micro business as having 5 or fewer and a maximum turnover of R6 million, R5.1 million and R0.2 million respectively (South African Government, 2004). Table 2.1 is repeated here for ease of reference, and shows how small businesses in different sectors are classified.

Table 2.1: Classification of SMMEs

Sector or subsector in accordance with the Standard Industrial Classification	Size of class	The total full-time equivalent of paid employees	Total turnover	Total gross asset value (fixed property excluded)
Agriculture	Medium	100	R5m	R5m
	Small	50	R3m	R3m
	Very small	10	R0.5m	R0.5m
	Micro	5	R0.2m	R0.1
Mining and quarrying	Medium	200	R39m	R23m
	Small	50	R10m	R6m
	Very small	20	R4m	R2m
	Micro	5	R0.2m	R0.1m
Manufacturing	Medium	200	R51m	R19m
	Small	50	R13m	R5m
	Very small	20	R5m	R2m
	Micro	5	R0.2m	R0.1m
Electricity, gas and water	Medium	200	R51m	R19m
	Small	50	R13m	R5m
	Very small	20	R5.1m	R1.9m
	Micro	5	R0.2m	R0.1m
Construction	Medium	200	R26m	R5m
	Small	50	R6m	R1m
	Very small	20	R3m	R0.5m
	Micro	5	R0.2m	R0.1m
Retail and motor trade and repair services	Medium	200	R39m	R6m
	Small	50	R19m	R3m
	Very small	20	R4m	R0.6m
	Micro	5	R0.2m	R0.1m

Table 2.1 continued				
Sector or subsector in accordance with the Standard Industrial Classification	Size of class	The total full-time equivalent of paid employees	Total turnover	Total gross asset value (fixed property excluded)
Wholesale trade, commercial agents and allied services	Medium	200	R64m	R10m
	Small	50	R32m	R5m
	Very small	20	R6m	R0.6m
	Micro	5	R0.2m	R0.1m
Catering, accommodation and other trade	Medium	200	R13m	R3m
	Small	50	R6m	R1m
	Very small	20	R5.1m	R1.9m
	Micro	5	R0.2m	R0.1m
Transport, storage and communications	Medium	200	R26m	R6m
	Small	50	R13m	R3m
	Very small	20	R3m	R0.6m
	Micro	5	R0.2m	R0.1m
Finance and business services	Medium	200	R26m	R5m
	Small	50	R13m	R3m
	Very small	20	R3m	R0.5m
	Micro	5	R0.2m	R0.1m
Community, social and personal services	Medium	200	R13m	R6m
	Small	50	R6m	R3m
	Very small	20	R1m	R0.6m
	Micro	5	R0.2m	R0.1m

Source: South African Government (2004)

According to Table 2.1, the size of medium, small, very small and micro enterprises is the same when taking into consideration the number of employees, regardless of the

sector in the economy. In terms of number, the size is consistent across industries, although turnover varies. The difference comes when taking into account the turnover and the gross asset value of the businesses. Therefore, the definition of a small business becomes difficult to generalise.

Small businesses can also be defined using both qualitative and quantitative criteria. According to Nieman and Nieuwenhuizen (2014), the qualitative criteria include the following:

- A separate and distinct entity
- Cannot be part of a group of companies
- Must include subsidiaries and branches, if applicable when measuring size
- Should be managed by its owners (but is not always the case, as it can also be managed by an appointed manager; the results of the current study indicated as such)
- Can be a natural person or a legal person.

The quantitative criteria include the following:

- Total full-time paid employees
- Total annual turnover
- Total gross asset value (excluding fixed property).

It can be seen that a common description of a small business does not exist neither in research nor in practice. For the purposes of this research, a small business is defined as a business employing fewer than 50 workers according to the *National Small Business Amendment Act 26 of 2004*. The number of employees is the basis frequently used to define whether a business is small or not in countries such as China, Germany, Mexico, Taiwan and South Korea, among others (Osuagwu, 2009:24).

The findings of the most recent FinScope South Africa Small Business Survey (2010) were that there were 5 579 767 small business owners in South Africa in 2010. The research found that most small business owners (23%) resided in Gauteng and only

one in five (20%) small business owners provided services to their clients. Of these, 3% rendered tourism-related services, for example accommodation/hotel/bed and breakfast (B&B)/guesthouse (FinScope, 2010:7). Small business owners in Gauteng (34%), the Western Cape (33%) and Mpumalanga (26%) were significantly more likely to render services than their counterparts in other provinces. Moreover, according to Rogerson and Rogerson (2014:S199), business tourism in Johannesburg and Tshwane account for 47.3% of business tourism trips in South Africa. This shows that business tourism is growing in these areas.

2.3 The characteristics of small businesses

Small businesses share some commonalities with large businesses, but they also have unique characteristics that are usually reflected in the way they are managed (Stokes & Wilson, 2010:207). There are several characteristics that small businesses share. The characteristics of small businesses, some of which agree with the definition given above, include the following (Beaver, 2007; Beaver & Jennings, 2005:9; Mahadea & Pillay, 2008; Nieman & Nieuwenhuizen, 2014:40; Osuagwu, 2009:24; Stokes & Wilson, 2010):

- Independently and owner-managed: This means that the business is still managed by the owner or has only one manager who has been appointed by the owner. This was true for the participants in the current study.
- Level of resource constraints: Small businesses by nature of their size face a number of resource constraints. Access to financial resources is also a major constraint to the development of small businesses.
- Limited product range: There is a limit in the products/services that small businesses can offer.
- Not dominant in their field: Because of their size, small businesses are seldom dominant in the field of their business operations.

This implies that small businesses have unique characteristics due to the different way in which they are started and managed, which may subsequently call for a unique application of management tools in order for small businesses to be successful.

Therefore, the principles founded on the analysis of management processes in large organisations may not be directly applicable to the smaller enterprise (Beaver & Jennings, 2005:12; Brinckmann, *et al.*, 2010:37; Verreyne *et al.*, 2014:1). It is therefore important to study how management processes are applied in small enterprises to determine how small businesses apply these to suit the small business environment.

2.4 Challenges faced by small businesses

The small business sector and entrepreneurship are recognised today as key elements in national economic growth (Stokes & Wilson, 2010:7). In almost all economies, and particularly in developing countries, small businesses are vital for sustained economic growth. Small businesses are generally regarded as the driving force of economic growth, job creation and poverty reduction in emerging economies (Nichter & Goldmark, 2009:1453).

Although having the potential to create jobs and accelerate economic growth in South Africa, small businesses are bound to various challenges affecting their ability to expand (Kongolo, 2010:2293), both in South Africa and across the globe. As mentioned before, small businesses generally seem to fail within the first few years of operation (Ligthelm, 2011:62; Small Business Administration, 2011). Incompetent management practices, among others, have been identified as one of the universal challenges facing small business globally and in South Africa (Osuagwu, 2009:23). According to Fatoki and Garwe (2010:731), in South Africa, and also globally, the lack of skilled management remains a challenge, especially in small businesses. Much of the literature suggests that most small businesses are born to stagnate and die because of significant inadequacies in management skills (Burns, 2011:392; Fatoki & Garwe, 2010:731; Wiklund, Patzelt & Shepherd, 2007).

Strategising can help any business grow and expand over time (Kongolo, 2010:2291; Verreyne *et al.*, 2014:3). Small business managers therefore need to be aware of their internal and external environments in order to be able to adapt to changes in their environment. Some external influences may be beyond the control of small businesses, but some could be due to poor management decisions and/or judgement (Burns, 2011:

393). Business strategies are one of the ingredients for success (Burns, 2011:291). Research that has been carried out in southern Africa shows an inherent challenge for small business survival (April, 2005; Lighthelm, 2011; Mboyane, 2009; Nemaenzhe, 2010). This, however, is not unique to South Africa. As alluded to before, and repeated here for ease of reference, research indicates that small businesses fail due to internal business weaknesses, competition, lack of experience, lack of support and a lack of planning, among other factors. Planning can be in the form of strategic planning, which forms part of strategising (Jarzabkowski & Balogun, 2009; Jarzabkowski & Spee, 2009; Verreyne *et al.*, 2014:1). Small business managers can employ management processes such as strategising in order to survive, especially in today's dynamic environment.

Small businesses tend to be structurally informal with few differentiations among their units, if at all they are divided into units. Managers of small businesses, especially in uncertain business environments, need to strategise and use strategies in a more proactive rather than reactive manner (Osuagwu, 2009:26). The practice of strategic management will assist small business owners in keeping abreast with changes in the business environment.

2.5 Tourism small businesses in South Africa

Tourism in South Africa is characterised by a high number of small, medium and micro players (Tassiopoulos, De Coning & Smit, 2016:2). These small enterprises are valuable to the South African tourism industry, as they are able deliver a set of highly diverse and customised experiences that larger enterprises find difficult to offer. According to the Tourism Satellite Account for South Africa, tourism consumption in South Africa by domestic and foreign visitors totalled R93.3bn in 2012, approximately 3% of the GDP. It is a marginal increase of 0.02% from the 2011 figure of R83.5bn, which is 2.8% of the GDP (Stats SA, 2014).

Tourism has been identified as one of the key economic sectors with excellent potential for growth (Stats SA, 2016:4). Over the years, the number of hotels in key locations, such as Cape Town, Johannesburg, Pretoria and Durban, has increased to accommodate a growing number of travellers and, in recent years, the growth in

occupancy rates and average room rates was robust (Rogerson & Rogerson, 2014:199).

Tourism is highlighted in government's New Growth Path and National Development Plan as a catalyst to create jobs, alleviate poverty and eliminate inequality (OECD, 2016:379). The tourism sector is a multifaceted industry, which means it comprises a number of different but related economic activities and contributes to a number of economic sectors in South Africa. In this respect, the labour-intensive nature of the tourism industry means that it has great potential and capacity to grow the economy and create jobs. According to the Small Enterprise Development Agency (SEDA) (2012a), the National Tourism Sector Strategy (NTSS) sets out a plan to create some 225 000 additional jobs in the tourism sector by 2020. At the same time, the NTSS seeks to raise the total direct and indirect contribution of the tourism sector to the national economy (SEDA, 2012a:21).

In terms of economic analysis, the tourism sector is different from other economic sectors such as manufacturing and the like, in that it is not a sector formally classified as such in terms of the international SIC (Stats SA, 2012). This is because industries are classified according to the goods and services they produce, while tourism is a consumption-based concept that depends on the status of the consumer. As a result, there is considerable uncertainty on the precise boundaries of what a small tourism business is. In practical terms, the analysis of tourism small businesses is confined more narrowly to those particular businesses operating within the bounds of the travel and tourism industry.

SEDA (2012b), (latest available at time of study), identifies the tourism sector in South Africa as comprised of a range of sub-sectors, including transport and travel distribution services (incorporating services such as airline services, car rental services, transfer services, travel agents and tour operators), hospitality (including accommodation, food and beverages, meetings and event services) and various other services related to specific tourist attractions and activities. Although large companies mainly dominate the South African tourism industry, it remains that, as in most countries of the world, the

vast majority falls into the category of small businesses (Thomas, Shaw & Page, 2011:964). Small businesses already play a prominent role within many of the mentioned sub-sectors in South Africa. It has been noted that the majority of enterprises operating within the tourism sector are small and medium enterprises (SEDAa, 2012:119). The Department of Trade and Industry has estimated that of the more or less 50 000 tourism enterprises operating in the country, at least 97% are small and medium businesses (SEDA, 2012:120).

The classification of the tourism sector, together with the SIC, will serve as a defining factor of the accommodation sector. The objective of the SIC is to classify collected information as far as possible according to categories of activities that are as homogeneous as possible (Stats SA, 2012:12). The SIC gives accommodation and food services activities as Section I, and accommodation under the section. Table 2.2 shows how the accommodation sector is classified.

Table 2.2: Classification of the accommodation sector

Section I: Accommodation and food service activities		
Division 55: Accommodation		
Class: 5510	This class includes the provision of accommodation, typically on a daily or weekly basis, principally for short stay by visitors.	This class includes the provision of short-term accommodation provided by: – hotels, resort hotels, suite/apartment hotels, motels, motor hotels, guesthouses, pensions, B&B units, visitor flats and bungalows, time-share units, holiday homes, chalets, housekeeping cottages and cabins, and youth hostels and mountain refuges.

Source: Stats SA (2012)

2.6 Description of the accommodation sector

Over recent years, a number of international scholars have noted the importance of researching small businesses in the tourism and hospitality industry as separate from other small businesses as a whole because of the unique nature of small businesses in tourism (Thomas *et al.*, 2011). Most of the existing scholarship on small tourism businesses is centred on issues on the role of small tourism businesses in developed countries. The literature on small businesses in the tourism industry/sector in developing countries is relatively sparse. Within a developing world context, it has been argued that the common economic objectives of increased income, job opportunities and the minimisation of social and cultural effects might be best achieved through the promotion of small businesses in the tourism industry/sector rather than large enterprises. As the accommodation sector is part of the tourism industry, this sector has seen a particular focus of attention on the birth, development and dynamics of small

businesses in the tourism industry/sector, especially in developed countries (Avci, Madanoglu & Okumus, 2011).

Accommodation is an essential part of the tourism offering in South Africa. An accommodation establishment is a business that offers guests a place to spend the night in exchange for payment (Stern, 2012:1). The different levels and styles of accommodation options appeal to different market segments (Stern, 2012:1). These comprise hotels, game lodges, boutique hotels, guest houses, B&Bs, self-catering establishments, township stays, village stays, camp sites and backpackers. According to Stats SA (2015b), income from accommodation increased by 12% in the fourth quarter of 2015 compared to the fourth quarter of 2014. The survey carried out by Stats SA included accommodation from hotels, motels, inns, caravan parks, camping sites, guest houses, guest farms and other establishments. The figures show that there is positive growth in the sector and this can translate into growth opportunities for small businesses. The growth in the sector has been a trend for a number of years, as supported by Rogerson and Rogerson (2014). It is therefore important that small businesses in this sector take advantage of the opportunities available, and one way of achieving this is through strategising.

The current study included different types of accommodation establishments in the Tshwane metropolitan area. The different forms of accommodation establishments are described below.

Hotels offer accommodation, restaurants and other services. A hotel is generally the largest of all accommodation types and there is typically a common reception area, and rooms generally open directly onto a hallway. A wide range of guest services is available, such as room service. The number of hotels and similar establishments in South Africa was estimated to be 2 770 in 2014 (South African Tourism Report, 2014).

Game lodges, on the other hand, offer a wide range of services and are usually, but not always, luxurious and expensive. The services offered provide a combination of game

drives, walks with skilled trackers and exclusive accommodation in pristine natural surroundings (Stern, 2012:2).

Boutique hotels are often smaller than the traditional hotel and differentiated by their trendy, stylish décor and often excellent food. The emphasis in boutique hotel accommodation is on provision of service excellence, individuality, exclusivity and privacy, which are possible only through the development of small establishments (Rogerson, 2010:431). According to Rogerson (2012:168), 127 establishments in South Africa marketed themselves as boutique hotels in 2010.

A B&B is usually a private home in which guests can be accommodated at night in private bedrooms. A guesthouse is also generally a private home that has been converted for the dedicated and exclusive use of guest accommodation. The differentiation between guest houses and B&Bs is somewhat blurred, because most guest houses do not offer any other meals except breakfast (Stern, 2012). The public areas of the establishment are for the exclusive use of the guests.

Self-catering accommodation is usually in the form of houses, apartments, studios or chalets. They include a kitchen or kitchenette. Usually, a self-catering holiday resort has recreational facilities such as swimming, tennis, squash, boating, horse riding, and so forth, and is generally quite large. Many also have caravan and/or camping sites (Stern, 2012:2).

Caravan and camp sites offer a piece of ground on which guests can set up a tent or park a caravan or camper van.

Contemporary backpackers are viewed as an important and growing element of international tourism and, in some countries (such as Australia), also of domestic tourism. Backpackers are an essential part of youth travel. In South Africa, there are at least 425 suppliers of backpacker accommodation across the country; however, there is also an 'informal sector' of backpacker accommodation in South Africa (Rogerson, 2007:427). This means that the size of this type of accommodation can only be estimated.

2.6.1 Size of the accommodation sector in South Africa

In April 2012, there were 31 910 accommodation establishments registered on the South African National Tourism Database, but there are almost certain to be more, as registration is not mandatory (Stern, 2012:6). The National Accommodation Association of SA (NAA-SA) has approximately 900 members, but they estimate some 6 000 more establishments that qualify for their membership but that are not registered. Another way of estimating the size of the accommodation industry is by looking at the number of customers. According to Business Monitor International (2013), the number of arrivals from around the world, that is from Africa, North America, Latin America, Asia Pacific, Europe and the Middle East, was estimated at 8 945 490 in 2013. While the arrival numbers are important, they are not what one considers to be tourists in a traditional sense. However, these people will inevitably need a place to stay even if they travel for business purposes. The vast majority, especially from Africa, are believed to be cross-border travellers who come to buy goods in South Africa for sale in neighbouring countries (Stern, 2012:9). Therefore, it not easy to determine the actual size of the industry in absolute terms, but it can be seen that it contributes significantly to the South African economy.

2.6.2 Challenges faced by small businesses in the accommodation sector

There are a number of factors that influence the accommodation sector in South Africa. A key challenge to the sustainability of small businesses in the tourism industry lies in access to the market and to skills and training to be able to deliver a quality experience (Department of Tourism, 2015:22). In 2007, a survey showed that small and medium enterprises in the tourism industry in South Africa face challenges such as crime and cash-flow difficulties (SEDA, 2012:43). The 2010 FinScope survey highlighted challenges such as access to finance, unmet skills and training needs, for example marketing knowledge, and an onerous regulatory environment. According to SEDA (2012a:52), small businesses in the tourism industry face a number of challenges, which include the following:

- Lack of marketing skills and tools

- Competition from dominant large enterprises
- Inconsistent cash flow
- Lack of resources to upgrade or purchase new equipment
- High cost of inputs
- Limited market and customer base in rural areas
- Lack of market-related information and industry data
- Difficulty meeting tourism grading and accreditation standards.

Small business managers in the accommodation sector have to take these factors into consideration in running their businesses so that they can monitor and/or control their influence on the business. Some of the challenges faced by small businesses in tourism also relate to small businesses in accommodation, as accommodation forms part of the tourism industry. In addition to the above, the challenges faced by small businesses in the accommodation sector include the regulatory and economic environments, rising input costs, information technology, labour resources, seasonality, exchange rates, and security, safety and crime (Stern, 2012). These challenges pose a cost-rising effect on small businesses and therefore may jeopardise the long-term survival of these businesses. The challenges are discussed in the following sections.

2.6.2.1 Regulatory environment

The tourism industry is governed by the usual labour laws and contractual regulations, some of which are listed below, that govern all businesses. In addition, hospitality products are also subject to a number of industry-specific legal requirements and provincial-level legislation. According to Stern (2012:13), the regulations applicable to the hospitality industry are the following:

- The Basic Conditions of Employment Act, Sectoral Determination 14, Hospitality Sector
- Various liquor laws, depending on location

- Tobacco legislation
- Copyright legislation
- A range of good hygiene regulations, including hazard and critical control point regulations
- The Sexual Offences Act
- If there is a casino, gambling regulations.

Sectoral Determination 14, Hospitality Sector, of the *Basic Conditions of Employment Act* makes provision for shift work, that is, working at night, on weekends and on public holidays, in order to cater for the fact that the hospitality industry is a 24/7 industry (Stern, 2012:13). Businesses in the accommodation sector need to take into consideration requirements such as television licenses that are needed for each television set, if they play music they have to pay royalties to the Southern African Music Rights Organisation, and abiding to the smoking and non-smoking laws in their establishments. Small businesses in the accommodation sector are required to meet regulations and industry standards that apply to their business operations (SEDA, 2012:52).

2.6.2.2 Economic environment

The South African rand, weakened by almost 22% against the US dollar during 2013, reached a five-year low in January 2014 (Barnard, 2014:22). Based on the exchange rates in 2016, the rand remains weak against the US dollar. However, the very top-end and budget sectors of the industry remain robust. Property fund Hyprop, in explaining its decision not to renew its management contract with African Sun for the running of The Grace in Rosebank in 2011, said that occupancy had decreased because of a reduction in visitors. They also alluded that corporate clients were moving away from five-star accommodation. This could be because visitors are becoming more price-conscious. This can translate into a positive opportunity for small businesses to provide accommodation at lower rates. This can mean that customers will be travelling less or seek more affordable accommodation. Domestic tourism will be adversely affected by

the weak rand because of less disposable income for local tourists, but this will help to increase the number of international visitors (Barnard, 2014:22).

2.6.2.3 Rising input costs

Input costs and the cost of labour are consistently cited as the greatest negative factor affecting the accommodation sector (Barnard, 2014:23). The costs of transport, food and other consumables continue to rise in South Africa and accommodation businesses need to implement cost-saving measures. The cost of energy, be it electricity or fuel, is also important in accommodation establishments. Fuel prices impact the price of transport, which is a major component of tourism expenditure. The rising fuel costs can compromise the demand for car rentals, as rental prices increase because of rising fuel costs. High transport costs in South Africa will decrease the demand for South Africa as a tourist destination. Rising input costs can pose as a challenge to small business because it means they will be forced to pass the costs to consumers (Stern, 2012:17). If prices rise, there might be a decrease in income and subsequently, the demand for tourism and accommodation in particular will decrease.

2.6.2.4 Information technology

The Internet has dramatically changed the way people book accommodation in the 21st century. The Internet has become an important source of information for travellers, providing them with an opportunity to obtain information directly from destinations as well as from fellow travellers through social networking, blogs and travel advisory websites. It is essential, even for small businesses, to integrate their inventory with booking systems so that they can offer real-time online booking. Internet marketing is becoming increasingly important, with online bookings approaching 70% globally in 2014 (Barnard, 2014:25). Small businesses in the accommodation sector need to keep up with current technology in order to be relevant and not lose customers who prefer to make a booking online. The Internet is also a powerful marketing tool of the 21st century. The fact that consumers have more faith in the comments of ordinary people who review accommodation establishments on websites such as TripAdvisor is a symptom of growing trust in the Internet and also the spread of virtual societies (Stern,

2012:22). Having an online profile will enable a business to interact with these societies and to also discover what their consumers prefer and do not prefer in order to, as much as possible, offer a more tailored service to visitors.

Internet visibility has also become important in the accommodation sector. Online visibility can be defined as the extent to which a user would come across an online reference to a company's website (Smithson, Devece & Lapiedra, 2011:1577). It has been found that online visibility is significant for the organisational performance of hotels; however, understanding of the technology and knowledge of the average tourist's search mechanism and the needs of the potential market are some of the skills that must be combined in achieving competitive online visibility (Smithson *et al.*, 2011:1584). In this sense, it must be noted that the resources available to the small business accommodation sector play an important role in information and technology. Small businesses can make use of technology to market their business and increase their online visibility without incurring considerable costs.

2.6.2.5 Labour resources

As pointed out previously, tourism has been identified as an economic driver in South Africa, as it is labour-intensive and has the capacity to create job opportunities (SEDA 2012b:38). The tourism industry, and specifically the accommodation sector, is labour-intensive and its contribution to employment in South Africa is recognised. Employment generated by the tourism industry directly accounted for 4.4% of total employment in 2013 and contributed 103.5 billion in 2013; this includes both direct and indirect effects of tourism (OECD, 2016:379). For example, in 2011, the Tourism Enterprise Partnership supported the creation of 4 991 jobs through SMME development. Although not all of these businesses were from the accommodation sector, it is estimated that approximately 70% of the businesses supported are accommodation ventures (Stern, 2012:18). The accommodation sector is therefore important in that it has a potential to create jobs. It also requires skilled labour resources such as chefs and cooks. The shortage of qualified chefs is another challenge in the hospitality industry (Stern, 2012:19); this can create opportunities for other small businesses to start up cooking or

hotel schools. Therefore, it is imperative for small businesses in the accommodation sector to hire skilled employees or to develop the skills of their employees.

2.6.2.6 Seasonality

Seasonality is defined as the temporal imbalance in tourism and may be expressed in terms of number of visitors, amount of money spent by tourists and so on (Martin, Maria, De Dios & Molina Morena, 2014:124). The accommodation industry is also affected by seasonality. To combat seasonality, many business establishments offer special rates on weekends in order to attract leisure tourists. Many accommodation establishments face annual cycles, and therefore offer special rates for off-season stays. Small businesses in the accommodation sector need to come up with a strategy to increase occupancy during off-peak periods.

2.6.2.7 Exchange rates

The attractiveness of a tourist destination is affected by many factors, among them, the exchange rate (Forsyth & Dwyer, 2009:78). Other things being equal, if a country's exchange rate strengthens, its tourism attractiveness falls. Exchange rates tend to reflect relative price levels at home and in other countries: When a country's prices rise relative to those of its competitors, its exchange rate tends to fall. The weak exchange rate is cited as a significant positive contributing factor to the industry. As the currency weakens, South Africa becomes a cheaper destination for international business and leisure tourists, with the knock-on effect of higher spend by these tourists and/or trading up of accommodation and other services. However, many other factors influence exchange rates, especially in the short term for example political stability, interest rates, inflation government debt (Forsyth & Dwyer, 2009:85), though fall outside the scope of this study. Exchange rates can be quite volatile, even for industrial countries with stable trading patterns. Table 2.3 shows the exchange rates of the top 10 markets to South African tourism.

Table 2.3: South African top 10 markets by arrivals 2016

Country	Exchange rate	January 2016 arrivals	January 2015 arrivals
1. Zimbabwe	1 Zim dollar = R0.04	250 514	220 853
2. Lesotho	1 loti = R1	209 403	156 571
3. Mozambique	1 metical= R0.30	145 775	136 272
4. Swaziland	1 lilangeni= R1	75 176	71 376
5. UK	1 euro= R16.45	46 264	39 776
6. Botswana	1 pula= R1.41	44 458	36 141
7. Germany	1 mark= R8.68	28 944	23 792
8. USA	1 dollar= R14.94	21 786	19 587
9. Namibia	1 Namibian dollar- R1	17 033	16 352
10. Zambia	1 kwacha= R1.54	13 758	12 334

Source: Stats SA (2016)

Table 2.3 shows that most of South Africa's tourists come from the African continent. Arrivals are expected to rise in 2016. For international markets, because of the weak rand, South Africa becomes a more attractive tourist destination, which could explain the increase in visitors from the UK. Therefore, small businesses in the accommodation sector need to be aware of these changes in the economy and how it affects their business.

2.6.2.8 Security, safety and crime

The spectre of crime is a real threat to the tourism industry and South Africa's crime levels are challenging (Stats SA, 2016:8). Tourists need to feel safe when they book any accommodation establishment. The tourism marketing authorities in South Africa deal with the issues of crime and safety (Stern, 2012:21); nonetheless, small businesses also need to put measures in place to ensure that there is security at their establishments. Crime has a negative impact on the business in that if customers experience crime on the establishment, they are likely to spread the word and not return to the establishment. This has a limiting effect on the planning of the establishment, as crime is somewhat out of the control of the owner/manager.

2.6.3 SWOT analysis for the accommodation sector

A SWOT analysis mainly identifies the strengths, weaknesses, opportunities and threats of a business. The SWOT analysis is explained in more detail in Chapter 3. Table 2.4 shows an example of a SWOT analysis for the accommodation sector in South Africa.

Table 2.4: SWOT analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • The South African tourist industry is the largest in Africa. • South Africa has a range of tourism options, including natural attractions, for example game parks and top-class city breaks, which makes it a popular destination for holiday and business travel. • Tourist arrivals have seen a substantial growth, as international visitors are encouraged by the favourable exchange rate. • There is a variety of established accommodation, ranging from backpackers to five-star luxury global hotel groups. 	<ul style="list-style-type: none"> • High food, utility, transport and labour costs have an impact on profitability. • Approximately half of the road network in South Africa is unpaved, and in rural areas the road system is poor. There is also an almost non-existent efficient railway system. • Most of the large source markets for South Africa are low-income nations such as Lesotho, Zimbabwe and Mozambique.
Opportunities	Threats
<ul style="list-style-type: none"> • Strong growth in international travel and especially to South Africa (see arrival statistics provided earlier) • Economic growth in the region and in BRICS countries, with whom South Africa is aligned • Development of urban, township and rural cultural accommodation experiences • Eco-tourism accommodation • Tailoring accommodation more to the needs of people from other African countries • Growing demand for budget accommodation worldwide and in South Africa 	<ul style="list-style-type: none"> • Slow growth in the local economy is likely to mean that growth in domestic travel and accommodation will also be slow. • The private and alternative accommodation market is growing quite rapidly and is taking a share of the market from paid accommodation. • The Ebola virus has created a negative impression for the whole of Africa and will affect travel to all countries. • There is a shortage of skilled staff and experienced black managers. • Smaller operators find it difficult to tap into a global market and there is a shortage of skills in social media management and online marketing.

Source: Barnard (2014)

From Table 2.4, the weaknesses posed are mainly due to tourists, even from traditionally strong markets in Europe. Some tourists are opting to stay with friends and

family rather than in hotels (Stern, 2012:8). This also poses a challenge in forecasting future demand for accommodation. Small businesses tend to be affected especially by the traditional concept of hotel accommodation. Stern (2012) asserts that hotels form the most visible image of the accommodation industry, although there is more to accommodation than hotels. Backpackers in South Africa, for instance, offer a wide range of services, including bookings, activities and tourism information, and have become an established form of accommodation.

The tourism industry enjoys massive support from the government and other private sector organisations, some of which are specifically geared towards small businesses in the tourism industry. These organisations support and/or assist businesses in the different sectors that constitute the tourism industry. The excellent natural attractions and rich cultural diversity that exists in South Africa also act as one of the strengths to the accommodation sector.

According to Business Monitor International (2016), South Africa has a strong domestic tourism industry, as it is positioned as the financial and business hub of Africa and therefore it is well positioned to attract tourists from the continent who will utilise the accommodation establishments and also provides an opportunity to tailor its accommodation services to meet specific needs.

South Africa faces threats from other emerging tourism destinations such as Botswana and Namibia (Business Monitor International, 2016:9), which are becoming more reachable to the African tourist. Other potential threats include newer forms of accommodation such as house swapping (Stern, 2012:22), which is likely to make its way into South Africa. In addition, the worsening economic crisis globally may see a reduction in the number of international tourists to South Africa and travellers may prefer visiting other countries in Africa other than South Africa (Stern, 2012).

2.7 Conclusion

The accommodation market is changing as consumers become more discerning and/or more price-conscious. Positive economic growth in South Africa and the rest of Africa

may offer lucrative opportunities. In addition, the significant and growing youth market offers a great scope for business development. According to the Tourism Satellite Account (Stats SA, 2016), 680 817 (4.5% of employment) people were employed in tourism in 2014, of which 115 289 were in the accommodation sector. Accommodation opportunities exist for small businesses operating within the tourism sector. In particular, these opportunities are for cheaper accommodation packages and facilities. Small and micro enterprises can access opportunities in the accommodation industry by offering accommodation-related services. This chapter looked at small businesses in general, their definition and characteristics and the challenges they face in operating their businesses. Tourism small businesses were also discussed and in particular small businesses and the environment of the accommodation sector in South Africa. The next chapter discusses strategising, with specific reference to small and micro enterprises.

CHAPTER 3

STRATEGISING PRACTICES IN SMALL AND MICRO ENTERPRISES

3.1 Introduction

Today's business environment is probably the most dynamic environment, and therefore it is important that a business responds quickly in order to keep up with changing environments. Strategic management is a central concept in modern management practice. According to Dandira (2012), strategic management is an ongoing process: "nothing is final and all prior actions and decisions are subject to future modification". Strategic management is associated with large and established businesses; however, knowing where the business is going and how to get there is as important to a small business as a large one (Beaver, 2007). The importance of identifying those factors, through strategic management, that may provide small firms with a better chance of survival cannot be overstated (Verreynne & Meyer, 2010). It is therefore important for a business, large or small, to adjust its strategy in order to cope with the demands of the changing external environment. This chapter examines the strategic management process and the more recent strategy-as-practice (S-A-P) approach, and how the two relate in order to obtain a full picture of strategising practices of small business managers, as pointed out by Verreynne *et al.* (2014). The chapter also looks at the management tools used by managers to plan, manage and realise the intended future of the business in the contemporary business environment.

3.2 Strategic management

The goal of strategy is to lead an organisation through changes to secure its growth and sustainable success, and it has become the master concept with which to address managers in the contemporary organisation (Carter, Clegg & Kornberger, 2008:88). One of the ways in which small and large businesses alike can reach their economic potential is through the practice of strategic management. Strategic management is defined as "the dynamics of the firm's relation with its environment for which the necessary actions are taken to achieve its goals and/or to increase performance by means of the rational use of resources" (Ronda-Pupo & Guerras-Martin, 2012:180).

Even if the organisation uses formal strategic management tools, the dynamic nature of the environment may result in the intended and actual realised strategy being different (Nag *et al.*, 2007). Mintzberg (1994) also points out the gap between intended strategy and actual realised strategy.

3.3 The traditional strategic management process

The conventional approach to strategy focuses on the formulation and choice of a strategic position and on building core competencies. Core competencies are defined as the abilities that enable a company to deliver unique value to its customers (Rigby, 2015:24). In a dynamic and ever-changing economic environment, strategic positions are quickly eroded and formal planning can become irrelevant; therefore, the traditional concept of the strategic management process can sometimes be inadequate for business performance (David, 2013). Nag *et al.* (2007) define strategic management as the field dealing with intended and emergent initiatives taken by general managers on behalf of owners, involving the utilisation of resources to enhance the performance of organisations in their external environments, with financial outcomes dominating performance. Therefore, the aim of strategic management is to utilise an organisation's resources that are linked to its environment, with a view to financial gain. Strategic management process theory mainly suggests that it is an integrative process that consists of strategy formulation, implementation and control. This implies that strategy is a formal process and that these stages need to be followed. However, the strategy process in reality is more complex and the three stages of the process are interlinked. It is possible not to follow the stages in a clear-cut manner due to emergent strategy, as pointed out by Mintzberg (1994), and subsequent literature, or due to other changing factors.

The strategic management process needs to be flexible to adapt to changes in the environment to survive and grow in evolving market conditions. Businesses mostly operate in turbulent and competitive environments and therefore need to be in touch with their environment. The accommodation industry in South Africa has always faced fierce competition, which has become more intense with the surplus of mid- to high-range accommodation since the 2010 soccer World Cup (Stern, 2012:21). Therefore, it

is important for businesses in this sector to be aware of the environment in which they operate and how it is changing. In the current study, it was found that managers can use strategising and management tools such as the SWOT analysis to stay abreast of changes in the environment.

According to Carter *et al.*, (2008:86), key strategic practices are identified as those formal/informal operating procedures involved in direction setting, resource allocation, and monitoring and control. While these are not the only practices from which strategic action is constructed, they are theoretically valid within strategic management and are concerned with the doing of strategy. The formal strategy process is now discussed, starting with strategy formulation for the purpose of conceptualisation; in reality, strategy can start with any of the stages.

3.3.1 Strategy formulation

The strategic management process generally starts with strategy formulation. According to the process school, strategy formulation includes setting direction for the business, identifying an organisation's external opportunities and threats, determining internal strengths and weaknesses, establishing long-term objectives, generating alternative strategies and choosing particular strategies best suited to the firm's situation (David, 2013:35). Strategy formulation can utilise tools such as the vision and mission statements, along with external competitive, economic and environmental analyses, which can be summarised with the SWOT analysis. The above activities carried out during strategy formulation can be seen as the practices that are carried out, starting with establishing the vision and mission of the business, the direction-setting task of strategy to guide the enterprise towards a sustainable future. These tools also relate to the tools for successful companies identified by Bain & Company (Rigby, 2015).

3.3.1.1 Vision and mission

The purpose of a vision statement is to establish what the organisation wants to become in the long term (David, 2013:75). A vision is a dream or ideal picture of the future activity of the business created by the manager/owner (Adamoniene & Andriuscenka, 2007:552). A good vision is the basis for formulating the mission

statement, which defines an organisation's business, and from it stems the organisation's objectives, priorities, plans and work tasks – guiding the day-to-day activities to ensure the goals are achieved. The mission is the primary aim of the organisation, justifying its existence and distinguishing it from other organisations (Adamoniene & Andriuscenka, 2007:553). A clear vision and mission have to be stated before alternative strategies can be formulated and implemented, as strategy represents the most appropriate way of achieving goals. Campbell and Yeung (1991, cited in David, 2013:77) differentiate between the terms 'vision' and 'mission' by saying a vision is "a possible and desirable future state of an organisation" that includes specific goals, whereas a mission is more associated with behaviour and the present. A vision and mission make it possible for an organisation to provide a basis for allocating resources, as strategic management also involves the use of resources to specify organisational purpose and translate into objectives that are easily measurable to set a focal point for individuals to identify with the direction an organisation is taking (David, 2013:78).

Small business managers need to practise these skills as part of strategising for managers at this stage to find a best fit between the mission, opportunities and the business's capabilities (Mazzarol, Reboud & Soutar, 2009:327). Business owners or managers need to have the necessary skills to set and communicate direction, determine priorities and ensure that there is a shared understanding of the direction of the organisation (Nienaber, 2010:666). This is primarily done through the formulation and communication of vision and mission statements. The identification of the vision and mission of the business also provides a basis for strategic objective setting and decision making (Adendorff, Appels & Botha, 2011:44). Small business managers in the current study were asked whether they have a vision and mission for their business.

3.3.1.2 Strategic objectives

Strategic objectives refer to desired states linked to specific time scales. Strategic objectives provide guidance on how the business should fulfil and reach the goals specified in the vision and mission statements (Adendorff *et al.*, 2011:45). Objectives

need to be measurable, realistic, understandable, challenging and obtainable. Each objective should also have a timeline, and can be stated in terms of profitability, growth in sales, market share or social responsibility, for example to increase revenue by 10% annually. This will also be measured against variables in the environment such as inflation; therefore, the small business manager should take the variables in the environment into consideration when setting goals. Clearly stated objectives provide direction, reduce uncertainty and aid in both the allocation of resources and the design of jobs. It is important that strategic objectives be consistent with the vision and mission of the business (Adendorff *et al.*, 2011:45; Brinckmann *et al.*, 2010:27; Verreyne *et al.* 2014:6), in other words, objectives should be integrated with the overall strategy of the organisation. Objective setting is relevant for both large and small businesses in order to determine whether the business is meeting the goals it sets for itself.

3.3.1.3 External environment

The external environment of an organisation can provide both opportunities and threats, but cannot easily be changed by the organisation. The goal of managers is to develop strategies based on what the organisation can do to exploit opportunities and counter threats present in the external environment. The key external forces that can affect an organisation can be divided into five categories, namely economic forces; social, cultural, demographic and natural environment forces; political, governmental and legal forces; technological forces; and competitive forces (David, 2013:93). The extent to which each of these factors affect an organisation is dependent on the nature of the organisation's business and may vary from organisation to organisation. It is the responsibility of the organisation's manager(s) to identify those external factors that have a significant impact on its operations and success. Identifying these factors will contribute to formulating and choosing an appropriate strategy given the environment in which the organisation finds itself at any given time. The external forces that affect small businesses in the accommodation sector include as previously stated, the economic environment, information technology, seasonality, security, safety and crime (Stern, 2012:16). The state of the economy affects small businesses in terms of costs incurred in running the business and therefore the profitability of the business. It is therefore

imperative that small business managers are aware of the external environment in which they operate so that they can utilise this to their business advantage.

3.3.1.4 Industry analysis

The industry environment consists of a set of factors that directly influences an organisation and its competitive actions and responses. An industry includes a group of organisations that produce products that are close substitutes, and which during the course of competition could influence one another (Carpenter & Sanders, 2009). It is important for an organisation to understand how changes in its external industry environment affect or do not affect the organisation. Porter's five forces model of competitive analysis is a widely used approach for developing strategies in many organisations (David, 2013:105). According to Porter (2008), the nature of competitiveness in a given industry can be viewed as a composite of five forces. The five forces that shape industry competition are illustrated in Figure 3.1.

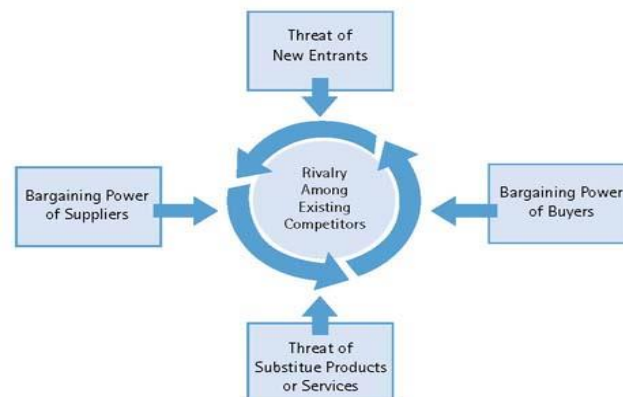


Figure 3.1: The five forces that shape industry competition

Source: Porter (2008)

Rivalry among existing competitors: This is the amount of direct competition in an industry: If the degree of competition is high, rival businesses target the customers of other businesses and such a competitive move can have an effect on the other businesses in the industry. There is a significant amount of competition in the accommodation sector, especially with the rise of previously disadvantaged groups starting businesses in South Africa in recent years. SEDA, in their 2012 report,

highlights that small businesses in the tourism sector face competition from large enterprises operating in the sector (SEDA, 2012:51). As small businesses in accommodation fall in this sector, they are also faced by this challenge.

Threat of new entrants: This refers to the possibility that the profits already enjoyed by existing businesses may be eroded by new competition. This will depend on how easy or difficult it is to enter into a particular industry. The accommodation sector still has many opportunities for growth and with the new Companies Act in South Africa it has become relatively easy to open a new business; however, there are other factors such as industry regulations, as mentioned previously in Chapter 2, that have to be adhered to when entering the industry (Stern, 2012:13).

Threat of substitute products or services: This refers to the ability of a substitute product or service to satisfy the same need as another product or service, thereby posing a threat to the existing service providers or producers. Due to high input costs, for example infrastructure, and competition from large businesses in the tourism sector, (SEDA, 2012), the threat of substitute services is real to small businesses in the sector, for example the emergence of house swapping. Another threat can come in the form of business tourism decreasing possibly due to improvements in technology that make tele-conferencing and video-conferencing more user-friendly and cost-effective (Stern, 2012:17).

The bargaining power of buyers and suppliers are mentioned for the sake of reference to Porter's five forces model, but these forces were not relevant to the current study.

Bargaining power of suppliers: When suppliers are powerful, they can exert pressure on producers to capture some of the industry profits. A supplier group is powerful if the industry is only dominated by a few businesses. The cost of switching to another supplier becomes high.

Bargaining power of buyers: Buyers and clients are powerful, as they are able to force prices down and bargain for higher quality or more services.

The purpose of the competitive analysis is mainly to identify whether an organisation can make an acceptable profit in the industry in which it operates. Managers need to identify key aspects of each competitive force that can affect the organisation directly, evaluate how strong each aspect is for the organisation and decide whether the collective strength of the aspects is worth entering or staying in the industry (David, 2013:106). Key aspects in the accommodation sector include access to finance, infrastructure, regulations on food and safety, business licenses and hospitality skills (Stern, 2012).

3.3.1.5 Internal environment

An internal analysis is utilised by an organisation to analyse the quantity and quality of its financial, human and physical resources. The internal analysis of an organisation involves identifying the organisation's strengths and weaknesses in its functional areas (David, 2013). Functional areas differ from organisation to organisation and especially in small businesses, where there are usually no distinct functional areas (David, 2013:126). Performing an internal analysis requires gathering, assimilating and evaluating information about the organisation's operations (David, 2013:126). In the accommodation sector the internal environment may include factors such as employee skills, marketing initiatives and location. Small business managers in the current study were able to identify those strengths that their business possesses that cannot be easily matched or imitated by competitors. Internal strengths and weaknesses coupled with external opportunities and threats and a clear statement of mission provide a basis for establishing objectives and strategies (Balasundaram, 2009:12).

3.3.2 Evaluation of organisational resources and environmental opportunities and threats

It is essential for a business to identify its strengths and weaknesses in order to identify risks and threats and to compare them to the opportunities available to the organisation (Rezvani, Gilaninia & Mousavian, 2011:1541). The participants in the current study concurred with the above using the SWOT analysis. The effectiveness of any strategy a business might use is influenced by factors that exist in both the internal and the external environment of the organisation. The way in which an organisation can

evaluate their environment is through, among others, scenario planning and SWOT analysis.

3.3.2.1 Scenario planning

Changes that take place in the business environment compel businesses to adapt constantly to new realities, concepts and technologies (Varum & Melo, 2010:355). Scenario planning is based on the assumption that the business world is unpredictable, but that certain events can be predetermined. Coming up with scenarios assists managers to recognise, consider and reflect on the uncertainties that they are likely to face. Moreover, the capacity of businesses to deal with uncertainty and adapt quickly to major changes has become a crucial factor for success. According to Rigby (2015:50), the steps in scenario planning are the following:

- Identify thought processes of key decision makers
- Create varied yet plausible scenarios
- Test the impact of key variables in each scenario
- Develop action plans based on either the most promising solutions or the most desirable outcome
- Monitor events as they unfold to test the firm's strategic direction
- Be prepared to change course if necessary.

Scenario planning happens over and above internal analysis and can ensure success.

3.3.2.2 SWOT analysis

The SWOT analysis mainly identifies possible strategies to exploit external opportunities, counter threats, build on and protect strengths and eradicate weaknesses (Adendorff *et al.*, 2011:47). The organisation at this point also looks at the resources that are available to enable it to compete and survive against its competitors. By analysing resources, the extent to which the resources can add value and create a competitive advantage for the business is determined. The SWOT analysis, in theory, presents a mechanism for facilitating the linkage among company strengths and weaknesses (internal factors) and threats and opportunities (external factors) in the marketplace. It also provides a framework for identifying and formulating strategies by

matching key internal and external factors. After formulating the vision, mission and objectives and analysing the external and internal environment, the business can now identify alternative strategies to consider given the resources available.

3.3.2.3 Strategy analysis and choice

Strategy analysis is a process by which an organisation examines its own internal or corporate characteristics and capabilities, and identifies the most important features of the external environment within which it must operate. Scholars and consultants have provided myriad models and frameworks for analysing strategy choice (Hambrick & Frederickson, 2000, cited in Dandira, 2012:128; Verreyne *et al.*, 2014:3). The basic options that a business can pursue are integration strategies, for example forward integration or horizontal integration; intensive strategies, such as market penetration and market or product development; diversification strategies for example opening a restaurant on the accommodation establishment; and defensive strategies, such as retrenchment, divesture or liquidation (David, 2013). Porter also developed three strategies that a company can use to gain competitive advantage, namely cost leadership, differentiation and focus (David, 2013:178). Small business managers in the current study seem to make use of some of the strategies mentioned above.

3.3.3 Strategy formulation framework

According to David (2013:204), strategy formulation techniques can be integrated into a three-stage decision-making framework, illustrated in Figure 3.2.

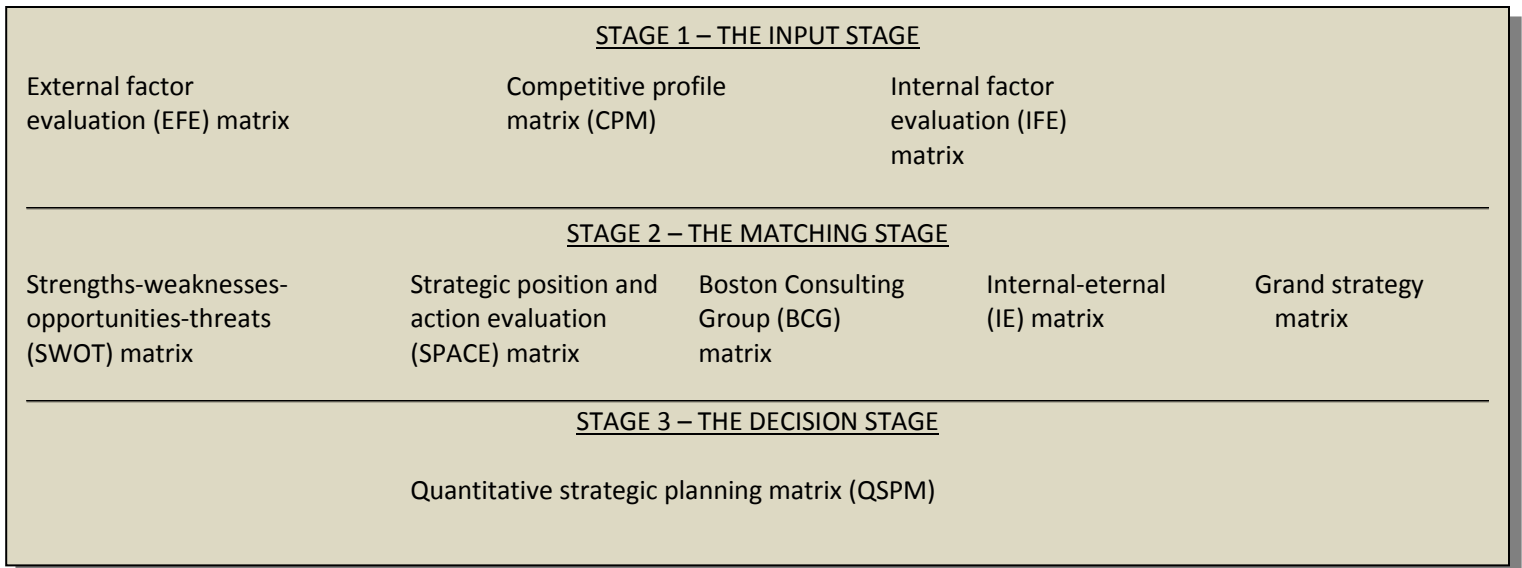


Figure 3.2: Strategy formulation framework

Source: David (2013:204)

3.3.3.1 The input stage

The external factor evaluation (EFE) matrix allows managers to summarise and evaluate economic, social, cultural, demographic, environmental, political, governmental, legal, technological and competitive information (David, 2013:110). At this stage, the managers must list all the external factors, as specifically as possible, that affect the organisation and its industry (both threats and opportunities). Each factor is then given a weight according to the relative importance of the factor to the organisation. For example, an accommodation establishment that is located near a big hotel can give competition a higher weight. The information provided by this matrix will help the organisation to develop more effective and relevant strategies. The threats that face the South African tourism industry in general include competition, crime and security, difficulty in meeting grading and accreditation standards and inconsistent cash flow, among other factors (SEDA, 2012:51). The market and value chain opportunities

that have been identified in the tourism sector include township tourism and rural accommodation, which offer a cultural experience as well as accommodation.

The competitive profile matrix (CPM) identifies a business's major competitors and its particular strengths and weaknesses in relation to a sample business's strategic position (David, 2013:113). This will assist the business in identifying how it rates on critical success factors compared to other businesses in the same industry. Businesses in the accommodation sector mainly face competition from large businesses in the sector (SEDA, 2012).

The internal factor evaluation (IFE) matrix summarises and evaluates the major strengths and weaknesses in the functional areas of the business (David, 2013:152). The business must identify its key internal factors, including both strengths and weaknesses. Each factor is then given a weight that indicates its relative importance to the organisation. This is a useful method in obtaining the financial value of the organisation's internal situation. Lack of marketing skills and tools, competition from dominant large enterprises, inconsistent cash flow, lack of resources to upgrade or purchase new equipment and high cost of inputs have been identified by SEDA (2012) as the major internal challenges that businesses in the tourism sector face.

3.3.3.2 The matching stage

Matching external and internal critical success factors is the key to effectively generating feasible alternative strategies. At this stage, a SWOT analysis, discussed earlier, can be used to develop strategies. The best strategies are those that will aim at improving internal weaknesses, take advantage of external opportunities using the business strengths, avoid or reduce the impact of threats and reduce internal weaknesses (David, 2013:205).

The strategic position and action evaluation (SPACE) matrix consists of four positions and indicates whether aggressive, conservative, defensive or competitive strategies are most appropriate for a business (David, 2013:208). A number of variables can make up each of the four positions. The internal and external factors identified in the SWOT analysis and that represent the four dimensions will mostly be considered in the SPACE

matrix. This matrix will assist managers to decide which broader type of strategy will be advisable to pursue as shown in Table 3.1. Table 3.1 summarises the competitive strategies a business can choose to take.

Table 3.1: The SPACE matrix

Aggressive	<ul style="list-style-type: none"> • Backward, forward, horizontal integration • Market development • Related diversification • Product development • Diversification (related or unrelated)
Conservative	<ul style="list-style-type: none"> • Market penetration • Product development
Defensive	<ul style="list-style-type: none"> • Retrenchment • Liquidation • Divesture
Competitive	<ul style="list-style-type: none"> • Backward, forward, horizontal integration • Market penetration • Product development • Market development

Source: David (2013:208)

3.3.3.3 The decision stage

The quantitative strategic planning matrix (QSPM) is designed to determine the relative attractiveness of feasible alternative actions (David, 2013:221). The QSPM is a tool that allows managers to evaluate alternative strategies objectively based on previously identified external and internal critical factors. External factors include economic conditions and internal factors include marketing the business. This matrix consists of the key external and internal factors and alternative strategies derived from the input and matching stages.

The strategy formulation framework helps managers to identify the key internal and external factors that affect their particular business and industry in order to formulate alternative strategies. The tools discussed can help managers to make a calculated decision when choosing a strategy to pursue. This can be helpful for small business managers; however, the current study found that these complex processes may not be applicable to small business settings.

There are different analytical tools that can be used in the strategic management process, but these do not always guarantee competitive advantage and long-term sustainability (Ehlers & Lazenby, 2010:253). They are there to assist in the reduction of risk and uncertainty and can be influenced by changes in the environment. It is therefore important to view strategic management as a continuous process and to remain flexible enough to adapt or alter these tools where necessary. After managers decide on which alternative strategies to apply, the strategies need to be put into action through strategy implementation.

3.3.4 Strategy implementation

Strategy implementation refers to converting strategic plans into actions and putting into action the activities agreed upon in formulating the strategy in order to achieve these objectives. Effective implementation calls for unique, creative skills, including leadership, precision, attention to detail and breaking down complexity into digestible tasks and activities (Cocks, 2010:260; Van der Merwe & Nienaber, 2015:49). The nature of the dynamic environment may affect implementation and managers need to be able to adapt to change accordingly. Strategy implementation is an important part of the strategic management process, as it deals with the strategic change required within an organisation to make the new strategy work and to achieve the desired results (Ehlers & Lazenby, 2010:261). Strategy implementation is primarily an operational process and requires special motivation and coordination among many individuals in the business (David, 2013:243). Implementation of strategy is an extremely broad and complex issue because of the different applicability to different organisations and situations. Strategy implementation activities can take a range of forms depending on

the type of business and the environment in which it operates (Cocks, 2010). Discussed below are some of the organisational factors that play a significant part in strategy implementation.

Resources are described as a set of assets and capacities, both tangible and intangible, which when competitively superior and appropriate have the potential to generate value for the organisation (Sorooshian, Norzima, Yusof & Rosnah, 2010:1256; Van der Merwe & Nienaber, 2015). Resources that are crucial for the accommodation sector are human resources (Stern, 2012:18), which should be aligned with the strategic objectives of the business. Investing in training and improving the skills of employees can generate value for the small accommodation business.

Short-term goals or annual goals also aid in strategy implementation in that they guide the action and direct the activities of the business. Annual goals are essential for implementation because they represent the basis for resource allocation and are a primary mechanism for evaluating performance (David, 2013:245). Short-term goals also assist in monitoring the progress made towards the achievement of long-term goals. The tourism sector at large has suffered a skills deficit caused by decades of inadequate education under apartheid (Business Monitor International, 2013:13). An example of a short-term goal may be to offer training to employees in order to overcome the skills shortage in the business.

Policies can be used as a tool for strategy implementation. Policies are the specific guidelines, methods, procedures, rules, forms and practices that direct the thinking, decisions and actions of managers and employees in strategy implementation (Ehlers & Lazenby, 2010:339). Policies need to support the strategy; therefore, a change in strategy will also mean a change in policy. Policies enable both employees and managers to know what is expected of them, thereby increasing the likelihood that strategies will be implemented successfully (David, 2013:247).

Strategy implementation varies in different types and sizes of organisations. Implementation requires actions such as hiring new employees, developing financial budgets and training employees. The strategic plan devised by an organisation

proposes the manner in which the strategies could be put into action; therefore, strategies are activated through implementation. Strategy implementation also calls for the formulation of programmes, which include goals, policies, procedures, rules and steps to be taken to put a plan into action. Programmes lead to the formulation of projects. A project is a highly specific programme intended to achieve a specific and limited objective and for which time schedule and costs are predetermined. It requires allocation of funds based on capital budgeting by an organisation. It is therefore essential that an organisation possesses project-management skills as a tool to aid implementation, as projects create the needed infrastructure for the day-to-day operations in an organisation.

The ability to implement strategies effectively can serve as a competitive advantage in an environment characterised by increased uncertainty and rapid change (Ehlers & Lazenby, 2010:274). The strategic management process is a dynamic and interrelated process. Formulation decisions impact directly on strategy implementation, which in turn impacts on strategy control.

3.3.5 Strategy evaluation and control

Strategy evaluation is important, because, as indicated before, businesses face dynamic environments in which key external and internal factors often change quickly and dramatically. Strategy evaluation includes examining the underlying bases of an organisation's strategy, comparing expected results with actual results and taking corrective actions to ensure that performance conforms to plans (David, 2013:317).

Mintzberg *et al.* (2009, cited in Forsell, 2012) state that Rumelt's framework is one of the best evaluation tools for strategy. Rumelt (1979) requires that strategies must pass tests for consistency, consonance, feasibility and advantage (David, 2013:318):

- **Consistency:** This means that a strategy should not represent inconsistent goals and policies. Organisational conflict and internal strife can indicate problems of strategic inconsistency. A strategy should provide coherence to subsequent organisational action.

- **Consonance:** Strategic leaders must examine sets of trends, as well as individual trends, in evaluating strategies. A strategy must represent an adaptive response to the external environment and to the critical changes occurring within it.
- **Feasibility:** Managers must determine whether a strategy can be attempted within the physical, human and financial resources of the business.
- **Advantage:** A strategy must provide for the creation and/or maintenance of a competitive advantage in a selected area of activity.

After implementing strategy, a widely used tool that managers can make use of in strategy evaluation is the balanced scorecard, discussed in Section 3.5.5 under management tools. Strategy evaluation for any business should provide a true picture of what is actually taking place. There is no one ideal strategy-evaluation system, as the unique characteristics of a business, including size, management style, and so on can determine the final design of a strategy evaluation and control system (David, 2013:329).

Having looked at the formal strategic management process, the assumption is that strategy is formulated and then implemented, with organisational structures and control systems following obediently behind strategy. In reality, the stages in the strategic management process are intertwined and complex, interactive processes. Strategic management is a particular type of activity that is connected with particular practices, while strategic management tools are not viewed as strategy itself; they are part of wider strategising activities (Jarzabkowski & Spee, 2009:2). From the strategic management process, it can be seen that there are fundamental activities that form part of the management tools and from this premise, the literature relating to the strategic management process and management tools corresponds.

Recent research on strategic management has focused on activities and practices in and around strategic management with a view to ensuring its successful implementation (Golsorkhi, Rouleau, Seidl, & Vaara, 2010; Jarzabkowski *et al.*, 2007; Whittington & Cailluet, 2008), and not only on the formal process. This approach to strategy shaping is

more comprehensive and therefore has a better chance of success. The focus ought to be on how managers use strategic management tools, what they do with them and what practical reasoning they apply in the different methods of using strategy tools to ensure successful implementation. This shift in focus has given birth to a distinctive approach for studying strategic management, known as S-A-P (strategy-as-practice), which focuses on how people engage in strategic practices (Jarratt & Stiles, 2010:29; Jarzabkowski & Spee, 2009; Paroutis, Heracleous & Angwin, 2013).

3.4 S-A-P: Definition and main attributes

Traditionally, strategy research has mainly focused on firm level, that is, studying organisational processes or macro-level positions, for example corporate-level strategy. The macro level explores and attempts to explain strategy at the institutional level, which is most typically associated with explaining patterns of action within a specific industry (Jarzabkowski & Spee, 2009:73). Recently, a new perspective has emerged within the strategy field, placing the micro-level activities of the actual work of strategy practitioners in the centre of consideration. The focus is on S-A-P, aimed at understanding “the detailed processes and practices which constitute the day-to-day activities of organisational life and which relate to strategic outcomes” (Nordqvist, 2012:26). Therefore, increasingly strategy is being seen not only as a process, but also as a practice: Strategy is something people do (Hambrick, 2004; Jarzabkowski, 2004). This view is consistent with the idea that strategy is the tool organisations use to achieve their goals (Andrews, 1971; Ansoff, 1965; Tassiopoulos *et al.*, 2016). It stands to reason that strategy does not happen by itself – people at all hierarchical levels participate in varying degrees in planning, implementing and controlling. At the core of this approach, as the use of strategising might suggest, is a concern about what strategic actors do and the kinds of activities they perform when they strategise, which is the purpose of this study: to explore the strategising practices of small business managers(actors). The S-A-P approach has defined its broad research parameters as studying practitioners, praxis and practices (Jarzabkowski & Spee, 2009:70). As explained in Chapter 1, Section 1.4, practitioners are the people who are actually doing the work of strategy (actors) and carrying out all its aspects (Jarzabkowski &

Whittington, 2008; Whittington, 2006). Praxis is defined as the actual work that constitutes strategy and is the flow of activity through which strategy is accomplished. These activities often take place in a series of occurrences and include formal and informal elements as well as routine and non-routine elements. Practices are common habits, behaviours and procedures of thinking, acting and using things symbolic and material tools through which strategy is done; theoretically and practically derived tools that have become the everyday lexicon and activity of strategy. Citing Reckwitz's (2002) work on practice, Jarzabkowski *et al.* (2007:9) equate practices with routinised types of behaviour, which consist of several elements interconnected with one another.

The practice approach claims to open up a new view on strategy by engaging with the making of strategy as an outcome fashioned out of the doing of detailed work (Carter *et al.*, 2008:83). This means concentrating on formal/informal planning and strategising activities within the business. The ability of the practice perspective to pay close attention to what is in fact happening in businesses gives researchers a special sensitivity to the informal, unscripted activities through which strategies often emerge. The starting point of such analyses in small businesses is to focus on practices, as in the current study, that have a strategic role in the sense that they form the basis of organisational success or survival – as in the case of routines or capabilities serving to create competitive advantage (Vaara & Whittington, 2012:313). Therefore, strategising relies on practices that significantly affect both the process and the outcome of resulting strategies. The S-A-P perspective is relevant to the current study, as it allows for strategising as ways in which different actors perform certain activities that in turn map out strategy.

As pointed out before, strategising refers to the doing of strategy, that is, the construction of this flow of activity through the actions of multiple actors and the practices upon which they draw. Strategising comprises of those actions, interactions and negotiations of multiple actors and the situated practices that they draw upon in accomplishing that activity (Jarzabkowski *et al.*, 2007:8). In reality, strategy is something that people do; therefore, it is imperative to explore the strategising practices that

include a number of tasks that are primarily derived from the formal strategic management process. These practices include those theoretically and practically derived tools that have become part of the everyday lexicon and activity of strategy, such as the SWOT analysis (Jarzabkowski & Whittington, 2008:282). Although many management tools exist, there is a need to establish the use or non-use of these tools in managing small businesses. Strategy may often emerge outside the formal process of planning and the emergent strategies are often successful and may be more appropriate than formal strategies (Balasundaram, 2009:14; Verreyne *et al.*, 2014). It can therefore be more important to practise strategic management or employ strategising practices in the running of a small business than it is to follow through the process.

It is therefore essential to look at the doing of strategy, who does it, what they do, how they do it, what they use and what implications this has for shaping overall strategy (Jarzabkowski & Spee, 2009:69). Therefore, the current study paid attention to the actual tasks and activities that managers carry out on a daily basis. Those tasks and activities that can be appreciated as strategic are important to note, as these could be the keys to the survival and success of small businesses.

By design or not, the S-A-P approach positions itself as a problem-solving tool for managerial leaders. It does not emphasise the ways in which outsiders might influence strategy in practice (Carter *et al.*, 2008:88); however, Verreyne *et al.* (2014:21) suggest that strategy making in small firms should involve external as well as internal stakeholders. The current study considered the S-A-P approach, because it focuses on the manager and it makes more sense to practitioners than the older approaches, which mainly focused on the organisation as a whole (Carter *et al.*, 2008:88). The S-A-P approach is appropriate for the current study because of its focus on the individual, which is the manager carrying out strategy, and also because the study was on small businesses, with small business managers usually being hands-on and managing a number of activities at the micro level because most small business tend to not have

functional levels. The next section discusses previous studies that have been carried out on small businesses.

3.4.1 Strategising

According to Jarzabkowski *et al.* (2007), strategising refers to the ongoing interplay between managers and the strategising practices in shaping strategy over time. In other words, strategising comprises of the relationship between praxis, practices and practitioners (Jarzabkowski *et al.*, 2007:11), as shown in Figure 3.3.

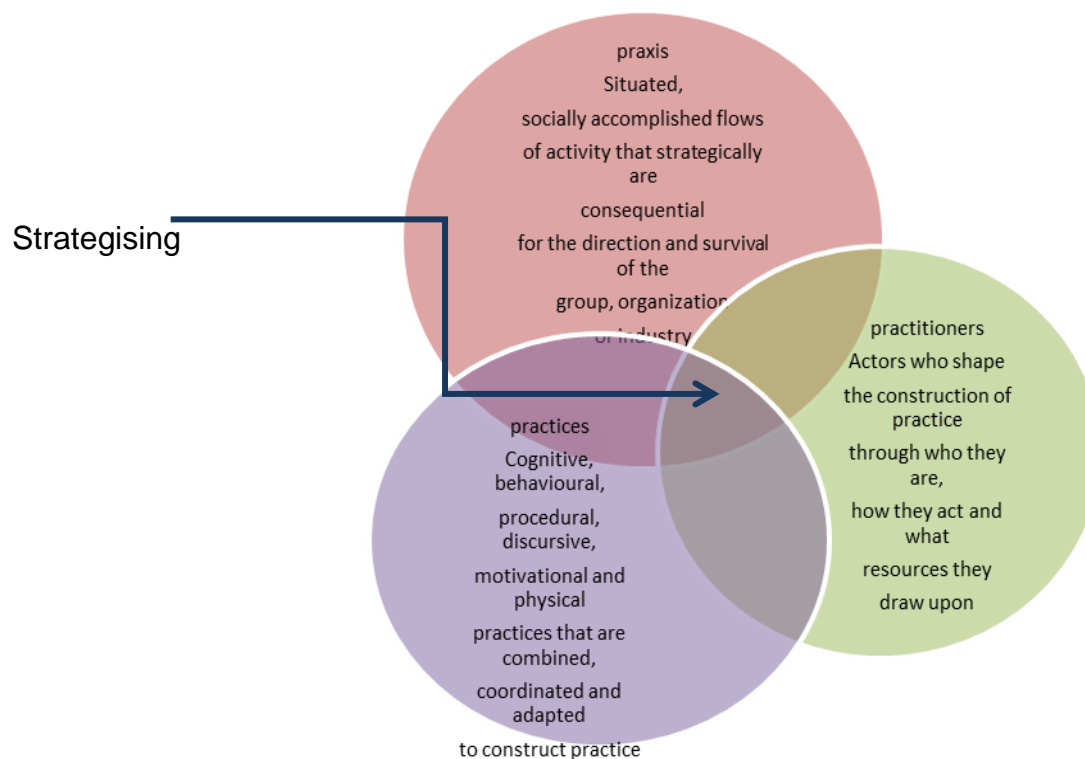


Figure 3.3: A conceptual framework for analysing S-A-P

Source: Jarzabkowski *et al.* (2007)

Therefore, in the current study, strategising refers to how managers put into practice the fundamentals of the strategic management process and management tools that aid them in shaping strategy.

3.4.2 Previous studies on small businesses

Of the many studies done on contemporary small business survival and growth both in the UK and in other developed economies, most seem to identify situational, operational

and personality-driven reasons for failure. Small business research is limited in the strategic field (Abor & Quartey, 2010; Beaver, 2007; Blackburn, Hart & Wainwright, 2013; Brinckmann *et al.*, 2010; Sharma, 2011; Verreynne *et al.*, 2014; Woods & Joyce, 2003). Verreynne and Meyer (2010:40) recognise the lack of a strong theoretical base in small firm strategy making, with the literature on strategy making in small firms sparse and commonly exploratory. Studying small businesses' strategic options, Leitner and Guldenberg (2010) show the necessity of a strategy for them. For example, a niching strategy, which is filling market gaps left by larger rival businesses, can be more efficient and competitive for a small business (Sharma, 2011:188). However, most small firms tend to exhibit very weak or non-existent strategic management and planning activities (Ashurst, Cragg & Herring, 2012; Brinckmann *et al.*, 2010; Ibrahim, 2012; Tell, 2012; Verreynne *et al.*, 2014).

Table 3.2 summarises studies that have been carried out on strategic management in small businesses over and above those mentioned above. Most of the studies focused on planning as part of strategy, but research on strategy in small businesses still seems to draw and focus on different aspects of strategy rather than as a whole. The researcher used Web of Science and Proquest as research engines using the keywords strategic management in SMMEs, strategy in SMMEs, strategy implementation and strategising in SMMEs. The researcher found that research on strategy in small businesses is still relatively scant.

Table 3.2: Previous studies on strategy in small businesses

Author and year	Purpose of study	Context	Research design and methodology	Findings/results	Limitations
Bozkurt and Kalkan (2013)	To examine the existing strategies of SMEs in Turkey to determine whether they adopt more of unconscious actions or deliberately planned patterned behaviour that guides their actions	SMEs operating in various sectors in Antalya, Turkey	Survey using questionnaires	SMEs adopt more deliberate strategies than emergent strategies.	Findings may not be transferable to all SMEs in Turkey; not focused on a particular sector
Asa Romeo Asa, Navneel Shalendra Prasad (2015)	To identify factors that contribute to the sustainability of growth for small firms in a developing country	The whole of Namibia	Questionnaire	Business planning and objectives were positively related to firm growth, indicating that faster-growing firms often had business planning and objectives.	No focus on a particular sector
Sexton and Van Auken (1982)	To examine the prevalence of strategic planning in small businesses		Survey in the form of interviews	Nearly a quarter of the sample carried out strategic thinking up to the point of developing goals and objectives, but stopped short of strategic planning, as no plans of action could be articulated.	

Table 3.2 continued					
Author and year	Purpose of study	Context	Research design and methodology	Findings/results	Limitations
Brinckmann <i>et al.</i> (2010)	To foster a contextual and dynamic understanding of the business planning–performance relationship	Entrepreneurs face the challenge of determining the right approach to achieve their goals and aspirations	Quantitative approach synthesising prior empirical results	Business planning increases firm performance.	Distinction between new and established firm studies might be affected by possible overlaps of the two samples used in the study
Mazzarol <i>et al.</i> (2009)	To examine the management practices of owners/managers of small businesses seeking to grow their firms	This study contributes by offering empirical evidence of the strategic management behaviour of owners/managers from small firms	Survey using a questionnaire and follow-up face-to-face discussions	Firms that possessed formal written business plans were more likely to have stronger support network partnerships. Strategic networking can assist growth by securing access to resources.	Drew on a small sample from one country and a population that is somewhat atypical in nature

Source: Researcher's compilation

Previous studies on small firms have mainly focused on the challenges that small businesses face in the running and survival of their businesses. These range from infrastructure, crime, competition, lack of working capital, failure to meet legal requirements to lack of managerial experience and poor planning (Abor & Quartey, 2010:224; Bowen, Morara & Mureithi, 2009:24). Strategy implementation has also been found to be difficult in all organisations. Research shows that only 10% of strategies are implemented successfully (Marr, 2013). In most cases, strategy implementation was problematic because it took more time than planned; major unanticipated problems arose; there were ineffective coordination, poor communication and loss of focus; employees were inadequately trained; and tasks were poorly defined, among other problems (Salih & Doll, 2013:36). Salih and Doll's (2013) conclusions are consistent with previous research, as pointed out by Van der Merwe and Nienaber (2015:46), who concur that ineffective communication, lack of approved strategy, leadership style, insufficient focus and inadequate skills and capabilities were identified as implementation barriers.

3.4.3 Strategy

The S-A-P approach can be studied in many ways, as brought to light by Jarzabkowski and Spee (2009:73). They further identified three levels, namely micro, meso and macro, in which strategy can be studied. Micro refers to those studies that explore and attempt to explain strategy praxis at levels of the individual's or group's experience of an event. Meso refers to studies that explore and attempt to explore strategy praxis at an organisational level, such as a change programme or a strategy process. Macro refers to studies that explore and attempt to explain strategy praxis at the institutional level, which is most typically associated with explaining patterns of action within a specific industry. According to these levels, Jarzabkowski and Spee (2009) came up with nine domains of S-A-P research based on three types of practitioners (internal individual, aggregate practitioner and external aggregate practitioner) and the three levels of praxis (micro, meso and macro).

Practices are connected to doing, because they provide the behavioural, cognitive, procedural, discursive and physical resources through which multiple actors can interact in order to accomplish collective activity, in this case the strategy of the business.

The nine domains of S-A-P research are shown in Figure 3.4.

L e v e l o f p r a x i s	macro	C	F	I
	meso	B	E	H
	micro	A	D	G
		Individual actor within organisation	Aggregate actor within organisation	Extra-organisational aggregate actor
		Type of practitioner		

Figure 3.4: A typology of nine domains of S-A-P approach

Source: Jarzabkowski and Spee (2009)

The current study was located in Domain A, the micro level, where the researcher sought to understand individual managers and what lies behind the actions of strategists as they engage with particular strategy practice in their praxis (Jarzabkowski & Spee, 2009:75). Studies have been carried out in Domain A to examine how identity is involved in strategy praxis. Mantere (2008) studied how individuals interpret their

strategy role and which strategy practices enable or disable individuals to go beyond their operational responsibilities in influencing strategic issues. Other studies sought to understand individuals and illuminated what lies behind the actions of strategists as they engage with particular strategy practices in their praxis (Hodgkinson & Clark, 2007:251). This domain, focusing as it does upon the micro and the individual, might be considered one of the most pertinent to the S-A-P agenda in terms of uncovering what strategists do (Jarzabkowski & Spee, 2009:75). Therefore, focusing on the micro is important in terms of uncovering what managers do within their immediate settings as they engage in strategy making.

The practice approach draws on many insights of the process school, but returns to the managerial level, concerned with how managers strategise (Carter *et al.*, 2008:90). In other words, practice is what is inside the process, for example direction setting of the business through crafting of a vision, mission and objectives. S-A-P research also draws partly on the process approach to strategic management.

Strategic management tools can be viewed as having sufficient flexibility to be adapted to a wide range of strategic tasks and are closely linked to management tools. Management tools aid in identifying and explaining the most important concepts and tactics used in business today, and are further discussed in the following section.

3.5 Management tools

The common consensus within the literature is that most strategy concepts and tools are developed to help managers deal with the uncertainties they face when creating and/or implementing a strategy (Kaplan & Jarzabkowski, 2006). For example, many strategy tools provide practitioners with a framework for action and a means for structuring the context of their work and categorising its activities. As stated before, the literature search showed little or no research on strategising and the use of management tools in strategising in small businesses (Mazzarol *et al.*, 2009:337). Therefore, the current study sought to close this gap in research. Traditional tools guiding formal strategising, for example SWOT and PEST (political, economic, social and technological) analyses, and the Boston Consulting Group (BCG) matrix, have

received significant attention in the literature (Jarrat & Stiles, 2010:29). The application of strategising tools has been studied independently of the context in which they are used, which calls for redirecting the emphasis away from strategy process to the tacit knowledge of how strategy works (Brinckmann *et al.*, 2010; Mazzarol *et al.*, 2009, Verreynne *et al.*, 2014; Whittington, 2003). The research objective of the current study is consistent with Whittington's (2003) and Jarzabkowski and Spee's (2009) call for empirical practice research to be conducted in each of the key strategy areas of strategy practice. According to Jarzabkowski and Spee (2009), one of the key areas is determining the common tools and techniques of strategising and organising and how these are used in practice, which is represented in the current study. The study focuses on the strategising practices of small business owners and how they use management tools in doing so. The current research focused on other tools derived from the strategic management process, which have been discussed thus far, and the top management tools used by successful large businesses according to the research conducted by Bain & Company (Rigby, 2015), which is now discussed.

Bain & Company has conducted a series of surveys since 1993 to come up with the most widely used management tools by successful (large) companies. These surveys focus on the trends in managers' choices and ratings of management tools. Overall, the majority of the 1 208 global executives interviewed for Bain & Company's 14th Management Tools & Trends Survey for 2015 saw economic conditions improving in their industries. The 10 most often used tools in 2015 were strategic planning, customer relationship management (CRM), employee-engagement surveys, benchmarking, the balanced scorecard, core competencies, change-management programmes, vision and mission, customer segmentation, supply chain management and outsourcing. Some of the tools are discussed below and linked to the strategic management process in Section 3.6, Figure 3.5 Management tools, if used appropriately, can help define and execute strategy and most of them are used in strategy making. Small business managers can utilise the tools in carrying out their strategic objectives.

3.5.1 Strategic planning

Strategic planning is a comprehensive process for determining what a business should become and how it can best achieve that goal. It appraises the full potential of a business and explicitly links the business's objectives to the actions and resources required to achieve them. Strategic planning offers a systematic process to ask and answer the most critical questions confronting managers (Rigby, 2015:54).

A successful strategic planning process should:

- describe the organisation's mission, vision and fundamental values;
- target potential business arenas and explore each market for emerging threats and opportunities;
- analyse the company's strengths and weaknesses relative to competitors;
- identify and evaluate alternative strategies;
- develop an advantageous business model that will profitably differentiate the company from its competitors;
- prepare programmes, policies and plans to implement the strategy;
- allocate resources to develop critical capabilities;
- plan for and respond to contingencies or environmental changes; and
- evaluate and monitor performance.

Robinson and Pearce (1984) argue that strategic planning is not a popular practice among SMEs, because they do not have the time or staff to invest in strategic planning. They further argue that research on the impact of strategic planning for SMEs has been inconclusive because many SMEs do not plan. More recently, Verreyne *et al.* (2014:3) suggest that SMEs use informal approaches to strategy making that will reduce complexity and allow firms to compete efficiently. A study by Dincer, Tatoglu and Glaister (2006) showed that Turkish SMEs were increasingly turning their attention towards strategic planning practices. This was probably because of the many benefits of strategic planning for SMEs. Furthermore, Wang, Walker and Redmond (2010) have established that strategic planning practices are more common in better-performing

small enterprises. This shows that planning, in any form, can be useful for the success of a small business.

3.5.2 Customer relationship management

CRM is a process companies use to understand their customer groups and respond quickly, and at times instantly, to shifting customer desires. CRM technology allows firms to collect and manage large amounts of customer data and then carry out strategies based on that information. Most businesses try to drive customer loyalty and keep existing customers rather than looking for new customers (Marr, 2013). CRM data provide companies with important new insights into customers' needs and behaviours, allowing them to tailor products to targeted customer segments (Rigby, 2015:26). In the accommodation sector it is important to know customer behaviours in order to provide a service that is tailored to satisfy customers and to ensure that they return to the establishment.

Companies can use CRM to (Rigby, 2015):

- gather market research on customers, in real time if necessary;
- generate more reliable sales forecasts;
- accurately gauge the return on individual promotional programmes;
- collect data on customer preferences and problems encountered;
- improve customer retention; and
- design effective customer service programmes.

The information from CRM can be used to feed into the customer perspective of the balanced scorecard. Therefore, if a relationship is maintained, accommodation businesses may be guaranteed of repeat and also new customers, thereby enhancing the chance for success.

3.5.3 Employee-engagement surveys

Employee-engagement surveys measure whether employees are fully involved in and enthusiastic about their work and company. Intellectually and emotionally engaged employees help to create satisfied, more loyal customers and improved business

performance. In this way, employee engagement relates to enhancing customer relationships (Rigby, 2015:36). Employee-engagement surveys help companies identify and build on the strengths and talents of their workforce to gain a competitive edge.

Companies use employee-engagement surveys to (Rigby, 2015):

- develop more productive, satisfied and motivated employees by instilling a sense of purpose;
- create an emotionally safe working environment, with the right tools to perform work for fair compensation;
- cultivate more satisfied and loyal customers by improving employee engagement and overall business performance; and
- increase workforce retention, reducing the costs of turnover and training new employees.

Employee-engagement surveys will be useful in the accommodation industry, as it is a service industry and employees are always in direct contact with customers. Therefore, small business managers need to ensure that employees are kept motivated in order to provide customers with the best experience and achieve customer satisfaction. Also, the information from employee-engagement surveys feeds into the people's (employees') perspective of the balanced scorecard (Marr, 2013).

3.5.4 Benchmarking

Benchmarking improves performance by identifying and applying best demonstrated practices to operations and sales. Managers compare the performance of their products or processes externally to those of competitors and top companies that perform similar activities. The objective of benchmarking is to find examples of superior performance and to understand the processes and practices driving that performance. Companies then improve their performance by tailoring and incorporating these best practices into their own operations – not by imitating, but by innovating (Rigby, 2015:14). Benchmarking goes hand in hand with the balanced scorecard in that key performance indicators can only generate meaningful insights if they are compared to targets and benchmarks (Marr, 2013).

Benchmarking involves the following steps (Rigby, 2015):

- Select a product, service or process to benchmark.
- Identify the key performance indicators.
- Choose companies to benchmark.
- Collect data on performance and practices.
- Analyse the data and identify opportunities for improvement.
- Adapt and implement the best practices, setting reasonable goals and ensuring companywide acceptance.

Companies use benchmarking to (Rigby, 2015):

- identify methods of improving operational efficiency;
- reveal a company's relative cost position and identify opportunities for improvement;
- help companies focus on capabilities critical to building strategic advantage; and
- bring new ideas into the company and facilitate experience sharing.

In an industry characterised by fierce competition, it is important for accommodation establishments to benchmark against best practices or those practices with which customers are satisfied. Small businesses need to stay ahead or close to their competition. Research has been carried out on benchmarking and strategic planning as strategic routines and their importance in universities in Norway (Papadimitriou, 2014). This revealed that the tools are contemporary and relevant in achieving business success, and may also help small businesses in the accommodation sector in Tshwane.

3.5.5 Balanced scorecard

A balanced scorecard defines what management means by 'performance' and measures whether management is achieving the desired results. The balanced scorecard translates mission and vision statements into a comprehensive set of objectives and performance measures that can be quantified and appraised (Rigby, 2015:12). These measures typically include the following categories of performance:

- Financial performance (revenues, earnings, return on capital, cash flow)

- Customer value performance (market share, customer satisfaction measures, customer loyalty)
- Internal business process performance (productivity rates, quality measures, timelines)
- Employee performance (morale, knowledge, turnover, use of best demonstrated practices).

A balanced scorecard can be used to (Rigby, 2015):

- clarify or update a business's strategy;
- link strategic objectives to long-term targets and annual budgets;
- track the key elements of the business strategy;
- incorporate strategic objectives into resource-allocation processes;
- facilitate organisational change; and
- increase companywide understanding of the corporate vision and strategy.

The balanced scorecard ranks as the number 1 tool in Europe, the Middle East and Africa (Rigby, 2015). It can be reasoned that the balanced scorecard can follow strategic planning to ensure that strategy is turned into practice. The small businesses in the current study do not use a balanced scorecard in their businesses.

3.5.6 Core competencies

A core competency is an ability that enables a company to deliver unique value to its customers. The litmus test of a core competency is that it ought to be difficult for competitors to copy or procure. Understanding core competencies allows companies to invest in the strengths that differentiate them and set strategies that bring together their entire organisation (Rigby, 2015:24). Research has shown that internal factors a business can develop as core competencies include human resources, innovation, technology, customer service and marketing strategies (Gursoy & Swanger, 2007:217). The general key success factors for any business and specifically the accommodation sector include: attention to the needs of customers, a market-oriented strategy, high-quality service and highly motivated employees. The way in which a business uses these gives the business a competitive advantage.

Core competencies can be used to (Rigby, 2015):

- design competitive positions and strategies that capitalise on corporate strengths;
- help employees understand management's priorities;
- integrate the use of technology in carrying out business processes;
- decide where to allocate resources;
- invent new markets and quickly enter emerging markets; and
- enhance image and build customer loyalty.

3.5.7 Change-management programmes

Change-management programmes enable companies to control the setting up of new processes to improve the recognition of business benefits. These programmes involve devising change initiatives, generating organisational buy-in, implementing the initiatives as seamlessly as possible and generating a repeatable model for ensuring continued success in future change efforts (Rigby, 2015:20). A change-management programme allows leaders to help people succeed, showing where and when trouble is likely to occur and laying out a strategy for alleviating risks and monitoring progress.

Companies use change-management programmes to (Rigby, 2015):

- implement major strategic initiatives to adapt to changes in markets, customer preferences or new technologies;
- align and focus an organisation when going through a major turnaround; and
- implement new process initiatives.

Change-management programmes are important in the accommodation industry especially because of the changing needs of customers and the advent of technology (Stern, 2012:18).

Coming up with vision and mission statements, already discussed under the strategic management process, is also part of the management tools. It should be noted that the management tools are not an end in themselves; it depends on how managers use these tools in strategy making. Small business managers were asked, through the

interview guide, about their knowledge of these tools, how they use them, and the different aspects that make up these tools.

3.6 Relationship between strategic management and management tools

Table 3.3 shows the strategic management aspects discussed in this chapter and the management tools that are related to them. This formed the basis of the interview guide to formulate the interview questions that assisted in answering the research problem of the current study. The table shows the strategic management principles in Column A and the corresponding management tools in Column B. It can be seen that the management tools chosen for this study highly relate to tasks discussed in the strategic management process and therefore are relevant to the current study. The current study explored the knowledge and use of these tools by the participants, reflected in Table 3.3, in order to find out how they strategise.

Table 3.3: Strategic management process and management tools

COLUMN A	COLUMN B
Strategic management	Management tools
Develop vision and mission, objectives	Strategic planning (SP) , vision and mission statements (V&M)
External environment, industry forces	Strategic planning (SP) , scenario planning (SP¹) , benchmarking (BM)
Internal environment, SWOT	Core competencies (CC) , strategic planning (SP) , benchmarking (BM)
Strategy analysis and choice	Strategic planning (SP)
Strategy implementation (short-term objectives, functional tactics, policies)	Employee engagement (EE) , customer relationship management (CRM) , balanced scorecard (BS) , change management (CM)

Source: Researcher's compilation

Table 3.3 shows that there is a strong relationship between the strategic management process and management tools discussed above. The researcher further superimposed these management tools on the strategic management model developed by Pearce and Robinson (2009) and Tait and Nienaber (2010). Furthermore, the relationship between the management tools and strategic management model are depicted in Figure 3.5.

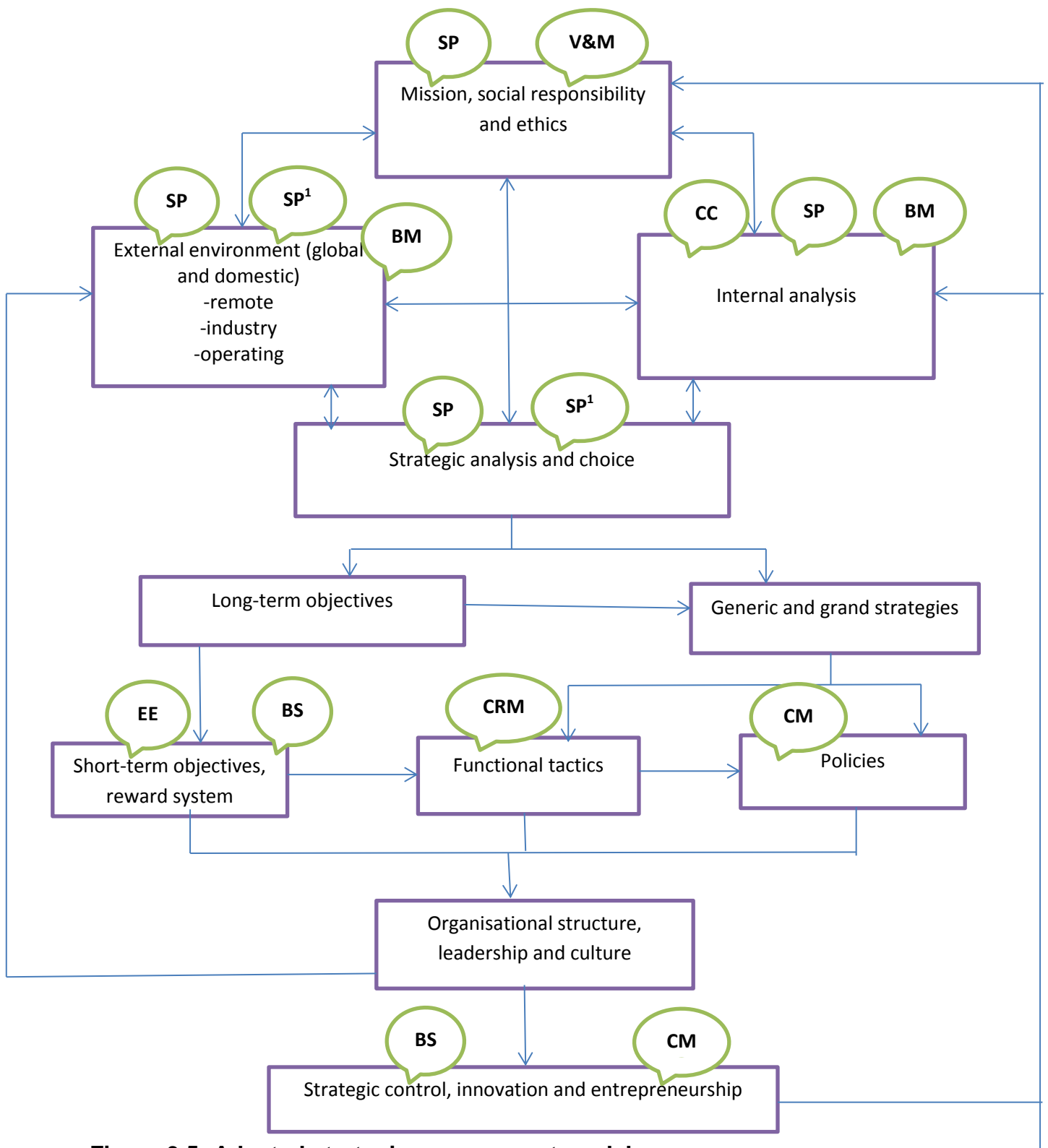


Figure 3.5: Adapted strategic management model

Source: Adapted from Pearce and Robinson (2009) and Tait and Nienaber (2010)

Table 3.3 shows the explanation for the abbreviations in figure 3.5. The relationship between strategy concepts and management tools is depicted. This means that small and micro enterprises can use management tools when strategising.

3.7 Conclusion

Small businesses need to strategise in order to survive and flourish in the competitive environment unleashed by the liberalisation and globalisation process. The literature shows that there are not many studies in this regard and that not many small and micro enterprises strategise, although according to the literature, those small businesses that strategise tend to perform better than those who do not. Importantly, the competitive advantage of the small and micro enterprise may come from its ability to operate in ways that may not be according to formal industry standards, but may reflect its unique processes that differentiate it from the competition (Sharma, 2011:193). Therefore, it is important to look at the specific activities that small businesses carry out on a day-to-day basis that eventually add up to a strategy. The strategising practices of business also directly link to strategy implementation, which can be seen as the most important part of the strategic management process. Strategising practices are what will lead the business to achieving its strategy. Some strategies may look good on paper but are never implemented or are difficult or unrealistic to implement. Therefore, what the business actually does becomes the cornerstone in achieving strategy and thereby realising survival and potential growth. Management tools are also important in strategising, as it is through them that managers do the work of strategy. These tools translate into specific practices that add up to the strategy that a business will follow. The next chapter discusses the research design and methodology used in this study.

CHAPTER 4

RESEARCH DESIGN AND METHODOLOGY

4.1 Introduction

This chapter reports on how the current research was carried out. The purpose of the study set the scene for the design and methodology. The research approach used was qualitative, in the form of a qualitative case study design, which was deemed appropriate for answering the research question. The way in which data were collected, analysed and interpreted is also discussed. Semi-structured interviews were used to collect data by means of an interview guide. These interviews were then transcribed and analysed using computer-assisted analysis (ATLAS.ti). Data validity and reliability were ensured using measures of trustworthiness in qualitative research. The ethical aspects and the researcher's method in maintaining and conducting a study that is governed by research ethics were also addressed.

4.2. Research philosophy

Research is known as an original investigation undertaken in order to contribute to knowledge and understanding in a particular field (Myers, 2013:6). Researchers need to understand the grounds of their knowledge, especially with reference to the trustworthiness and scope of the knowledge that they obtain (Myers, 2013:36). Research philosophy refers to the development of knowledge and the nature of that knowledge, for example objective or subjective (Saunders, Lewis & Thornhill, 2012:127). Ontology refers to the worldviews and assumptions in which researchers operate in their search for knowledge (Denzin & Lincoln, 2011:102). Ontology is concerned with the nature of reality, for example strategising in SMEs in the accommodation sector and the related characteristics. When researchers conduct qualitative research, they are embracing the idea of multiple realities (Creswell, 2013:20). Therefore, qualitative researchers conduct a study with the intention of reporting on these multiple realities. Ontologically, knowledge (in the interpretivist philosophy) is subjective, as understanding is mutually constructed (Henning *et al.*,

2004). This was applicable in the current study where the interviewer constituted an insider as part of the interview and research process.

According to Denzin and Lincoln (2011:102), epistemology is the process of thinking, the relationship between what we know and what we see and the truth we seek and believe as researchers. Epistemology concerns what constitutes acceptable knowledge in a field of study. Myers (2013) defines epistemology as referring to the assumptions about knowledge and how it can be obtained. With the epistemological assumption, qualitative research means that the researcher tries to get as close as possible to the participants being studied. This is how knowledge is known, through the lived experiences of participants (Creswell, 2013:20). Interpretivism advocates that it is necessary for the researcher to understand differences between humans in our role as social actors. Crucial to the interpretivist philosophy is that the researcher has to enter the social world of research subjects and understand the world from their point of view (Saunders *et al.*, 2012:137). Consequently, this study was located in interpretivist research philosophy, which assumes that reality is a social construction and therefore subjective in nature and multiple, as interviewees in the study interacted with reality, following Henning *et al.* (2004). The research question indicates that the researcher was interested in meaning and sought to understand people's meaning making, in this instance the strategising practices of small business owners.

Methodology refers to the process of how we seek new knowledge, the principles of inquiry and how inquiry should proceed (Denzin & Lincoln, 2011:104). Interpretive approaches rely heavily on naturalistic methods, which include interviewing, observation and analysis of existing texts. These methods in turn ensure an adequate dialogue between the researchers and those with whom they interact in order to collaboratively construct a meaningful reality. In this case, knowledge is subjective and socially constructed, not discovered (Denzin & Lincoln, 2011:107).

The current research adopted an interpretivist approach, because it was deemed the most appropriate to the purpose of the research, namely to understand the strategising practices of small business managers in the accommodation sector in the Tshwane.

metropolitan area. Hence, the interpretivist is subjective in nature knowledge was obtained subjectively as the researcher investigated the strategising practices of small business owners in order to come up with results that add to knowledge of the strategising practices of small business owners. This means when data were collected, the researcher was part of the research process. Therefore, the experiences of the researcher while collecting data were recorded to determine the researcher's influence on the research process. The researcher interviewed the participants in their context, which is the environment in which they operate their businesses, using qualitative research.

4.2.1 Qualitative research

According to Saunders *et al.* (2012:163), interpretivist research philosophy alludes to the application of a qualitative research approach in studying the problem. Qualitative research is a situated activity that locates the observer in the world to gain in-depth understanding, therefore qualitative research is interpretive and grounded in the life experiences of people (Denzin & Lincoln, 2011:3; Henning *et al.*, 2004:2; Marshall & Rossman, 2011:2). Qualitative research is designed to answer questions about the complex nature of phenomena with the purpose of describing, explaining and understanding the phenomena being researched (Cottrell & McKenzie, 2011:3). Whereas the quantitative researcher records numbers and conducts statistical tests, the qualitative researcher records words and phrases, looking for meaning, concepts or theory. Qualitative research was used in the current study to explore the strategising practices of small business managers in the accommodation sector in Tshwane. The researcher in this case fundamentally sought to explore how small business managers strategise and not to measure any variables.

Qualitative research is designed to help researchers understand people and what they do. Qualitative research approaches are therefore mainly concerned with understanding and interpretation. Qualitative research uses words to describe meaning, to discover things and to understand phenomena (Cottrell & McKenzie, 2011:228). According to Denzin and Lincoln (2011:3), qualitative research is a situated activity that locates the

observer in the world and at times uses inductive reasoning and strives for uniqueness rather than generalisation. Qualitative research involves the planned use and collection of a variety of empirical data that describe routine and problematic moments and meanings in individuals' lives (Denzin & Lincoln, 2011:4). Exploratory research is conducted to clarify ambiguous situations or discover potential business opportunities (Zikmund, Babin, Carr & Griffin, 2012:52). An exploratory study is a valuable means to ask open questions to discover what is happening and gain insights into the strategising practices of small business managers (Saunders *et al.*, 2012:171). The current study used a qualitative case study design. It was deemed appropriate, because not much is known about strategising in small enterprises, as confirmed by Jarzabkowski and Spee (2009) and Mazzarol *et al.* (2009).

4.3 Research design

A research design is a plan or blueprint of how to conduct the research (Denzin & Lincoln, 2011:244; Marshall & Rossman, 2011:7; Mouton, 2001:49). The most appropriate research design in this instance was a qualitative case study, because the research was exploratory, as recommended by Myers (2013:9). A case study explores a research topic or phenomenon within its context or within a number of real-life contexts and usually refers to studies that are qualitative in nature and that aim to provide an in-depth description of a single or small number of cases (Mouton, 2001:149; Yin, 2009:18). The essence of a case study is that it tries to illuminate a decision or set of decisions: why they were taken, how they were implemented and with what result (Yin, 2014:15).

Within a case study approach, it is possible to distinguish between single and multiple case studies. The single case study relies on one case, while multiple cases call for the investigation of several cases (Blumberg, Cooper & Schindler, 2008:377; Yin, 2014); according to Mouton (2001:149), fewer than 50. Cases can be individuals, organisations, processes, programmes, institutions or events (Yin, 2009:17). Multiple case studies tend to yield more robust results and are therefore more appealing to knowledge creation (Yin, 2009). When conducting multiple case studies, the cases may be chosen for several reasons: they extend emergent theory, provide examples of

disagreeable types or replicate previously selected cases (Eriksson & Kovalainen, 2008:124). The rationale for using multiple cases focuses on whether findings can be replicated across cases. The accommodation sector was therefore the case for strategising in small businesses, with 12 participants being selected from the accommodation sector in Tshwane. The accommodation sector was chosen as the context in which the participants carry out strategising. The aim was to obtain a true picture of strategising practices within a specific context. Case studies are often useful in answering how and why questions (Saunders, *et al.*, 2012:179). As the main research question in the current study was more of a 'how' question, namely do small business managers strategise and if so, how, a case study method was deemed beneficial, as recommended by Mouton (2001:149). In this study, *how* managers strategise was explored. The case of the accommodation sector was used in this instance, as it is part of the tourism sector, which is an important part of the economy in the 21st century (see chapters 1 and 2). The exploratory nature of this research question indicated the usefulness of choosing a case study method. Therefore, a case study design was deemed appropriate to answer the research question of the current study.

4.3.1 Logic

There are two approaches to research, namely deductive and inductive (Saunders *et al.*, 2012:143). Deductive reasoning occurs when the conclusion is arrived at logically from a set of premises; the conclusion being true when all premises are true. These premises are statements or assumptions that the researcher initially takes to be true (Leedy & Ormrod, 2013:17). Deductive logic is extremely valuable for generating research hypotheses and testing theories. In contrast, in inductive reasoning, there is a gap in the logic argument between the conclusion and the premises observed; the conclusion being judged to be supported by the observations made. Inductive reasoning does not begin with a pre-established truth or assumption, but instead begins with an observation. The aim is to draw conclusions about objects or events (Leedy & Ormrod, 2013:19). The current research followed both an inductive and a deductive logic, because there were concepts from literature and the other concepts emerged from the research. The strategising practices of small business managers were observed and

assumed from the existing literature, therefore the empirical inquiry sought to draw conclusions on how small business managers strategise. No hypothesis was formulated in this case (Mouton, 2001:150). Table 4.1 gives a summary of deductive and inductive reasoning.

Table 4.1: Deductive and inductive reasoning

	Deduction	Induction
Logic	When premises are true, the conclusion must also be true.	Known premises are used to generate untested conclusions.
Generalisability	From the general to the specific	From the specific to the general
Use of data	Data collection is used to evaluate propositions or hypotheses related to an existing theory.	Data collection is used to explore a phenomenon, identify themes and patterns and create a conceptual framework.
Theory	Theory falsification or verification	Theory generation and building

Source: Saunders *et al.* (2012)

4.4 Research methods

A research method is a way of finding empirical data about the world. This refers to the techniques and procedures by which data are obtained and analysed (Myers, 2013:25; Saunders & Rojon, 2014:2). The research methods that were used in this study are now discussed.

4.4.1 Population

The current research took place within the South African context, specifically in Gauteng, in the Tshwane metropolitan area, among small and micro establishments in the accommodation sector. The researcher chose Tshwane because most small businesses in Gauteng are service related compared to other provinces (FinScope, 2010). Moreover, according to Stats SA (2015b), the catering, accommodation and

other trade sector contributes approximately 12.5% to the GDP, marginally less than the financial services, manufacturing and government services (Chapter 1, Section 1.3).

The population is the complete set of group members (Saunders & Lewis, 2012:132). Research participants were selected from the target population of the research. The population in this research was identified in the Yellow Pages, Pretoria 2014, as all small businesses in the Tshwane metropolitan area operating in the accommodation sector. The researcher used businesses listed under accommodation establishments, backpackers' accommodation, bed and breakfast accommodation, hotels and lodges, guest farms and guest houses. The researcher extracted a list of all the accommodation businesses listed. A total of 246 businesses meeting the inclusion criteria were identified, which was the sampling frame. A sampling frame is the complete list of all members of the total population from which the sample is drawn (Saunders & Lewis, 2012:133).

4.4.2 Sampling

One cannot study the entire population at a given time; instead, the researcher makes a selection of samples (Marshall & Rossman, 2011:102). Non-probability sampling is a variety of sampling techniques used to select a sample when there is no complete list of the total population. Non-probability sampling is appropriate for qualitative studies and was used in this study because the researcher used her judgement to select the cases. For non-probability samples, the probability of each case being selected from the total population is not known (Saunders *et al.*, 2012:262). Purposive sampling in qualitative research was deemed appropriate to the task at hand and the research questions asked. Purposive sampling is the selection of participants who serve a specific purpose consistent with the main objective of the study (Saunders *et al.*, 2012:253). Purposive sampling was used in order to ensure that specific elements were included.

Therefore, in the case of the current research, the criteria for selecting a purposive sample were the following:

- The small business had to fall in the accommodation sector.

- The business has to have been in operation for at least a year. This was to ensure that the business has at least survived for a year because most small businesses fail within the first year of operation; in addition, it would mean that they would probably already have done some strategising.
- The size of the business, (which was based on the *National Small Business Amendment Act, 2004*, among other criteria such as employment, turnover and capitalisation).

These questions were asked to the accommodation establishments on first contact. The businesses that met all the criteria and were willing to participate were chosen as the purposive sample.

As mentioned before, the researcher selected businesses from the index page of the Yellow Pages under the headings of the different accommodation establishments and identified 246 accommodation establishments. The researcher then compiled a list of the 246 accommodation small businesses and from this list made telephonic contact with the chosen small businesses in order to come up with the purposive sample. The researcher called 52 establishments in total in order to get the sample of 12. Each of the potential participants was evaluated against the inclusion criteria mentioned above and therefore chosen if they met the criteria.

The purpose of the telephonic conversation was to introduce the study and invite voluntary participation on an anonymous and confidential basis. Once a potential participant agreed, a meeting date was set in order to establish rapport before the actual interview and to confirm a date and venue for the interview. The first 12 who agreed to the interview were chosen and participated in the study. The participants were recruited on a voluntary basis without any offer of an incentive and they had the right to withdraw from the study at any stage. The participants were fully informed about the nature, purpose and use of the research and their role in it. An informed consent form was drafted and given to the intended participants to complete at the meeting. Every

effort was made to ensure that no participant could be identified by the answers offered during the interview.

To fulfil the purpose of the study, the researcher tried as much as was possible to include different types of accommodation in the sample in order to cover the variation of the accommodation sector but not exactly mirror the distribution of the variation in the population, following Saunders and Lewis (2012:139).

4.4.2.1 Sample size

In qualitative research the purpose is seldom to arrive at statistically valid conclusions, but rather to explore deeply a phenomenon or experience on which to build further knowledge (Thomas & Magilvy, 2011:152). The most commonly used samples are purposive and their size typically relies on the concept of saturation or the point at which no new information is observed in the data (Guest *et al.*, 2006:61).

There is no ideal sample size when it comes to qualitative research. Sample size usually depends on the qualitative design being used (Creswell, 2014:189). Eisenhardt (1989) proposes between four and ten cases, while Creswell (2014) proposes four to five cases. The guideline for case studies can therefore be seen as varying between one and ten cases. The sample size sometimes depends on the interview structure (in the case of research making use of interviews), content and participant homogeneity (Guest *et al.*, 2006:75). A certain degree of structure will warrant fewer participants, because a similar set of questions will be asked to all participants. Guest *et al.* (2006:79) state that in most research studies where the sample consists of a group of relatively homogeneous units, 12 interviews should suffice, or at times even fewer, because it was empirically found that this is the point of saturation. The researcher in this instance used a sample size of 12, as suggested by Guest *et al.* (2006), because the sample was homogeneous as the businesses were all from the accommodation sector. Saunders *et al.* (2012:283) recommend continuing to collect qualitative data until saturation is reached. Data saturation is when additional data provide few, if any, new information or suggest no more new themes. Consequently, 12 small business owners

or managers were interviewed and this was within the norm for both case studies and interviews.

4.4.3 Data-collection instrument

In qualitative research, the researcher is the primary instrument of data collection. In order for such researchers to prepare themselves, they have to engage in self-examination as well as master interpersonal and communication skills (De Vos, Strydom, Fouché & Delpont, 2011). The researcher in the current study prepared for the interviews by attending workshops on interviewing in qualitative research to be able to carry out the research with the required skills. The researcher consulted with experts in the field of strategising in refining the interview questions. The researcher also tested the interview questions with a colleague in order to further gain input from an expert. Data were collected by means of semi-structured interviews using an interview guide to ensure that all the questions were asked to all the participants.

4.4.3.1 Interviews

The researcher made use of primary data to answer the research questions. The primary data were consistent with the research questions and objectives of the study. Primary data refer to new data that are collected for that specific purpose (Saunders *et al.*, 2012:304). The semi-structured interview is a method of data collection in which the interviewer asks about a set of themes using some predetermined questions (Saunders & Lewis, 2012:151). The order in which the questions are asked may vary from one participant to the next, depending on the response from the participants. The choice of a semi-structured rather than a structured interview was employed because it offers sufficient flexibility to approach different participants differently while still covering the same areas of data to be collected. The interviews were audio-recorded to secure an accurate account of the conversations and to avoid losing data, as not everything can be written down during the interview. The semi-structured interviews involved the use of prepared questions guided by identified themes, in this case strategic management and management tools, in a consistent manner interposed with probes designed to elicit more elaborate responses, as recommended by Qu and Dumay (2011:246). The purpose of the semi-structured interview was to collect perceptions and gain insights

into and understand the experiences and behaviours of small business managers in strategising. The researcher made use of a semi-structured interview guide to conduct the interviews.

The interview guide was prepared by the researcher and consisted of sub-questions and prompts, which were used by the researcher when necessary to ensure that the participants explored the central questions sufficiently. The participants were required to answer all questions in the interview guide on a voluntary basis, but not necessarily in the same order. The participants were allowed to use their own words to answer the questions. The researcher also made field notes during the data-collection process. Such notes provide important information about the experiences in research (Marshall & Rossman, 2011:97).

4.4.4 Data analysis and interpretation

The recorded in-depth interviews were transcribed (reproduced as a written account using the actual words) and analysed using ATLAS.ti. ATLAS.ti supports the analysis of text-based documents, for example transcripts, and allows for inductive analysis (Paulus & Lester, 2015:5). ATLAS.ti helped the researcher to manage the data through families and quotations and to narrow the analytic focus through codes and outputs, and it enabled the researcher to engage with the data through close line-by-line analysis.

Content analysis is a research technique for making replicable and valid inferences from texts to the context of their use (Krippendorff, 2013:24). The current study made use of both inductive and deductive interpretation of the text. The narrative is an interpretation and it must be plausibly related to the original text. This can be done by quoting from the categorised text. The interpretations in qualitative analysis rarely rely on frequencies.

In this study, data were analysed for content in strategising practices by small business managers. The researcher went through the process of selecting, focusing, simplifying and transforming the data collected in order to create meaning from the mass of words (Krippendorff, 2013). The researcher used qualitative content analysis to analyse the

transcribed data. Qualitative content analysis involves a close reading of textual matter, reorganising relevant parts of it into analytical categories and creating a narrative of scholarly interest pertaining to the meanings and uses of the analysed text (Krippendorff, 2013:22).

Coding is analysis and refers to tags or labels used to assign units of meaning to the data collected (Myers, 2013:167). “A code is most often a word or short phrase that symbolically assigns a summative, salient, essence-capturing and/or evocative attribute to a portion of language-based data” (Saldaña, 2013:3). The researcher began by coding, which enabled the researcher to organise and group similar data into ‘families’ based on shared characteristic, based on Saldaña (2013:9). The interview guide also provided some predetermined categories, as it was semi-structured. Categorising data refers to developing meaningful categories and attaching those categories that are relevant to specific units of data (Saunders & Lewis, 2012:194). Newly identified categories assisted in further refining, extending and enriching existing theory. Categorising is the process of grouping ideas, objects and data. In content analysis, coding reduces a diversity of units to convenient classes or categories (Krippendorff, 2013). Categorisation involved naming or giving labels to occurrences of the strategies and management tools found in the text. All the processes or activities that fall under a particular concept or idea were grouped. The researcher used ATLAS.ti to assist with content analysis to analyse knowledge that was obtained from the data. Data analysis in qualitative research seeks to elicit meaning from the data in a systematic, comprehensive and rigorous manner (Henning *et al.*, 2004:127). As categories were developed and coding was well under way, the researcher began the process of coming up with interpretations of what could be learnt from the data (Marshall & Rossman, 2011:219). Interpretations are only as valid as the data they are based on, hence the researcher must ensure the trustworthiness of the study, which is discussed next.

4.5 Measures of trustworthiness

In qualitative designs, validity and reliability are described through strategies for trustworthiness. Rigour in qualitative research is a way to establish trust or confidence in the findings or results of a research study and is useful for establishing consistency of

study methods over time. Lincoln and Guba (1985) proposed a model of trustworthiness that addresses credibility, transferability, dependability and conformability, which are now discussed.

4.5.1 Credibility

Credibility refers to whether the findings reflect the reality of the participants. Credibility allows others to recognise the experiences contained within the study (Thomas & Magilvy, 2011:152). Credibility is about truth value and truth in reality. Credibility refers to conducting the research in such a manner that the likelihood of the findings being found credible is improved. To ensure credibility, the researcher recorded interviews to ensure true reflection (notes may be incomplete and memory may fail) the researcher made use of member checking, that is, going back with collected data to the participants for them to confirm whether the information that they provided has been interpreted correctly and to reflect on their reality. Member checking was conducted after transcription so that the participants could acknowledge their own words.

4.5.2 Transferability

Transferability refers to the ability to transfer research findings from one sample to another or the extent to which findings are applicable to other contexts or other participants (Thomas & Magilvy, 2011:153). Therefore, the idea of transferability is whether some similarity could be found in other research contexts (Eriksson & Kovalainen, 2008:294). To establish transferability, the researcher provided sufficient detail about the context of the research so that readers can judge the applicability of the findings to other known settings. The researcher kept field notes, which also ensure transferability, by documenting all aspects related to the research process. Transferability was also ensured by providing thick descriptions, accounts of the context of interviews and examples of raw data.

4.5.3 Dependability

When another researcher is able to analyse the raw data, and he/she will come to the same conclusions, dependability is established (Thomas & Magilvy, 2011:153). The researcher ensured that there is physical evidence of the research process. Documents,

containing data, research methods and decisions made during the research process and why they were made, were kept. To ensure that the study is dependable, the following were clearly stated: the purpose of the study and the research methods used, and how the participants were chosen and why. Dependability must show that the research process has been logical, traceable and documented (Eriksson & Kovalainen, 2008:294). Dependability and confirmability are ensured in the same ways.

4.5.4 Confirmability

Confirmability refers to whether the findings of the research can be confirmed. It also refers to the freedom from bias in the research procedure and results, and whether the results of the research could be confirmed by another person or another study (Marshall & Rossman, 2011:253). The research finding should solely be a function of the participants and the conditions of the research and should be free of other biases, motivations and perspectives (Thomas & Magilvy, 2011:154). The research must have a chain of evidence that shows that there were no biases that influenced the research. The data and interpretations thereof must be linked in a way that can easily be understood by others (Eriksson & Kovalainen, 2008:294). An audit trail of the data collection was kept so that logical interpretations can make sense to someone else reading the study.

4.6 Research ethics

Ethics refer to the standards of behaviour that guide a researcher's conduct in relation to the rights of those who are the subject of the researcher's work or those who are affected by the work (Saunders *et al.*, 2012:226). For qualitative researchers, ethical practice is usually defined as a moral stance that involves respect and protection for the people actively consenting to be studied (Myers, 2013:49). In the current study, the researcher sought to find answers to the research questions honestly and accurately based on the moral principles that are internationally recognised as autonomy (i.e. respect, which was achieved through informed consent), beneficence (who participate), non-maleficence (no harm) and justice (the participants had the option to withdraw without negative consequences).

4.6.1 General ethical considerations

There are a number of ethical principles to which a researcher must adhere in conducting research, namely honesty, informed consent, justice, fairness, objectivity, integrity, transparency and accountability. Honesty is essential in carrying out research; researchers must be honest and transparent about data, findings and research methods (Myers, 2013:50). The researcher took all reasonable steps to ensure that the participants did not suffer any physical harm, discomfort, pain, embarrassment or loss of privacy. To safeguard against these, the researcher followed the principles of research ethics and explained the participants' rights and protection and thereafter obtained their informed consent. All participants were asked to sign an informed consent form before the commencement of the research, after being informed of the research procedure and potential benefits. There are many important ethical principles that are associated with research; a few of these will now be discussed.

4.6.2 Informed consent

The principle of autonomy requires that individuals' participation should be freely given and based on informed consent in cases where personal information is collected. The participants to the research must, as far as possible, be enabled to give their informed consent to participate, and be advised that they can terminate their involvement for any reason and at any time without penalty or prejudice to them (Myers, 2013:51). The researcher disclosed the procedures of the study and obtained written consent from the participants. The consent form complied with Unisa's ethical requirements, and the participants' permission to take part in the research study and for audio-recording was documented. The participants were informed of their right to refuse to participate at any time or to refuse to answer certain questions that formed part of the interview without giving reasons and without any penalty.

4.6.3 Confidentiality

The confidentiality and anonymity of participants and their localities should be maintained when reporting research results. The researcher maintained confidentiality of the data provided by the small business managers by not asking for irrelevant personal information such as names, telephone numbers, addresses or other identifying

features. Where confidentiality has been promised, the researcher must ensure that the data collected will remain confidential (Saunders *et al.*, 2012:241). Information collected about the participants was kept in strict confidentiality. The audio-recorded interviews will not be used in a public forum and will be kept under lock and key. The participants are not identified or made identifiable in the report unless there were clear reasons for doing so. The obligation to maintain privacy, anonymity and confidentiality also extends to those not directly associated with the research, but who may possibly have access to the information.

4.6.4 Privacy

Privacy in this instance refers to the element of personal privacy (De Vos *et al.*, 2011). The research was communicated in such a way that data cannot be linked to a specific participant. No hidden apparatus such as a camera was used to collect data. The researcher maintained the privacy, anonymity and confidentiality of information in collecting, storing, accessing and transferring the data collected. The privacy guarantee is important not only in retaining the validity of the research, but also in protecting participants (Blumberg *et al.*, 2008:160). A right to privacy means that a participant has the right to refuse to be interviewed or to refuse to answer any question in the interview (Blumberg *et al.*, 2008:160). Privacy includes autonomy over personal information, anonymity and confidentiality. Also, the perspective of the participants should be respected regarding deciding what information should be regarded as private and confidential. All personal information and records provided by the participants will remain confidential. When conducting interviews, the researcher made clear that steps were taken to ensure that confidentiality and anonymity were safeguarded. The recorded interviews were saved using pseudonyms and these were used in the research reports resulting from the study. The research findings will be published in the public domain and steps will be taken to remove identifiers that could be traced back to the participants in the study and to protect their privacy.

4.7 Piloting the interview guide

A pilot study of two interviews with similar participants as in the main study was carried out in order to test the interview procedure and to identify researcher biases and make changes where appropriate, as maintained by Marshall and Rossman (2011:95). Another interview was also conducted with a peer in the field of strategy. This was done to verify and validate the interview questions prior to using them in the study. The researcher also asked the participants for feedback to identify ambiguities and difficult questions, as stated by Chenail (2011:257). A pilot study assists in refining the data-collection plans and the procedures to be followed (Yin, 2014:96). The pilot study sought to determine the participants' responses to questions and unclear questions in order to refine the interview guide. Feedback from the pilot assisted the researcher in fine tuning and rephrasing some of the questions for better understanding.

4.8 Limitations to the study

Limitations to the study are those factors that may prevent the drawing of valid conclusions in research. In the current study, the researcher was aware of limitations and made an effort to mitigate them. Conducting semi-structured interviews effectively requires considerable experience and skill. The limitation of the research was that the researcher was inexperienced in conducting interviews.

Participants may be influenced by a number of different factors when responding. Participants may tend to tell the researcher what they think she/he wants to hear, which may cause some bias in the data.

The researcher tried to eliminate the effect of the above limitations by asking the participants for a follow-up communication after transcribing the interviews to ensure that the data are correct and to ensure that the results are a reflection of what the participants wanted to say. A follow-up interview allows both the participant and the researcher to reflect on the original conversation and fill in missing pieces or new information, and provides assurance that the participants' words and experiences were accurately described. The researcher also attended workshops on conducting interviews in order to gain the skills required.

4.9 Conclusion

This chapter gave an overview of how the current study was carried out. The research philosophies that govern all research was summarised and linked to the current research, which adopted an interpretivism philosophy. The research approach was qualitative and in the form of a qualitative case study design, which was deemed appropriate for answering the research question. The way in which data were collected, analysed and interpreted was also discussed. Semi-structured interviews were used to collect data by means of an interview guide; these interviews were then transcribed and analysed using computer-assisted analysis (ATLAS.ti). Data validity and reliability were ensured using measures of trustworthiness in qualitative research. The ethical aspects and what the researcher did to maintain and carry out a study that is governed by research ethics were also addressed in this chapter. The following chapter discusses the findings of the research.

CHAPTER 5 RESEARCH FINDINGS

5.1 Introduction

The current research was conducted during 2014 and 2015 in the accommodation sector and explored the strategising practices of selected small business managers in Tshwane. The purpose of this chapter is to report on the findings of the qualitative study. This chapter reports on the demographic profile of the participants and describes how individual managers strategise, which represent the micro level as identified by Jarzabkowski and Spee (2009), by describing the day-to-day activities of small business managers that relate to strategising practices. The chapter reports on the findings of the study, including the field notes captured by the researcher during data collection. This refers to the actual data collected and the responses of the participants regarding the questions contained in the interview guide.

5.2 Demographic information

This section reports on the demographic particulars of the participants, namely age, gender, education, first language and ethnicity. Table 5.1 reports on the biographical data of the participants interviewed.

Table 5.1: Biographical information of participants

Primary document number	Interview number	Age	Gender	Educational level	First language	Ethnicity
P1	BED 10	37	Female	Matric	Afrikaans	White
P2	BED 11	54	Female	Matric	English	White
P3	BED 12	29	Female	Hospitality and Bakery N4	Afrikaans	White
P4	BED 2	57	Female	HOD Senior Phase	English	White
P5	BED 3	55	Female	National Higher Diploma in Education; BA Education	Afrikaans	White
P6	BED 4	29	Female	Degree in Mathematics and Economics	English	Black
P7	BED 5	46	Male	BA degree, Psychology and Private Law	Afrikaans	White
P8	BED 8	40+	Female	Degree (participant did not disclose details)	English and Afrikaans	White
P9	BED 9	45	Female	BSc degree (dietetic)	Afrikaans	White
P10	BED 7	71	Female	Matric	English and Greek	White
P11	BED 6	41	Male	Management and Travel and Tourism diplomas	Shona	Black
P12	BED 13	47	Female	Matric and N5 Sales and Marketing	Afrikaans	Coloured

The information in Table 5.1 shows that the participants were predominantly white, Afrikaans-speaking women over 40 years with a post-matric qualification.

5.3 Business information

Table 5.2 summarises the information about the businesses that were part of the study. The information includes whether the business is managed by its owner or by a manager, the registration type of the business, the duration of existence and the number of employees.

Table 5.2: Business information

Document number	Interview number	Owner/Manager	Business registration	Existence (years)	Number of employees
P1	BED 10	Owner	Close corporation	13	6
P2	BED 11	Manager	Private company	20	17
P3	BED 12	Manager	Close corporation	10	6
P4	BED 2	Owner	Close corporation	11	20
P5	BED 3	Owner	Sole proprietor	12	6
P6	BED 4	Manager	Private company	6	30
P7	BED 5	Owner	Close corporation	23	6
P8	BED 8	Manager	Close corporation	8	5
P9	BED 9	Manager	(Didn't know)	10	6
P10	BED 7	Owner	Close corporation	14	35
P11	BED 6	Manager	Private company	5	3
P12	BED 13	Owner	Close corporation	6	6

The information in Table 5.2 shows an equal number of owners and managers; the businesses were (at the time of the interviews) mainly registered as close corporations (CCs), as at the time of registration legislation allowed small businesses to be registered as CCs; the businesses have been in existence for between 6 and 23 years; employing between 3 and 35 employees. The majority of the small businesses fall in the category of very small according to the National Small Business Amendment Act, in other words, they employ between 6 and 20 persons (see Chapter 2, Section 2.2). Two of the businesses are micro enterprises (between zero and five employees) and the remainder are small businesses (between 21 and 50 employees). The current study was aimed at small and micro enterprises and they could assist in answering the research problem. In addition, the number of years these establishments existed suggests that they were successful, given that small and micro enterprises usually fail within the first few years of operation (see Chapter 2, Section 2.4). In the current study, the businesses had all been in existence for five years or more. The next section reports on the experiences of the researcher in the data-collection process.

5.4 Qualitative data analysis

This sections reports on the qualitative data analysis, which involved 'breaking up' the data into manageable themes, patterns, trends and relationships, as described by Mouton (2001:108). According to Grbich (2013:26), analysis predominantly deals with meaning, descriptions, values and characteristics of people and things. The aim of analysis is to understand the various parts that make up one's data and to establish themes in the data. Several techniques have been presented on how to analyse qualitative data. One of the approaches to analysing qualitative data is content analysis, which is a method for making replicable and valid inferences from texts to the context of their use (Hsieh & Shannon, 2005:1278; Krippendorff, 2013:24). The goal of content analysis is to provide knowledge and understanding of the phenomenon under study (Downe-Wamboldt, 1992:314; Schreier, 2012:3), in this case the strategising practices of small business managers. The key feature of all content analysis is that the many words of the text are classified into much smaller categories (Elo & Kyngäs, 2008:109;

Saldaña, 2013:9; Schreier, 2012:5). Content analysis can be used in both deductive and inductive approaches. Through content analysis, it is possible to filter words into fewer content-related categories. It is assumed that when classified into the same categories, words, phrases and the like share the same meaning (Cavanagh, 1997, cited in Elo & Kyngäs, 2008). The aim is to attain a condensed and broad description of the phenomenon, and the outcome of the analysis is concepts or categories describing the phenomenon (Elo & Kyngäs, 2008:108; Saldaña, 2013:9).

In the current research, the researcher made use of qualitative content analysis to analyse and interpret the data collected. Content analysis was appropriate in this exploratory study for the simple reporting of common issues mentioned in the data (Mouton, 2001:166; Vaismoradi *et al.*, 2013:400). The data-analysis process was carried out using descriptive coding. Descriptive coding is appropriate for all qualitative studies and involves beginning with general questions such as “What is going on here?” (Miles & Huberman, 1994; Saldaña, 2013:88). The goal of descriptive coding is to assist researchers in reporting what they saw and heard in general. The method categorises data at a basic level to provide the researcher with a systematic grasp of the study (Saldaña, 2013:91). The researcher transcribed the interviews herself in order to come close to the data, as recommended by Henning, *et al.*, (2005:105). The aim is to become immersed in the data, which is why the written material was read through several times. The researcher also had follow-up meetings with the participants for them to check whether the transcriptions were an accurate reflection of the interviews in order to enhance the trustworthiness of the data. Therefore, the researcher read and re-read the data in order to familiarise and immerse herself in the data.

The data were first divided into small units of meaning (codes). The grouping and consolidating of related units of meaning (codes) around a central concept or category was then carried out, following Grbich (2013:260). The ensuing categories were named inductively, because known premises were used to generate categories. The researcher used the data and literature as a guide in deciding what a category should be called. The approach to data analysis was both inductive and deductive. Using existing theory

or prior research, the researcher began by identifying key concepts or variables as initial codes. The next step in the analysis was to code all highlighted passages using the predetermined codes. Any text that could not be categorised with the initial coding system was given a new code.

In accordance with interpretivist philosophy, the researcher was the primary instrument for data collection and analysis. Analysis was carried out using ATLAS.ti. The transcribed interviews were saved as Microsoft Word documents. The documents were imported from Microsoft Word into the software program in order to manage the data efficiently. The primary document number (for example P3) in this case is not the same as the interview number (for example BED 12). This was done to ensure that the researcher protected the anonymity of participants, thereby complying with ethical practices.

In the current study, a total of 12 participants were interviewed. Data saturation was reached at interview 8 and the researcher continued until interview 12 in order to meet the norm for both case studies and interviews, as saturation was empirically established to be between 6 and 12. The additional interviews did not reveal any new information.

5.5 Field notes

In the process of collecting data, the researcher conducted interviews, which were recorded, and took field notes. This ensured the trustworthiness of the data, as the words of the participants were captured as they were spoken. Field notes are a written account of the things that the researcher hears, sees, experiences and thinks about during the process of collecting data (De Vos *et al.*, 2011:359). The researcher in the current study took down notes on what was observed, that is, what happened during the process of interviewing. The researcher also recorded personal reflective field notes, which report on the preconceptions, expectations, emotions and any thoughts that came to mind. Reflective field notes include reflections on analysis that are speculations about what the researcher is learning, themes that are emerging or patterns that may be present in the data. Reflections can also be on the method, that is, information about the methods used in the study, comments on researchers' rapport with participants as

well as ups and downs encountered in the study (De Vos *et al.*, 2011: 406). The researcher also conveyed her assumptions about the participants and the research setting. The researcher described the interview setting based on the field notes recorded.

5.5.1 The interview setting

The participants in the current study were not only considered in terms of the figures represented by the demographic information, but also in the context in which the interviews took place. Therefore, the researcher reports on the context of each interview. The researcher used field notes to describe the setting of the interviews, which are the circumstances surrounding the interview. Table 5.3 describes the setting in which the interviews took place. The researcher used the pseudonyms BED 2,3 etc. in order to maintain the confidentiality of participants and their businesses.

Table 5.3: Interview setting

Participant	Interview setting
BED 2	<p>The interview was conducted at the place of business of the participant. The participant was at the time the co-owner of the business with her husband. The guesthouse was neat. The interview took place in the office of the participant, which she shares with one of the staff members, who was also present for the duration of the interview. The participant seemed very involved in and passionate about the business. Her husband later arrived and I continued the interview with him while she was present. Another staff member was also present for the duration of the interview. The researcher's impression about the husband was that at first he was not friendly and was not willing to continue with the interview until he asked her what she is studying. He then started showing interest, but the researcher thought that his insights were not that relevant to the study because his responses were mostly general information about business. The interview with both participants lasted approximately 51 minutes. Interviewing a person at the place of business was met with interruptions, as they still have to attend to their business. This can disturb both the participant and the researcher's line of thought.</p>
BED 3	<p>The interview took place at the place of business of the participant. She co-owns the business with her husband. The interview surroundings were noisy due to a parrot that kept on making a noise. There was also noise from the television, but overall the researcher got the impression that the participant was willing to share information about her business. She was attentive and left what she was doing to attend to the interview questions.</p>
BED 4	<p>This interview was conducted at the place of work of the participant. There was noise from traffic coming from outside. This particular participant seemed distant during the interview and did not know how to answer some of the questions in the interview guide. The researcher got the feeling that it was because she was a new or young manager (see Section 5.2) and had been in the business for two and a half years, but in a managerial position for only a few months. She had mentioned earlier that she did not have a lot of time to attend to the interview and this might have meant that she was rushing through the interview. The interview was rather short and lasted 37 minutes.</p>

Table 5.3 continued	
Participant	Interview setting
BED 5	This interview lasted 80 minutes. The interview took place at the place of business of the participant. The setting was quiet and there were no interruptions during this interview. I had to wait for a few minutes before he arrived, but he showed willingness to participate because he gave long and detailed answers to the interview questions. This could also be because he had been in the business for a long time (23 years). The participant did not mention why he was late; however, he apologised for being late.
BED 6	The interview was conducted at the place of business of the participant. It was also a male manager and this particular establishment looked dilapidated from the outside. The researcher had a feeling that he was keeping some information to himself because of the audio-recorder. From the reaction on his face, he seemed a bit uncomfortable when the researcher reminded him that she would be recording the interview. The researcher however assured him that he would remain anonymous. The researcher got the impression that he was carefully choosing his words because of his initial reaction to being recorded. The researcher asked him if he was comfortable with being recorded and he agreed to being recorded. At this establishment, the setting was quiet and the researcher observed one of the workers.
BED 7	The researcher conducted this particular interview on a Saturday, as the owner was busy during the week. It was conducted at the place of business of the participant. The interview was short, as she seemed not to have much to say, although she was willing to share information on strategising. The participant sat attentively and away from her work station for the duration of the interview. The setting was noisy due to noise coming from the kitchen at the establishment. The researcher observed the employees at the establishment and the participant referred and talked to some of them during the interview. The participant also attended to a guest who was leaving the establishment during the interview.
BED 8	The interview took place at the place of business of the participant. There were a couple of interruptions because of the phone ringing. This interview was short, as the participant seemed busy and somewhat distracted. The researcher noticed that she was hands-on and was also attending to various things, even during the interview. The researcher got the sense that she did not have a lot of time to attend to the interview.

Table 5.3 continued	
Participant	Interview setting
BED 9	The interview took place at the place of business of the participant. The place was quiet except for a few interruptions from other employees at the establishment. The participant was the manager at the establishment and the researcher only got to see the reception area of the establishment, which looked neat and tidy. The participant was willing to share information about the business although she was not sure of the answers to some of the interview questions.
BED 10	The interview was conducted in the participant's car because she had been called for another appointment at the time our interview was supposed to take place. Part of the interview was done and then the researcher had to wait for her to finish with the other appointment to conclude the interview, which also took place in the car. The researcher did not get to sit with the participant in the establishment and therefore did not observe the establishment itself.
BED 11	The interview took place at the place of work of the participant. The participant was forthcoming although she seemed busy. There was an interruption when the phone rang, otherwise the surroundings were quiet. She mentioned that she had forgotten about our appointment due to the many things that she has on her plate. She was however available to conduct the interview. She was willing to share information about her business.
BED 12	The interview took place at the place of work of the participant. The interview was conducted outside and the busy road where the establishment is located was a bit noisy. There were also interruptions from delivery vehicles arriving and customers arriving. The participant was however forthcoming although she could not answer some of the interview questions, such as how often they strategise.
BED 13	The interview took place at the business of the participant. The participant was willing to share information about her business, but she was also busy. There were a number of interruptions from the phone ringing or people arriving at the establishment to which she had to attend. The interview was conducted in the presence of the uncle of the participant. The uncle did not play a role in the interview, as he was just sitting there. This means that the uncle had access to information about the business that was discussed during the interview.

Table 5.3 shows the interview setting from the perspective of the researcher. These are derived from the field notes (see Appendix C). The influence of a researcher's personal values, attitudes and beliefs from and towards the fieldwork is not unavoidable (Miles,

Huberman & Saldaña, 2014:11). Therefore, the impressions of the researcher are recorded to better understand the researcher's role in the creation of knowledge and to carefully self-monitor the impact of researcher bias and personal experience on the study (Berger, 2015:220).

The researcher's general impression from the responses given, although not specifically asked, by the participants was that none of them had formal business training and therefore had limited knowledge of strategising. This however did not mean that they do not practise strategising when running their businesses. This is evident in the success they have achieved, that is, the period of existence (see Section 5.3).

The findings are presented starting with the personal information of the participants; this was to establish that they were the correct people to interview. This is followed by information pertaining to the establishment, factors that are important in the accommodation sector and then strategising practices.

5.6 Summary of the codes and categories used

As referred to before, the codes in this study were derived from small units of meaning in the data and categories were derived from grouping related codes. Table 5.4 shows the codes and categories resulting from the data.

Table 5.4: Codes and categories

Codes	Categories
Age, education, ethnicity, language	Biographical information
Business registration, employees, existence, management	Business information
Customer satisfaction, CRM	Customers
Factors affecting the accommodation sector, occupancy, regulations	Key success factors
Important tool, location	Important tools
Business market, marketing, word of mouth	Marketing
Staff skills, owner/manager relationship	Staff skills
Emergent strategy, implementation, participants in strategising, strategising, mission/vision	Strategising
Growth prospects, success	Success
Benchmarking, competition, core competency, SWOT	Management tools

Source: Researcher's compilation

Table 5.4 shows a summary of the codes based on the responses of the participants, which the researcher used in analysing the data collected. Most of the codes were predetermined from the literature reviewed and were included in the interview guide. The codes shown in bold in Table 5.4 emerged from the interviews and were not present in the literature reviewed. The categories column shows the categories into which related codes were grouped after the initial coding. The findings are reported based on these categories.

5.6.1 Analysis of the codes

In this section, the researcher reports on the findings in relation to the categories and codes which belong to them. The researcher explains below the referencing structure (generated by ATLAS.ti) that was used to report on the findings.

Example: 2:23:80:80

The first 2 represents the number of the primary document (the transcribed interview, P2) and not the participant (BED 11); 23 represents the number of the quotation in the document; and 80:80 indicates from which paragraph to which paragraph the quotation stretches in the document.

5.6.2 Key factors that impact the business

All the participants interviewed indicated factors that significantly affect their businesses. These included seasonality, tourism regulations, economic environment, extraordinary events, rising costs, power and water cuts and crime. These factors can be classified according to the PEST framework (which is also a management tool).

5.6.2.1 Economic

The economic environment affects small businesses in that people no longer make use of accommodation establishments due to lower disposable incomes. In addition, it has become too expensive to run and maintain the business when customer numbers drop. Small business managers said the following

It's more expensive, petrol is more expensive, food is more expensive, medical aid is more expensive, everything is more expensive. Our insurance on this place is sky high so it's costing us more than ten years ago. (5:48:123:123)

Because of all the costs that's going up people don't want to pay more for the rooms; they can't understand if the rates must go up, so yeah it's difficult to keep up with your services but the guests don't pay more. (9:21:110:110)

All the food prices, electricity, water ... salaries, everything is going up and the rates of the guesthouse is not going up so that's actually a problem with businesses. (9:22:114:114)

5.6.2.2 Social

Crime can be regarded as a social phenomenon. Crime affects some of the small businesses in that when guests experience crime, or have a perception that a certain place is crime-ridden, they will not use the accommodation establishments in those areas. Some of the small businesses indicated that crime does not really affect them because they have put up safety measures such as security fences, security guards and alarm systems, but others are being affected by crime. The participants stated as follows:

I would wish the police would reinforce their security on the streets, so at the end of the day the boys will end up jumping over, breaking guests' cars sometimes; that's not good, so it has an impact. (11:31:82:82)

... crime, people do feel [it], especially us in this area due to the fact that we are so close to [name of suburb], that is starting to affect us whether we want to admit it or not it is, it is. (8:27:166:166)

Crime is making our business difficult ... the fact that we are in a suburb called [name of suburb] [that has] a very high crime rate ... unfortunately ... has built a name as being a place with a very high crime rate. (7:26:62:62)

Evidently, crime is beyond the control of the establishment. They can only mitigate it to a point.

5.6.2.3 Legal

Most of the small businesses interviewed gave the impression that they face challenges in complying with all the laws they are supposed to, which poses a challenge for the future success of their businesses. Small business managers said as follows:

I will not grade again because of the regulations that changed. (1:45:162:162)

Compliance is difficult for a small enterprise in the sense that we don't have ... the resources in the company to stay compliant with all the I don't know how many laws that they are, so you need to outsource them and then you go and get that from professionals who are for them the things they have to do, for us is like the easiest thing in the world but they charge a professional rate so it's expensive for us to outsource them, so we try and do it in-house and then there is a constraint on ... my time and I get sucked in by administrative junk. (7:21:62:62)

At this stage the city council is driving us crazy because the boards, we have to pay for our advertising boards, that's very, very frustrating, but plants in front of my entrance we had to pay ... fee to let the plants stay there, so you see the plants was another big problem for us because UIF workmanship compensation they come and visit once a year but here is down the road there is another guesthouse and they don't even bother to go there so it's very unfair, I feel it's unfair. (5:30:66:66)

Other participants did not express any challenges with complying with the tourism regulations. One participant said, "We comply a 100%" (2:40:130:130) and another said, "no very easy, no problem" (10:38:120:120).

This shows conflicting responses among the participants, which means that even if the participants operate in the same sector, they have different realities.

5.6.2.4 Physical

The occupancy of the rooms/units for small businesses is not always the same. Seasonality affects small accommodation business in Tshwane, in that it is not a holiday destination (see Chapter 2, Section 2.2). When there are holidays or when business

closes, there is no business for the small accommodation establishments. All the small businesses reported that their businesses are affected by seasonality. They said as follows:

It all depends, it's quite seasonally as such because of the Christmas period it goes down by 50%. (8:5:38:38)

School holidays, public holidays, if there is a public holiday your whole week is quiet. (1:58:128:128)

Occupancy rates, it depends, it's ... if you do ... it an average over a year it's about 75%. (2:7:24)

Normally in the winter but this year we were busy in the winter so December we are quiet and January we are quiet, then mid-January we start picking up. (3:10:42:42)

Usually ... in winter months and over your holiday periods things do quieten down and then also we are seriously affected by international events, for example the Ebola crisis, then people will cancel their flights because they don't want to be exposed to it. If there is bomb scare it affects us, death of a very prominent person affects us so we... our occupancy does fluctuate according to world events and also seasons and school holidays. (4:5:28:28)

Like in January, it's not for a guesthouse, you know, everybody moves and there is holiday, school projects, so in January it's very, very slow, business is very slow. Even in February, then in March it picks up and then again in June. I can't remember I think it's June, then again there is a slap in business and December. (5:9:30:30)

Around January after the end-of-the-year parties ... the Christmas and New Year and the school starting, those are the period whereby the ... occupancy is really low and sometimes ... in the middle of winter. (6:21:100:100)

Basically just middle December to the first week of January, those are our only really quiet times. (7:16:50:50)

[It] depends [on] the season, it's seasonal, especially if you don't have contracts. It's viable from February to August, you will be operating at about 90%, that's how good it is, and some other months it's about 50. (11:8:26)

Table 5.5 shows a summary of the codes used in analysing the category *Factors affecting small accommodation businesses*.

Table 5.5: Key factors

Code	Description
Key factors	These are the key factors affecting the accommodation establishments in achieving their plans, e.g. crime (refer to the interview guide, Appendix B, for these factors). These factors are discussed in Chapter 2, Section 2.6.
Regulations	This is one of the key factors that impact the successful operation of a small establishment in the accommodation sector. These are the regulations with which accommodation establishments have to comply in running their business. These are discussed in Chapter 2, Section 2.6.1.2.
Occupancy	This refers to the actual rooms/units occupied at a given time (room productivity), i.e. rooms that are generating income at a given time.

The factors discussed above are further discussed against the literature in Chapter 6.

5.6.3 Customers

All the small business owners/managers interviewed seemed to do some form of CRM in order to keep their customers satisfied and returning to their establishments. The findings also revealed that the participants were customer-centric and mostly used some form of technology to reach and keep in touch with their customers.

5.6.3.1 Customer satisfaction

A number of the establishments have a guest book in which customers can write whether they are satisfied or not and give feedback to the establishment. The participants said the following in terms of customer satisfaction:

We have a questionnaire that they have to fill in when they book out and then I will give them a call and ask them did they enjoy their stay or send an e-mail. (1:20:56:56)

You know that's the very important kind of thing to constantly be in touch with, what your guests are feeling and thinking because that gives you an evaluation of your product that you are selling and if you are, if you are selling the product still that people want. (7:20:58:58)

We are very friendly place; we make the people feel very much at home. We try and make it a home away from home and that is our aim ... is our guests to make and I will tell you something that we get a lot of compliments, my staff are very good and my place is clean so I have got people that come back and back and back. (2:20:66:66)

For instance, now that we don't have the internet, ... you have to reply as quick as possible to e-mails to help people because if they can see you are responding fast automatically they know they will have a good service here ... always try to keep your guests happy. (3:13:52:52)

Keep them happy ... keep them happy, if they are happy, you are happy, they come back. ... These people from Hawaii they came back twice, three times. (5:38:88:88)

Whenever they are around we make sure that they are satisfied we give them satisfaction. (6:31:58:58)

Just by the way we treat the people, ... people want to be feeling that they are special, they want to feel that this is their second home, so yeah and that's what myself and the staff are really trying to do. (8:20:116:116)

It's still about customers and the needs of the customer, you know.
(12:26:64:64)

We do our best to satisfy clients, to do what they want, to make them happy, so that keeps us going. This hotel business is taking a U-turn, people no longer want to get in hotels where they just check in and no one cares about them.
(11:22:56:56)

5.6.3.2 Customer relationship management

Small business managers in Tshwane seem to prioritise satisfying their customers and they establish relationships with their customers to ensure that they keep in touch with customer expectations and hence ensure satisfaction. In this regard, the participants stated as follows:

I keep communicating with them, calling and finding out how they are doing, some come and we become friends, some [they] will just visit if they are around, and we have breakfast, so to me it's very easy to manage that because they are as good as my friends, so we just get in touch sending e-mails.
(11:16:50:50)

So I establish relationships with all my clients. I really please them; I do follow ups at times to make sure they still have the stuff that I have left, like the flyers, so they end up knowing me, because of the regular visits. (11:42:60:60)

I build that trust in them so they know they can just pick up the phone or send me an e-mail. (2:28:100:100)

There is also this ... complementary that we offer sometimes, you know, depending on how long you have stayed with us [to] encourage you. We can always give a complementary just to motivate the client. (6:12:58:58)

You know that's the very important thing, to constantly be in touch with what your guests are feeling and thinking, because that gives you an evaluation of your product that you are selling. (7:20:58:58)

We have a questionnaire that they have to fill in when they book out and then I will give them a call and ask them did they enjoy their stay or send an e-mail. (1:20:56:56)

Like we will do in the end of the year because we are quiet, we will send out a letter that's telling the people because its Christmas we want to give something back, then we will give the rooms out for half price or something like that, just to give something back because then ... they appreciate it and then they will always come back. (3:32:124:124)

... try and be as friendly as possible and as helpful as possible, because we are here to give assistance and a service to them, so you have to ... keep that channel of communication open and they must feel free that if something bothers them or something is not to their liking that they can come and speak to you or whatever. (8:13:74:74)

The owner also takes out the companies, the people that do the bookings with us. She will take them once or twice a year to a function like the Barnyard or Monte Casino or something; she entertains them. (9:14:70:70)

... by trying to ... follow them through. If it's quiet then if you want to get extra ... conferences, we phone the different people that had been coming to us and say are you ok, how are you ... and that's how we go back to them. (10:32:156:156)

... telephonically, personally, ... one-on-ones ...so I communicate with them on a daily basis. (12:32:84:84)

It's like family, ... and the third time it's a kiss and hug, you know, relationship, so I am very sad to lose some of my customers because I am now fully booked, but ... they always phone me and ask before I go to another guesthouse, they phone us do you still don't have place available. (5:39:94:94)

Table 5.6 shows the codes used in analysing the category *Customers*.

Table 5.6: Customers

Code	Description
Customer satisfaction	This refers to how the service of the business meets or exceeds customer expectations.
CRM	This is a process companies use to understand their customer groups and respond quickly, and at times instantly, to shifting customer desires.

The majority of the participants revealed that they centre their efforts on the customer and on satisfying their customers. The following section discusses the important ‘tools’ that the participants mentioned as important in their businesses (‘tools’ in quotation marks because some of the tools mentioned by the participants are not tools as recorded in the literature).

5.6.4 Important tools

The researcher discovered that the participants did not use the management tools as indicated in the literature (Brinckmann *et al.*, 2010) and that they have what they regard as ‘tools’ which they deem important for their businesses to succeed. The participants mentioned these ‘tools’ when asked about the tool or tools that they deem most important in contributing to success. These include good customer service, marketing, networking, communication, location, cleanliness and hard work. They mentioned the following in this regard:

I think to summarise that it’s communication with guests ... business is all about good customer service. (7:39:116:116)

... constantly looking for new business, attend meetings, attend breakfast, networking where you can expand your network. (1:43:158:158)

Definitely, you can’t just depend on advertising, you can’t just depend on your personnel, you can’t just depend on city council, it’s a lot of stuff, SWOT, your strong points and your weak points. (5:60:108:108)

Immediate communication is very important and clear communication is a tool which must be used. (4:41:58:58)

Advertising, marketing advertising is one of the best, on the internet, website ... Google, you have to see that your accommodation is the top every 2 weeks. (5:59:104:104)

...keep the hotel clean and increase in the guest relationship, you know work really hard on the guest relationship. A lot of clients complain mostly of the way they are treated. (6:45:128:128)

My breakfast ... it's ... very good, my bedding quality ... people like quality, so obviously my food and also what you offer them, it's like five-star in a three-star place. (12:39:110:110)

It's the service you give to the guests ... just to keep them happy and so on, because at the end because you are working with people the whole time; it's by keeping them happy. (3:34:130:130)

Hard work and good services. (9:25:132:132)

All the participants seemed to agree that it is not only one aspect or one tool that contributes to success, but a mix of tools and/or activities. Some participants mentioned location as also contributing to how successful the business is.

5.6.4.1 Location

Some of the small business managers also mentioned location as a tool that assists them, especially in terms of getting customers. They said the following on the topic of location:

Mainly it's the location, like I said we don't go off like to town to do the marketing, so mainly the location gives us an advantage. (11:45:90:90)

Because we are so well situated close to all the amenities, people feel comfortable in staying here because we are really close, so yes. (8:39:160:160)

I think the area because I am ... one of the nearest guesthouses to bus stops and to the medical, I mean the doctor is just across the street, so I think it's my

venue, it's near the bus routes, it's near the shopping centre, its near medical aid, it's near a hospital. The other guesthouses at the top of the mountain, people can't walk from there to the shops. (5:58:102:102)

We are in [name of suburb], I'm sure you have heard in [suburb] they mostly have this problem of prostitutes running around and poisoning or drugging clients. (6:33:84:84)

The strength is as I said location. (12:42:54:54)

Because of the area what we are in, they don't think that they can be ... up-class guesthouse in this area. (9:34:76:76)

Table 5.7 summarises the codes used in analysing the tools given by participants as being important in contributing to their success.

Table 5.7: Tools

Code	Description
Important tools	These are the tools the participants think are most important in running an accommodation business.
Location	This refers to where the establishment is located and the influence location has on the business.

The participants do use tools mentioned in the literature, but in general do not know they are using a specific tool. For instance, some said they do not use tools, but when they described what they do, it was clear that the description corresponds with some or other management tool. These tools are discussed and linked to the literature in Chapter 6. The following section describes the marketing activities of the participants.

5.6.5 Marketing

5.6.5.1 Business market

The small business accommodation sector in Tshwane mostly serves the business market and business travellers, in other words government departments and corporate clients who are there to do business, attend conferences, and so forth. The participants stated the following in relation to the business market:

People don't come to Pretoria [Tshwane] for holiday. (5:10:30:30)

Because Pretoria is not a holidaymaker, it is a business maker. (2:8:26:26)

[Our] market is training and sales managers, people that travel. (1:39:130:130)

We are more for business people than ... this is not for holiday ... people come in not for holiday, they [come] for business, so it's when business is going. (3:11:44:44)

It's not like holiday or day guests, it's all corporate, so they all work at BMW and Nissan and when the factory closes down for the holidays or the long weekends then the guys [are] not here. (9:9:46:46)

Because we have people from SAPS staying for a month, there are also government departments like Home Affairs, they can bring their people from other provinces and they will stay a [while]. (11:19:52:52)

My target market is obviously ... [not just the lower, ... medium and obviously your affluent market and yeah so] and military, and it's mainly predominantly the government and military, but also the private sector. (12:45:20:20)

5.6.5.2 Word of mouth

Most of the small businesses mentioned that they advertise their businesses to old customers and that they get many customers through word of mouth.

Our strongest marketing tool is word of mouth. (4:19:70:70)

[It] is very important to ... make sure that they will refer clients ... so that you can get a by word of mouth going, that's very important because that doesn't cost money. (7:10:40:40)

My word of mouth is actually great, so ... I don't need at this point in time to do more planning. (12:11:36:36)

We have a lot of referrals as well. (1:44:160:160)

We ... actually work a lot on referrals. (2:38:54:54)

At the end the biggest advert to keep yourself busy ... to keep the place busy is mouth to mouth. (3:12:52:52)

... the best method or tool is word of mouth. People come here and they heard from friends or relatives or whoever and they come and visit us by word of mouth, that was our best tool. (5:42:104:104)

It also worked a lot based on mouth to mouth, when somebody comes in and they are satisfied obviously he communicates to the next client and ... we sometimes ask randomly how did you hear about the business, it's mostly through another person who was satisfied, who found satisfaction and decided to ... refer the hotel to another person. (6:22:100:100)

Then it is the word of mouth as well. (8:14:82:82)

... and if they are happy and they refer other people, like we get calls at times from many people from referrals. (11:41:60:60)

Table 5.8 summarises the codes used in analysing the marketing activities of the small businesses interviewed.

Table 5.8: Marketing

Code	Description
Marketing	This is the science and art of exploring, creating and delivering value to satisfy the needs of a target market at a profit.
Business market	This refers to the market served by the accommodation sector. The accommodation sector in Tshwane mostly serves business customers and not necessarily tourists.
Word of mouth	This refers to when customers are referred to by another person who has used the service before.

The market served by the establishments in the study is the business market and the participants have several ways of reaching their market. The next section describes the staff who serve that market and the skills that they possess.

5.6.6 Staff skills

The participants in the current study mostly said that training their staff was important for their businesses. The participants stated as follows:

... by making sure that ... we train our staff properly and that they know what exactly it is to take care of a guest. (6:32:70:70)

Training, that's the main thing, because when they started here in the business ... none of them really knew what was going on, so it's just the constant training ... (8:37:118:118)

Training of their staff and adding to the skills of their staff have an impact on the business, as the staff interact mostly with their customers. Small business managers mentioned the following:

They have to know how to clean the rooms and how to make the beds and what has to be in the rooms, things like that, and if I train somebody it will be how to make invoices, quotations, how to check people in, things like that. (3:47:169:169)

The training is mostly about what we do every day in the rooms, for example today I will mention that there are windows that were not well done, last time the bed was not well arranged and the TV was not dusted, the towels and the shower were not scrubbed, the shower curtains were not cleaned and things like that. (6:39:143:143)

The employees in these establishments are mostly trained in the skills that they will be required to use every day by fellow employees who are already doing the job, as seen from the findings.

... but I train them myself. (1:57:124:124)

You need growth and you need better expertise and so on and we do try and empower as much as we possibly can. We are now on a big drive ... we have appointed a company that is now going to assist us with definite targeted training, serious training. (4:18:66:66)

No, we don't really do any training, when we appoint someone they must have ... experience in the same industry. (9:40:181:181)

The people inside, like B, is the baker, what can I bake; M, she's not here today, trains the kitchen; F in front trains the till and how to run and make the coffee, so you know the people that know the work ... (10:41:180:180)

Yes, training is very important. Without training you can't, because remember the people I take is people that have never been in that industry so you have to impart your knowledge to them. (12:43:121:121)

The responses of the participants show that most of their staff are informally trained by the owner/manager and that training happens on the job. Skills such as administration, housekeeping and customer service are taught to the staff while on the job.

The relationship between the owner and the manager of the business, for those businesses not managed by the owner, was seen to be important and is discussed next.

5.6.6.1 Owner–manager relationship

Some of appointed managers at the establishments described their relationship with the owner of the business as good, but stated that when it comes to business there are times when they do not always see things the same way. The managers are not always on the same page as the owners, and this may be due to the fact that some of the owners are not hands-on in the business, as mentioned by some participants. In this regard, the participants stated as follows:

I am not always agreeing what they are saying, because I am working here and I am working here with the people, they will not always see it like you are trying to explain to them, so it depends ... (3:45:106:106)

It's only that my boss isn't into this business, so the manager's passion is little but as it is looks it's been good. (11:43:66:66)

The owner doesn't understand why I buy the same stuff but it costs more. (9:37:116:116)

In general, the relationship between the owner and manager seemed not to affect the businesses in a negative way.

But the owner doesn't interfere or anything like that. We have tea every morning, we discuss occupancy and I report the occupancy and that's it and actually I am the PA too I do things for [her] and everything so. (2:41:148:148)

The relationship between the owner and manager of the establishment is important and can contribute to success, which is now discussed.

5.6.7 Success

A number of participants interviewed mentioned that they were doing well and are in the process of acquiring new premises to expand their business. Equally, some of the establishments were planning to liquidate and move out of the industry. Both these kinds of businesses seemed to have achieved what they set out to do. One participant said, "I am moving out of the industry slowly but surely" (1:25:82:82). She mentioned

that this was because her business had been negatively affected during the 2010 Soccer World Cup:

After the 2010 World Cup, when the hospitality industry went down, our small businesses [didn't] have cash flow to carry [itself] for three months, unlike hotels that have each other ... that is where the long-term plan started. So there is also a way of income, rather have someone in the room for a lower rate for 30 days than have the room empty, so that is how that part of my business was created. It was because all of a sudden after the World Cup the hotels dropped their rates with more than just between 50% and 60% and our guesthouses lost a lot of business because of that. (1:62:110:110)

Other participants stated the following:

Yes, we want to sell ..., that's our long-term plan. (5:22:54:54)

We did everything, we achieved everything we wanted. (5:47:119:119)

So our success is based on occupancy rates. (11:28:78:78)

We have survived, I think that makes you successful in a certain sense. We have grown the business from an initial three bedrooms to twelve rooms. (7:35:100:100)

It's been going for 20 years ... so I think it is successful. (2:32:118:118)

When I started here, we didn't have stars and ... we have stars now, we are running for our second year with the stars, so I can see we are growing. (3:18:72:72)

Business is good here, the good thing about accommodation business is it's constant. I'm telling you it can only go down if you don't improve your service. (11:14:46:46)

... successful for the mere fact that we have two properties now for the business, although it's bonded. That's a plus, and from 2008 and still to be in business, that's a big plus. (12:35:100:100)

... is what you put in, is what you are going to get out ... that to me is success, you can't be successful if you don't do anything about the situation. (1:36:142:142)

This shows that small accommodation establishments do make use of strategies suggested by the literature, such as growth, liquidation and exiting.

5.6.7.1 Growth prospects

The participants mentioned that they had grown and also referred to the different ways in which they measured growth. These included cash flow, measuring income against expenses and occupancy. The participants stated the following in terms of growth:

... where the second guesthouse is now being built ... he did that ... three years before, but he anticipated we are going to be continually full, because he can see over the past 11 years how our occupancy rate has increased and so he anticipated we are going to need to expand so that was done three years ahead. (4:13:50:50)

Yes, I am busy, I am planning to build a new ... premises, apartments, yes, by next year we are ... 51, 61 almost 70 rooms. (10:13:40:40)

If I was still in the ... hospitality industry in ten years, you say, ... then I would have added another two houses to be five in total, but my ten-year plan is to make sure that my asset is running with long-term guests, not four-star accommodation anymore. (1:27:94:94)

The way it's going, I believe that in the next ten years we will have even three stars, because you know there are a lot of things we need to bring together to reach that level and I also mentioned earlier that we do, we are always doing the renovations, like I said we have 115 rooms but at the moment we have 95 [available] so we mostly block a room just to upgrade the standard or class. I'm sure in the coming years all our rooms will be up to standard. (6:14:66:66)

Well I have considered it, but we haven't mentioned it ... there are many things that one can do in this business that complements your business, so if I start a shuttle service that services Pretoria, but I will be able to benefit from that in that the undecided traveller... (7:44:134:134)

We are in the process of rebuilding, so if this place is rebuilt and we add ten more rooms as per plan in ten years' time, we will be getting another property to run. (11:14:46:46)

In ten years' time, I'm ... already looking now to buy another property, you know, to move out, because as I explained the demand is bigger than the supply. (12:18:50:50)

You can see with the amount of people coming and going, yes, and on your staff, if your staff is happy, then you know you are growing. (8:22:120:120)

With what money comes in, how many people come in ..., that's my growth. (10:42:124:124)

... finances, if money comes in ... It's growth because if nothing comes in then there is a problem ... ok, and also the growing factor of my clientele, my [clientele] has grown and also I am already penetrating the private sector where I have got constant business for the next few months already. (12:36:102:102)

The small businesses described their growth and success in terms of different aspects. To some, success meant survival for a long time, high occupancy rates, expansion, more customers, more income, and an increase in the number of rooms offered. One participant mentioned that growth was expensive:

Growth is very expensive, ... because you are growing from a small base, relatively speaking, and to grow one room you might need ... to buy an extra house, so it's not going to be one room, it's going to be several rooms, so the bite sizes, that makes growth in our industry difficult. (7:19:56:56)

This may mean that although small accommodation businesses have plans to grow, it might be difficult to implement them because of several constraints.

Table 5.9 shows a summary of the codes used to analyse what the participants view as their success.

Table 5.9: Growth prospects and success

Code	Description
Success	This means the achievement of set aims or objectives.
Growth prospects	This refers to any growth projections for the business or none thereof.

The responses of the participants show that they have strategies, namely expansion/growth, while some wanted to liquidate and exit the business. This shows that small business managers strategise.

5.6.8 Strategising

The participants interviewed seemed to practise some form of strategy, although not formally, as indicated in the literature. The small business managers are involved in strategising on a day-to-day basis when running their businesses. In this regard they commented as follows:

... my past experience in the business, and some market research to see what the competition is doing and check up on the tourism council and grading council to see if there [are] any new requirements or any new specifications, and then I set it all together in a plan. (1:14:44:44)

I would say have three options when I strategise. I say, ok 1, 2 and 3, I am hoping to all three till the first one comes, then if the first plan if I have plans and plan number 2 starts enrolling first, then I ditch the other two, then I focus on that one, now you have three. You can't just have one plan and think it's going to work out. It's like me, I have planned rooms about [these] people [are] going to stay here or this is going to happen or utilise this space for this and then all of a sudden I get someone who wants to rent the restaurant area on a monthly basis for a good rent, so the whole plan changes again. (1:49:166:166)

The statement above shows that the participant carries out strategising by following parts of the strategic management process.

As far as I am concerned, strategising means you got to plan three years ahead. (4:6:30:30)

You have a couple of strategies with the best case scenario. But there is always a worst case scenario, that's the acid test, in other words, what if, what if everything else fails, what will happen to my savings, and that will create your appetite for taking risks. (4:29:132:132)

You have to plan for this and plan for that and you have to have future plans and all that stuff. (5:11:34:34)

... let's say every two months, and then we have to meet again and maybe change, review whatever was planned, if ever it worked, we would continue on the same or not, we will change and plan for other things. (6:6:36:36)

That is the way that you would approach the market or a situation or so, you would basically look at where you are, where you want to go and how to get there. (7:9:38:38)

Well we have a weekly meeting on a Monday and then we ... discuss ... what we need to do or what went wrong or what is needed to be done for the week and that type of thing, so once a week. (8:8:52:52)

During the times that it's quiet we do have ... specials, book three nights and get one night free ... When it's quiet we do more ... visits to companies to tell them about the guesthouse, ... advertising, you know, that's basically it. (9:10:52:52)

My business runs on its own. I don't make plans, people phone me for conferences and so on, I do not advertise, I do not try to do anything because it's busy on its own, it's too small to do big things. (10:12:38:38)

... like now, business is very low, so we will be thinking of what to do to get clients, planning even for next year, it's not for a week or a month, so we do things that will sustain us for a long time. (11:12:38:38)

... for instance, clients come in, they have needs, so you have to also look at the needs and when there is needs, obviously then I am doing planning. ... I have got a new market that I have entered in, which is paraplegic market that I didn't cater [for] before, so now it calls [for] planning, because I didn't know how, what they need, how they do things, the rooms, you need planning, because the showers, they need certain things, the baths... (12:12:38:38)

5.6.8.1 Vision and mission statements

Most of the participants did not have a vision or mission statement written anywhere. In terms of such statements, the participants stated as follows:

We have had a vision statement ... that ... my husband ... his foresight for the guesthouse, he verbalises to the ... staff in regular general meetings and then regular management meetings and our mission is our logo: we are simply the best. (4:16:56:56)

When we did our research we put certain goals, like in three years' time all the rooms must be fully furnished, and we must get all the furniture. All the furniture was handmade, so that was one of the plans that we successfully completed. (5:51:131:131)

It was a vision, I started it 12 years ago, not here but the other [place], and now it's coming to be, it took 12 years to wait. (10:14:46:46)

You need to have a long-term vision and have your eye on the long run. It's a too capital-expensive business to be in to be opportunistic in [terms of] the short-term stuff. (7:38:114:114)

You know what, I don't really have a personal vision, because ... I really take it day by day, that's my motto, because from what I have learnt in personal experiences ... I don't plan that far ahead. (8:38:146:146)

You know, talking to you makes a lot of sense, because there is not really any planning here, there is not a budget. (9:29:150:150)

I don't think ... the owner has a vision of where she's going with it. (9:39:152:152)

The importance of having a vision and mission for the business cannot be underestimated. Although only a few of the participants had a vision or mission statement, most seemed to have a sense of direction of where they want their business to go.

5.6.8.2 Emergent strategy

All the small business managers concurred that things do not always go according to plan. One participant stated as follows:

No, no, sometimes, quite often, you have to fine-tune them ... in implementation stages ... it doesn't work as nicely as I thought, we need to adjust a little bit here and a little bit there ... (7:31:80:80)

The small business managers also highlighted that often they have to adapt their plans when things change. In this regard, the participants commented as follows:

Yes, sometimes we have to adjust because people are different, days are different also. So after planning I have to be flexible to accommodate any kind of changes. (9:39:152:152)

I have got a new market that I have entered in, which is paraplegic market that I didn't cater [for] before, so now it calls [for] planning, because I didn't know how, what they need, how they do things, the rooms, you need planning, because the showers, they need certain things, the baths ... things that [are] new there, you really need strategic planning there. (12:12:38:38).

Planning in this case seems to be both deliberate and emergent.

The participants further commented as follows:

No, plans never work out all the time, but so you move on, you change direction. (10:20:76:76)

I have planned rooms about [these] people [are] going to stay here or this is going to happen or utilise this space for this and then all of a sudden I get someone who wants to rent the restaurant area on a monthly basis for a good rent, so the whole plan changes again. (1:60:166:166)

Sometimes we have to bend the rules according to the situation that comes our way. (6:17:78:78)

Sometimes people don't always come out, they book by you and then you have to strategise and see how you can help them so you can't always plan. (12:30:78:78)

The strategising practices in small businesses seem to be mostly emergent, because the managers talked about adjusting their plans when things do not go as planned or when something changes that causes them to change their plan. Table 5.10 summarises the codes used in analysing all the factors that constitute the strategising practices of the participants interviewed.

Table 5.10: Strategy

Code	Description
Strategising	This refers to how managers put into practice the fundamentals of the strategic management process and management tools.
Vision/mission statement	A vision is a dream or ideal picture of the future activity of the business created by the manager/owner The mission is the primary aim of the organisation, justifying its existence and distinguishing it from other organisations.
Emergent strategy	This refers to an unplanned strategy that arises in response to unexpected opportunities or challenges.

This shows that the small business managers interviewed do plan, although they also leave room to adapt to changes that may take place. The next section discusses the tools used in strategising.

5.7 Tools used in strategising

Table 5.11 records the management tools as identified by Bain & Company in their research of the top 10 tools mostly used by successful organisations. Their research

refers to large organisations. The data therefore show which management tools, in the current study, small accommodation business in Tshwane use when strategising.

Table 5.11: Management tools

Management tool	Number of participants who said they used it	Examples of statements from transcribed interviews showing the use of management tools
Vision and mission statements	3	<p>We have had a vision statement ... that ... my husband ... his foresight for the guesthouse, he verbalises to the ... staff in regular general meetings and then regular management meetings and our mission is our logo: we are simply the best. and our ... statement should be the client is always right, its hanging there outside you know... (4:48:56:56)</p> <p>So you need to have a long-term vision and have your eye on the long run. (7:51:114:114)</p> <p>It was a vision, I started it 12 years ago, not here but the other [place], and now it's coming to be, it took 12 years to wait. (10:14:46:46)</p>
Core competencies (these are the responses the participants gave when asked what they think differentiates them from other small businesses in accommodation)	7	<p>I am the only guesthouse that gives such a huge breakfast and I give quality, quality and quantity, I know my clients, what they like [and] dislike ... (12:23:60:60)</p> <p>We are very friendly place, we make the people feel very much at home. We try and make it a home away from home and that is our aim ... I will tell you something that we get a lot of compliments, my staff are very good and my place is clean so I have got people that come back and back and back. (2:39:66:66)</p> <p>I think the area because I am ... one of the nearest guesthouses to bus stops and to the medical, I mean the doctor is just across the street, so I think it's my venue, it's near the bus routes, it's near the shopping centre, its near medical aid, it's near a hospital. The other guesthouses at the top of the mountain, people can't walk from there to the shops. (5:58:102:102)</p>

Table 5.11 continued

Management tool	Number of participants who said they used it	Examples of statements from transcribed interviews showing the use of management tools
		<p>It's the cleanliness. When I look at the other small businesses around ... our cleanliness is special, because I have visited some other hotels, some of them don't take things seriously, but here when I say spotless, I mean it. (6:34:96:96)</p> <p>... the personal touch, yes, that ability to make the client feel very special here and most of the people like the homely atmosphere and ... the friendliness and the interaction from the staff. (8:35:92:92)</p> <p>... the service, the food and ... the ... serenity, the garden and the peacefulness, and each room has its own door. It's not [like] most of the guesthouses around here, it's like a house, and they share bathrooms; here everyone has their own bathroom, their own TV, it's not like a house, it's their own apartment, self-catering, all our rooms have stoves and microwaves so they can do self-catering. (9:35:82:82)</p> <p>... because we have the restaurant on the premises ... the guests [don't] have to go out, so the guests can eat here and its more relaxing, and there [are] always people, so ... if you want a more quiet place, this is not the place for you ... but if you like to sit down, just sit alone, but you want to be in-between people, then it's nice and I think because of the restaurant we are different than the others. (3:43:84:84)</p>
Benchmarking	5	<p>... market research to see what the competition is doing. (1:53:44:44)</p> <p>... for example on your websites as well, just the word why us, we have now gleaned from another website that we saw and we have now incorporated it into our guesthouse. (4:26:96:96)</p> <p>You have to look at other guesthouses in the area, what is their process, keep up to date with their prices. (5:13:42:42)</p> <p>We mostly compare to the other hotels in the area, check, when we look at it we are really among the lowest rate, we always do research ... we want to keep the price low. (6:10:48:48)</p> <p>I move around guest houses, just viewing, how they operate, how they are doing these days, since things change, so keeping with the standard is the best way to do businesses, to maintain the business and to keep going. (11:23:58:58)</p>

Table 5.11 continued

Management tool	Number of participants who said they used it	Examples of statements from transcribed interviews showing the use of management tools
Strategy implementation	4	<p>... the advantage of having ... a small business ... once a decision is made, you start implementing it immediately. (7:30:78:78)</p> <p>When I put it into practice I will sit with people that I know [have] expertise, maybe people that [have] done it where they had success rate and ... then I will ... put it into practice. (12:29:74:74)</p> <p>We implement it, we discuss it, you know, as a team, and then we pick up this is where we need to improvise, then we try and get a better solution or to improve in the situation and then we implement it. (8:33:46:46)</p> <p>First of all as I said you have got to go buy the property you have been looking at and then make plans, get an architect, decide ... on the plans, what you want and that's how it goes. (10:37:74:74)</p>
Change-management programmes	0	
Balanced scorecard	0	
CRM	11	<p>I build that trust in them so they know they can just pick up the phone or send me an e-mail. (2:28:100:100)</p> <p>There is also this ... complementary that we offer sometimes, you know, depending on how long you have stayed with us [to] encourage you. We can always give a complementary just to motivate the client. (6:12:58:58)</p> <p>You know, that's the very important thing, to constantly be in touch with what your guests are feeling and thinking, because that gives you an evaluation of your product that you are selling. (7:20:58:58)</p> <p>We have a questionnaire that they have to fill in when they book out and then I will give them a call and ask them did they enjoy their stay or send an e-mail. (1:20:56:56)</p>

Table 5.11 continued

Management tool	Number of participants who said they used it	Examples of statements from transcribed interviews showing the use of management tools
		<p>Like we will do in the end of the year because we are quiet, we will send out a letter that's telling the people because its Christmas we want to give something back, then we will give the rooms out for half price or something like that, just to give something back because then .. they appreciate it and then they will always come back. (3:32:124:124)</p> <p>... try and be as friendly as possible and as helpful as possible, because we are here to give assistance and a service to them, so you have to ... keep that channel of communication open and they must feel free that if something bothers them or something is not to their liking that they can come and speak to you or whatever. (8:13:74:74)</p> <p>The owner also takes out the companies, the people that do the bookings with us. She will take them once or twice a year to a function like the Barnyard or Monte Casino or something; she entertains them. (9:14:70:70)</p> <p>... by trying to ... follow them through. If it's quiet then if you want to get extra ... conferences, we phone the different people that had been coming to us and say are you ok, how are you ..., and that's how we go back to them. (10:32:156:156)</p> <p>So I establish relationships with all my clients. I really please them; I do follow-ups at times to make sure they still have the stuff that I have left, like the flyers, so they end up knowing me, because of the regular visits. (11:42:60:60)</p> <p>... telephonically, personally, ... one-on-ones ... so it's important to have that communication so I communicate with them on a daily basis. (12:32:84:84)</p> <p>It's like family, ... and the third time it's a kiss and hug, you know, relationship, so I am very sad to lose some of my customers because I am now fully booked, but ... they always phone me and ask before I go to another guesthouse, they phone us do you still don't have place available. (5:39:94:94)</p>

Table 5.11 shows a summary of the management tools that the small businesses in question used and that the researcher discovered in the data collected. In most instances, the participants were not directly asked whether they use a specific tool. The researcher deduced from the data whether a particular activity mentioned by the participants relates to a specific tool. The results show that a significant number of small business managers do make use of management tools in running their businesses, most notably CRM, strategic planning and core competencies. Those who do make use of the tools are not always aware that they are using a specific tool as mentioned in the literature. The tools used by the participants coincide with the stipulations in the literature.

5.7.1 Business environment

The discussion below describes the environment in which the establishments operate and includes some of the tools discussed under management tools above.

5.7.1.1 SWOT

The participants interviewed could identify the core competencies that set them apart from their competition and some also practised benchmarking. All of these factors mean that the small businesses are using part or all of the SWOT analysis in their business.

All the small businesses managers knew something about their strengths, weaknesses, opportunities and threats. They could recognise something as a weakness or strength and knew who their competition was. In this regard, the participants stated as follows:

One strength is that we have been operating for 13 years, we have a solid customer base and our guests normally come back if they have stayed with us. (1:18:52:52)

I think because the owner doesn't come here a lot, I will say that's weaknesses, because there are certain things we cannot do fast enough to improve [ourselves], because there [are] things that I want to do but I cannot do it because I have to get permission, so certain things [are] difficult ... I think it's a weakness in our business. (3:20:76:76)

5.7.1.2 Core competencies

The participants also identified the core competencies that set their businesses apart from their competition. Some of the core competencies mentioned were the following:

I am the only guesthouse that gives such a huge breakfast and I give quality, quality and quantity. I know my clients ... (12:23:60:60)

I think the area because I am ... one of the nearest guesthouses to bus stops and to the medical, I mean the doctor is just across the street, so I think it's my venue, it's near the bus routes, it's near the shopping centre, its near medical aid, it's near a hospital. The other guesthouses at the top of the mountain, people can't walk from there to the shops. (5:58:102:102)

5.7.1.3 Benchmarking

Although some of the participants said they do not look at what others are doing and that they just concentrate on running their business, the majority of the participants interviewed practise some form of benchmarking:

I go to guesthouses and I see, I steal with the eyes what can I learn from this guesthouse and that's a very good method to check your business. (5:37:86:86)

I move around guest houses, just viewing, how they operate, how they are doing these days, since things change, so keeping with the standard is the best way to do businesses, to maintain the business and to keep going. (11:23:58:58).

Although some of the participants mentioned that they do benchmark their business, some clearly do not, as evidenced by the following quote:

I do my own thing and try to do my best, I can't beat other people, I can't do better if they are doing better ... but I do my best and that's it. (10:18:68:68)

5.7.1.4 Competition

The small businesses interviewed seem to be aware of their competition and some have strategies to counter the competition and improve their business. With regard to competition, the participants commented as follows:

... market research to see what the competition is doing. (1:53:44:44)

... competition is other guesthouses in the area, hotels took a lot of ... our market share after the World Cup because they dropped their rates. (1:55:46:46)

... next [to me] there is guest house, we have hotels here. (11:21:54:54)

Well ... my competition here is [name of hotel], ... all the guesthouses around here are all my competition ... and there [are] plenty around here. (2:18:58:58)

... the other guesthouses around the area. (8:34:86:86)

... all the guesthouses around, it's all the guesthouses in Pretoria, ... because especially for the guys from overseas, they want to stay in the most upgraded guesthouses and so ... we must compete with them because of the area [that] we are in, they don't think that they can be ... up-class guesthouse in this area so all the other guesthouses. (9:17:76:76)

... the people around me, there is a guesthouse along the street here, there is [name] and other guest lodges. (10:16:54:54)

Ok, there is a lot of competition, firstly you still have the, obviously, as you call it the white dominant world, where whites still go to whites, I get a few, you know. (12:21:56:56)

Table 5.12 shows a summary of the codes used in analysing all the factors that contribute to the SWOT analysis of the small accommodation businesses interviewed. This also relates to the previous table on management tools, as most of the codes also refer to management tools.

Table 5.12: Business environment

Code	Description
SWOT	This refers to possible strategies to exploit external opportunities, counter threats, build on and protect strengths and eradicate weaknesses.
Core competencies	This is an ability that enables an organisation to deliver unique value to its customers.
Benchmarking	This refers to improving performance by identifying and applying best demonstrated practices to operations and sales.
Competition	This refers to the other businesses that are offering the same service.

It is also evident that these small businesses face competition from bigger hotels. From the discussion above, small business managers seem to be aware of the environment in which they are operating, both internally and externally, in terms of for example knowing their competition and the strengths and weaknesses of the business. Being aware of these factors mean that they can make decisions based on what is happening, thereby employing strategising practices.

5.8 Conclusion

This chapter reported on the findings of the current study and how the research sought to answer the research questions. The main findings were that small business managers are aware of the environment in which they operate. Although the participants face competition from larger rivals, they have managed to survive for a considerable time. The results also show that small business managers strategise, and although they mostly do so informally, their strategising is emergent. The findings show that small business managers use tools when strategising – ‘tools’ in their own sense

and also tools as identified in the literature. The researcher used verbatim quotes to support the findings. The chapter described the strategising practices of small business managers, that is, the activities they carry out on a daily basis that contribute to strategy. The next chapter focuses on the interpretation of the findings, the conclusions of the study and the recommendations for future research.

CHAPTER 6

INTERPRETATION, CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

While literature on strategy has increased in recent years, research on small businesses is still limited in the strategic field. Most small businesses tend to exhibit weak or non-existent strategic management practices (Ashurst *et al.*, 2011; Ibrahim, 2012; Tell, 2012). Furthermore, the strategy research agenda has moved towards the micro-level strategising, but there is limited empirical work that engages truly with micro-level strategising. The current study sought to close the gap in the knowledge relating to strategising practices in small businesses, specifically in the accommodation sector in Tshwane. The purpose of this chapter is to interpret the findings presented in the previous chapter, to link them to existing theory and to answer the research questions. This chapter also outlines the limitations of the study and makes recommendations for further research.

6.2 Interpretation of findings

The purpose of the current research was to explore the strategising practices of small business owners/managers in Tshwane and how they strategise, if indeed they do. For ease of reference, the problem studied is repeated here as in Chapter 1, Section 1.2. The way in which small businesses are managed may be the starting point to ensure that small businesses survive and make a positive and lasting contribution to the economy. Small businesses need to be managed with a view to future growth and this can be done through, among other management practices, strategising. Hence, the researcher studied the strategising practices in small businesses as a possible way of securing small business sustainability. In view of the failure rate of small businesses in general, the question that arose was: “How do small businesses owners or managers in Tshwane practise strategic management in running successful businesses?” As pointed out before, studies done across the world and in South Africa acknowledge the importance and contribution of small businesses to any economy (see Chapter 1, Section 1.1).

According to Jarzabkowski (2007), strategising refers to the ongoing interplay between managers and the strategising practices in shaping strategy over time. In other words, strategising comprises the relationship between praxis, practices and practitioners (Jarzabkowski *et al.*, 2007:11). As mentioned in Chapter 3, Section 3.4 and repeated here for ease of reference, praxis is defined as the actual work (i.e. SWOT analysis, vision/mission statement, cleaning rooms, checking guests in and out) that constitutes strategy and is the flow of activity through which strategy is accomplished. Practices are common habits, behaviours and procedures of thinking, acting and using things symbolic and material tools through which strategy is done, for example Porter's five forces and a SWOT analysis (Jarzabkowski & Kaplan, 2015:545). Practitioners are the people who are actually doing the work of strategy (i.e. business owners/managers and their staff) and carrying out all its aspects.

The research also explored the management tools used by small business managers in strategising, as they form part of practices. The current research considered the micro level of strategy work, with the main focus on the micro level that shapes everyday practice, as shown in Domain A of Jarzabkowski and Spee's (2009:75) domains of S-A-P research (refer to Chapter 3, Figure 3.4). The notion of S-A-P perspective appears appropriate to describe strategy in small businesses (Brinckmann *et al.*, 2010; Choo, Mazzarol & Reboud, 2014:4; Hodgkinson & Clarke, 2007; Verreyne *et al.*, 2014). The main research questions and objectives are summarised below.

6.2.1 Research questions and objectives

The main research question in the current study was "How do small businesses owners or managers in Tshwane practise strategic management in running successful businesses?" A secondary research question was also asked, seeking to explore which tools the small business owners/managers use in strategising. The objectives of the study were to explore how small business managers in the accommodation sector in Tshwane strategise and which tools small business managers in the accommodation sector in Tshwane use in strategising, if they strategise, to ensure sustainability.

The main research question on how small business managers strategise was deduced from the strategic management model adapted from Pearce and Robinson (2009), as shown in Chapter 3, Section 3.6, and the S-A-P approach of Jarzabkowski *et al.* (2007), as shown in Chapter 3, Figure 3.3. In line with Jarzabkowski and Spee's (2009) call for further research on what strategists do, the current research discovered what small business managers in the accommodation sector do. This was achieved by investigating small business managers as they engage in strategy work, in other words, at a micro level. The current research not only provided insight into the strategising practices of small business managers, but also uncovered the management tools that participants use. According to Jarzabkowski and Spee (2009:1), S-A-P as a research topic is concerned with the doing of strategy, who does it, what they do, how they do it, what they use and what implications this has for shaping strategy, which the current research therefore set out to uncover.

The interpretation of the findings begins with the demographic information and business information collected and their implications for the study.

6.2.2 Demographic information

The demographic data of the study included age, gender, educational level, first language and ethnicity. The findings on the biographical data were reported in Chapter 5, Table 5.1.

6.2.2.1 Age

The data of the study show that the participants were between 36 and 55 years old. The establishments were in operation between 5 and 23 years. This means that the owners started the businesses when they were relatively young. This observation is in agreement with previous research (FinScope, 2010; Nieman & Nieuwenhuizen, 2014:28), which state that people start businesses when they are between the ages of 25 and 44. The establishments had been in business for longer than the threshold suggested by Lighthelm (2011) and Herrington *et al.* (2014), which means that they are successful.

6.2.2.2 Education

The findings of the current study show that the participants have some form of education, albeit only matric, but none of the participants had any formal business qualifications according to the qualifications recorded in Table 5.1. The majority of the participants had qualifications in other fields, such as education, mathematics, economics, law and psychology, and a few had qualifications in accommodation-related fields such as sales and marketing, travel and tourism, hospitality and bakery. The perception could be that they are 'grounded' in the essence of running their businesses successfully, given the number of years that they are in business and the kinds of management tools they use to manage their business. According to Stokes and Wilson (2010:41), there is no clear link between education and entrepreneurship, but it is claimed that individuals will be more likely to exploit an opportunity if they are better educated. The literature also suggests that the capacity of a small business to grow is linked to the level of education of the owner or manager of the small business (Blackburn *et al.*, 2013:13; FinScope, 2010:20; Nieman, 2014:28). This means that education can shape their capacity to think, as alluded to by one of the participants. Although they are not formally trained to run their business, they have been doing it for at least five years, which is the period during which most small businesses fail, according to the literature (Lighthelm, 2011:62).

6.2.3 Business information

The information on the businesses that participated in the current study is reported in Chapter 5, Table 5.2. Most of the small businesses in the study were registered as CCs. This means that the businesses have been in existence for longer than two years, as the registration of new CCs was abolished in South Africa. The new Companies Act came into effect on 1 May 2011, under which no new CCs can be registered, and current CCs had an option to convert to a private company or to remain a CC. The introduction of CCs was part of government's strategy to make it easier to start and manage a small business. This shows that the participants might have been responding truthfully to the question asked, especially in terms of period of existence. This

interpretation is in addition to the survival period, therefore the findings of the research are credible, that is, they accurately reflect the reality of the participants.

6.2.3.1 Existence

The age of the small businesses (between 6 and 23 years) shows that they are survivors given the period in business. In the current study, the businesses have been in operation for at least five years, with the oldest being in operation for 23 years. According to Lighthelm (2011:62), most small businesses fail within the first five years of operation. Although according to the literature small businesses have the collective potential to create jobs if they survive and grow, the current study shows that although some of the small businesses have been in existence for many years, they have not really grown to a point of creating more jobs or expanding their operations over the years. This shows that small businesses have survived and perhaps do not need to employ more people or even expand beyond being small. This could be due to insufficient demand for accommodation, given that Tshwane is not a holiday destination. However, it is important to note that small businesses may not create massive employment opportunities individually, but rather collectively.

6.2.3.2 Size

The majority of the small businesses in the current study are very small enterprises, according to the Small Business Amendment Act, employing fewer than 20 employees. The definition of a small business used in the current study included very small (fewer than 20 employees) and micro (fewer than five employees) businesses (see Chapter 5, Table 5.2). Only two businesses were micro enterprises according to the criteria used in the study. This brief introduction demonstrates that the participants in the study were in a position to provide information which could be useful in answering the research questions. The next section discusses the interpretation of the findings in the context of the accommodation sector.

6.2.4 The accommodation sector

The accommodation sector is made up of establishments that offer a place to stay in exchange for payment. The current study was on small businesses in the

accommodation sector, as it is a growing sector and an important part of the economy. The current study focused on the accommodation sector in Tshwane, which included a variety of accommodation establishments, namely one hotel, six guesthouses, two self-catering establishments and one B&B (see Chapter 2, Section 2.6).

The accommodation sector in South Africa is influenced by a number of factors, including economic, social, legal and physical factors, as seen in the literature, which the research participants confirmed. According to Stern (2012), the factors influencing businesses in the accommodation sector include the regulatory and economic environments, rising input costs, information technology, labour resources, seasonality and crime, as discussed in Chapter 2 (Section 2.6.2). All of them are exposed to the same external factors which they cannot control or influence. Although they have control over internal factors, for example management, strategising, the tools they use and the practices in which they engage, the success will depend inter alia on how well they know their business and industry and whether they have insight into the business and foresight. These characteristics may be developed by training/education specifically in business/management. The participants, in Chapter 5 (Section 5.6.2) of the findings, concurred that the factors mentioned in the literature do influence their businesses. Small business managers also mentioned that power and water cuts (physical environment) also significantly affect their business operations. This in turn interferes negatively with their endeavour to provide services to meet their customers' needs.

6.2.5 Challenges in the accommodation sector

The current research was carried out in the context of the accommodation sector and therefore it is important to deliberate on the challenges faced by businesses operating in this sector. Factors adding to the marginal employment opportunities created by this sector include the challenges they face in complying with all the laws and regulations (discussed in Chapter 2, Section 2.6.2), for example labour laws and contractual regulations, liquor laws, tobacco legislation, TV licensing, building regulations and municipal zoning laws, which have cost-raising effects, adversely affecting their businesses in the current economic climate and also putting pressure on their already weak financial position. When costs rise, the managers sometimes have no option but

to pass on the cost to the customer, which affects their low-cost strategy. The challenges faced by businesses in the accommodation sector are reported below.

6.2.5.1 Regulations

The current study discovered that adhering to regulations is a challenge for the majority of the participants. For example, the change in grading requirements mentioned by one participant have led them to decide not to grade again, as it has become expensive to meet all the requirements (Chapter 5, Section 5.6.2.3). This is because it has cost-raising effects and a small business manager might decide to do without it. According to research carried out by SEDA (2012:43), one of the challenges facing small businesses in the accommodation sector is an onerous regulatory environment. According to Barnard (2014:13) and SEDA (2012:52), accommodation businesses have certain regulations such as the Basic Conditions of Employment Act, Sectoral Determination 14, Hospitality Sector and liquor laws, tobacco legislation, TV licensing, building regulations and municipal zoning laws, which they have to follow in operating their businesses. The current study also revealed that some small accommodation establishments operate without adhering to these regulations. This may mean that small businesses can do without these regulations, or that it is too much of a challenge to even begin adhering to them. The current research could not establish the difference between the establishments that did not struggle to comply with regulations and those that struggled.

6.2.5.2 Seasonality

As can be expected, the accommodation sector is affected by seasonality. As defined before, seasonality is the temporal imbalance in tourism and in this case is expressed in terms of the number of visitors. The current study shows that because Tshwane is not a holiday destination but more of a business destination, the occupancy drops when there are public holidays or school holidays and whenever people take a break from their work. This is no different from accommodation establishments that cater for holiday makers, as people go on holiday only at certain times during the year. This means that the accommodation sector as a whole is characterised by periods of low occupancy. This may have implications such as empty rooms, increase in costs and even less cash

flow. This confirms what the literature (Barnard, 2014:20; Martin *et al.*, 2014:126; Stern, 2012:19) says about seasonality being a challenge for small businesses in the accommodation sector because they do not always have customers, therefore productivity and cash flow are low during the quiet times. To counter the downside of seasonality, some small business managers from the current study mentioned that they call their old customers during quiet times and some offer specials in order to attract customers when the occupancy drops. This shows that the participants make use of diversification as a strategy. This is in line with the findings of Connell, Page and Meyer (2015:296), who agree that the use of events to address off-peak reduction in demand demonstrates that events are a frequently used strategy for the sector. This means that establishments attract customers who would not normally have used the establishments, but have used it because of the lowered prices for that period. Some of the small business managers of the said establishments mentioned that they do not need to do any marketing, as they always have people staying in their establishments, even when occupancy drops. This is mainly due to word of mouth and repeat customers. This shows that small business managers are aware of this challenge and come up with ways to counter the effects of the drop in occupancy.

6.2.5.3 Crime

The current study discovered that small businesses are affected by crime. When customers experience crime at an establishment or if an establishment is perceived to be in a location where crime is prevalent, customers will not be willing to use the services of that establishment. Some of the participants mentioned that they have put up security and safety measures for their establishments in order to prevent crime and to keep their customers safe. This means that small accommodation businesses constantly have to deal with the challenge of crime in South Africa, which is congruent with the literature (Stern, 2012:21). Measures to combat crime have cost-raising effects, which may impact the viability of these ventures.

6.2.5.4 Other factors

The current study found that small businesses are also affected by the economic environment. Small business managers mentioned that with all the input prices rising,

they cannot really increase their rates to match inflation and that it is costing more to run their businesses, which may be why some of the small businesses cannot employ more staff. Rising input costs have been identified as a challenge facing small businesses in accommodation. The participants mentioned having other activities, such as conferences, restaurants, transport services and the like, in order to diversify their offering. Diversification strategies may be used to counter rising costs in order to survive. Stern (2012) suggests that the economic environment affects accommodation businesses in general. It is therefore a challenge that may cause small businesses to stagnate and not grow any further. This is in agreement with the literature, which states that higher input cost is a challenge to small business growth (Stern, 2012:17). Rising input costs poses a challenge to small businesses in the accommodation sector in that they will be forced to pass the cost to the customer, which may mean the demand for their services may decrease, threatening their sustainability.

The participants also mentioned electricity and water supply interruptions as factors that negatively impact on their businesses. When customers have paid for a service, they do not expect water or electricity supply interruptions, and therefore small business managers are forced to have alternative measures (for example buying power generators) in place, which increases the cost of running their businesses.

The factors discussed above relate to the external environment in which the businesses operate. According to the literature, these include political, governmental and legal forces; economic forces; social, cultural, demographic and natural environment forces technological forces; and competitive forces (David, 2013:93). Consequently, in the current study all these factors tend to contribute to rising costs of running small businesses in the accommodation sector and together with seasonality can have an adverse effect on the accommodation establishments studied.

6.2.6 How small business managers strategise

According to the current research findings (Chapter 5, Section 5.6.8), small business managers seem to practise strategy, but not in exactly the way indicated in the literature. The findings show that most of the strategising in small businesses occurs

informally and is emergent, as most of the participants alluded that they did not formalise their strategies and that they changed their plans often to suit current circumstances. This is in line with the literature, stating that much of the planning that occurs in small businesses is informal, emergent and intuitive in nature (Brinckmann *et al.*, 2010; Choo *et al.*, 2014:3; Verreyne *et al.*, 2014). Balasundaram (2009:14) argues that environment awareness, making timely changes and the awareness of the implications of small business managers' strategic choices are more important in small business than merely formalisation of their thinking and awareness. This supports what the current study found, namely that although the managers do not plan formally, they are still successful. The participants indicated that most of the time they have to change their plans according to a specific situation because sometimes things do not go as planned, which shows that they also engage in deliberate strategising (see Chapter 5, Section 5.6.8). This appears to be contrary to previous studies on small business. As reported in Chapter 3, Section 3.4.2, most small businesses tend to exhibit weak or non-existent strategic management and planning activities (Ashurst *et al.*, 2011; Brinckmann *et al.*, 2010; Ibrahim, 2012; Tell, 2010; Verreyne *et al.*, 2014).

The majority of the small business managers interviewed did not have a vision or mission statement for the business, but the majority of the managers did have a sense of direction for where they want their business to go. The lack of a vision or mission did not mean that they do not set goals for their businesses, which implies that they seem more short-term-oriented, which may be detrimental to long-term success. The study also found that they keep information on their customers (as discussed in Section 6.2.7), and they are aware of their environment (SWOT analysis), including the competition. This means that their businesses have some form of direction; hence, they do strategise, but rather informally. Some of the participants interviewed mentioned that they look at how the other establishments are operating, including their prices, so that they can also set their prices to be competitive in the market. The researcher can conclude that the small business managers interviewed make use of differentiation strategies by identifying what is unique to their own business. Table 5.11 shows that the minority of the participants interviewed practised strategy implementation.

According to Van der Merwe and Nienaber (2015:48), most contemporary organisations seem obsessed with implementation as a driver for performance. The current study showed that small business managers monitor the success of their strategy because they adjust their plans accordingly in view of changes. The researcher also discovered that the participants used tools to strategise; these are ‘tools’ that the participants mentioned as assisting them in achieving success as well as management tools, which correspond with Bain & Company’s research (Rigby, 2015) and also with those of Marr (2013). Half of the participants said that they strategise on their own or with one other person (an appointed manager or advisor, or the owner); this was regardless of whether they were the owner or the manager (see Chapter 5, Section 5.6.8). The other half of the participants said that everyone participated in strategising in their businesses. This could be the reason for their success, as when everyone is involved, they understand what is expected of them, as opposed to large organisations, where most of the time only top management teams are involved in strategy. The businesses in which the owner was more involved seemed to be doing better than those where the owner was not the manager of the business (see Table 6.2).

Therefore, small business managers in the accommodation sector are deemed to strategise to some extent, although not formally and not as indicated in the literature. This is consistent with the research of Brinckmann *et al.* (2010), who recommend that small businesses should institutionalise the planning approach in their businesses. Most of the time they do not even realise that they are applying strategising practices in running their businesses. Consistent with the findings of Adamoniene and Andiuscenka (2007) and FinScope (2010), although they do not have formal business training, the managers could have learnt what works and what does not from experience. Perhaps success is not linked to the formal processes outlined in the literature, but to applying what works within a specific context and time (Brinckmann *et al.*, 2010:37).

In the literature in Chapter 3, Section 3.6, the researcher reported on the relationship between strategic management and management tools. The current research shows that the participants used management tools although they were not aware that they are

using a specific tool as it is described in the literature. These are reported in Chapter 5, Section 5.7. Most of the tools mentioned in the current study correspond to the top 10 most-used management tools by large, global, successful organisations, according to the research carried out by Bain & Company (Rigby, 2015). Table 6.1 shows the percentage use of tools in 2015, according to Bain & Company, and also the percentage use by the participants in the current study.

Table 6.1: Top 10 management tools

Management tool (ranking according to Bain & Company), 1 being the most-used tool	% used by large, global successful businesses	Number of participants using the tool in current study
1. CRM	46	11
2. Benchmarking	44	5
3. Employee-engagement surveys	44	0
4. Strategic planning	44	7
5. Outsourcing	41	0
6. Balanced scorecard	38	0
7. Mission and vision statements	38	3
8. Supply chain management	36	0
9. Change-management programmes	34	0
10. Customer segmentation	30	0

The current study shows, as indicated in Table 6.1, that CRM was the most used by participants, followed by strategic planning and then benchmarking. Less than half of the participants used the other tools mentioned in the table.

Furthermore, the top tool for large businesses was also the top tool used by the participants in the study and this could be why the small businesses in the current study have managed to survive for more than five years. These tools are related to strategic management and therefore it can be concluded that small business managers use management tools when they strategise. Participants indicated that they wanted to make sure customers get value – this is a dimension of competitive advantage, the

foundation of a sound strategy (Van der Merwe and Nienaber (2015:46)) – so their informal non-specific unarticulated strategies are based on customer value which may be a reason for their success This is consistent with the findings of Woods and Joyce (2003:190), whose research suggests that owner–managers have access to fewer strategic tools than other managers, and consequently use fewer of them in planning, and Woods and Joyce (2003) believe that it is not lack of expertise that is interfering with their ability to plan. This may explain why some of the participants in the current study do not use most of the tools mentioned.

The diagram below (Figure 6.1) shows how the tools aid the strategic management process. Figure 6.1 shows the management tools used by the participants and how they relate to the strategic management model of Pearce and Robinson (2009). The tools shown are strategic planning (SP); vision and mission (V&M); benchmarking (BM); core competencies (CC); customer relationship management (CRM); and strength, weaknesses, opportunities and threat (SWOT) analysis.

This shows that the participants are already using some of the concepts found in the strategic management process.

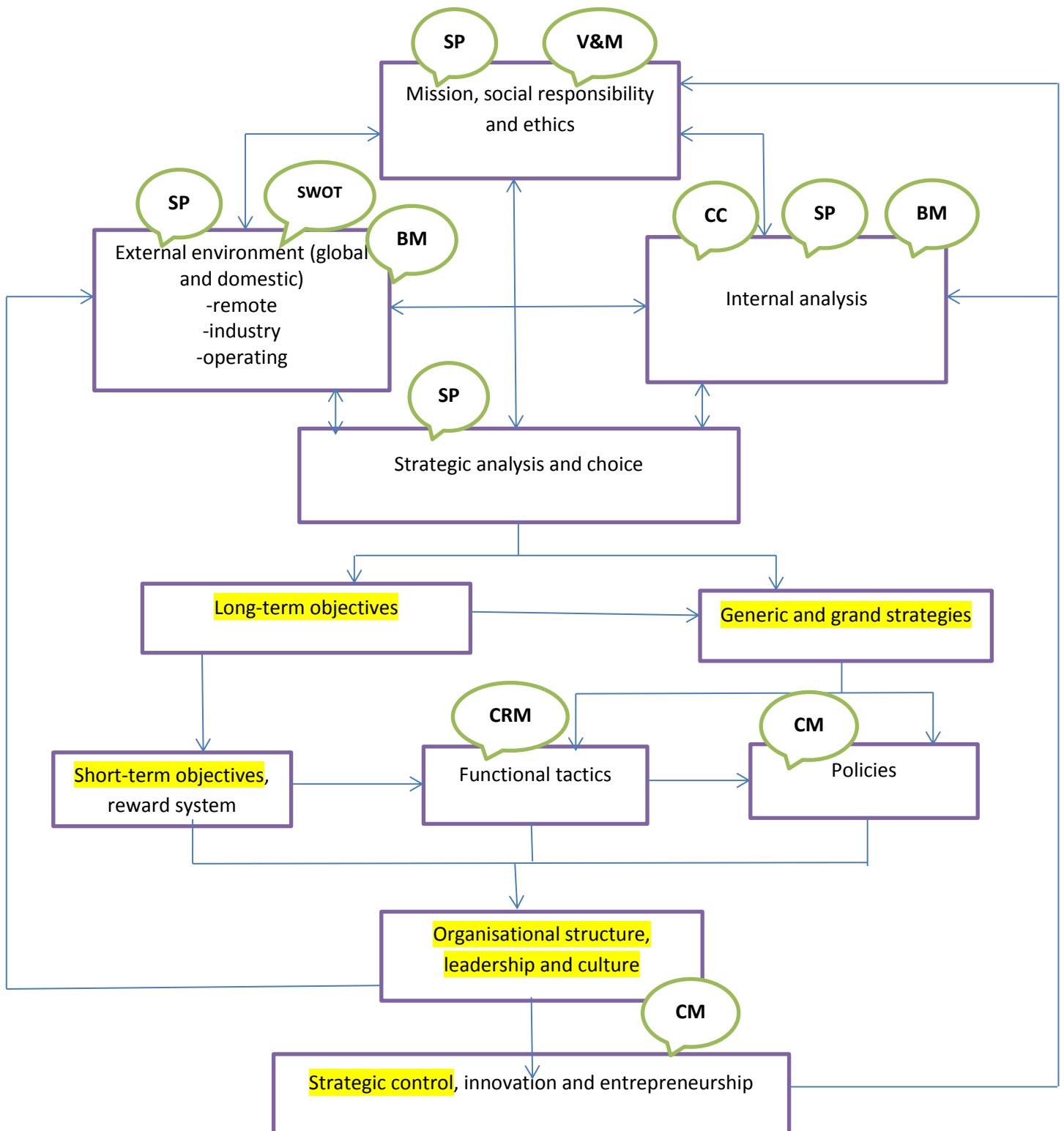


Figure 6.1: Adapted strategic management model

Source: Adapted from Pearce and Robinson (2009)

According to Figure 6.1, the parts highlighted in yellow were addressed, although some implicitly. Refer to table 3.3 for an explanation of the figure.

In their responses, some of the participants mentioned that they have objectives or plans. This shows they have objectives, both long-term and short-term, and that they attend to most of the components of strategic management.

The participants referred to 'cost', and therefore low cost can be identified as a competitive strategy. Some referred to differentiation and others to diversification. These can all form part of the grand strategy. Nieman and Nieuwenhuizen (2014:308) suggests differentiation and cost leadership as possible strategies for small businesses.

6.2.7 The business environment

The business environment in the current study refers to both the internal and the external environment, which also includes factors discussed in the previous section. This also includes the SWOT analysis in the business or industry as a whole. The SWOT analysis is discussed in the literature (see Chapter 3, Section 3.3.2.2) as being the basis for identifying possible strategies to exploit external opportunities, counter threats, build on and protect strengths and eradicate weaknesses. The current study found that small business managers were able to identify their strengths, weaknesses, opportunities and threats, although it was not clear whether they then come up with possible strategies from conducting a SWOT analysis, or whether they apply it consistently.

Another factor that relates to the business environment in the current study was competition. The small business managers are aware of their competitive environment, in other words competition from other smaller establishments and also from bigger established hotels. Some of the participants interviewed have strategies in place in order to counter competition. According to Barnard (2014:22), all segments in the accommodation sector face competition from alternative or exchange accommodation. Small businesses also face competition from larger and more established hotels (SEDA, 2012:52). The study found that small businesses in the accommodation sector face competition from larger businesses such as hotels in the industry, as pointed out in the

literature (see Chapter 5, Section 5.7.1). Small businesses remain at a disadvantage, because larger businesses have the capacity to cope with the different challenges presented to the industry and can therefore survive easier than small businesses. For example, they are able to lower their prices to attract more customers because they have more rooms to offer than most small businesses.

The participants in the current study use a number of management tools to strategise, including setting direction; identifying strengths, weaknesses, opportunities and threats; as well as capitalising on strength and opportunities and minimising the effect of weaknesses and threats. These include core competencies, benchmarking, marketing, customer relationships and skills/competencies, which are now discussed.

6.2.7.1 Core competencies

The participants identified core competencies relating to the ability to deliver unique value to customers. These include location, friendliness, cleanliness, a personal touch and other differentiating services. Accommodation is a highly competitive industry and rivals can be identified using price, segment, as well as value, differentiation and focus. According to Barnard (2014:22), one of the most important differentiators is the level of service. There is a global trend towards encouraging repeat visits and the most effective way to do this is by creating a personal relationship, hence a more personalised service for the guests (Barnard, 2014:22). The participants in the current study showed the potential to create these differentiators in the core competencies mentioned earlier in that they were able to identify differentiating factors, although some of them were not so different from the other establishments.

6.2.7.2 Benchmarking

The current study established that some of the participants made use of benchmarking, although not exactly as set out in the literature. Benchmarking has been identified as one of the management tools used by global, successful organisations, according to research carried out by Bain & Company (Rigby, 2015) (see Table 6.1). This could be why the small businesses have existed for a relatively long time, because they make use of benchmarking, which is one of the management tools that are recommended for

success according to the research of Bain & Company. The researcher could not establish whether the way in which small business managers use benchmarking had an effect on sustainability. The fact that the participants could identify the above-mentioned factors renders support for the observation that they are aware of the environment in which they are operating, both internally and externally, and this could potentially mean that they are able to come up with strategies in order to better operate in their specific environment.

6.2.7.3 Marketing

The findings relating to marketing are reported in Chapter 5, Section 5.6.5. The literature points out that most small business managers lack marketing skills (SEDA, 2012:52). Small business managers seem to use inexpensive ways to market their businesses because they do not have the cash flow to spend on a marketing budget. As mentioned before, the current study revealed that the city of Tshwane is more of a business area than a tourist destination. Therefore, the accommodation businesses mostly serve the business market, that is, people who come to Tshwane for business, hence serving private organisations such as hospitals, car dealer plants and also government departments. Almost all the participants mentioned that word of mouth was their biggest marketing tool, meaning that a satisfied customer will tell others about the service at the establishment and recommend it to others. This may be why the current study revealed that in the accommodation sector, customer satisfaction is one of the top priorities for small business managers. This means that if customers are satisfied, there is a greater chance that they will use the establishment again and even recommend it to others. This increases business for the small business, thereby leading to growth.

The study also discovered that the participants knew who their target customers are and how to reach them, disagreeing with what the literature suggests in terms of lack of marketing skills (SEDA, 2012:52). These small business managers could have learnt from experience. Previous research (FinScope, 2010:22–23) has found that small business owners in South Africa claim to acquire the skills needed for their business through teaching themselves or while managing the business. Moreover, service-providing business owners were more likely to rely on previous job experience, training

programmes and courses and tertiary education (FinScope, 2010). This is coherent with observations in the current study, as the participants predominantly had no formal business training. One participant mentioned the completion of a sales and marketing course and another participant mentioned that the university degree he had (which was neither a business nor a tourism qualification) helped him in managing his business.

6.2.7.4 Customer relationship

The findings on customer relationships are recorded in Chapter 5, Section 5.6.3. The findings of the current study show that small business managers in the accommodation sector place significant importance on their relationships with customers. According to the participants, most of these customers are long-term or repeat customers and the participants are therefore constantly in touch with their customer needs. CRM has been identified by Bain & Company (Rigby, 2015) as the number 1 tool used by successful organisations in 2014 and one of the top 10 tools used over the last eight years. The current research shows that CRM is the number 1 tool used by the small business managers who were interviewed, as shown in Chapter 5, Table 5.11. The small businesses that were part of the current study could be deemed successful because of their use of CRM, among other tools.

6.2.7.5 Skills/competencies

In the current study, the participants pointed out the importance of training their staff in skills necessary to perform their day-to-day duties, for example housekeeping, cleaning and customer service. The current study revealed that small business managers do train their staff, but only in the duties that they are expected to perform on a day-to-day basis. The literature suggests that there is a lack of training in small businesses, especially in the management and marketing skills of both managers and staff (FinScope, 2010; SEDA, 2012:52). The question that arises is whether small business managers and their staff need formal business training or not. The importance of training cannot be overstated, but what kind of training would be applicable for a small business in the accommodation sector to be successful. The skills that may be deemed to be important are the ones that contribute to creating value for the establishment. Therefore, it is important especially for a service industry such as the accommodation

sector for the staff to have customer service skills in order to contribute to customer satisfaction. In addition, in the establishments where the business is run by an appointed manager, relationship skills also seem to be important.

6.2.8 Important tools

When referring to tools, the participants did not refer to the tools used in the literature, but to other 'tools' that they deem important in running their businesses. The tools are mentioned in Chapter 5, Section 5.6.4, and include good customer service, marketing, networking, communication, location, cleanliness and hard work. It is evident from the current study that when the participants referred to tools, they referred to the tools that they use every day and that they can easily link to their success. The strategic importance of these factors needs to be investigated further. Location also appeared as a common 'tool' that is deemed important for achieving success in the accommodation sector. Location can give the establishment an advantage over others, depending on what the customer is looking for. According to the researcher's knowledge, there is no literature indicating that location is a tool that is important for success in business; however, in deciding to start or relocate a business, location is taken into consideration.

6.2.9 Success

From the current study, the researcher discovered that the definition of success differed from one participant to the next. Blackburn *et al.* (2013:18) acknowledge that measuring business performance is complex and that it is usually measured in terms of turnover, employment growth and profits. Some participants defined their success according to their occupancy, some referred to how long they have been in the business and others described success as having achieved what they had set out to achieve (refer to Chapter 5, Section 5.6.7). Wiklund *et al.* (2009:357) allude to the fact that the fulfilment of non-economic personal goals can be reasons for starting a firm. Therefore, when these goals are fulfilled, sometimes the business owner may decide to sell or close down. A few of the small business managers were planning to expand, that is, building more rooms or building a second establishment (i.e. growth). This may show that they have been successful and that their businesses are growing. The researcher discovered that these businesses were located close to shopping centres, schools and universities,

a big sports stadium or government departments, which may have contributed to their success. This means that again, location may be an important factor for success; for example, if located near a sports stadium, people attending matches can use the establishment for accommodation. These businesses predominantly used vision and mission statements, SWOT analysis and CRM, among other tools. It is interesting to note that the participants planning to expand their businesses were all owners who were managing the business. Table 6.2 summarises the status of the establishments that participated in the study.

Table 6.2: Status of small businesses

Status quo	Considering growing/expanding	Planning to close down
P3, existence 10 years, uses strategic planning, core competencies, SWOT and CRM (manager)	P2, existence 20 years, uses strategic planning, core competencies, SWOT and CRM (manager)	P1, existence 13 years, uses strategic planning, benchmarking, SWOT and CRM (owner)
P6, existence 6 years, uses strategic planning, benchmarking, core competencies and CRM (manager)	P4, existence 11 years, uses vision and mission statements, strategic planning, benchmarking, SWOT (owner)	P5, existence 12 years, uses strategic planning, core competencies, benchmarking and CRM (owner)
P8, existence 8 years, uses core competencies, SWOT, strategy implementation, SWOT (manager)	P7, existence 23 years, uses vision and mission statements, strategy implementation and CRM (owner)	
P9, existence 10 years, uses core competencies and CRM (manager)	P10, existence 14 years, uses vision and mission statements, SWOT, strategy implementation, change management and CRM (owner)	
P11, existence 5 years, uses strategic planning, benchmarking, SWOT, change management and CRM (manager)	P12, existence 6 years, uses SWOT, core competencies, strategy implementation and CRM (owner)	

Table 6.2 shows that most of the small business managers practise strategising regardless of whether they were considering closing down, expanding or maintaining the status quo. From Table 6.2 it appears that the businesses use more or less the same tools, despite some of them closing down. There could be a difference, however, in how they use the tools and in the value derived from the tools. All the businesses maintaining the status quo were managed by appointed managers, which may show that managers may not necessarily have growth prospects and are just doing their job. Of the businesses planning to expand, only one was managed by an appointed manager. This could mean that it is mostly the owner who has future growth prospects of the business in mind and that businesses tend to grow if managed by the owners themselves. The current economic climate, especially in terms of rising costs, can cause establishments to close down or maintain the status quo due to lack of finances to expand the business.

The participants predominantly see themselves as successful and they have survived for more than five years – the norm for being successful as a small business according to the literature (Ligthelm, 2011:21; Small Business Administration, 2011). This can mean that a business does not need to formally practise strategising or follow a particular process in order to be successful, or that small businesses are more suited to an informal and flexible approach given their nature. There is little convincing evidence in previous literature as to whether survival is related to business planning (Brinckmann *et al.*, 2010; Choo *et al.*, 2014; Lange, Mollov, Pearlmutter, Singh & Bygrave, 2007; Mazzarol *et al.*, 2009; Tell, 2010; Verreyne *et al.*, 2014). The question arises whether strategic management in its entirety adds value to a business or whether it is the result of applying certain aspects of strategy that are applicable in a particular context and at a given time. Could it be they may become more successful if they apply the strategic management process in its entirety, as suggested by the literature and the responses to the current study?

As reported in Chapter 5, Section 5.6.7, the study shows that these businesses have grown from when they started out either in terms of occupancy or building more

capacity (i.e. rooms). There is little agreement in the literature on how to measure growth and a variety of measures have been used. These include growth of sales, employees, assets, profits and equity (Wiklund *et al.*, 2009:359). The small businesses in the current study may be said to have grown considering what they said they used to measure growth, for example increase in occupancy, improvement of financial position and building more rooms.

6.3 Conclusions

The current study set out to explore the strategising practices of small business managers in the accommodation sector, which falls under the tourism industry, a growing and significant industry in South Africa's economy. The study followed a qualitative approach to explore the strategising practices of small business managers in Tshwane. The study determined that small business managers strategise, although they mostly do so informally. The study also sought to determine the tools that the participants use in strategising. The results show that they use some of the tools deemed to be important for success by big businesses and that they also have their own 'tools' that they deem important to achieve success. The researcher found that small business managers do carry out some strategising, although informally and not exactly as set out in the literature. The researcher also discovered that a number of small business managers use some of the management tools recommended for large, global and successful businesses. Tools are derived from strategic management and as tools are flexible, they can be adapted to suit a particular situation (Jarzabkowski & Kaplan, 2015:544).

The current study confirmed that some small business managers do strategise to a degree. The study also found that small business managers do not follow the strategic management process as suggested by the literature, but that they use some of the tools included in the strategic management model. Moreover, small business managers use management tools when strategising. The study also found that small business managers use 'tools' not mentioned in the literature as strategic tools for success. Most of the findings of the study were consistent with the literature, although further research is recommended in this regard.

The research sought to contribute to the research relating to small businesses and micro-level strategy activities. The current research also set out to add to the body of knowledge in terms of the strategising practices of small business managers. The research therefore achieved the objectives that it set out to attain. Overall, the gap in research was closed. The research question on how small business managers strategise was answered in the different activities that the participants in the current study said they carried out. The research unearthed how small business managers in the accommodation sector in Tshwane strategise and which tools they use. The current research can assist in showing how strategising can contribute to an organisation's survival and success by generating relevant information, creating a better understanding of the environment and reducing uncertainty.

6.4 Recommendations for future research

The following recommendations are made for further research on this study's topic:

- Research into other sectors, such as manufacturing and businesses selling products instead of services, as the context and results may differ from one sector to another
- Research in other parts of the country, as Tshwane is mainly a business destination and not necessarily a tourist destination; therefore, the results may be different in a tourist destination
- Exploring tailor-made strategies for small businesses, because sometimes what works for big businesses will not work for the setup of smaller businesses
- Exploring the regulatory environment in the accommodation sector and how small businesses adhere or do not adhere to these and the implications thereof; this is because most small businesses lack the resources to adhere to most regulations, which are easier to adhere to in big businesses.

6.5 Limitations of the study

The current research was carried out with consideration for rigour and trustworthiness of the research design and methodology. Inevitably, the research has limitations that need to be taken into considerations, which are discussed below.

The current research was qualitative; therefore, the results cannot be generalised (Marshall & Rossman, 2011:76). However, the purpose of qualitative research is not to generalise, but to explore in depth and in context. The results of the research reflect the lived experiences of small business managers in the accommodation sector and may or may not represent the experiences of other small business managers in the same sector or in other sectors, despite the observation of data saturation after interview number 8. This means other small business managers, especially in different sectors, may have different realities from the ones interviewed. In order to counter the above limitation, the researcher provided sufficient detail about the context of the research so that readers can judge the applicability of the findings to other known settings, which relates to the transferability of the study.

Another limitation of the research was that it presents snapshot-like descriptions that represent practices at one point in time. This refers to the cross-sectional nature of the study, which pertains to all cross-sectional studies. It may be that at another point in time, the interpretation of the practices would be different. As tourism and accommodation laws and environment change, there may also be a change in practices if the research was carried out at another time.

Another limitation is related to the use of interviews. Interviews may produce bias due to poorly articulated questions in the same way that bias can be created when interviewees give what the interviewer wants to hear (Yin, 2009:102). Although the researcher made an effort to attend training on conducting interviews, another limitation was the inexperience of the researcher in conducting interviews. This refers to lack of adequate probing, not seeking clarity and questions not specifically asked.

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APPENDIX A: CONSENT TO PARTICIPATE IN THIS STUDY

I, _____ (participant name), confirm that the person asking my consent to take part in this research has told me about the nature, procedure, potential benefits and anticipated inconvenience of participation.

I have read (or had explained to me) and understood the study as explained in the information sheet.

I have had sufficient opportunity to ask questions and am prepared to participate in the study.

I understand that my participation is voluntary and that I am free to withdraw at any time without penalty.

I am aware that I was selected from a list compiled from the Yellow Pages Pretoria 2013/2014.

I am aware that the findings of this study will be anonymously processed into a research report, dissertation, journal publications and/or conference proceedings.

I agree to the audio-recording of the interview and I am aware that the interview may take 45 to 90 minutes of my time.

I am aware that the researchers should help me in cases of adverse consequence resulting from my participation in research

I have received a signed copy of the informed consent agreement.

Participant name and surname..... (please print)

Participant signature.....Date.....

Researcher's name and surname..... (please print)

Researcher's signature.....Date.....

Witness name and surname.....(please print)

Witness's signature.....Date.....

APPENDIX B: INTERVIEW GUIDE

Interview protocol: Exploring the strategising practices of small business managers in selected small businesses in the accommodation sector in the Tshwane metropolitan area

Prof/Dr/Mr/Mrs/Ms

Thank you for the opportunity to interview you in connection with the strategising practices in small accommodation businesses. A lack of planning has been cited as one of the reasons for failure of SMMEs in South Africa, and planning is one of the legs of strategic management. Therefore, this study seeks to explore whether and how small business managers strategise. Insight into strategising practices may help in making recommendations on strategising practices that may lead to an increase in the number of small business that survive.

The **purpose** of this investigation is to explore strategising practices of small business managers in the accommodation industry in Tshwane with a view to understanding how small businesses strategise. This information may serve to add knowledge in understanding how small businesses strategise to ensure the long-term success of small businesses.

Hence, the **objectives** are to find out:

- whether you as a small business manager in the accommodation sector in Tshwane strategise; and
- which (management) tools you use in strategising, if you do strategise.

To ensure a shared understanding of concepts we would like to share our definitions with you. You are welcome to indicate whether and to what extent you agree or disagree with our definitions, as it will assist us in our study.

Do you have any questions at this stage?

Interview

BIOGRAPHICAL DATA OF PARTICIPANT

Age:-----

Gender:-----

Educational level:-----

 First language:-----

 Ethnicity:-----

 Position held:-----

THE BUSINESS

a) Please describe your business to me. (to verify that they are in the accommodation sector, type of establishment, e.g. B&B, guesthouse, hotel)

b) A small business will be defined as a business employing more than 20 workers according to the National Small Business Amendment Act 26 of 2003. Given this definition, would you agree (or not) that your business is a small business in the accommodation sector? (to verify that they are a small business). How many people do you employ?

c) Is your business managed by the owner or an appointed manager? Have you always been in this position? IF not, since when?

d) What type of legal entity is the business?-----

e) How long has your business been in existence?-----

f) What are your occupancy rates? Seasonality?-----

In your opinion, what are the key factors (FROM LITERATURE regulations, rising input costs, economic environment, labour resources, seasonality, exchange rates, security, safety and crime) that significantly impact on the achievement of your plans in your business? Is it possible to predict changes in these variables with reasonable accuracy? Why?

Link these variables to the tools used and how they strategise.

STRATEGISING (refers to how managers put into practice the fundamentals of the strategic management process and management tools. Hear definition, give my own definition, then, depending on the definition agreed, continue with the questions)

a) Have you heard of the term 'strategising'? What do you understand strategising to

mean, in your own view? Do you have routine activities and/or practices that you regard as strategising? For example defining tasks, operationalisation of targets, resources mobilisation, performance evaluation, information gathering/dissemination, etc.

- b) How do you strategise (deliberate/emergent or both, formal/informal planning) if you do, and if you don't, why not? How often, e.g. monthly, annually etc.?
- c) Who participate(s) in strategising?
- d) Do you know the following strategising tools and do you use it in managing the business?

1. **Vision and mission statements** (a mission statement defines the company's business, its objectives and its approach to reach those objectives. A vision statement describes the desired future position of the company) (Who is involved in drafting?)

- What are the values or principles on which your business is based?
- How do you come up with short-term goals (are they weekly, monthly, annual)?
- Who comes up with long-term or short-term goals, and how do you measure their effectiveness in your business?
- Where do you see your business in the next 10 years? What activities can you attribute to be helpful in achieving your goals/plans/objectives/strategy?

2. **Strategic planning** (a comprehensive process for determining what a business should become and how best it can achieve that goal. Links the business objectives to the actions and resources required to achieve them)

- What are the strengths and weaknesses of your business, and how do you compare them to your competition?
- Do you know the environment (macro, market, internal) (link to key variables) in which your business operates? Can you describe it?
- What competitive strategies do you use to keep up with competition, changes in the environment, exploit opportunities, counter threats and achieve your goals?
- What resources do you use in your business? How do you allocate resources available in your business? e.g. finance, people, assets, information technology, cash flow, etc.

3. **Core competencies** (a deep proficiency that enables a company to deliver unique value to customers)

- What do you regard to be the core competencies of your business?
- Do you utilise these core competencies to the benefit of the business (or to

obtain a competitive advantage)? If so, how?

4. **Benchmarking** (process of identifying and applying best demonstrated practices to operations and sales. Managers compare the performance of their products or processes externally with those of competitors and best-in-class companies)
 - Do you compare your business to best practices in your industry? If so, how do you do this? e.g. other businesses or perhaps give me examples
 - How do you use benchmarking to improve the performance of your business? What else do you use benchmarking for?
5. **SWOT** (strengths, weaknesses, opportunities, threats) (a SWOT analysis shows the internal strengths and weaknesses as well as external threats and opportunities for the business)
 - Do you conduct a SWOT analysis for your business? If so, how often?
 - What are the strengths, weaknesses, opportunities and threats that affect your business? link to key variables
 - How do you exploit opportunities, counter threats, build on and protect strengths and eradicate weaknesses?
6. **Strategy implementation** (the process of allocating resources to support chosen strategies, thereby putting into action what has been planned)
 - Do you put into action your objectives for the business (or your planned strategies)? How?
 - Do your plans always go according to how you planned them; do you usually succeed by following plans to the letter or by changing and fine-tuning plans as you go (emergent strategy)? If not, why? (what are the challenges)
7. **Change management** (the process of managing change and development within a business)
 - Has any change taken place in your business?
 - If so, how did you manage that change? Please provide examples.
8. **Customer relationship management (CRM)** (businesses collect and manage large amounts of customer data and then carry out strategies based on that information. It is a process used to understand customer groups and respond quickly to shifting customer desires)
 - Do you use CRM?
 - Are customers' data easily available to you? How do you obtain it?
 - How do you manage your relationships with your customers? (customer

loyalty, market research, customer retention, customer preferences, customer service, customer behaviour)

9. **Balanced scorecard** (defines a business's performance and measures whether management is achieving desired results)

- Do you use the balanced scorecard to evaluate your business performance?
- How do you measure financial performance? (revenues, earnings, cash flow), customer value performance (market share, customer satisfaction measures, customer loyalty), internal business process (occupancy rates, quality measures, timeliness) and employee performance (morale, skills and knowledge, turnover, use of best demonstrated practices)

10. Do you consider your business as successful? Y/N Why?

11. What methods do you use to measure the growth/success of your business? How often do you use these?

12. Do you attribute any of your successes to prior decisions? Do you regard your success to be linked to the above practices or is it incidental? Please elaborate. In your opinion, which tool is most useful or is it a combination of tools that contribute to success?

13. Is there anything else that you think relevant in connection with strategising that I have not asked/considered? Yes/No; What? Why?

THANK YOU FOR YOUR INPUTS

APPENDIX C: FIELD NOTES

Observation – participant behaviours, what has happened?

Personal – reflective, what you think has happened, your emotions, preconceptions, expectations, prejudices, thoughts that may come to mind

Methodological – what are you learning as a researcher, rapport with participants, ups and downs encountered in the study

Theoretical – what are the themes that are emerging, patterns present, connections between pieces of data, ideas

Field notes: 19 September 2014

BED 2 – interview lasted 50 minutes 57 seconds

Observation

This was my first interview. I arrived at the establishment early because I had made an appointment beforehand. Upon my arrival I met one of the managers and he informed me that the other manager had gone out and he himself was busy. He then called the wife of the owner and told me to wait for her, as she had agreed to do the interview. So I waited until she arrived, as they said she was at the bank. When she arrived and saw me, she asked me for my student card, which I did not have with me. I then showed her the letter that had been signed by her managers agreeing to the interview and she seemed to loosen up after that. She was very nice to me and offered me tea. We then started the interview, I was a bit nervous, as this was my first interview with a participant. She was forthcoming and shared with me how they started their business. She also introduced me to her administrator, who later showed me around the establishment. When her husband arrived she handed me over to him. He was not open at first but then he asked me what I was studying and I told him, he then continued with the interview. There were some interruptions during the interview, such as when the phone rang and the participant had to attend to it. When the interview ended, both participants were happy that I had come and they even offered me a job.

Personal

I thought that the people at this establishment did not take me seriously at first due to the fact that I made an appointment with the managers and then had to wait on the day to do the interview with someone else. However, it became better in the end because I interviewed the owner of the business instead of an appointed manager. The employees at the establishment both at the reception and in the kitchen were friendly. I thought the husband at first was not open to doing the interview and it was like I was

wasting his time because he had a business to run. I did not dispute this, but felt frustrated. I also felt that he was talking about irrelevant things most of the time, but I gave him time to finish. The establishment was neat and clean both on the inside and on the outside. I felt that the owners of the establishment were nice people and it gave me an idea of how they treat their customers.

Methodological

As a researcher I learnt that it is important to establish rapport with participants or potential participants so that when you arrive for the interview, the participant already has some knowledge of you and what your research is about. In this interview, the husband of the participant arrived in the middle of the interview and the wife suggested that I complete the interview with him. I realised that I got more valuable information from the wife and would have loved to continue with her. Efforts of going back to finish up with the wife did not yield anything, as she insisted that if I want anything I should speak to her husband.

Theoretical

As this was the first interview, I was still familiarising myself with the interview process and the information that I had gathered.

Field notes: 29 September 2014

BED 3 – interview lasted 44 minutes 32 seconds

Observation

This interview took place in a very quiet neighbourhood and I was interviewing the owner of the establishment. There was a parrot that was at the reception and making a noise the whole duration of the interview. The owner asked me to come and sit with her at the reception desk; she was doing the books when I started with the interview. The interview environment was not that conducive, mainly because of the noise, but I carried on with the interview. I did not meet any of the employees at this establishment and also did not get an opportunity to look around.

Personal

This participant was forthcoming with information and seemed honest in her responses. She said she wanted to sell the business and move somewhere else because of the crime in Pretoria.

Methodological

There was noise during the interview. As a researcher I could have asked if we could move to a quieter place if it was possible. I had established rapport with the participant during previous communication.

Theoretical

At this moment it is clear that the factors affecting small accommodation businesses seem to be similar. Also important to note is that this particular participant is considering selling the business and moving on after 13 years of operation.

Field notes: 19 September 2014

BED 4 – interview lasted 37 minutes 15 seconds

Observation

This interview was with an appointed manager at the establishment. The establishment was neat and clean; however, there was noise coming from outside, as it is located on a busy street. The participant did not talk a lot and she seemed as if she was busy and did not have a lot of time to conduct the interview. Therefore, the interview was relatively short.

Personal

I thought she was young and she was younger than my previous participants. My impression of the participant was that she did not have a lot of experience and therefore she could not answer some of the questions in the interview guide.

Methodological

The noise levels were a bit disturbing and I could have asked to move to a quieter place if it was possible. The participant had a tendency of repeating my questions before she could give an answer; maybe she wanted clarity first before answering.

Theoretical

The participant in this interview specifically mentioned that they try to keep their rates low in order to attract clients, but this leads to them attracting all sorts of characters, some of which are not desirable. Low-cost strategy?

Field notes: 2 October 2014

BED 5 –interview lasted 1 hour 20 minutes 49 seconds

Observation

The participant mentioned that the establishment was a family business. This was a long interview, probably because the participant was forthcoming. The establishment looked old; everything was old, from the furniture to the curtains. The place was quiet and clean, except for a slightly dirty floor. I had to wait for the participant for a few minutes because he was late. The interview went well with no disruptions and there was no noise disturbing the interview.

Personal

I got the impression that this particular participant gave some good inputs. He talked a lot and made a few recommendations that he wanted me to look into.

Methodological

I did not encounter any problems with this interview.

Theoretical

The participant at the end of the interview mentioned that an accommodation establishment could diversify in order to achieve success. The participant mentioned something that was common in other establishments, but that he himself did not practise. Regarding the issue of giving customers to other establishments when he is full – I am not sure how this will fit into my study. Themes/categories are starting to emerge.

Field notes: 6 October 2014

BED 6 – interview lasted 1 hour 8 minutes 50 seconds

Observation

The interview was with an appointed manager at the establishment. The premises looked old and dilapidated and needed some painting on the outside. Even the board that shows the name of the establishment is faded. The manager was a bit sceptical when I took out my recorder to start with the interview.

Personal

I thought that the participant was not very comfortable with being recorded, but I quickly assured him that I need to capture everything and the study will remain confidential. I also thought that because he was aware that he was being recorded, he told me what he thought I wanted to hear.

Methodological

As a researcher I learnt that it is important that your participants understand why you are doing what you are doing or the methods that you are using.

Theoretical

The participant mentioned that he had no support from the owner of the business and this sometimes causes frustration, as some things that need to be done are not done at all or are not done on time, thereby affecting the business.

Field notes: 11 October 2014

BED 7 – interview lasted 49 minutes 31 seconds

Observation

This particular interview took place on a weekend, as the owner was busy during the week. The interview was also relatively short, as she seemed not to have much to say. On this establishment was also a restaurant and catering facilities.

Personal

The lady at this establishment offered me a job and I was flattered. I thought the interview was rather short, because the owner was busy and wanted to get on with her work.

Methodological

In this interview, the participant was not that forthcoming. As a researcher I learnt that I need to know more ways of probing the participant to respond to the questions even if they think they have nothing to say. I had established rapport with this participant, as we had talked before.

Theoretical

The owner was in the process of planning to expand her business, so she seemed to have been successful in her business. She also mentioned that she had a vision a long time ago to expand the business and now it was going to take place. It was common with the other establishment that also wanted to expand; it started as a vision. Growth strategies?

Field notes: 13 October 2014

BED 8 – interview lasted 29 minutes 25 seconds

Observation

I got to the establishment and met with the participant as per agreement. The establishment was clean and neat. The participant was not comfortable with revealing her exact age. The interview was relatively short.

Personal

I was a bit uneasy with this particular interview because the participant seemed to be difficult over the phone. She had however agreed to do the interview with me, but as the interview progressed I got the sense that she did not want to reveal too much information about her business.

Methodological

Although rapport had been established with this participant, I was still under the impression that the participant was holding back a bit.

Theoretical

By this interview I start noticing that most of the small business managers do not formally strategise, they mostly do what is needed for their business at the time.

Field notes: 16 October 2014

BED 9 – interview lasted 28 minutes 46 seconds

Observation

This interview was with an appointed manager at the establishment. The area is quiet and peaceful. I only got to see the reception area at this establishment, but it looks clean and tidy from the outside. The participant was forthcoming and willing to share information about their business.

Personal

The participant did not know some of the questions on my interview guide and I got the impression that because she was a manager she did not know some things. She also mentioned that the owner offers her minimum support in the business.

Methodological

Rapport with this particular participant was established, as I had met with the participant before. There were no problems encountered with this interview.

Theoretical

I am getting the sense that most of the small accommodation businesses that are managed by an appointed manager don't always see things the same with the owner. This is probably because their perspectives are different, as the owner is not hands-on in this case. Despite the relationship, the small businesses seem to have been successful because they have been operating for more than five years.

Field notes: 16 October 2014

BED 10 – interview lasted 25 minutes 47 seconds

Observation

I was interviewing the owner of the establishment. When I arrived at the establishment the owner told me that she had been called to an appointment that she was waiting for, for a while now. So we do the interview in her car on the way to the interview. It was not really conducive, but I did not want to reschedule the interview. It was a relatively short interview.

Personal

The participant was forthcoming and I thought she was a person with a strong personality.

Methodological

Rapport was already established, as I had met with the participant before. The problem with this interview was that I conducted it in a moving vehicle and there was a bit of noise and not much concentration from the participant. Upon reflection, I should have rescheduled the interview for a more conducive time and place.

Theoretical

I seem to be hearing the same thing from participants. From what this participant said, I thought she strategises without even realising it.

Field notes: 17 October 2014

BED 11 – interview lasted 27 minutes 6 seconds

Observation

The interview was with the appointed manager of the establishment. The place was in a quiet neighbourhood and it was neat and tidy. The participant seemed to have a lot that she was attending to and she seemed to have forgotten about our appointment.

Personal

I thought she was a nice person because she was accommodating and friendly. There was an interruption when the phone rang. I thought that she was proud of her work, she even showed me a certificate that she had received from one of her government clients for her service.

Methodological

I had talked on the phone with this participant, so we had established rapport. There was no problem with this particular participant.

Theoretical

At this point, no new themes/categories are emerging from the participants.

Field notes:012014 15 October 2014

BED 12 – interview lasted 31 minutes 29 seconds

Observation

I was interviewing a young manager at this establishment. The premises were neat and clean, but close to a busy road, so there was noise coming from the street as I proceeded with the interview. There was also noise from cars arriving at the establishment, as the interview was conducted outside.

Personal

I thought the participant was not that forthcoming or that knowledgeable, as there were many questions she didn't know how to answer from my interview guide. She seemed to have little experience in the business.

Methodological

I had established rapport with the participant because I had met with her before conducting the interview.

Theoretical

No new themes emerging at this point.

Field notes: 24 April 2015

BED 13 – interview lasted 41 minutes 54 seconds

Observation

The interview was with the owner of the establishment. She was forthcoming about her business and also passionate. The premises are in a quiet place and the property was clean. There were interruptions with this interview because of customers coming in and also other people coming to see her.

Personal

I got the impression that she was a busy person and also a people's person. She was friendly and her uncle was present during the interview. She offered me tea and biscuits.

Methodological

I had established rapport with this participant because I had met her before the interview. There were no problems with this interview.

Theoretical

No new themes emerging

APPENDIX D – INTERVIEW TRANSCRIPTS

BED 2

Interviewer: Ok, can you please describe your business to me in general

Participant: We are a five star guesthouse

Interviewer: And do you consider yourself to be a small business

Participant: Yes

Interviewer: Ok, and who manages your business, is it by an appointed manager or you as the owner manages the business

Participant: My husband and I because my husband is very hands on. My husband manages the guesthouse but on the ground we have a general manager and several assistant managers that assist us

Interviewer: Ok,

Participant: But the driving force is my husband

Interviewer: And what type of legal entity is your business if you don't mind answering

Participant: It's a CC

Interviewer: uh huh, Ok and how long have you been in existence

Participant: uum 11 years

Interviewer: That's quite long, yes and would you please tell me more about your occupancy rates

Participant: Occupancy rates are very high praise the Lord for his grace over us. You can say that we run on an average of I would conservatively say uum 70% which is very high actually in hospitality, so we are very blessed

Interviewer: Ok,

Participant: We have a large um repetitive clientele which is our base, you know, the clientele uum makes that percentage possible for us because they are repetitive, they

have stayed with us from day one and we have never closed, we have never closed and even over building periods or festive seasons we have never ever. Since it's opened it's never been closed so we are, that's a good record

Interviewer: Do you have high and low moments

Participant: Yes we do usually um in winter months and over your holiday periods things do quieten down and then also we are seriously affected by international events for example the Ebola crisis then people will cancel their flights because they don't want to be exposed to it. If there is bomb scare it affects us, death of a very prominent person affects us so we um our occupancy does fluctuate according to world events and also seasons and school holidays

Interviewer: Ok, that's good. um I am going to move on to strategising now. This set of questions is about strategising. What do you understand strategising means?

Participant: As far as I am concerned strategising means you got to plan 3 years ahead. My husband's planning involves a 3 years ahead plan, in other words he is thinking today about what we are going to need and have to do in 3 years' time so umm it's a balancing act that you have got to continually check on your umm not only your marketing its not only marketing you have got to see what your capacity is and how you can increase your capacity but not increase your expenditures so that you can get a better turnover but still be able to pull that you make back into your company. We invest heavily what we make back into the company and strategy means to me is to make sure that your occupancy rate, your income, your outstanding income, your possible income your umm labour costs of your staff your supply costs, the invariable umm costs like your water and lights your insurance all those things they got to be factored in and then your umm expectancy of umm umm happenings that or walk ins that might come through in other words possible bookings so sometimes you have got to um um take a leap of faith and say ok I am going to fix the paving, I haven't got the money now I am going to fix the paving now go a little bit into debt because my busy season is coming and the clients will then not be able to be disrupted by a paving being done so you have got to strategise in that sense as well you need to update a room, you got to make sure that you make sure you got it ready when your busy time comes so your quiet times are not just for relaxing and everybody can go on leave your quiet times is actually the times that you could do that sort of umm things as well. I don't know if I have answered your question

Interviewer: laugh, yes you have answered. So in your opinion, how do you strategise, is it deliberate or

Participant: It's very deliberate, its very structured, uum there are about seven pages that gets sent through to us every evening which my husband studies in detail of everything that happens in the guesthouse, in other words exactly how many rooms there were, how many people were in that room, what they paid, is it a travel agent, is it a voucher, are we only going to get our money in two weeks' time or in a month's time or whatever and exactly how many people worked that day according to the occupancy rate because if I have got only two people in the guesthouse I am only going to have one cleaner on duty even if I have several cleaners so that is strategising.

Interviewer: Ok, uum who participates in strategising

Participant: uum everybody in a certain sense, we are very open to our staff. For example um they, our managers all have full insight into our bank accounts, they cannot do transactions but they see the bank and the complete bank in other words, if somebody has paid a deposit they can pick it up and take it off the system but they also see our debt level so they also see, you know they don't just see money coming in they see uum where it's going and we have a very very, its actually not so good, we have an open strategy with our staff. They are fully aware of how much income we are.., the board, you saw the board

Interviewer: mmm

Participant: It's up against the wall, so they know if the board is empty they know they are going to be working shorter shifts

Interviewer: Oh ok

Participant: And if it gets really empty they know we gonna have to start doing something about this, so they are fully aware of the umm impact of occupancy and expenditure and things like that, our core management team sit regularly with Herman, it happens on a daily basis and they will strategise together and discuss things coming up, things that have happened, and whatever ...so we have a very very daily hands on um strategising and planning and regurgitating what's happened and how to better something as well

Interviewer: Yes, ok

Participant: Have I answered you correctly

Interviewer: Yes, laugh...there is no correct or wrong answer, I am here and I am learning from you actually

Participant: Ok, ok, that's good, daily

Interviewer: Yes

Participant: Daily um planning and also there is in writing, it's not just verbal you know there is a written, there is shift sheets, you know, in other words the daily planning is a sheet of seven pages long where you can go look at the occupancy, exactly who is booked in every room, you can look at the outstanding income exactly who still owes us money and the amount and when did they check out and when did they check in so you can see there is an old debt that needs to be taken care of, things like that and then also the staff compliments duty roster how many people, there is a big conference tomorrow but today we are quiet in other words we have only got two people, I am putting scenarios now, two people in the guesthouse today but tomorrow fifty people are going to be here for a conference so you have got to strategise and make sure that you have enough staff to attend to their needs and so on

Interviewer: Ok, I hear you talk about planning daily

Participant: Yes

Interviewer: Do you have annual plans, two year plan, three year plan

Participant: Yes three year, three years up ahead

Interviewer: Ok

Participant: um my husband has got a plan three years up ahead for what we are doing, for example when we bought the um at the ... where the second guesthouse is now being built um he did that um three years before but he anticipated we are going to be continually full because he can see over the past 11 years how our occupancy rate has increased and so he anticipated we are going to need to expand so that was done three years ahead and now we are reaping the benefits of his foresight today so you have got to literally think three years ahead but to bring it down to practical levels, there is a daily and weekly and yearly, a monthly and a yearly

Interviewer: Ok, and what tools do you use when you strategise

Participant: When we strategise, we have spreadsheets that we work on um we use the VIP payroll system, we use the pastel accounting system um our um accommodation booking system is called AMS, accommodation management system, where our invoices, quotes everything are generated through that. Our attendance register we use

the finger clocking card system where you put your finger and then your card in and it clocks your time. Staff work on time sheets so um if you are late for work it's your own, you are going to lose money because you are paid according to your clocking time and um our auditors come in every Tuesday, the lady from the auditors come in and she condenses what's happened during the week and puts it onto management reports which she sends to my husband and to the managers where they see weekly where we are standing financially, audited financially

Interviewer: Ok

Participant: In other words we are abreast and we are fully aware of where we are financially um as an audited statement that we get

Interviewer: Have you heard of vision and mission statements

Participant: We have had a vision statement um that I would say that my husband um his foresight for the guesthouse he verbalises to the um staff in regular general meeting and then regular management meetings and our mission is our logo we are simply the best and our um um statement should be the client is always right, its hanging there outside you know if the client makes a mistake refer back you know that verb, the client is always right revert back to number 1 which is the client is always right so that is our stance that we take and that um something that is very well cemented in our staff is that who's the boss in the guesthouse, who's the boss in this guesthouse. First of all its the Lord our Father who protects us and provides us with resources and strength but secondly it's the customer and then thirdly it will be the management team Mr Kriel and I are owners and so on but the client is the boss because if the client is not happy, the client will not come back and we will not have money to pay you or to expand or to better what we have got

Interviewer: And um, what other tools do you use in strategising

Participant: um I have mentioned all the different programs that we use, there are the computer programs and so on, you can say communication, immediate communication is very important and clear communication is a tool which must be used and by that you have got to know that we came with our staff from the farm our son passed away in a motor accident

Interviewer: Oh. I am sorry

Participant: When we were on the farm, so we still continued farming, I am a teacher my husband is a mechanical and an electrical engineer but we were farming at that stage so we continued farming for four years. We have a beautiful daughter who is now 27, she is teaching she is a teacher but she ran the guesthouse for 2 ½ years, she's excellent, but she wants to follow her dream now so she is following her dream she will come and run the guesthouses she is very competent she is her father's child

Interviewer: Ok

Participant: But um we then um I was trying to say something about, um...

Interviewer: About communication...yes

Participant: About communication, ok, so our staff came with us from the farm. We don't know what we are gonna do now with our lives and now we coming with, just wait there we will let you know because we didn't know what to do so we came and saw this beautiful house and we decided it's a good starting point to start a guesthouse. And so we started the guesthouse but my husband has got this three year vision so I knew it was going to mushroom into much more, but now you have staff who cannot read and write but they have been with us for forty years so your communication there is on a certain level, so I cannot give him the minutes of the meeting he sits in the meeting and my husband speaks in three different languages and I type the minutes and then the minutes get sent to everybody but he's been in the meeting he understands if there is something we need him to do, he will have an assistant that guides him, but then we have got managers who have got degrees and so your level of communication is very important so that you don't think, well I have told them, I have told them, I have told them, you know wash the floors, this this, you know I have told them. In what language did you tell them, did you make sure the people you were telling understood you completely, can they understand English or do they just understand Afrikaans, do they just understand English? So and immediate communication is very important, that's a tool also I think and also um a team spirit, the spirit of togetherness um because there are a lot of um um factions among staff that's very subtle but they are there it's like a perking order amongst chickens and so on you have got to be very careful if you doing an appointment you got to slot that person in very gently. Not because his qualifications are not good but he must understand that he is slotting into a very loyal group of people who have come with us for many years

Interviewer: Ok

Participant: And so you don't want to unsettle them but you need growth and you need better expertise and so on and we do try and empower as much as we possibly can. We are now on a big drive of um we have appointed a company that is now going to assist us with definite targeted training, serious training, because I am a teacher my husband is also a teacher he has a teaching degree. So we, we um are passing that on now to a more formal institution.

Interviewer: Ok, You talked about marketing if I remember well, in the beginning.

Participant: Yes

Interviewer: How do you market your business?

Participant: Our strongest marketing tool is word of mouth, now you hear that often but this is really the case um my husband and I are very fond of for example if my husband was here, you will meet him now he is on his way, and he is spoken to you a little and he has made a summary of you and so on and he sees you in his mind as I see you as a person who um moves in circles that could bring us clients then we offer you a free evening, we do it often.

Interviewer: Ok, mm

Participant: Free evening um we give you a time frame, weekends are better because we are not so busy and so on and you come for your free evening. We might spoil you with a bottle of wine or a box of chocolates or something and you experience the guesthouse, now if you are telling somebody about the guesthouse the first thing they ask is, oh it sounds lovely, have you been there, no but it's lovely you know. Ok, now you say yes I have been there, I have spent a night, I have met staff, I had dinner there, you immediately have hands on experience and that then brings back tremendous feedback. Besides that you must have your websites, we have just updated our website. It's got a total new look and a new main colour you know we have chosen a nice lime green to bring out, instead of the old dark olive green of our shamrock emblem. I must tell you about that now, shamrock emblem is our core as well, it's the um the Irish shamrock.

Interviewer: Ok

Participant: That is the four leaf clover, and we chose it for two reasons, the first one is the Alfa Romeo racing emblem because we are car mad, my husband and I we love and racing and all that and we love Alfas then also for the um Christian message it has.

The four leaf clover is the three corners of Christianity which is faith, hope and love and then the Irish said you must have a fourth leaf

Interviewer: mmmmm

Participant: That is a bit of luck

Interviewer: Ok, laugh

Participant: laugh, so it's just, above every door is a four leaf clover but it's not a fronting to your Muslim, to your um Chinese person or you know it's not a fronting but we feel very strongly about that we live under God's grace so it's a wonderful wonderful emblem that we have. For marketing your websites you need an interactive website where they can give you feedback, where you can upload photos our website was very dead at one stage now we have got a professional company that has now completely redone it, now it's more interactive you know. And that you have got to update regularly because the IT technology you know every second it's improving and so on. That you have your paper, your hardcover marketing, that's your pamphlets, your business cards, your flyers, um at the bottom of each business letter that goes out, there is a little bit of marketing if you see um I will print that if you need that for your tasks,

Interviewer: Ok

Participant: There is a little bit of marketing at the bottom of each e-mail that gets replied, so and we believe in um direct reversal marketing when you receive, this junk mail, you know junk mail can be a good thing somebody sends you, I am not talking about spam or dangerous things I am talking about a company that is asking you, don't you need accounting services and whatever and so on instead of just deleting it, we return the letter with a marketing letter, so in other words you have got the, they have e-mailed you, you are not bothering them, they have e-mailed you

Interviewer: Yes

Participant: So you e-mail them the marketing letter directly in return and say thank you we have already got auditors but please have a look at what services we can offer you, which is a wonderful tool that you, it's something that other people see as um irritation but it can be to your advantage, you have got to manage it

Interviewer: Ok

Participant: Umm marketing, what else umm, and then your image of your people is also directly connected to marketing, um the moment they leave the gate and they have got their name cards on and they are not neatly dressed or they look all sloppy or they are under the influence or I am just sketching scenarios now that's marketing, the moment you go out into the public eye with your logo on your vehicle or on your chest you must know you are representing the company and you are doing marketing indirectly

Interviewer: Yes, yes and who are your competitors

Participant: Um I don't know, laugh, I don't know we are not socialites, we have no social life whatsoever, we do not attend functions and events what we do is when we are forced to go and receive an award or have to go and attend something or an embassy invites us that sort of thing you cannot just decline so what we do we send our manager who is very representable old Riad, you know. He is very swag and he speaks French and Arabic and Spanish and um he is very um eloquent in that field you know he can do that well and of course Savemore is our marketing manager

Interviewer: Ok

Participant: Who does all our bookings and so on so um they go together sometimes, we are naughty in that sense, we much prefer them to go and my husband and I are very private people we enjoy our quiet times together

Interviewer: Ok

Participant: Yeah, Our competitors I really don't know, I don't know well around, well in Pretoria as a whole you have thousands of guesthouses and hotels and so on I wouldn't know who, I don't think it's important you must know who your competition is but you must not stay blindly at that you know, you must learn from them and so on but we are not in a race with other, our race is against the client, we want to give him the best possible service so

Interviewer: You mentioned that you must learn from your competitors, can you elaborate more on that

Participant: Yes, for example when you receive a request for a booking from another guesthouse because we feed a lot of guesthouses

Interviewer: Ok

Participant: um we receive tremendous amounts of inquiries a day, so we are continually, because we have a very high occupancy rate so we continually feeding other guesthouses so the moment they inquire um if we have availability the manner in which they do it, the business letter, um you can learn a lot from their invoices in other words that's how we structured ours, we, we 11 years ago a company we were very blessed, a company came to us and said they are a new company and they wanted to develop the accommodation management system, a booking system for small guesthouses, would we be their guinea pig

Interviewer: Ok

Participant: So it was fantastic, we our booking system is absolutely custom build around what we need, so we have tweaked it you know we have given little tweaks to it over the years so you learn something new for example on your websites as well um just the word why us, we have now gleaned from another website that we saw and we have now incorporated it into our guesthouse

Interviewer: Ok

Participant: So you, quirky things that caught your attention will obviously also catch somebody else's attention so you must you mustn't say no we only use our policies and so on you mustn't be shy or ashamed to say gleaning, gleaning, you are not stealing you gleaning an idea, um and guerrilla marketing, you know what guerrilla marketing is, do you know what it is

Interviewer: laugh, yes

Participant: Do you know what guerrilla marketing is, for example um if a big company like the Atterbury group is building now in this area so 3 years ago when my husband bought three new **eves**, he formed a company called atterbury lodge so that's guerrilla marketing there wasn't a atterbury lodge because you have got to register the company

Interviewer: Yes

Participant: Three years ago we registered atterbury lodge

Interviewer: Ok

Participant: So we guerrilla marketed and now we are up and running so the company is called atterbury lodge immediately you are sort of elevated into the atterbury group, you know

Interviewer: Yes, yes.....laugh

Participant: So that's, yeah

Interviewer: Ok, that's good. You stated before that your customers they are very repetitive, they keep on coming back

Participant: Yes, yes

Interviewer: How do you retain your customers, how have you managed to do that

Participant: Of course through good service, we are not um the type of business that for example if it's his birthday, that we send him a sms or things like that, we prefer to keep his private life private

Interviewer: Ok

Participant: And when he is in our environment, um when he is under our care, we try and give that client maximum service in all areas of his needs and I think our staff the relationship between our staff and the clients is of critical importance because they are the soldiers on the ground that greet that person every morning, that bake his eggs that make his bed up that make sure his toilet is clean, that carry his suitcase, that give him the wakeup call or whatever so I think they, if your staff understands the way I treat this person in front of me is paying may salary, um and you can get that mind set set into them which is not which is not always so easy um then you have gold in your guesthouse, you really have gold so um and of course then um money is the bottom line, we always say our rates are highly negotiable which immediately opens the door to a conversation with the person on the other side of the telephone or the client standing in front of you

Interviewer: Yes

Participant: A lot of places are, they do not give the managers the freedom to do that, only the owner can change a price but the owner is not there always, so we feel empower your managers, guide them, train them to know the ratio of giving a room away for nothing and making a profit to be able to pay salaries and to be able to expand the business um and also to then make sure that you are servicing your clients in such a manner that they feel here I always get a good deal and I will get good um quality for my money. Bang for your buck, the Americans talk about a bang for your buck

Interviewer: Yes

Participant: He must always feel I am getting a bang for my buck, and of course a complaint, a complaint um we handle in this manner, sir what would you like me to do to make you a happy client, we don't say no sir it's not true. You are lying the toilet wasn't dirty or whatever you know, you immediately take the client's side and you ask him. I am going to do this and this and this to make sure it does not happen again but you are standing in front of me now as an unhappy client um if i have done all this what can I do to make you a happy client and of course he always will say argh no man it's ok you know I was just feeling, the moment he gets that sort of a response so you got to be very um sensitive to your clients' needs

Interviewer: Ok, umm I want to ask about the business in general as well, what factors significantly affect your business

Participant: um international happenings, you remember I told you, international happenings. That affects us here is my husband, I would love you to meet him

Interviewer: Ok

Participant (husband): You must remember whatever we do in this world, is market related a capitalistic system has a lot of shortcomings and is by far the best system that we have and all principles, if you want to help the poorest of the poor you have to do it from a base a sound economic base and you have to have um sound business policies in place to attract foreign capital, remember why would you as a business man start a business in Zimbabwe or in South Africa if you have labour unrest and so on you rather to go to places like Mexico close to the market here we have got relatively cheap labour, it's true but what about productivity, productivity is a problem worldwide but the sparseness of that productivity and the trade unions are negotiating themselves and the whole of South Africa, they are negotiating South Africa out of jobs. I think that is very very important to see the, the global picture and whatever you do, you must try and export tourism is exporting um a product and that product a customer even come and collect it here on his own, he just brings his money and that the enrichment that he experience that's the product that we have exported and the nice thing about that product he sells in return but the opposite is also true hey. In tourism one of the biggest things of the future is the multipliers and I think it's very important that people that you have to liberalise your markets and your policies to attract foreign investment but the thing is, remember you are talking not to a politician you are also, I am just a small business entrepreneur and but the most important thing that I would like to share with you

Interviewer: mh

Participant: Make it possible for people and without unique treatment to make some money. You have to have a product you have to sell a product that people wants, start with the end that's what you say

Interviewer: Yes

Participant: Your business model must not start with what do I have and what do I want to sell, you must say what does the world want, what are our strengths, are you with me, then work from that premise backwards and then you say ok what do I need in order to do that. Do I need capital do I need um resources, skills sets and so on and then you work it backwards and then you can also say now you start to say to yourself, alright what must I do to make this thing work. How am I going to sell this idea, um because it's not so easy there is a macro policy and there is a micro policy at least if you start in the tourism then there is something to see for instance if you start a tourism industry in the center of the Sahara it's going to be tough ok,

Interviewer: Yes

Participant: Or if you want to start to sell ice to the Eskimos, it's a little bit difficult but the tourism in SA even in Zimbabwe demands ... but I think you must have a market driven um you have to create products that people want and the business must be sustainable and there is a couple of things that I do. You have to empower your people with skills you have to multiply your efforts through empowerment of people with skills that will make it possible for you as a small entrepreneur to have more time for you. Actually a very good entrepreneur they say you have to have capital you have to have skills and you have to work hard that's what everybody says, I don't say, I say you have to work smart not hard and you must look at what you have got. Don't expect the government or somebody else to do something for you everybody here wants something for free. Work with what you got, build up your own small capital why do want somebody to trust you with their capital. Why don't you use your own capital, why don't you start by yourself and slowly but surely get enough capital? This is how I started but if you are a black person in Africa, we demand, we break, we want power, and I want a job. It's not like, like um Kennedy he said it's not what my country can do for me it's what I can do for my country

Interviewer: mhh. Yes

Participant: It's a mindset.

Interviewer: Can I ask you something sir?

Participant: Yes

Interviewer: In your business, you said you build up slowly slowly and you raised capital, and you also said that you have to work smart, can I ask you if in the 11 years that you have been managing the guesthouse, how has strategising assisted you up to now?

Participant: Strategising is the most important thing. I remember strategising it's not one strategy. You have a couple of strategies with the best case scenario. But there is always a worst case scenario that's the acid test in other words, what if, if everything else fails what will happen to my savings and that will create your appetite for taking risks. A lot of people say our business is a risk but you learn how to start to take risks and how to manage risk, they don't teach you all these things but life is a risk and try and get some options on the table and there is not only one way to success, there are many ways to get there. Like me, if I tell you about my qualifications you will be shocked, ok. Do you think I have any qualification? Honestly speaking

Interviewer: laugh, she told me

Participant: No, I guess, I don't know what she told you in any case she told you I was a soldier then I was a civil servant and then I was an engineer and then I was a senior official at the department and then I studied B Com, I have done many many things

Interviewer: OK

Participant: And then I used to be a farmer and then I started a guesthouse. Don't think I never made a mistake, sometimes it's better to sit and doing nothing before you leap you have to do your homework and question yourself, how must I strategise. The strategy is to help and remember if you don't do anything you will not learn you cannot devise a strategy. And as you go you think you gonna end up perhaps in the tourism industry, one day perhaps you will end up selling sand to the people in the Sahara and making profit of it, nobody knows. And that also said if you want to see the world you don't think we are synergised by each other, monkey see monkey do that monkey does that, and this monkey see that and this monkey do this and this they call it synergy and this is how you learn and don't be ashamed to say thank you for that my dear but remember don't try follow where only you selected there is not only one idea, because one idea consists of hundreds or thousands um items. If you say of those hundred items from one idea you say alright I am gonna use five of those ideas the other one and that's how we strategise in other words you start to overlap they are so many permutations but people are so lazy to think and I have learned in my own day, you know that the four pillars of management planning, organisation, leadership and

control, OK, you know about SWOT analysis and so? I am not trying to teach you because that's what you teach to your students

Interviewer: Yes, do you use SWOT analysis, in the business

Participant: Every decision you make, you subject to a SWOT analysis, even a plumber he can say check. A lot of people say it's only the bigger picture, in other words you can subject a thousand ideas that makes up a project to a SWOT analysis. It's in every one of them. How do you eat an elephant

Interviewer: Bit by bit

Participant: That you know, you are a smart girl, you are a very good listener. I wanted to say, you are a very very smart girl, at your age I think you have, but there is another thing that I want to say to you. Do you know what the difference between efficiency and effectiveness is?

Interviewer: laugh

Participant: Tell me, I want to hear

Interviewer: How do you measure the success or growth of your business and do you attribute this success or this growth to the decisions that you have made in the past and the tools that you have used or the strategies that you have used, do you attribute them to your success, do you attribute it to those strategies or the success is incidental

Participant: Ah it's not incidental um it's a very linear type of question both the questions. Because you try to suggest that there is only one outcome, remember it's a combination, my wife always say the light is either on or off, you tell me it's either one of the two I am saying to you neither one of the two, it's a combination of of that, ok. Are you a black person and I am a white person? I am asking you, are you black and I am white

Interviewer: Laugh Yes

Participant: It's not true, do you look like this, and do I look like this

Interviewer: No, laugh

Participant: Why do you say it now, in other words it's not true that you are black and I am white, is it true

Interviewer: No.

Participant: But, that show you it's an unfair question. Ok, but to come back, life is coincidental, you know that? They call that evolution it's by chance but in terms of our small comprehensive way of thinking we can say planning learn from your mistakes, it's not by accident. But you must in terms of the question that you have asked now that no, it's not by accident you have to, but can you see there is no such thing as the truth, or the absolute truth. What is the truth today you look at this thing, this pot there what I see there is not the same as you, because you look from a different angle, ok

Interviewer: Yes

Participant: I am not a very good student anymore, to give you a straight answer you know

Interviewer: That's exactly what I want; I do not want the straight answer

Participant: Ok, I don't know but next question

Interviewer: laugh, so in your opinion, which tools have been most useful to you or can you recommend to others

Participant: To be exposed to different people and different environments and to have an inquisitive mind like you are sitting here asking questions and try and learn the trick in life is to how to assess so planning, get the best ideas from different people. Sometimes very abrasive but you can use some of them in your business, some of the inputs, some of the parts you must get to the solution. Where the end product equates is more than the sum of its parts

Interviewer: Is there anything else that you think is relevant in connection with strategising that I have not considered

Participant: When you talk about strategising, um I think you talk about the bigger picture you have to study what is in front of you, you have to gather some information you cannot base your decisions on feelings, you have to gather that information as much as you can and you have to subject it to an objective criteria, each and every one but now also a feeling that you have to start to develop. You start to develop a gut feeling the more success you start to get with good ideas that you strategise correctly. The most important thing is you have to have knowledge you have to read on it and you have to get the take of many successful people take it get that um get those ideas and put it together in a manner that makes sense to you, that you like that you have a

passion for and that you can see because without passion the Greeks used to say if you die, we are all gonna die, there is only one question that you must ask before they put you, send you off that question did he have passion for what he was doing, that's all. In any case, so in other words I have answered you?

Interviewer: Yes you have

Participant: Any last question

Interviewer: mmm,

Participant: I am not saying I am the ideal role model, I am a misfit. You cannot put me because people, I swear I can talk and my, I am tired and I want to retire but the thing is it's .. And I am also bipolar, now bipolar is, apply your mind, you never give up, you work until it's finished

Interviewer: OK

Participant: And you have to pace yourself, don't kill yourself, the Romans said run today to fight another day and you do the fighting on your terms. Forgive yourself and don't be too hard on yourself, and never give up. It's a mind-set and don't think that if you got a qualification that you know everything but you are a humble person, you see there is a saying Oh Lord, please keep me humble. I have been trying to do that my whole life and I couldn't do it.

BED 3

Interviewer: We can start. I am going to start with biographical data, if you are not comfortable answering any of the questions, no problem. Your age

Participant: 55

Interviewer: Gender

Participant: Female

Interviewer: Educational level

Participant: Umm, BA Education, National higher diploma in education, with Unisa (chuckle)

Interviewer: And a BA in education, ok

Participant: Yes,

Interviewer: Your first language

Participant: Afrikaans

Interviewer: ethnicity

Participant: White

Interviewer: And what's your position in the business

Participant: Owner

Interviewer: Ok, can you please describe your business to me

Participant: At the moment I am, we were a guesthouse but at the moment we changed everything to self-catering apartments. So that's my business accommodation and mostly when I had a guesthouse it was mostly overseas guests because we stay near the shopping centre

Interviewer: ok, and how many people are employed in the business

Participant: 4, no ... there is L and I...

Interviewer: ok, so your business is managed by as well?

Participant: mh, mh

Interviewer: ok, when did you start the business?

Participant: in 2001

Interviewer: and what type of entity is it registered as

Participant: um, ,, P trading as a guesthouse

Interviewer: Is it a company

Participant: no, it is one man's business

Interviewer: ok, and what are your occupancy rates

Participant: at the moment it's fully booked a 100%

Interviewer: ok, do you always have a 100% or there are times,...

Participant: it depends, like in January, it's not for a guesthouse you know everybody moves and there is holiday, school projects so in January it's very very slow, business is very slow. even in February then in march it picks up and then again in June I can't remember I think its June then again there is a slap in business and December, people don't come to Pretoria for holiday so December is also not a very good month in previous years but now as i have got semi-permanent people I am fully booked until the end of December, its good

Interviewer: ok, that's good. Alright um have you heard about strategising?

Participant: Yeah, I know about it but you can explain a little bit to me what you mean by that

Interviewer: what do you understand by it?

Participant: a a, you tell me what you understand because I know strategising when I had a guest house you have to plan for this and plan for that and you have to have future plans and all that stuff

Interviewer: I see that you have an idea

Participant: yeah, it's basically that

Interviewer: yes because strategising it refers to how you put into practice what you have planned to do, the strategic management process and management tools, or strategic management tools that you use when strategising

Participant: before you can start any business you have to do your homework, you have to do surveys and see whether people in the surrounding area is interested in the guesthouse and you have to properly manage it through the papers you have to put it in the newspaper and then we went to the city council and they had to umm what do you call it um it's not a residential property now it's a business property

Interviewer: oh, ok

participant: so you have to, yah but there is a word for it not reregistered but in any case you have to what's the word I am looking for, um you have to apply to do a business here, so we have got a business license not reregister but something like that

Interviewer: ok, ok so do you have things that you do or practices that you use in your business that you regard as strategising

Participant: in any case you have to strategise otherwise people won't have breakfast in the morning if you don't plan ahead, you have to manage your personnel to see that the rooms are neat and clean you have to look at other guesthouses in the area what is their process keep up to date with their prices still building a relationship with the guesthouse in the vicinity in the um um, around us so I have got 2 or 3 guesthouses that we work together, when I am full I send my guests to them so its planning its strategising because what are you going to do if your guests, its guests that are always coming here and now all of a sudden I don't have space for him, room available so I send him to other guesthouses but I have screened the guesthouses, they must be the same format as mine otherwise people start to call me and tell me but you refer us to that guesthouse. So I check the guesthouses out and planning and strategising is you plan your meals and you plan your day and you plan how many linen you need and how is your marketing and your advertising and your website and is that all up to date, that's strategising and planning

Interviewer: ok, so how do you strategise, is it deliberate or is it emergent, is it formal is it informal, how do you strategise

Participant: it can be formal and strategising is if, if I want to get people come to my guesthouse and I want a four star, I have to do a formal interview with SA grading council and they come out and look at the place and from there you start planning and then the stuff that they said you have to do certain cutlery and certain crockery and certain type of linen so it's all informal formal , informal is when you handle your personnel I assume that's it

Interviewer: ok, and how often, do you have weekly, monthly plans, annually, how often do you strategise

Participant: monthly, now I strategise monthly but when I had a guesthouse it was every day you have to strategise every day because people is coming in, are coming in and

they have a pet and you are not allowed pets so you have to find a place where it is pet friendly so stuff like that and if you have a guesthouse its daily planning, update your website weekly, you must check your advertisers weekly so its all strategising, formal informal

Interviewer: who is involved in strategising?

Participant: me and my husband, we are co-owners so he will do all the um the building and all that stuff and I will do the basically housecleaning stuff

Interviewer: ok which strategising tools do you use in your business

Participant: internet, is that what you mean, what do you mean with that question

Interviewer: what do you use in coming up with strategy or implementing your strategy, do you use for example a SWOT analysis

Participant: yah I did that in the beginning when I started with the business, see where is my strong points where is my weak points, um what is the area can you ask R1000 per night per person or is the area not good enough for a R1000 per night so that is things, tools that you use, um I mean, I googled everything and we bought books on guesthouse and we asked friends and we went to guesthouses and see what they are doing so before we started the business we planned long ahead and now um now it's just maintenance and planning how to keep the place in order and keep your ... it's just normal day to day daily planning the tools that I use is google printed media um friends other guesthouses city council we went to city council, they are a tool they used us and we used them, so there is a lot of tools that you can use, advertising um brown boards that you put up you have to do it through um city council that's another tool to show people where is my guesthouse, advertising um that's it, I think

Interviewer: ok, do you have long term plans

Participant: yes we want to sell (laugh) that's our long term plan

Interviewer: why do you want to sell?

Participant: um we have been here now for, since 2001 and we are now tired. My husband is retiring in 18 months and we just want to, we did our thing and we have had enough of it and now we want to move. you know what um we want to move to western cape Pretoria is getting a little gangster paradise, there are so many hijackers and so many murders here in Pretoria and you are nowhere safe, you don't know where you are safe

Interviewer: does it also affect your business

Participant: yes it does,

Interviewer: how

Participant: even, I was laughing so hard I nearly cried there was a lady from um Congo but she was a real black lady, you know they are very black in Congo and she heard about all the stuff in South Africa and she booked here and I said don't worry its relative safe here, if you are in my property you are safe but once you are out of my property I can't guarantee your safety and she came in about at half past four that day I think it

was a Thursday and there was two black men coming walking from the stop sign and she told her that quickly quickly get into the house get into the get into the property quickly quickly there is people coming and I mean you know that's the thing that anybody overseas see it people from Australia say are we safe how do we get there when we land can you organise a shuttle service for me because they are afraid, I had English guys here they put his bag next to him at the airport and he took out his wallet and he saw that his wallet is gone and that was at the airport he had just arrived from England so crime is taking a toll on my type of business

Interviewer: ok, so how does it affect the business?

Participant: mmm, people no longer want to come, I still have people from France and there is people from um Hawaii but they know the area now because they stayed with me before so they always come back to me and they, since I am fully booked I refer them to another guesthouse so I am very hard sore that I lose my clients

Interviewer: ok, besides crime what other factors affect the business

Participant: the economy, the rand dollar and the rand pound, it's a big thing um crime, crime, crime um people from Australia ask us why are you so high um walls around our properties so it all goes about crime and then the economy, the economy is very very bad at this stage um I don't think it has anything to do with South Africa as a nation it's really the crime that's the major big problem and then the dollar pound they score when they come this side because its R18 for a pound so my son is in England.. and he says he is not coming back, the culture in south africa has changed its now corruption and murder and you understand so why would you go to a country like I won't go to Somalia and we only see the bad part of Somalia 99% is good part but that 1 bad part and no one go there, this is so is South Africa 99% is good 1% is bad, okay, you understand

Interviewer: yes, any other factors?

Participant: um well, it was very nice to have gautrain buses drive in front of the guesthouse they stopped that and now I am struggling again with people from the airport to the guesthouse while it is very easy to jump onto the gautrain get the bus it will drop you right in front of my house now that's one thing and um people don't come to Pretoria for holiday, it is holidays that they go to sea and you can ask anybody in Pretoria December months quiet, so yeah I think its seasonal and um yeah it's not a lot that influence me at this stage the city council is driving us crazy because the boards we have to pay for our advertising boards that's very very frustrating, but plants in front of my entrance we had to pay ... fee to let the plants stay there so you see the plants was another big problem for us because UIF workmanship compensation they come and visit once a year but here is down the road there is another guesthouse and they don't even bother to go there so it's very unfair, I feel it's unfair

Interviewer: why do you think that is so, why don't they go

Participant: because they are not registered, we are registered we are legal we are registered at city council as a business, one man's business

Interviewer: so the regulations also, they affect the business

Participant: yes it does its costing a lot of money,

Interviewer: ok,

Participant: yeah so, fire brigade is coming once a year, um licence, TV licence is once a year, sigh, that's why we are angry with all the guesthouses are.. up and they are not registered legally because they can charge R230 per person per night whereas i have to charge R550 per person per night because my overheads are so much

Interviewer: that's understandable, ok let's continue. Has any change taken place in your business, since you started any kind of change

Participant: um, we changed our strategy and we decided no longer to be a guesthouse but in order to go for semi-permanent people like coming on courses for 3 months they stay here so and luckily we had people they are here from January until December, they are here for a year so that was nice, it's nice not to make breakfast anymore and wait for the telephone to ring and say oh but you know what I am not fully booked, tomorrow there is no people the next night there is too many people so it's much easier for us and we are not, we don't want to do it anymore now how many years is it now

Interviewer: 13 years

participant: Yeah, and we are tired I want to retire now and its stressful because people come only 2 o'clock in the mornings, they burn the place with cigarettes they are not supposed to smoke and they smoke in their rooms and the alarms go off and I am glad we don't do that anymore, if you are younger I say under 50 then you still have the drive but we have done what we wanted to do and we have proved to ourselves we could do it if we , if one of these people at the end of the year I think 2 or 3 are going so then I just get new people but my husband say let's go back to the guesthouse but I don't want to do that anymore because two o'clock in the morning the bell rings its people that wants to put in even though its fully booked they still ring the bell

Interviewer: ok, so how did you manage change in the business, if you can provide,,,

Participant: very poorly, laugh, um you must remember when you change a business you must have a plan you must work according to the plan and we started with two rooms which we um broke through the walls and we made it one unit so we started at one point and we went to the next one and we do everything cash so it takes a time because we don't borrow money we do it cash so that's why I always got a cash flow problem

Interviewer: ok, and how many rooms do you have now

Participant: five, units not rooms, a big unit, that is a unit, that one is a unit, pointing,

Interviewer: ok, so you have cash flow problems because you are always using cash to invest in the business

Participant: mh maintain, everything goes back in the business, because maintenance is very high, water and lights is very high we pay R10,000 a months for water and lights here so its high maintenance is high you have to be painted, 2 or 3 months ago we

painted everything and we need to paint again to look neat and proper

Interviewer: do you consider your business to be successful

Participant: yes, I do, I do think so, if it was not successful people wouldn't have stayed for a year that's my opinion if they don't like it, after 2 months they will move and these people stick

say ok next year maybe, they say ok we are staying another year and then at the end of the year they say no they are staying longer so I think it was a success it is a success at the moment

Interviewer: ok, and which other methods do you use to measure your success besides your customers coming back

Participant: the only other measure that I can say is very helpful is to phone the other guesthouses find out what is their prices if there is rooms available so that's a good stepping stone and it, as I said before, you can't charge R550 and the guy street across from me just R250 so um people these days they don't want to stay for, it mustn't be too expensive but when you are too lower for prices people say I am not going to stay, R200 rand a night ah aah kaka plek, so I think one of the things that I use is other guesthouses and we normally go on holiday 4 times a year and then we also need accommodation and what I do I go on where to stay and I check the accommodation and I check the price so if the price is 7 or 8 hundred a night its fine its expensive but then I want R800 worth the linen must be nice the room must look neat and clean um because that's where you are going to stay you want to sleep and I go to guesthouses and I see, I steal with the eyes what can I learn from this guesthouse and that's a very good method to check your business

Interviewer: you said you have customers that come back if they have stayed with you before, how do you keep them coming back

Participant: keep them happy, mh keep them happy, if they are happy you are happy they come back I um these people from Hawaii they came back twice, three times because the other thing that is in my advantage is that I am just across the shopping centre so people don't have to drive they prefer to walk

Interviewer: ok,

Participant: that's what I do, I try to keep them happy if they want something um we had a group here from Australia, what is this name now, Russia, and we had to keep them up at the airport so you had to plan um remember all the, um if there is um, toll gates you must remember money for toll gates money for parking, picked up at the airport bring them back, now they want to go and see the lion park, you have to plan for that how much phone the lion park how much, do i get discount for a group and so that all planning, daily daily planning did I answer your question

Interviewer: yes, yes, how else do you keep them happy, do you also involve your employees

Participant: mh mh, if the employees doesn't do their work, they won't come back, if

they don't clean underneath the bed, people, people are very funny they want their rooms clean that's what they pay for, a clean tidy neat room and a nice bed to sleep on so my foreman P, he does the garden and he fixes everything for me so he is a fixer he can fix everything from a radio to the fish pond pump and everything and the 2 ladies that work here they must just keep the place clean and see that they um um there are enough towels, no they are totally involved they must be involved because it's part of their business, if I don't have money they don't get paid

Interviewer: so do you manage those, how do you manage the relationships with those repeat customers the ones who are always coming back

Participant: it's like family, it's like family and the 3rd time it's a kiss and hug you know relationship so I am very sad to lose some of my customers because I am now fully booked but um they always phone me and ask before I go to another guesthouse they phone us do you still don't have place available, no no rooms available so and you know what to keep them safe um see that the alarms are on at night set them the one thing I hate from guesthouses, the owners mustn't be too into my face chat with me when I book in and that's fine then if I have got a problem I will go to the guesthouse owner and say I have got a problem with the gas, or there is a or the toilet is leaking or something, but don't be into your guests face you know give them their privacy and if they want something they will come and tell me and I will do my best to try and accommodate them, um I lost one customer an old lady and her husband um I used to put chocolates and sherry and everything in their rooms but it got too expensive and I stopped it, so they came here and they stayed a night and the next morning she was very angry because she didn't find their sherry, didn't the ladies put sherry in their room and I said no we stopped it and they never came back so it's because they we didn't supply with sherry and chocolate

Interviewer: ok,

Participant: so you have to be very careful what you put in the rooms because if you create expectations so I stopped it long ago

Interviewer: ok, so do you attribute your success to the decisions that you have made before

Participant: definitely, the decisions we made before um like the garden for instance, if we didn't plan where you put this tree or that tree it dies and you are going to look bad and people wants to see the outside must be easy on the eye

Interviewer: yes, ok. You mentioned something about going to other businesses, seeing what they are doing, what makes you different from other businesses who are in competition with you

Participant: you know um that's a very difficult question because all the other guesthouse are owners the owners are working in the guesthouses so I, prices, we try to keep the prices the same, I usually phone them and say listen I am going to put up R20 would you agree what are you going to do so we exchange a lot of information um

what was the question

Interviewer: what makes you different from your competition

Participant: I think the area because I am the one, one of the nearest guesthouses to bus stops and to the medical, I mean the doctor is just across the street, so I think it's my venue, it's near the bus routes it's near the shopping centre, its near medical aid it's near a hospital the other guesthouses at the top of the mountain people can't walk from there to the shops here they can leave their cars and then go to the shop and if i know it's a very important guest normally I get somebody to walk with them if they want to walk

Interviewer: ok, so in your opinion which tool or tools are the most useful or are the most contributing to success

Participant: advertising, marketing advertising is one of the best, on the internet website um google you have to see that your accommodation is the top every 2 weeks or days you have to push it again to be the top um printed media, but we did it in the Sunday report but it didn't do a lot for us, it didn't bring in a lot of guests, what what the best method or tool is word of mouth people come here and they heard from friends or relatives or whoever and they come and visit us by word of mouth that was our best tool so it depends on how to accept or um um receive the guests um and your attitude towards the guests this is your business you have to be friendly, you have to, but these days you are not certain who the people are that you are letting into your property its very dangerous these days so if I don't have a reservation, I don't let you come in there and people get angry with me, but they can get angry with me it's my safety and my guests safety

Interviewer: and on your website do you have a place where customers can write their experience with you

Participant: no, only e-mail

Interviewer: um so do you believe that it's a combination of tools that lead to success

Participant: mh, definitely, definitely, you can't just depend on advertising, you can't just depend on your personnel, you can't just depend on city council it's a lot of stuff, SWOT, your strong points and your weak points

Interviewer: mh, so how do you counter the weaknesses that you encounter in business

Participant: mh, weaknesses pause, no I don't know, my guesthouse is not like what, give me an example

Interviewer: um, anything that relates to your business

Participant: pause, anything that's a weakness in my business

Interviewer: yes

Participant: um I don't know, go to the next question, *laugh*

Interviewer: ok, no problem. What I want to ask next is, you said you come up with plans maybe monthly plans or yearly plans, how do you measure to see if you have achieved the results that you wanted to achieve

Participant: we have got a business profile, if according to that business profile; you have to have um certain

Interruption

Interviewer: you were saying you have a business profile

Participant: that business profile has certain rules and regulations you have to comply with the city council's rules you have to comply with fire brigade rules you have to comply with major police rules um Tshwane um what do you call it, Tshwane city council but in any case the city council is very involved with us and that's the profile um what do we want in ten years and we did that long ago so we received what we ... what we want and now it's time to let go now again yeah so we are now tired we want to go, have my own little property and nobody on my property anymore you understand it's, you know people come here and they started to be our friends but they are actually still paying guests and then we lie in bed and they just walk into the house that's why there is a private there pointing to sign at any time of the day or night so that's why, we did everything we achieved everything we wanted, we applied for um loans and we got a loan from the city or from um can't remember from whom but we got a loan and that's how we have started building because they gave it to us not a loan a bursary, not a bursary something like that. They gave it to us but we have to have so many people in, at work employees and you have to have a certain standard um if you fetch people from the airport you have to have a PDP licence so it's all the small stuff

Interviewer: that you have to comply with?

Participant: that's right; it's taking a lot of money

Interviewer: do you think it's becoming more expensive to run the business

Participant: very much so, it's more expensive, petrol is more expensive, food is more expensive medical aid is more expensive, everything is more expensive our insurance on this place is sky high so it's costing us more than ten years ago

Interviewer: ok

Participant: a lot of economic, and the terrible political situation also playing a part, yeah

Interviewer: how does it affect your business?

participant: um, it depends on which country is coming in now, I think people listen to the TV a lot overseas and they see the circus of our parliament it's a circus if you want to have a good laugh watch the proceedings in parliament so I think that is also you know um a small part, it's also playing not a big part it's a small role it plays but if I see let's not go there but i think in any case it's a small part in businesses and they changed the street names and they changed the maps and I don't even know where is the street anymore so I think it plays a small role

Interviewer: Ok and that affects your business,

Participant: mh

Interviewer: ok, um how do you put into action your plans, the things that you have planned how do you put them into action

Participant: when we did our research we put certain goals, like in 3 years' time all the rooms must be fully furnished and we must get all the furniture, all the furniture was handmade so that was one of the plans that we successfully completed um then the marketing and advertising we started with media printing and then we went over to internet and our own website and but we closed the website down for this place because we are fully booked people phones and they are very angry when you have got a website and it doesn't say its fully booked so the plans we had we have to execute it and .. to start the business and these days when we plan we plan, like one of the rooms maybe we should start thinking about refurnishing again and that's another thing that's why I want to sell in a way, it's too much cost the overheads are a lot

Interviewer: so in making your plans, do you always follow your plans to the letter

Participant: no, no not always, sometimes you see something else which is an improvement so we listen to peoples advice and especially to the guests, listen to what they advise us because they are staying in the rooms, you are not staying in the rooms, so if there is a lamp table or a .. or something is not right, you should raise it as soon as possible

Interviewer: so, you fine tune them as you go along

Participant: yeah, yeah, no we, it's not strict rules in that regard we are very informal, there is no strict rules except for the city council but on my property there is no strict rules that a thing must be done at 8 o'clock, for P instance when you come in the morning I tell him P this and this and this do it whenever you got a chance for it, the way you feel like it and he does it even if he does it tomorrow it doesn't matter I know he's going to do it so there is no strict rules the ladies know how to clean the rooms that's not a rule its part of their work,

Interviewer: ok, is there anything else that you think is relevant in connection with strategising that I haven't asked

participant: no, I don't think so you know there is a lot of people involved in accommodation like tourism grading council, the AA, um all the um different um companies that you can work with like for instance your meat or butchery and that's all stuff that contributes to your success so you can't just go and sit down and lay back and say ok but the butcher didn't bring me the meat sorry people you can't have bacon and eggs today you have, you can't do that you understand so yeah i think that's about it, all the different boards that you have to be on and watch the media for new improvements that's it

Interviewer: Thank you very much for your inputs

Participant: it's a pleasure

BED 4

Interviewer: Can you please describe your business to me

Participant: Describe my business, M hotel is a small hotel with no star and we have

115 rooms which vary most of the time depending on the maintenance program or the renovations that we want to do in the rooms, at the moment our operational rooms is 95 though we have 115 rooms in the building mmmh

Interviewer: how many people are employed in the hotel?

Participant: full time, how many people we roughly have um let me just, pause, I mostly don't have it in mind, we I can say we have more or less 30 people fully employed

Interviewer: Ok, is the business managed by the owner or appointed manager

Participant: It's run by an appointed manager

Interviewer: and that is you

Participant: no, there is an operations manager and the duty manager the operations manager just run the whole thing and I am just in charge of the housekeeping department and making sure that all the departments run properly but mostly focusing housekeeping because he mostly work at the reception

Interviewer: for how long have you been in this position?

Participant: I have been in this position since last year so I will say yeah I have been in the company for two and a half years but a year and some months been acting as a duty manager

Interviewer: ok, and what type of legal entity is the business

Participant: legal entity?

Interviewer: is it registered as a company or a cc

Participant: it's registered as a company business,

Interviewer: a private company, ok and how long has it been in existence

Participant: how long, quite a long time. I know it has been working since 2008 actually maxim hotel is part of M properties M properties has Pretoria hotel opposite the road, it has M hotel and another building called M so M hotel is just a part of that big company, it's not on its own

Interviewer: ok, so you can say since 2008

Participant: yeah I can say 2008

Interviewer: and what are your occupancy rates

Participant: our occupancy um in average I would say its um it depends like I said on the operational rooms but if I put in average it will be between 90-100 because we have mostly fully booked during the weekends but during the week it's a bit slow so compiling the average I can say between 90-100

Interviewer: ok, have you heard of the term strategising

Participant: term strategising, no

Interviewer: strategising is um refers to how managers put into practice the plans of the business so a business can have a long term plan, medium term and short term plans and how you get to achieve those goals is all strategising from the moment you set the goals to the moment you achieve them

Participant: ok,

Interviewer: yes, um do you have some practices or activities that you regard as strategising

Participant: yes we do, yes we do, um I won't say that we do it on like, some company would do it annually but here it works mostly, let's say every 2 months and then we have to meet again and maybe change review whatever was planned if ever it worked we would continue on the same or not we will change and plan for other things but we do not have a standard like you know at the beginning of the year we know this is what we need to do it comes mostly based on the problems we have the problem we are facing

Interviewer: ok, so how do you strategise, is it formal or informal

Participant: its mostly formal,

Interviewer: and who participates in strategising

Participant: in strategising, it's mostly the management team it's the hotel manager, the operations manager the head of the reception sometimes and the duty manager mostly sit down and compile the whole thing

Interviewer: ok, and what tools do you use in strategising

Participant: the tools, like anyway when we sit down and try and plan and can you specify about the question because I don't know which tools what do you mean exactly by tools

Interviewer: anything that you use to assist you in strategising

Participant: we use the previous reports we use the problem on the table and mostly the suggestion coming through the meeting so that's, those are the things yeah whatever comes our way that's what we work on and then we take it from there

Interviewer: could you please describe to me your customers

Participant: our customers, I will say the clients that we mostly receive at M hotel are, are um I will say a part of them are foreigners coming into the country for business or for for family purpose or just holidays and the other quarter is um are the people living around, coming from far in the country maybe they are also here for for business purpose or studies we also have a lot of students also coming in and the other half I would say are the people from Pretoria the central coming just for fun and the problem we mostly face with the kind of people clients we having here, the rates are quite low and obviously putting the rates low you expect any kind of, everybody can afford and some of them are really sigh, how can I put it I would say low standard like spoiling, you know the number of sheets that we condemn every month is quite high because of the lack of you know discernment and you know we really suffer due to the fact that it's really, you know from the low low low class so mostly sigh, even you know i really don't know how to explain that you know those are if I can describe the people coming at maxim they are mostly um people from a low standard if i will say, no that is a part of it but some of them are really good and they come back because though our prices are quite low but they come because they know they delight the quality of the service they

receive here

Interviewer: ok you mentioned that you rates are low so you attract um customers that are, based on the low rates. Why have you set your rates so low?

Participant: because we mostly compare to the other hotels in the area check when we look at it we are really among the lowest rate we always do a research and we base our not at the loss of the company not just we want to keep the price low. We want to keep the price low to attract the highest population but also to you know to give them satisfaction whenever the price goes high they complain you know so they are used that here its cleanliness and comfort and low rate, low price

Interviewer: you mentioned that you look around, the hotels around you and then you base your price on that do you do do research on other things besides price

Participant: yes we do, we do we look at the quality of the hotel the standard obviously we look at the position where exactly the hotel is because it also matters

Interviewer: ok and then do you use those that information

Participant: those information yes and the number of rooms obviously that they have how big is the business and yeah

Interviewer: ok, how do you measure how the business is performing?

Participant: how do we measure, its mostly based on um um it's based on the yeah its not in our, there is another department taking care of you know compiling the statistics whether they can obviously it has to do with the the expenses, the number of staff you are having and yeah the income the occupancy we have throughout so based on the occupancy the amount of chemical that was used and the number of sheets condemned or both that we knew we knew things are quiet obviously the salaries so we base all, we work with all those information to know whether we are doing good or not

Interviewer: ok, so do you consider the business to be successful

Participant: um I don't have all those information like I said earlier, there is an accountant and there is an operations manager who mostly compile that if I tell you that its successful i will say I am not giving you the right information because it's quite limited I am limited at that level

Interviewer: ok, you mentioned that your customers some of them they come back because of the quality that you offer them, how do you manage those relationships with customers who come back and how do you keep them coming

Participant: mh how do we manage um whenever they are around we make sure that they are satisfied we give them satisfaction we we try and find out from them how you know how they see the hotel are they satisfied, whenever they leave we always encourage them to come back and there is also this um this complementary that we offer sometimes you know depending on how long you have stayed with us and encourage you we can always give a complimentary just to motivate the client

Interviewer: to come back

Participant: yeah to come back

Interviewer: ok, do you keep any information on your customers

Participant: we do um we get the essential like the id number the cell phone number and and yeah those are the most important yes and also their address of wherever they are coming from yes we do keep

Interviewer: and how do you use that information to better your business

Participant: to better the business, um do we really use those information from the clients, obviously they remain private so we only make use of it if really necessary like we had a problem with a client a case of theft or something like like that's the mostly really the reason why we use the clients information but mostly we don't they remain confidential

Interviewer: ok, um where do you see the business in the next 10 years?

Participant: where do we see the business, I can start as I said M hotel is a no star hotel a very small business but the way it's going I believe that in the next 10 years we will have even 3star because you know there are a lot of things we need to bring together to reach that level and I also mentioned earlier that we do we are always doing the renovations like i said we have 115 but at the moment we have 95 so we mostly block a room just to upgrade the standard or class I'm sure in the coming years all our rooms will be up to standard obviously um if we keep the same clients that we are having and with the upgrade of the standard of the hotel I'm sure it will be a success it's going to be a total success

Interviewer: does the business have a vision

Participant: um it might have but i never ask, yeah

Interviewer: ok, so in your opinion what are the factors that affect your business as an accommodation business?

Participant: what affect our business, what affect our business um the its the service actually, the only thing that I can see that could affect our business is the guest relations that we have, our employees have with our guests for instance if at the reception the client is not happy and he's asking for something and the receptionist is unable to answer or don't have a way of you know doesn't know how to entertain a client that can affect our client and also in housekeeping sometimes we get some people who are not honest and the next thing the client complains about something that went missing so um basically it's through the communication its only by making sure that um the we train our staff properly and that they know what exactly it is to take care of a guest and

Interviewer: ok, um I want to ask as well which factors impact on the achievement of your plans, say you have made plans and then something happens that hinders your plans so that it doesn't go according to what you wanted. What are those factors that sometimes have an impact on your business

Participant: mmm what are the factors that have an impact,, let's say we plan about the we say that this month we will be working on abc it's the lack of um whenever we plan something there are people who are allocated specific tasks so it's the lack of

commitment of the person who was supposed to do so there is no follow up there is no report and obviously without the follow up and the report always like the biggest the top boss or some things will not move so in every place we need to always follow up and check whether things are moving or not and if it is not done properly obviously those are the things that really make us to fail let's say we say starting from next month our carpet need to be scrubbed and smelling nice you allocate somebody, the person allocate another person and how do we what is the exact and um I don't know let me put it in this way you allocate another person and the person who is allocating doesn't do a follow up to check whether its working or not those are mostly the things that affect our business, there is no proper follow up and the lack of commitment

Interviewer: ok, so if I understand you correctly you are saying when you have made plans there is no proper implementation or it's not put into action as you have intended

Participant: no not always, the factors, you have asked for the factors that mostly affect it's not always but it happens those are the factors that make the plans whatever was planned not to move maybe because one person didn't do his work properly by making sure that things were done accordingly

Interviewer: ok

Participant: but it's not always the case

Interviewer: and do you always follow your plans to the letter or you fine tune them as you go along

Participant: sometimes we follow to the letter but sometimes we have to bend the rules according to the situation that comes our way

Interviewer: ok, can you give an example

Participant: um um which example can I use ok let's say um let me the example for example the housekeeping you decide that in the housekeeping we are going to be um to be knocking or checking let me take a simple one the fumigation we decide that ok this month we will fumigate but when the day of the fumigation there is either a crisis the company cancel or our staff there are some staff that are sick and things obviously if we go that road things will not work accordingly and the business will lose out so we have to, to sometimes change the date let's say in a month its supposed to be done twice or three or 4 times but we find ourselves you know changing pushing the date away just because of the circumstances yeah

Interviewer: you have mentioned mostly internal factors, are there any other external factors that affect your business

Participant: um mostly not much not much

Interviewer: ok, and crime does not affect you

Participant: it does, it does yeah its true that's one thing sometimes our business tend to you know to be affected by those you know um let me take an example we are in Arcadia I'm sure you have heard in arcadia they mostly have this problem of prostitutes

running around and poisoning or drugging clients we have situation whereby the clients find themselves drugged in the morning and obviously the hotel wonder whether we should be responsible because they are the ones who brought the woman in or but I would say really it's really not um a problem of the its the client who brought we mostly advise clients not to bring prostitutes we there are some that we recognise so when we see you coming in we warn you but if you want to still go ahead then it's up to you we do not have a situation, we mostly don't have a situation whereby um somebody will come from outside to harm somebody in its the person who is in that will bring the person from outside to hurt so we never had a situation where yeah to be to cut it short

Interviewer: ok, what other factors affect your business; let's say for example that make you maybe to lose business or for people not to want to come to your hotel

Participant: sigh, the not to running away the first thing that I mentioned earlier was um the guest relation that we have our staff have obviously with the clients sometimes we are not satisfied we have given an answer secondly still the staff not being honest and putting your clients in the bad position whereby they will find things missing but which is actually rare we try as much as we can though we are still looking for a better solution for that and 3rdly is sometimes when the price increase you know when the price increase everywhere you know we in the country there are things that we need to modify sometimes the increase of the rate slow down really slow down the business and lastly the pest control sometimes um the cockroach goes high ad you wonder where its coming from and you fight so hard about it nut you know those are mostly the complains that the kind of complains that but internal we try always as much as i told you we are having supervisors making sure that our linen is left spotless no hair, cleaning smelling nice at that level we try as much so those are the factors that really affect our business

Interviewer: ok, have you experienced any change in the business

Participant: there is always yeah which kind of change

I: any

P: We do, we do have change sometimes obviously change of the staff also especially the management staff always bring a lot of change in the way we run things so there is always a change

I: and how did you manage change maybe if you can provide an example as to how you manage change

P: how do we manage in the changing of the business, it a process it's a long process actually that takes a lot and obviously here the management team is involved and obviously study the whole change how it's going to affect the business in the long way, on a long run before we actually you know decide to change anything in the business

I: mh, ok how do you measure financial performance of the business

P: the financial performance of the business, like I told you earlier I think I have answered that question before, laugh, it's really really not um

I: ok, um I also want to ask you, you said you do research comparing yourselves to

other businesses who are in the similar industry, what do you regard to be unique to your own business compared to others

P: it's the cleanliness when I look at the other small businesses around the around i will our cleanliness is special because I have visited some other hotels some of them don't take things seriously but here when I say spotless I mean it its really, it's a deep cleaning every single day deep cleaning its mostly about the cleanliness let me put it that way it's mostly about the cleaning we do not have a lot of accessories its really limited but at least we make sure that our cleaning clients are satisfied as far as the cleanliness is concerned and that's the thing that make us unique

I: ok do you have any competitive strategies that you use

P: mm competitive strategies mm not really

I: ok so how do you counter what the competition around you is doing?

P: mmm um there is not really a competition because like I said our rate is quite standard its quite um um standard it doesn't really fall down so much for us to panic in the past we used to do a lot of publicity, a lot but for some years now we haven't really worry about that because we believe that we attract a huge population but obviously whenever the occupancy goes down like in sometimes around September because of the school no no no what am I saying around January after the the end of the years parties the Christmas and new year and the school starting those are the period whereby the thing the occupancy is really low and sometimes during the the in the middle of winter when it's quite cold but in general we haven't really faced a situation where we whereby we start panicking and need to go out and you know and also we mostly it also worked a lot on based on mouth to mouth when somebody comes in and they are satisfied obviously he communicates to the next client and when you ask them sir, we sometimes ask randomly how did you hear about the business it's mostly through another person who was satisfied who found satisfaction and decided to you know refer the hotel to another person

I: ok and are there any weaknesses that you can identify in the business

P: mmm the only weakness that we are having like I said is um we are trying as much as we can to raise our standard by changing a lot of things in the room and trying to make it you know to increase for example 2 years ago when I started we didn't have flat screen, we didn't have TV you know the TVs in all the rooms we didn't have double beds in all the rooms but based on the requirements and the request from our clients we didn't even have a dstv so based on all that we always try as much as we can to upgrade our standard and obviously trying as much as we can to keep the price low so our greatest weakness is just on the part that you know there are a lot of things that we still lacking and i believe that in the future we will get to that level

I: ok

P: and the lift also we have a very big problem with the lift that is always down, we are actually planning to change and put a new one because it's a quite old building we are

having toilets in the passage but though I know in other hotels it happens it's there most of our rooms like more than half of our rooms don't have toilets inside the rooms so the clients sometimes feel lazy you know to go out sometimes even find themselves they even mess in the room those are the really the problems that we mostly face they destroy our linen a lot with hair with dye and cigarettes and so we mostly find ourselves buying new things because we want to keep our standard high as far as the cleanliness is concerned by keeping our linen always spotless and that so we condemn a lot so we suffer really on that side

I: ok, and have you identified any threats that can affect the business

P: threats, not really not really but it's mostly about the clients who really go in a room and try and destroy we had situation whereby you enter in a room the whole cupboard is broken for me it's actually a threat because it's a high level of vandalism and spoiling the towels, a lot of them those that you know there are things that don't look normal

I: mm

P: so those are the kind of things that we find as threats because a normal person or a person who you know a normal person wouldn't do such things so some of those kinds come in and you feel like they are coming just to destroy not to do you know stay

I: ok, um so do you attribute the success of the business to any prior decisions that you have made

P: mm

I: do you think that the practices that you have put in place contribute to the success of the business

P: yeah a lot a lot, it does

I: ok, how

P: um whatever it planned whenever it works it really helps the hotel the business so I would really say it does help anything that is planned properly and fulfilled in the long run will only help in the business

I: ok, so in your opinion which tool is most useful or is it a combination of tools that contribute to success

P: it does,

I: which ones do you recommend most?

P: sigh, I am not sure um, pause, um no can you pass the question I can always answer later

I: ok, how do you measure the effectiveness of your goals whether long term or short term?

P: of our what

I: of your goals, how do measure their effectiveness whether it's long term or its short term

P: it's a long term thing, it takes its a though we plan our things on the short you know always on the short in a short period but it mostly takes a bit long to you know to come

up because we as we are still working or as we are working on new strategies we are still you know busy working or observing the previous thing that we have planned for so I: ok, which other tools that we have not discussed do you use when you are strategising

P: mm I don't think we have missed anything

I: ok, is there anything else that is relevant to strategising that you think maybe i have left out

P: no nothing

I: ok, and then we come back to that question of which tool is useful or is it a combination of tools and which one would you recommend

P: mm what mostly I recommend to other hotels is to try as much as they can to to keep a the hotel clean that's very important even if you don't have, keep the hotel clean and increase in the guest relationship you know work really hard on the guest relationship a lot of clients complain mostly of the way they are treated if i go somewhere and i am not treated well there is no way I will go back if I go somewhere and it's not neat and clean there is no way I would go back so those are the most you know important things that I would I will really raise and the security how safe they feel in the building so those are the things I can recommend they are our greatest strategy we start by down at the reception in making sure that the client is welcomed properly into the building when he goes to the room we make sure that things are up to date and we maintain throughout the stay the period he stays in the building and we make sure that he feels safe and secure and that the things are kept safely though we have situation whereby they complain that obviously they have lost something so those are the most important strategy that we use

I: ok, so from what i understand your primary focus is on the customer

P: mh, yeah

I: any other thing that you want to add

P: no, no I don't think so I think I have said it all

I: ok, thank you very much for your inputs

FOLLOW UP MEETING

I: You said that you have a degree what kind of a degree do you have?

P: I have a degree in Maths, Maths and Economics with financial orientation

I: Ok, and how does it assist you in managing the hotel

P: Laugh, it assists me in managing the hotel, well as we always say waht you study in school is not always what you you know, mathematics is not something that you apply you know that you say ok, its not a professional course so its just something that open up your mind and the skills and the how to thin k and things like that and i believe that yes obviuosly it has helped me a lot you know in maths you have to sit and think a lot and there is also the computer science that i did that you know help in doing

programming even doing the timetables that i have to schedule the, everything that i have to organise so it does it does but not in the proper sense since its not a professional course but it does help just like in the case it really opens up your mind

I: and last time you mentioned something about training, in what skills do you train your staff

P: in what skill, um the skills ok can you specify what do you mean by skills

I: what kind of training do you give them

P: oh, which kind of training, its um for example my staff right the training is mostly about what we do everyday in the rooms for example today i will mention that there are the windows that were not well done last time, the bed was not well arranged the tv was not dusted the towels and the shower were not scrubbed the shower curtains were not cleaned and things like that you know that is just to review everyday how to redo the bed sometimes people who have been working at the hotel for the past five years you will be surprised that they are the ones who are not even doing the job well so we just redo the training to refresh their minds and with my experience the week that i do a training things flow everything is just perfect and then when you dont talk about it they tend to forget you understand

I: ok

P: so its mostly a reminder basically a reminder on basic reminder on what they already know but they just need to be retrained everyday and reminded how to do it

I: and how do you calculate your occupancy

P: the occupancy is calculated based on the number of rooms sold plus the day rooms we have rooms um for example i told you last time that we having 115 rooms and the last time i said the operational rooms were 95 but at the moment the operational rooms are 100 and i am planning to open another 5 that will be 105 by the weekend so what i do is if i am fully booked, we always have clients who come in for half a day, for half day

I: ok

P: so when they check out those rooms are cleaned again, so if its sold again its a top up so if i manage to sell all my rooms lets say my operational rooms is 100 so that means i have already those 100 rooms that are sold plus the ones that were cleaned as day rooms so if its 5 that means my operational rooms is 100 plus the 5 day rooms that were cleaned and sold again so it depends on the number of rooms sold plus the day rooms

I: ok, so your occupancy can even be more than a 100%

P: more than the operational rooms, yes

I: ok, thank you so much

BED 5

Interviewer: I am going to start with your biographical information, your age

Participant: I am 46

Interviewer: educational level

Participant: um BA Degree

Interviewer: did you specialise

Participant: pardon

Interviewer: did you specialise

Participant: no, it's a BA Degree with um psychology and private law as my major

Interviewer: ok, and your first language

Participant: Afrikaans

Interviewer: ok, ethnicity

Participant: that I don't know, laugh, that's not a question that should be asked in the new south Africa

Interviewer: ok,

Participant: it's obvious isn't it, laugh

Interviewer: and your position in the b and b

Participant: I am the manager

Interviewer: ok, can you please describe your business to me in general

Participant: ok we are a self-catering b&b, we don't serve breakfast but we do provide the ingredients for breakfast in each unit's kitchen so each unit has got its own kitchen um make use of a communal kitchen each unit has its own kitchen and we provide the ingredients for the breakfast in the kitchen and they just help themselves and yeah, then we do um um sleep one two or three people in one unit and then we also have two bedroomed units and three bedroomed units

Interviewer: ok, and how many people are employed in the business

Participant: in total um full time it's me, L, G, that's full time and then part time we have got a gardener we have got two um ladies that come in and help us on weekends and the holidays when people are on leave so all in all its 6 but only 3 is full time

Interviewer: ok, so is the business managed by the owner or an appointed manager

Participant: um yeah you can say I am the owner manager not the sole owner but yeah

Interviewer: ok, and for how long have you been managing the business

Participant: for 23 years, if in your studies you find someone that's older than us I want to know, because I think there is only 3, laugh

Interviewer: ok, and what type of legal entity is the business

Participant: we are in a cc,

Interviewer: ok, and it has been in existence for 23 years you say

Participant: no we started out um, as a sole proprietor and then we moved the whole business and everything into a Pty limited and then because really purely for its good to have it in a legal entity instead of a private entity so that's for estate planning purposes that was a better option um for the size of the business and so on and so on a cc would have been preferable but at that stage a cc couldn't be owned by a family trust so we made it into a Pty Ltd and then when the law changed and ccs could be held by a family

trust we changed we converted the Pty Ltd into a cc and now they don't exist anymore, well they still exist but you can't register new ones

Interviewer: so are you a family business

Participant: yes

Interviewer: so how many years in total has the business been in existence

Participant: for 23 years, this September 23 years

Interviewer: what are your occupancy rates?

Participant: it varies but I would say for the last year it's about 65-70%

Interviewer: ok, have you heard about the term strategising

Participant: strategising, I know but what's the first word, oh the term strategising

Interviewer: and what do you understand strategising to mean

Participant: that is the way that you would approach the market or a situation or so you would basically look at where you are where you want to go and how to get there

Interviewer: and, do you have activities or practices that are routine in the business that you regard to be strategising

Participant: um, yes um we do laugh, that are routine, we usually try and find out when people book if they are new clients where they heard of us so that we can evaluate the success of our marketing strategy and that's very important because in a business like this we can't we don't have lots of money to spend on advertising so it's important to know if your advert is productive or not so that's definitely the one thing the other thing is um your best advertisement is your existing client, so um to build a relationship with them is very important to um make sure that they will refer clients um so that you can get a by word of mouth going that's very important because that doesn't cost money it just um building of relationship and it's just doing what you should do right anyway so if they are happy they are going to tell other people listen go and stay there so that's definitely part of our strategy, another thing is to try and keep our communication with our clients um, you know professional and good so that we send out confirmations, we engage with them in the period prior to their arrival either by e-mail, sms or phoning them or more than you know one means of communication, it's important it makes them feel secure yeah, they definitely going to have a room when they arrive because there are people who have had bad experiences

Interviewer: mh, ok, you mentioned something about building relationships how do you build relationships with your clients

Participant: it's each person is unique and all of them come for different reasons to Pretoria and I just think it's not a it's not in the true sense of the word a business you know gold clinical thing it's a true interest in the person um you know some people like to talk about their children others like to talk about their hobbies and you just get a feel for what makes them tick and quite often it's something that also interests me or it something that I can learn um and then you know it's interesting and they get the feeling he's interested in me he's interested in what I do and um yeah so it's not a definitely not

a very high, laugh, high tech thing it's just a true interest in people and what they do and caring for them and um trying to be of assistance and help them in the things that they do, they might travel a certain route because they know it but its 5km further than another route which is easier um but they don't know it yet you know small little things like that um they you know they are in a foreign place and quite often some of them know the city very well but and then you can assist them with things and they start trusting your judgement and start asking you who is the oke to speak about this in Pretoria and who's the doctor to see about that, laugh, not that I would know but laugh yeah

Interviewer: Ok and how do you strategise

Participant: basically in our kind of business you are chasing a high occupancy rate um and you would like as many bums in your beds as possible and you look at things that can give you that so there are events there are constant business going in town that brings people into the city and so you all the time you looking for niche markets and you try and look at how can i explore a niche market how can I get access to a niche market obviously in an ethical way but if you know that for example um that there is going to be a big tennis tournament in Groenkloof um then you change your advertising strategy so that people who are going attend that um or participate or be part of it in any way so that they can see you so you if there is for example a national rugby week like they had one not last year this year at TUT Tshwane university of technology, the grand.. 16 national week now if that thing happens and you know it you you strategise you can see how can I get access to those people what's the best way to to let them know, listen okes you are coming up to Pretoria anyway come and stay with me, make them aware of yourself because you can't go on to the advert just ahead of the 7 o'clock news, laugh, um its way out of your reach as a you know small business so it's basically um that, that's the event kind of thing and then in our kind of business all of these 1000s of guesthouses in Pretoria all of us operate in different kinds of niche markets and one of the big things that determines what your niche market would be is your location so we are where we are we are next to Loftus, we are close to 4 very big schools um ... boys and girls Pretoria girls and boys high, UP. Unisa is relatively close not quite walking distance but you know I think 3½ km so it's close um and that just from an academic and sports perspective opens up potential and how you access that potential is where your strategising comes in

Interviewer: ok, would you say your strategising is formal or informal or both

Participant: it's both its formal, informal and opportunistic laugh so it's not just it can't be just formal um it has to be informal as well and it has to be opportunistic as well because there is things that come and go like a world cup its and then you grab that opportunity and then it goes into formal and informal um you might find sometimes that your formal approach doesn't work that well but your informal approach worked well someone some friend in Pretoria who knows about me and what I am doing he ran into

someone else and he tells that someone and so that's you know quite by accident you get a better result from that than what you did from your formal approach

Interviewer: and how often do you strategise

Participant: I it's actually if formally I strategise maybe 3 or 4 times a year but um informally I almost do it on a daily basis if not um hourly basis it's a constant thing you, you um hourly is a bit exaggerated but daily is definitely a thing it's a thing that cross your mind every day and you think about it every day except if the phone rings and you get a 1000 e-mails and smses ad you really don't have time, you get days like that but there is usually a time in the day that you think about, ok um you might have like this morning I made a booking for December um and paging through December I noticed that December is still quiet which is normal, it's a quiet month for us and um it's still you know a number of months laugh ahead of us so but I start thinking, how am I going to approach December so you know that thought has crossed my mind and it will stay in my mind and I will produce something, laugh, you know to top up on the normal standard routine things that's happening anyway like you know advertising wise and so on

Interviewer: ok, you said December is a quiet month do you have any other quiet periods

Participant: it's basically just middle December to the first week of January those are our only really quiet times

Interviewer: ok, and who participates in strategising

Participant: it's basically me and um M helps me from time to time, whom you met this morning, my mum, so I bounce ideas from her and get her thoughts on things

Interviewer: and which tools do you use when you are strategising

Participant: no, only my brain, laugh, no its yeah there is no real tools or I don't write, because I don't have to communicate my strategy to lots of people um I don't put it on paper which maybe isn't a good idea or I don't write it down um but it's because it's not something that needs to be communicated to other people so much u yeah there is actually one thing I do go onto the internet and try and get a calendar of events for Pretoria so that is, the internet definitely is something yeah but Pretoria doesn't have a nice calendar of events if you can get us one it will be great, Durban has got a very nice one I think it's a service that the city council can pick up and do for the citizens of Pretoria and it will actually benefit Pretoria in many ways not just for the tourists um and so on and so on if there is a calendar of events so that I know if I am organising an event at the school or something that I can see way ahead of time that there is something big at Loftus I don't have to go and look on the Loftus website if I go to one calendar of events I want to draw in lots of people public, you know um the public um then for example I it will be stupid to organise a market 2 weeks ago when they had the air show at Centurion, because a big % of the public would go there so to compete with a big event like that would be not so clever but there isn't a calendar of events where

everything is on one page on one date and that will really help, it will really help I mean you sometimes get situations where there is a big big interschools game at the schools here and there is also a big event at Loftus and it clashes because the traffic is just hectic and everything and it's all that is manageable um if people know ahead of time what the other guys schedule is, Loftus sharks game, ... college game and then the ... oke say no no we not going on the sharks game next week its Northern Free State or the .. it's a small game in Loftus we will just move that thing ahead or back a week when we do the planning that kind of thing it will just help the city run smoothly ok, please do it for us laugh

Interviewer: I don't know if I will be able to but maybe I can just make a recommendation, and where do you see the business in the next 10 years

Participant: its, yoh, it's something that we try and do all the time is look ahead and where we are going and um the market in our industry has become so competitive that one has to grow the number of rooms to stay competitive, your the % of profit per room is becoming so small that its becoming difficult to sustain your um salary, so the only way to grow or maintain your salary is to add more rooms so you have to look at growth, growth is very expensive um because you are growing from a small base relatively speaking and to grow one room you might need an extra um an extra um you need to buy an extra house so it's not going to be one room it's going to be several rooms so the bite sizes that makes growth in our industry difficult, yeah, well not difficult its risky um

Interviewer: ok, what activities do you see that they are helpful to achieve your goals or to achieve your strategy?

Participant: activities inside the business, um its difficult um, I think um the most important one is contact with the guests knowing what you know why they are here maybe and then most important where they satisfied what else would they like and try and get a feel of what would they be prepared to pay for an extra service because everybody wants extra service um everybody would tell you yes of course I would like the full DSTV bouquet instead of just the hotel package but are they prepared to pay an extra 30 or 50 rand per night for that as soon as that comes into the equation you know then they tell you it's not that important because that is what it would cost me for example 30-50 rand per night extra um so try and get a feel of what is important to them and how important is it and um is a fan sufficient or is aircon what they want are they really prepared to pay for an aircon because aircon would have an impact on the room rate so you know that's the very important kind of thing to constantly be in touch with, what your guests are feeling and thinking because that gives you an evaluation of your product that you are selling and if you are, if you are selling the product still that people want because that changes over the 23 years I have seen now that has changed what is important now wasn't important 10 15 years ago and you need to stay in touch with that otherwise you become irrelevant with ,, and you will work hard on advertising and

spending money on things like that but you don't realise that the product that you are selling isn't what people want and need any more so that's definitely

Interviewer: ok, what kind of environment does your business operate in?

Participant: what do you mean with kind of environment?

Interviewer: you mentioned earlier about the accommodation or tourist industry becoming more competitive

Participant: oh, ok yeah yeah yeah um yes it is it's a very difficult environment in the sense that we are in essence medium, smmes if you go and draw the stats for businesses in South Africa you will see that we employ for um for the capital invested we employ more people than Anglo American and Absa Barclays bank and and and we so we have to ride on our small little bicycle but we have to ride it very hard to stay with the pack so we have to squeeze this penny much harder than big business need to so our activity rate its high our compliancy, compliancy is difficult for a smme in the sense that we don't have um the resources in the company to stay compliant with all the I don't know how many laws that they are so you need to outsource them and then you go and get that from professionals who are for them the things they have to do for us is like the easiest thing in the world but they charge a professional rate so it's expensive for us to outsource them so we try and do it in-house and then there is a constraint on, on um on my time and I get sucked in by administrative junk which is not junk in the sense that it's very important stuff you know it needs to be done you know it's the law and stuff it really needs to be done but its junk in the sense that it doesn't put bums in my beds it, it's not a productivity thing it's an activity thing so that draws you away from your business to your desk where you are doing admin and you are not being productive you are not putting you know taking your business forward and that is an extremely dangerous thing for a small business like ours an extremely small business and that's why you quite often see that businesses who aren't compliant with anything they are just running doing the really important things um when it comes to their business they don't even keep books but they are they are doing well because they are spending time on the important things now if eventually those other stuff will catch up with them but that is one extreme to the other extreme the one that's get suffocated by administrative work that draws them away from the business and the other one ignores the administrative stuff and stays absolutely focused on their business you know the productivity side of their business and they excel and that is very very important they are very difficult in our kind of business so that the other thing is every time we get a world cup um I want to die because I have been through all of them the 95 world cup, the cricket world cup, the soccer world cup and every single time there is a world cup everybody, .. uncle and aunt wants to open a b and b and they are going to make millions millions and I don't know how they think you make millions by starting a b & b that costs millions and you might have an opportunity for six weeks to put people in your guesthouse what happens before that what happens after that and they all of them discover that afterwards and

then they spoil the market with um with too many beds they start neglecting their product or they start um getting involved in price wars that you get 4 star places selling rooms for less than 2 star places I mean it gets ridiculous and and that hurts the oke who is in it for the long run it hurts them it affects them um eventually, the things get sold on auctions after a little while after the world cup and um you know the banks get a negative view on our industry they don't want to borrow money easily to guys like us even established guys like us so I prefer it if we don't get another world cup or Olympic games just from my own selfish point of view, laugh, um on that and then another thing which makes our business increasingly difficult is um rates and taxes have been escalating way above inflation for almost a decade now if not more and that adds to the price pressure um our we get service interruptions more often I mean we have been on this premises for so long and we have had in the last 5 years we have had more service interruptions than we have had in the previous 18 so that makes it because if a guest is booked and there is no water and there is no electricity what are they paying for they are not paying just for a bed they are not paying just for water they are paying for the full service and if you take a very important part of that full service away it's like I don't know selling somebody a car without its wheel and missing a steering wheel and that not usable it's not functional so it its becoming very difficult so you need to invest in the generator now again that's a very expensive thing to do you might buy a small little one that can run maybe the lights and everything but can't you know do the geysers and stuff so you know water is another story so that is you know the service that we get from the city council is a major threat looking into the future um yeah so that's making our business difficult, crime is making our business difficult um the fact that we are in a suburb called Sunnyside who it's got a very high crime rate um incidentally unfortunately Sunnyside is, has built a name as being a place with a very high crime rate but if you go and look at the statistics Sunnyside is better than Groenkloof, it's better than Brooklyn, better than Hatfield is better than um many many of the suburbs but unfortunately you have the big stories in the news the Nigerians they did this you know that kind of thing that happened there there was an armed robbery there and people know about Sunnyside in the sense that many of my age people lived in Sunnyside when they were students there wasn't a Hatfield um that's were all the young people lived so they know about Sunnyside so they hear the name they hear how things have changed and the Nigerians and bad people doing those things so being in a suburb with a bad crime laugh crime name even though it's not the truth it's just a perception um is not good um yeah the other thing is our city council in the late 90s they developed a thing called the tourist rendezvous which was on the Sammy Marks square and it was a wonderful thing, a wonderful thing it, for tourism in Pretoria that was magic but for some or other reason they allowed it, they had a SADTU office there they had a travel agent there they had a um a mini bus service from the airport to this square every um half an hour on the quarter there was a there were buses going up and down it

deposited people there many of them made their decisions there on where they were going and that was a very important part of establishing and giving infrastructure to Pretoria as a tourism city now that has disappeared there isn't such a thing anymore so a city council that markets itself and facilitate, they don't need to do it themselves but facilitate the infrastructure to draw in international guests and create the opportunity for them to go where they want to go anyway because you know you can't, people aren't cheap you can't herd them to where you think they should go and they will decide where they are going and if our city council can do that properly again it will be you know really nice laugh, that's you know a difficult thing because that is things that forward looking cities do, cape town do it Durban do it um not to speak of cities in the world but there are south African cities that do it much better than we do

Interviewer: ok what competitive strategies do you use to keep up with competition and changes in the environment or to exploit opportunities and to counter threats in order to achieve your goals?

Participant: um we try and do do as many things as we can its sometimes very expensive to leading edge with changes but it's also very dangerous to be leading edge so you need to time things um nicely um if um for example if you look at solar geysers um solar geysers initially were relatively expensive and then they became a little bit more popular and there were still relatively expensive and then the Eskom um rebate came in and then all of a sudden the price shot through the roof you were paying more than double for the same thing than you were a year ago um so you need to read those type of things and either put it in before or like now afterwards now they are cheap again but relatively speaking to the graph they were following they are cheaper now because they have fallen out of favour the rebate from Eskom is smaller than it used to be so now all of a sudden the selling price is lower laugh so yeah so you need to be aware of these things happening and not do things when they are at their most expensive um you can sometimes get away with just having Mnet in a room instead of the full DSTV for a little while, you are not the first to put in a hotel package or a full bouquet for your room because that's what your guests might need they are happy with just SABC, etv and Mnet so to be first with everything sometimes is expensive and if your clients are willing to pay for it fine if they are a little bit shy then you know you hold back a little bit until it becomes such an integral part of their lives so that they really need it then you introduce it so um yeah and then all of the time you are looking at cost saving mechanisms methods um you look at how am I placed in the market um I for example know if I phone a number of people and you know look on the internet what their rates are, I know where I should lie and you also quickly see that you either you did your maths and you did your budget and you did your everything and now you see I'm more expensive you know I have grown my rate has grown faster than theirs why and you know so you know everything that all of the time

Interviewer: ok and how do you compare with other businesses around you

Participant: we are slightly cheaper than most people around us so we are more expensive than the backpackers but we are um less expensive than most of the b and bs that serve breakfast now that's one of the difficult things that we did in our business is for quite a number of people to be able to sit and have breakfast and be served breakfast is very important thing so with us putting ourselves in the self-catering market we are losing out a little bit on that um section of the market for that you know that is important but it gives us the benefit again for people that stay for let's say 3 nights breakfast might still be important for them but to go to especially if you are a person that travels relatively regularly to go out and eat out for 3 nights in a row isn't fun anymore after a while especially if you have lunch and dinner it really isn't fun anymore it costs a lot of money and it might not be to your dietary needs um, you know you might be in the middle of a diet or you might be a sportsman who is eating in a specific way you know restaurants don't cater for that and then having a self-catering unit helps you a lot it saves you money it um gives you the opportunity to eat exactly how you want to eat for whatever reason you like and it also saves you time if you are here and you are on a tight schedule you can get like a woollies meal that you just pop into a microwave eat it and continue with your work so for whatever reason people sometimes prefer the self-catering option

Interviewer: ok

Participant: but what i wanted to say when I started all of this in general people have an expectation to pay a little bit less for a self-catering than they would for having breakfast served so that kind of pushes us to be a little bit you know lower in our rates even though the capital expenditure to have all of that in the rooms you now having just a room with beds and bed lamps and what what what is less expensive than having a kitchen in a room so the capital expenditure per room becomes higher with a kitchen um but you get less for it laugh but you don't have the costs of running a kitchen so that's it more or less balances out

Interviewer: ok, and how do you use um what the other businesses are doing to improve your business or to the best advantage of the business

Participant: how do I use

Interviewer: what the others are doing, when you look at what the others are doing

Participant: I don't do that very much um I yeah I try and focus on what we are doing and on what our real needs of our guests are and in a sense deliberately don't look at what other people do

Interviewer: ok

Participant: because if they go onto a wrong road I might follow them blindly and you know copy their mistake, laugh

Interviewer: ok, how do you put into action the objectives that you have planned for the business?

Participant: how do I

I: how do you put it into action?

P: I just do it sometimes I need to budget for it um some sometimes there is small changes and then I have to speak to the staff and bring them up to speed with um what needs to be done um but the advantage of having you know a small business you once a decision is made you start implementing it immediately it's not travel through a big business structure you get to staff and tell them listen there is a change in this we doing it this way now and this is the reason and you might have notice that wasn't working so nicely anymore so we are approaching it this way

I: so when you do your planning do you always follow your plans to the letter or sometimes you need to fine-tune them as you go

P: no no sometimes quite often you have to fine-tune them as you in implementation stages um it doesn't work as nicely as i thought we need to adjust a little bit here and a little bit there and um yeah

I: ok

P: so it's not cast and concrete unfortunately and fortunately

I: ok, has any change taken place in the business

P: change that?

I: has any change taken place in the business

P: oh yes many yeah

I: and how do you manage change

P: change change is a constant it change is something that happens all of the time um and it things change because people change um the some of our guests who were 50 years old now when we started the business are 73 years old now um one of our guests who, who was born his mother came here, she stayed here before he was born he was born in the Femina clinic she stayed here a couple of days after he was born and then they went back to the free state he is a 3rd year student now and so it's we are talking about generations you know um people people's needs changed a lot um you know Wi-Fi didn't exist back then now Wi-Fi is something that you should provide and there is an expectation that it should be free laugh um so you know you embrace the change its, its it's there people want it and in a sense they are willing to pay for it maybe not extra you know i give you the code you give me R10 kind of thing but they are willing to pay for a full facility um I think so yeah things definitely change um there was a time when you could rent out a 3 bedrooomed unit to 3 different families that was 20 years ago it's something that people don't accept any more they and the people loved it you know they loved it meeting people you know now absolutely each family own unit finish and klaar laugh not negotiable so people do change a lot um there was a time when there was a perception that inner spring mattress is a lot better than a foam mattress but now cloud 9 has been so successful in marketing and and and that there are a sizeable chunk of people that believe a very very good quality like cloud 9 mattress is better than an inner spring mattress so laugh it's crazy but that those things you know that's the

way people's perception changes ... yeah

I: ok

P: and we adjust to that um there are people that even though they are a single person they want to sleep on a double bed they don't want to sleep on a single bed um so one needs to accommodate that there are people that won't sleep in a room if there is two single beds in it husband and wife they don't want to sleep in a room with two single beds they want a double bed for some people it doesn't matter you know it's one night away from home there a two single beds no no problem laugh so yeah and in because in your business you would need rooms with single beds and double beds so but the mix might go 60-40 might go 70-30 um you might you know so you need to to

I: ok

P: be able to accommodate those changes

I: is information on your customers easily available

P: well the basic contact information is easily available but to get to get like kind of under their skins and to know what they think and how they feel without you know sitting them down and doing what you doing now you know doing a research session with them um that's that's a more difficult thing it's a more nuance thing it's not something that you ask someone directly um but it is something that you, you develop the the skill to ask people questions that will give you the answer without them knowing that you are actually doing research

I: ok

P: yeah just in the normal flow of things you might say something which they will react to or you might ask something um you know people might say for example um yes I like the mattresses that you have where do you get them if they really really now say I would like to buy myself one and then I would say ah that's very nice to hear and that kind of thing you know I was wondering about next time I buy should I go you know for the cloud 99 kind of foam mattress or should I buy these again I'm very happy with these but I don't know what my clients feel on these things then they would give you what they think and what they feel you know then once you have spoken to a number of people about that you get an idea of and it all happens over time like over a 6 month period but you gather some information about mattresses laugh and um the way people feel about and then you you know adjust your strategy and how you going to change how you going to accommodate

I: ok, um how do you evaluate your business performance?

P: well, in the end i look at the bottom line, laugh, in the end I look at the bottom line that's the final truth about you know if you are, if you are successful as a business one needs to be successful with keeping the clients happy and what what all of that you need to be see your clients if they come back they come back they refer people then you know that you are more or less you know doing something right and so on but if you are doing all of that and you are not making money you are just a nice guy um who are

selling himself short so you need to make money now with that after 23 years I'm still not a millionaire I am still not rich I'm making less money than I should much way less than I should but I am living and I am enjoying what I'm doing so um yeah to me that is important um to be able to pay most of the accounts laugh and to be able to enjoy what I do the little bit of freedom that the business do give me um it does give me it gives me the opportunity to maybe spend time with my children at time when other dads aren't available it takes me away from home at times when um other dads would be home which is one of the negatives but there are positives and negatives and the way it is i am relatively happy and but a business is a business and a business needs to make money

I: ok, and do you consider your business to be successful

P: well I think I think definitely so um, I think if you look at our business from the outside in we are among the first 5 b and b guesthouses in Pretoria and we are still here um same owners same management we still here um we have survived the 90was it 97 98 hike in interest rates to 24.75 we have survived that we have survived the difficult time we had in after 2008 we have survived crime we have survived almost a constant construction period since 2007 when they started with the Gautrain in our area after that it was the upgrade of the stadium upgrade of the sidewalks now it's the RBT or the Areyeng bus construction which impacts on our environment in a negative way that makes it unpleasant to come here because it's a construction site out there we have survived all of that so we have survived I think that makes you successful in a certain sense we have grown the business from an initial 3 bedrooms to 12 rooms um so yeah I think we have been successful we had more rooms at a stage but we they were rented rooms so we rented property and we um put people there but the owners sold and we couldn't find a suitable um you know unit to replace so we couldn't buy and we couldn't um but yeah so I think we are successful our clients are coming back um we have been very very blessed in the sense that we have never had to retrench staff um so yeah we I think we are successful we definitely not going to win entrepreneur of the year competition we are not going to the bank aren't going to send people to us and deliver flowers because we are making them rich but, laugh, um yes but I think we are , we are successful

I: ok

P: in a yeah modest humble small kind of way, the mere fact that we are employing 6 people giving work to people on a constant basis I think is a contribution to our country and our society if you go and give this capital to the JSE I promise you they are not going to create 6 jobs

I: Ok and how do you attribute your success to prior decisions that you have made

P: I think we have made a decision many many many years ago to to, put a very high premium on integrity reliability um and honesty that and believe you me that's there comes times when it's very difficult you have got 1 booking 1 room for 1 night that

someone did 3 months ago and now all of a sudden there is a group of people who wants to come and stay for 2 weeks but that 1 unit spoils that booking now you can't take the group booking for 2 weeks because of that one booking

I: ok

P: I can tell you out there in the market 95plus% of all the businesses would pick up the phone, phone the neighbouring guesthouse book that client there or they would phone the client and say listen something has come up we can't honour that booking anymore

I: ok

P: now we don't do that and it costs me money in the short run but in the long term you always win because that person might come for the next 10 years or 20 years we have got clients like that and they don't even know about this situation, they but they know you don't push them around they know once they have booked they are booked so that is extremely important

I: ok

P: um you know they are referring clients to you anyway so you know treat them with the respect that they deserve and that once off 2 week group thing, if you tell them listen guys I am extremely sorry, I have that booking I have checked they are definitely coming I have to honour that booking and I won't be able to help you because of that they respect you they might be disappointed that they can't come but they will phone you again because they will realise that the other people out there don't do that after a while they might be away for a year or 2 and then they get a bloody nose um and somebody cancels an establishment cancels on them and then they realise listen that oke there at bed 5 he doesn't work like that lets call him again um so they will come back um if you are doing your things right people come back to you so that's and then um honesty you need to be honest with your people you know kind but honest if they do things that disturb other guests or you say listen we need to be more sensitive about noise we need to be more sensitive about the way we park, we can't park in other people you do it in a nice way, polite way um you know they appreciate it they you know and then um you need to be consistent um many many of the people in our industry when a world cup comes along the prices go up

I: ok

P: now old van der Merwe and Tshabalala has been staying with us for many years now all of a sudden there is a world cup now he needs to pay more I mean its rubbish he knows that I have been charging this rate he knows that I know that that is the cost for the room he's been supporting me for many years he in his heart wants to support me for many years why am I going to charge him more now all of a sudden for something so we don't do that I know, I know all about you know um supply and demand supply and demand is good but supply and demand in a micro sense can work against you um I have had people asking me but why don't you charge more for when there is a rugby test at Loftus or when there is a big Currie cup final or because quite often you get van

der Merwe comes here for a rugby match and he stays here he pays what he pays and then he starts using you for his other business because he saw I like this its good value for money whatever his reasons is and he starts supporting you for something else that brought him here initially the other thing is also true Tshabalala has been staying here for many many years he's always here for business or whatever his reason is for coming and now all of a sudden there is a pirates game and he's a pirates supporter now he wants to come and then he doesn't he doesn't get charged more and he's happy because you know it's the same so that consistency that reliability is very important

I: ok

P: also many many guesthouses close doors between Xmas and new year or in that period more or less when it's quiet in Pretoria we don't and I can't tell you how many guests we have picked up that always stay at abc guesthouse or cdf guesthouse or whatever guesthouse but now they are closed and the need to be in Pretoria and then they come and stay with us it almost doesn't make sense to be open but he stays with us that one time and then all of a sudden you realise but this guy who was always staying he told you he's always staying with abc now he's coming and staying with me all the time so what it cost you to stay open that time you reap the benefit for later on in many instances not all of the instances but many many times you pick up so you need to have a long term vision and have your eye on the long run it's a too capital expensive business to be in to be opportunistic in the short term stuff

I: ok, in your opinion of the tools that you use in strategising is there a tool which is most useful or is there a combination of tools that are useful to the success that you have achieved

P: um it's it's I think to summarise that its communication with guests and um calculating the cost of your product and that I use a calculator or a computer for, laugh. Yeah

I: ok so can you say that your success can be attributed to the strategies that you have put in place in the business or is it

P: yeah I think it is that um it definitely is that but it's more than that its um it's also the time and space that we are in um we are in a time and space that creates the opportunity in a sense that people for whatever reason I don't fully understand but people have a need to not go to hotels because when i was small there was hotels and that's it

I: ok

P: so people have changed in a way that they believe or think or have the need or whatever in what is happening in people's minds out there creates the opportunity for me to do this business because they want to go to a smaller more intimate what what what what place and um that in a way sustains the possibility so it's not just something that we do we need to do what we do right and to the best of our ability but it's also there is also an that outside factor that people think it's maybe nicer or more

personal to stay at a smaller establishment

I: ok

P: so yeah there is a different aspect to it as well as much as I would like to take credit for, laugh, for success just because of what we do it isn't it's also got to do with with peoples willingness to share because you do get people that it's just the way they are put together they don't talk about their lives and their things and what they do and where they stay and then van der merwe won't ask them listen that place where you stayed last time tell me what's their number you know you get people like that um and it's just the way they are put together it's not because they but they are unfortunately people who talk a lot and that helps me laugh

I: ok, you mentioned factors that affect the business for example crime are there any other factors that have an impact on the business

P: um i think, I don't I might have mentioned it you know indirectly but the economy has a huge impact on the business um we have seen that with the creation of not e-toll I'm talking about the toll roads on the N1 toll roads on the N4 the cost of travelling for people because people who come here in general come from far that's why they sleep over so the cost of getting here has become a sizeable factor and if you look at the cost of that visit to Pretoria it's become so expensive as a % of maybe their monthly income that people are planning their trips better um so they might stay shorter so the economy definitely definitely, infrastructure development when there are toll roads that cost money now but they are better so you can drive from um Tzaneen to Pretoria in a day it's possible and do a bit of business here it's possible if you can set up your appointments in the middle of the day and so on and so on its possible because the roads getting here and back is good so you then in a case like that you might not need to sleep over um so infrastructure another thing that um had an effect on the business was when we the country split up into 9 provinces instead of the 4 that it used to be the other provinces got capitals so Nelspruit became the capital for Mpumalanga and Polokwane for Limpopo there was a huge explosion and infrastructure development in those cities, towns which became cities and the reason for peoples travelling here kind of disappeared because the same business that they would have done business with in Pta weren't in Petersburg before is now in Polokwane so they needn't travel here anymore so you know that kind of development had an so the economy and the way it changes definitely has a big effect 2008 economic crisis struck people start losing jobs it definitely has an impact on us

I: ok

P: so we not immune to the what happens in the macro economy and in the world economy

I: ok, do you find that your, the degree that you have studied for helps you in managing the business

P: yes and no um we you do quite a bit of contracts and stuff like that with your

advertisers yeah and things like that, it helps on a small scale because it's not complicated stuff it's really 101 stuff laugh um Psychology, um up to I think up to 3rd year level gives you an introduction I think, I truly believe that you really start developing tools to really start doing things in psychology on masters level not even on Honours really so I think it's, it's not necessarily, I think education is very important, I am not saying education isn't important you need education you need very good education you need um but I wouldn't say that the specific subjects that I took I mean to go to university broadens your mind it opens new worlds to you it um teaches you to read differently to read more critically to evaluate more and to be um you know to form an opinion about what you read so so the education part is very important that absolutely is important, without that I wouldn't be able but not necessarily the subject matter that I learnt helps me so much as the as what it did to my mind

I: ok

P: am I making myself clear,

I: yes

P: yeah it in any case it, those influences comes back to you and your personality and how you apply yourself um and if you have got a true interest in people it will come through even if you took maths and science um I so if I took maths and science as my and I did a Bsc I think I still would have been able to do the same because my interest in people is maybe the more important thing and the broadening of the mind and all of that would have happened with maths and science maybe I would have made more profit come to think of it, laugh I would have done a better budget laugh yeah um so

I: ok. Is there anything else that you think is relevant in connection with strategising that I haven't considered?

P: I well I have considered it but we haven't mentioned it um is there are many things that one can do in this business that complements your business so if I start a shuttle service that services Pretoria but I will be able to benefit from that in that the undecided traveller I, my business my shuttle business could bring them here and introduce them to my business and um or maybe suggest as little as only suggest to come and stay here if he's struggling from Johannesburg or the airport or the and he still doesn't know where he's going to sleep so that is something that can benefit my existing clients and can generate new clients um conferencing same story, um opening a full restaurant kind of thing um um tea garden coffee shop all of those scenarios same story, benefit existing clients as an extra service but also draw in new clients so that all of those kind of strategies is strategies and ideas and things that um that can come

I: ok

P: one can do

I: I am done with my questions, if you have anything else that you want to add

P: no, I have talked a lot

I: Thank you very much

FOLLOW UP MEETING

I: When I asked you about occupancy rates you said it was about 65-70%. what exactly do you understand by occupancy rates

P: um, occupancy rates for me is a room occupancy so its not bed occupancy,

I: ok

P: so its the number of nights available in a month um divided by the rooms that was actually rented out

I: ok, so its the number of empty rooms versus

P: if i say there is 65% it means 65% of the nights um 65% of the available units were occupied through that month

I: ok, ok I understand now

P: so if there was a 100 rooms for a month there was 65 that was used and then 35 wasn't used

I: ok,

P: that's the occupancy not the vacancy, fortunately, laugh

I: ok, I also want to ask one other thing, you have been in business for 23 years and in all my interviews you are the oldest and i want to ask why have you not employed more people in all the years

P: um there isn't work for more, laugh, um I think the real question should be why I the real answer should be I haven't employed more people because I haven't grown um we started out just with this one house and then later on we bought the other house 400 metres away that created extra employment but um the fact that we haven't grown further is what is holding us back from employing more people

I: do you have any prospects of growing further

P: we have, we have an application pending at the city council to build 18 units here

I: ok

P: let me show you the pictures (participant shows researcher pictures of the planned expansion) so yeah we have got plans reliable steady flow of income so you know that's another aspect and then to be very frank we have got a very stupid government um they don't seem to want or they say they want things to grow and they want to see and they want to but they don't create the environment for growth so they make it difficult especially for a small entrepreneur its not the things that they say and the things that they do they are not aligned

I: is it because of all the procedures that you have to follow

P: yes, yeah lots and lots of procedures and stuff it so this is basically the road and the parking and the building you will see just now, um (participant showing plan for expansion)

I: ok, how many floors

P: it's um ground parking and then one, two

I: ok

P: this is just different, YEAH that's the last one yeah um so that's my brother (participant introduces brother) um

participant and brother talking

P: to grow a small business to a larger business it's very difficult, it's difficult to get access to capital it's difficult to get access to the market um each time there is a big event like a world cup or a thing like that everybody jumps into the market and wants to make a quick buck and just dilutes the possibility for everybody and um spoils the market for like 2 3 years after the event because then they all have to see that it doesn't work for them and they so it's and they go some go bankrupt others fortunately get their places sold so it's not necessarily a world cup is not necessarily a good thing for our industry because of all the new people that rush into this thing which if you really go and look at business and the way this kind of business is structured it's a long term business it's not like setting up a little stall next to the road selling cokes that you can collapse after the event, its um (the problem is that the um the business people involved with the organisation they create opportunity and they sell accommodation packages so they come to the smaller service providers they say that we will book all your beds, they book all, the beds um with the expectation that they will sell the accommodation to potential tourists that will attend only to let you know six weeks beforehand that they didn't manage to sell them so you are back in the market with no bookings so um and so it's not, this whole corruption thing that we are seeing on the fifa side is just the tip of the iceberg) yes it goes way deep down through everything it's the structure so that's why I say it's nothing specific laugh

I: laugh

P: (I don't know what you guys discussed but also to keep in mind that size and market is so important, what market you aim for and when this business started many years ago tourism made out a big % of daily business nowadays its local tourist only and they are for business and whatever other reasons and tourists dont travel on their own to Pretoria anymore they will either come in a bus with a group and it will be just a drive through on their way to another destination and that's a big problem for us) it's so sad that Johannesburg people used to lad on OR Tambo and came here they stayed the night here and they did whatever they wanted to do in Gauteng because Joburg was dangerous they did the Soweto tour and a couple of things in Johannesburg and then they did union buildings and the rest in Pretoria and nowadays they don't do that anymore, Pretoria has lost its foothold as a tourist destination, they drive past Pretoria they don't even stop at the union buildings anymore, its one of those tragic things where we had something as a city and we lost it because of poor management (and crime) yeah and crime is huge unfortunately (Pretoria isn't the safe city it used to be) but you know that, laugh you live here

I: thank you very much

BED 6

I: What is your age?

P: 41

I: Your educational level

P: Management and travel tourism with the institution of commercial management UK

I: what is your first language?

P: first language is Shona I am from Zim

I: what is the position that you hold in the businesses

P: I'm the all-rounder manager here

I: can u please describe the business to me

P: b & b very small as it look like we sell rooms ,we sell accommodation we have 4 rooms in total and a conference room which accommodate up to 25 30 guest depending on the setup

I: how many people are employed in the business?

P: 3 people since it is still small

I: do you as a manager manage the business

P: I'm responsible for everything

I: since when

P: 2010

I: what type of legal entity are you

P: it's a company under a medical company called based care, the owner is running that medical care company

I: how long has been the bus in existence?

P: since 2005, when the owner bought this place she rented the place to someone who operated it till 2009 then she took over

I: was the person doing accommodation as well

P: how much are your occupancy rates

I: depends with the season, its seasonal especially if u don't have contracts. Its viable from February to August, you will be operating at about 90% that's how good it is and some other months it's about 50

P: have you heard of the term strategising

I: yes

P: what do u understand by that term strategising

I: strategising it's how do u plan to maximise our clientele base, what do we do to get more clients especially in terms of marketing and all that

P: do u have routine activities that you regard as strategising

I:our strategy is to get more business like going out marketing ,making sure that if we get clients really take care of them and keeping in touch with them and giving them specials ,that's part of our strategy to keep the business going we

P: how do you strategise

I: you know it's a business that is running, so we don't really struggle doing it because it's part of us, like me it's my profession so these are just ideas that come up, how do I get more clients, so I sit down and plan, e.g. what kind of clients do we normally have, we normally have students who come in and stay two weeks or so, we have hospitals around here, major ones, so we always get clients, so I go at the hospital and look at the appointments, contacts of the patients, embassies around also because some of the visitors are coming from outside, sport as well at the nearby stadium so I always look out who is playing and when and I try to get clients from like games, like soccer, sometimes ideas come like can't we have conferences then, I think of people who do conferences, or even some management training that they do maybe 2-3 people and I talk and negotiate with them, so that's how we do it and we won't even spend money on it, although we may need some little brochures flyers etc. but they are not costly to us, so we always do simple strategies to get clients

P: do you formalise or write down your strategies

I: yes we do have a diary on what should I do this month, not every month is the same because there are seasons in which hospitals don't do operations so you have to stay away from them and concentrate on areas you get clients and it's like people doing masters and PhD are coming for their sessions I have to know, so I go there and get information, and ask a lot on when they will be coming so as to keep some rooms for them, I leave my information and everything so it's a planned thing a strategised activity

I: how often do you strategise

P: like I said it's a profession every time when I wake up even at night that what comes to my mind, this week what should I do, that why I was telling you that Monday you will have a lot of things on your mind, like now business is very low so we will be thinking on what to do to get clients, planning even for next year, it's not for a week or a month, so we do things that will sustain us for a long time, I always expect 5% of the guest we get in a year must return that same year or the following year, so I strategise everything

I: who else participates in strategising?

P: like I said my boss the owner is busy with her own business, she isn't much in this business, I always tell her that you are an influential person, you must negotiate business for us, but she is busy, I wish she could help in strategising

I: what tools do you use when strategising

P: nothing much because we are selling intangible products, I use intangible tools to do that, it's a services business so I use the same tools

I: you said that the owner isn't much in the business, are you the one coming up with the long and short term strategies

P: yes as I said I'm the all-rounder manager here

I: where do you see the business in the next 10 years?

P: business is good here, the good thing about accommodation business is its constant

I'm telling it can only go down if you don't improve your service, like how the business is it really needs improvement from inside and outside, we are in the process of rebuilding, so if this place is rebuilt and we add 10 more rooms as per plan in 10 ten years' time we will be getting another property to run, this business it's a very viable business especially in this location of Hatfield it's a big business I think you moved in some guest houses they will tell you that business is ok, no b& b is crying here it's very viable,

I: are there any activities that you attribute to assisting you to achieve your strategies or goals

P: not really but what really helps us is that if you can manage to sell a room then we provide complimentary breakfast it's not really an activity but it's something complimentary we offer to our guests so that they will return some other time and keep them and sometimes if we have clients that stay for a week or so if they need shuttle service at times we provide for them at a very low cost, I think that's how we try and do to keep our clients we don't do much activities, it's different from a resort or hotel or guest lodge

I: you mentioned earlier sometimes that sometimes you call clients about when they're coming back or when next are you coming, how else do you manage your customer relationships

P: I keep communicating with them calling and finding out how they are doing, some come and we become friends, some will just visit if they are around, and we have breakfast, so to me it's very easy to manage that because they are as good as my friends, so we just get in touch sending e-mails. The other thing is to follow them and tell them about our price reductions and advising them what we will be doing and everything, because we don't really want to harass them like asking when are you coming back, we are a small guest house so it's easy to make friends, especially when they are relaxing then we can relate to them

I: what are the strengths and weaknesses of your business?

P: our strengths like I said Hatfield is convenient for business, I told you about a major hospital around here, Steve Biko, so we have many clients coming from Steve Biko. We have had guests who have been coming here all the time, so we are right next to many hospitals thus giving us an edge, also there are students they want to stay close because this is a walking distance to the university, we have the Hatfield school, former students always come back and do what they used to do, they will always want somewhere close to their place, because there is night clubs there like recently they opened a blue room here, so we have people coming from Joburg, Bloemfontein such things, we have a stadium also here for soccer. So we are strategically positioned and they are also international companies here, so we have people from Botswana, Namibia, Zimbabwe visiting their offices here in Hatfield. Most of them are here and arcadia some will come from Durban to collect cars from the nearby car dealers. That's

where our strength is, and it's a quiet place so we have local people coming to relax, so that's where we are very strong in business there. Weaknesses I wouldn't say we have any, we don't really market ourselves strongly, I think we are fooled by good seasons at times ,because we should be going to government offices to look for business ,because we have people from SAPS staying for a month there are also government departments like home affairs ,they can bring their people from other provinces and they will stay a time, its only I have no one to assist me so marketing at times is hectic ,and my boss also isn't that serious with the business ,our weakness is we need aggressive marketing ,because what we are doing is just simple marketing ,if we could aggressive marketing people would flood here like what happened 2011-2012 the rooms were occupied from February to September, another weakness is we aren't improving our property ,we should make sure that the outside looks nice, inside is fine but outside, so we tend to lose a lot of clients, because whoever is coming from Polokwane ,Rustenburg or from N1 when they are coming to Pretoria instead for them to look for accommodation in arcadia they should be coming here since we are the only first b& b on this main road ,so the appearance outside is our weakness. The service is good though, we please our customers that they come back.

I: who is your competition?

P: next there is guest house ,we have hotels here protea etc., there is a mall there, but we are not worried though because the trends have changed ,people now want b & bs where they know that they get attention

I: do you have any strategies in place to keep up with the competition

P: the things that I was telling you earlier, we do our best to satisfy clients ,to do what they want ,to make them happy ,so that keeps us going ,this hotel business is taking a U-turn people no longer want to get in hotels where they just check in and no one cares about them ,they want the small establishments where they come here they know me ,what they want they give me a call ,not in hotels they have many people to look after ,so the things I said makes us going

I: do you compare your business with best practices in the industry and how do you do this

P: yes because if you avoid that you go out of business ,because if you get a client today it means he/she have been in a guest house even I, I move around guest houses ,just viewing ,how they operate ,how they are doing these days ,since things change so keeping with the standard is the best way to do businesses to maintain the business and to keep going

I: so the ideas is that you have strategies that you have, how do you put them into action

P: like I was explaining to you ,if I strategise to get business from hospitals I visit and leave my flyers there, I visit the university and leave whatever material there ,I visit the embassy also and leave my stuff there. If I have clients I make them happy ,and if they

are happy and they refer other people ,like we get calls at times from many people from referrals ,and I go and meet them since most will be directed ,so I establish relationships with all my clients. I really please them; I do follow ups at times to make sure they still have the stuff that I have left like the flyers so they end up knowing me, because of the regular visits

I: so do your plans always go according to what you have planned or at times you have to fine tune them as you go

P: yes sometimes we have to adjust because people are different, days are different also. So after planning I have to be flexible to accommodate any kind of changes

I: what challenges does that bring?

P:the main challenges ,is that resistance ,sometimes we get resisted ,so I just keep going to achieve my goals, I keep going so that they should know me ,so I will keep patient and persisting

I: has any change taken place in the business

P: of course ,despite on how the building looks I have seen yes but though not our best, but from 2011 to 2013 I have seen changes and the business have been improving a lot its only that my boss isn't into this business so her passion is little but as it is looks it's been good ,I go an extra mile to please clients so as far as operations are concerned its changing

I: so how do you manage the change?

P: by adjusting, like I said in life you have to adjust, e.g. if the business is low you need to adjust and do something that you haven't done that will bring business, if you have done something that you achieved the other and it's no longer working you have to adjust and you have to be flexible, the clients they come with different needs so you have to adjust so that the whole idea to responding to change, so in a year seasons change. We are busy from February to August and we do our best to maintain our clients, so now its low business so as the festive season approaches people want to go out weekends to enjoy the summer etc. ,but when it's raining and a bit cold you will find them around, like I said things have changed I adjust, I go and find business somewhere but I do my best to get business.

I: how do you measure the effectiveness of your activities? How effective are they?

P: we measure the result that comes, I have gone for marketing, the clients are coming here, if they are not coming then they are not effective, if business comes then I know that this things work. So what we need is that we strategise and make plans to get clients is for us to get our occupancy rate rise ,so if there is no positive result then it didn't work properly

I: how do you measure financial performance?

P: of course if we have high occupancy rates then we know that we are making money ,also like we have clients that we can overcharge certain things ,so when it comes to financial issues we have like to make sure that we achieve a breakthrough for the year

to pay for electricity ,salaries and buy whatever that needs to be bought, so the little that we are saving ,that is coming in is for the future of the business, so that's how we look at that

I: how do you evaluate the overall business performance?

P: the business has been alright from February to August we will operating over 90% so to me that's a breakthrough if you go to big hotels they will tell you that 60% and above is a breakthrough so like I said 90% its breakthrough that's making, because it's not only through selling of rooms, it's also through conferences and everything, if we include that we know that we will be close to 100% ,so to me its excellent.

I: so do you consider the business to be successful

P: it is successful, operations are successful, I know you guys you would like to see us painting, building etc., but operations wise its good, unless if it was my business I would say we are failing to paint or build but the operations are very successful very much, if all was in my hands I was going to do excellent things here

I: ok I heard you talk about occupants rates, so is it the only thing you use to measure the success or growth of the business

P: yeah that's where the income comes from, if the rooms are full then we know that we have money ,and that's the money we will use to pay workers, improve ,to do everything, so our success is based on occupant rates ,so if we have no clients then we have no business, like now all our guests have checked out ,maybe we will get some over the weekend, so it's no money is coming ,then I think that's not good in business, we want to make money every day.

I: what are the key factors that have an impact on your business?

P:change of seasons like I said from February to August it will be excellent and also because we have four rooms, at times we try to have deals with certain organisations, so they will tell us if we had 12 rooms they were going to make business with us. Economic situation, people's pockets are getting a bit empty these days unlike before, they no longer come especially local people like they used to do, so these are the effects with a strong impact, and its affecting companies as well, we used to have lots of companies coming here booking their people in, so they are being affected as well by the economy.

I: any other factors?

P: the way the guest house looks, it's embarrassing as well when someone comes in and asks are you open, are you operating, because we get clients also from some booking agencies some safari, so when they see the guesthouse on the website in beautiful so when they come here expecting what they saw then they see this is how it looks like its affect us so some will end up saying what they want ,some will just pack up their bags and some that we think that they will not stay are the ones that love this place you know that's people so it has a negative impact so we are losing business so we should be getting those people time and again but because of the way the

guesthouse looks we lose. We are next to the park and there are lot of activities happening there so I would wish the police would reinforce their security on the streets so at the end of the day the boys will end up jumping over breaking guests cars sometimes that's not good so it has an impact ,so everyone affected will tell you that Gauteng is bad especially if they experience it ,so people will always fear like those coming from other provinces or nations so this impacts us negatively.

I: I see you are graded as a 3 star establishment did you have difficulty in complying or obtaining the grading

P: when they grade they come here, so they will check according with their standards, so we did not have a problem

I: any other factors that impact the business

P: no not really

I: do you attribute any of your success to prior decisions

P: like I was explaining some of the strategies that I apply when they succeed I will say this is a result of this activity that I did, as said I diarise everything, for instance hospital I would say this month I received so many from them this is because I visited them this day I did this so I always remember my activities and marketing strategy

I: so is the success linked to the practises we have discussed or it is coincidental

P: mainly it's the location like I said we don't go off like to town to do the marketing so mainly the location gives us an advantage that we are in Hatfield gives us an advantage ,so the time I do my marketing ,I do it around here so that anyone from outside is coming so I can have recommendations. I give credit to the location on getting a good clientele base and all the clients that we need.

I: in your opinion which activities or practises are most useful or a combination of practises that are useful in achieving success.

P: to us success is filling our rooms and getting much revenue so our marketing strategies contribute much like I said us being strategically positioned like this it's a way of marketing on its own and me going out looking for business its contribute to the success of the business so it's the marketing strategies and our service, how we provide the service it contribute a lot to the success of the business and the maintenance of the clientele base. We don't spend much on marketing as a small business ,since we don't have a budget for marketing ,otherwise we won't cover up ,the other way in which we try and maintain our financial breakthrough ,we try to reduce our prices we don't charge like hotels ,we reduce our rates to a very affordable rate and improve on our service that we keep in business unlike hotels they are charging R1 300 we would be charging R700 for a better service so we keep getting business and we keep going ,hotels don't really care even if they are on 0 the whole month to them its ok because they have hotels everywhere, but we are a small business and we are only here so we do our best to keep going. I think that how we are different from the big establishments

I: is there anything else you think is relevant in connection to strategising that I haven't considered

P: that we should apply or?

I: yes

P:like I said our strategising is all about marketing, marketing skills ,formulas ,and everything ,like I said we don't do marketing budgets ,very little of it but to me to do that budget will be out of petty cash ,we are different from hotels we can do that through radios ,magazines for our it's more of one on one marketing so they will ending up knowing me so as small businesses we don't spend on marketing

I: in your opinion what is your most effective marketing tool

P:our strong marketing tool is our service when we get them we give them the best service that they must get for us that is the best we can offer them so that's a big tool to offer. I can say my going out leaving brochures and flyers contribute but our service is the best marketing tool.

I: how does your qualification assist in your position in the business?

P: travel tourism management ,covers hospitality ,though I was doing hospitality as a minor subject because it included management and marketing so on the marketing side it covers everything so I think the right qualifications especially for a guesthouse. It's in the catering industry I think it's more specific people who do hospitality management would not want to work in small businesses they would want to go in bigger hotels that's where it suits them but in small businesses like these just travel and tourism management is enough, it can cover accommodation units and all like lodges also like this one, so to me it relate to this business, that's why I love hospitality. I know industries out there in the travel but I think my calling is here in the hospitality industry but I want to do it in this small scale. I can do most things waitering, chef, and reservation admin in general, I can clean a room so its different form someone who did hospitality industry you will be in this department and that's it. So to me it matches well my qualifications because I have learnt a lot practically more than I learnt in college

I: is there anything else you would like to add

P:ok one thing I can add is that I want to understand this as you do your research such business some people do it to make money according to my plans in the next 15 years or so years I would want to convert my house into a guesthouse because to me it's not a way of making money but a calling ,whether it bring enough or little ,but I just want something that sustains me or keeps me going so in business like this it's not really like something that is there to bring out or make lots of money ,but basically with me I take it as a calling ,even like I could be doing good somewhere or working in a tour operating company but hospitality is my calling I enjoy if I have nothing to do I will take the plates and make sure they are clean ,I can iron, cleaning ,to me it's a calling ,so if it's a small business it mustn't be something there to make money ,like my boss ,so it's different from her ,it's not a calling ,she wants money and she think less about

business ,ploughing back into the business, if I manage to make R90 000 this month I will make sure it works to improve the business so that it sustained for a long time so to me , I can say I will my own guesthouse ,it will be for my pension ,I will be fulfilling my calling and I will run it myself sustaining my life and my family. that's the whole idea of the small business rather they can just borrow money and do big business ,so people have a wrong idea about this business like if you check of the white people in the guest house check ,they will be very very old, I have a friend of mine who is owning a guest house in arcadia ,she is very old I feel for her, she must be 60 something ,she's managing her business she doesn't rest ,managing the business ,I wish my boss had that in mind she could be sustaining the business. The way it looks outside in the next 2 years it will be gone, I have been here since 2010 I have seen business rise but its the way it looks outside so one thing we must know about small business, just sustain the business, even if the business is failing to sustain you, one day you will reap out of it. like I said this place is strategic for this kind of business and whoever is failing to make money out of this business has no brains ,so that what I can say ,these small businesses must be sustained by a calling of a person ,satisfying clients and big achievements will come later ,that's my ideology on small businesses.

I: thank you very much for your time.

FOLLOW UP MEETING

I: I wanted to clarify, is the accommodation business, what is it registered as

P: the b&b

I: yes, it's a b&b? Is it a company or a cc

P: it's a company N guesthouse, it fall under B medical, but its a company on its own registered as N guesthouse

I: ok and what do you mean when you say occupancy

P: occupancy, um we will be talking of um the rate at which like we have clients booked in, so that's occupancy

I: ok,

P: the occupancy rate is that's where we say occupancy rate is 90% we are talking of the sales for the month

I: Ok and how is your relationship with the owner of the guesthouse

P: laugh; um we have a very good relationship, she doesn't care

I: about the business you mean

P: um she know things are moving she can spend even 3, 4 months without coming here

I: ok

P: we just communicate updating her, what's going on and that's it yeah she trusts me

I: ok, no problem

P: that's how a business must be run, its trusting one another

I: ok, that's fine thank you so much for your time

BED 7

I: Ok, I am now recording ma'am, I am going to start with your biographical data

P: ok

I: how old are you

P: um 71

I: and your educational level

P: matric

I: ok, your first language

P: English and Greek

I: ok and your position in the business

P: owner manager

I: ok, can you please describe your business to me

P: I am running a guest lodge with 16 bedrooms and um a little deli restaurant that um our guests come down for breakfast and dinner and um then we are open to the public as well

I: ok, and how many people do you employ

P: 35 at the moment

I: ok, so you are the one who manages your business, you are owner manager

P: yes, I've got an assistant who works 4 hours a day from Monday to Friday

I: ok and what type of legal entity is the business

P: legal meaning

I: is it registered and as a what

P: um it's a CC the business yeah

I: and how long has your business in existence

P: 14 years now

I: ok and what are your occupancy rates

P: about between 70 and 80 %

I: ok

P: the between Christmas and um and 15th January 15th to the 15th things quieten up but we still open because we do have a few people that stay over during those months yeah

I: ok, have you heard about the term strategising

P: no, what would I do with that

I: ok, strategising it basically means you set your goals for the business, what you want to achieve you plan and you set aside resources in order to achieve the goals

P: well I think I have done pretty good for me yeah

I: ok, do you have routine activities or practices that can be linked to strategising

P: not really um no, we don't we do not advertise because um of having few rooms

which are mostly full, to advertise is just to have the telephone ringing and saying sorry sorry sorry but as you say how have we worked towards improvement

I: mh

P: yes, soon we will be building another place with 51 rooms so we have done well, laugh

I: Ok and how often do you make plans for the business

P: my business runs on its own, I don't make plans people phone me for conferences and so on i do not advertise I do not try to do anything because its busy on its own it's too small to do big things

I: ok, mm do you have a vision for the business

P: yes, I am busy I am planning to build a new a new um premises apartments, yes by next year we are um how many rooms then 51 61 almost 70 rooms

I: ok

P: yes, so we do have a vision

I: do you have long term goals and short term goals

P: well long term yeah

I: how do you come up with these goals?

P: it was a vision I started it 12 years ago not here but the other and now I it's coming to be, it took 12 years to wait,

I: ok

P: yeah, laugh

I: and how do you measure the effectiveness of these goals that you set

P: I do not measure it it works on its own I'm careful in my spending and I have as you say a dream or a vision of what I want how to improve it and it happens

I: Ok and where do you see your business in the next 10 years

P: I see my business going well praise God that our politics are good but my business should be good yeah

I: ok, and who is your competition

P: the people around me, there is a guesthouse along the street here, there is RR and other guest lodges yeah

I: ok, and how do you counter the competition

P: i do not, I try to um have my staff that work for me not to be able to work within 5km of um we say that confidentiality clause that they signed but I don't think it really helps laugh, yeah

I: OK and what can you say are the strengths and weaknesses of your business

P: um definitely my strength would be my people my staff our food, our service weaknesses is when I get angry and I scream at them and then that's really no good that's a weakness about myself yeah

I: and how do you think it affects the business

P: people don't like it of course yeah, yes

I: ok, and what resources do you use in your business

P: resources like what

I: like your assets, or cash flow

P: cash flow is what comes in assets is what we have

I: and how do you, do you have a specific way in which you allocate these resources to achieve your goals

P: no we save what we can, we have got to spend daily to shop and have everything fresh and nice for everybody clean yeah

I: ok, do you compare your business with best practices in the industry

P: no, I do my own thing and try to do my best I can't beat other people I can't do better if they are doing better if they are no better but I do my best and that's it, laugh

I: ok, how do you put measures in place to improve your business?

P: by being firm we have got to be clean like you see um we clean very much we um are polite to our customers we try we do our best

I: ok, and if you see that there is an opportunity in the market how do you exploit it

P: well as I say I buy the property I want and carry on building and growing yeah, you have got to grow you can't stay where you are unless you are planning to give it up

I: Ok and how do you put into action your objectives or your planned strategies let's say you plan something that you want to do how do you then put it into action

P: first of all as I said you have got to go buy the property you have been looking at and then make plans gets an architect decide um on the plans what you want and that's how it goes

I: so do your plans always go according to how you planned them

P: no plans never work out all the time but so you move on, you change direction its ok, laugh

I: ok, and what are the challenges that you face when you are faced with that situation that you have to change

P: um you have got to think hard and adapt that's

I: ok, and has any change taken place in your business

P: um yeah we growing definitely since we started definitely and people are like to come to us yes they are pleased with it I'm pleased with the way my business is going

I: Ok and how have you managed change in the business

P: we adapted, we adapted yeah you see

I: could you provide examples

P: you see um obviously we started off by being just a bed and breakfast then we see that our customers want dinner as well so we opened up a restaurant that provides for dinner we see that they need transport so we bought cars and drivers that can take like our guests that went to the airport we see that um departments need food for for their meetings ministers and we um deliver and take them food and they want meetings conferences they want food at their before we only had conference menus now when

we saw that they have built on extra space for their conferences then they want food from us we deliver it so that's how we adapt you see

I: Ok and how do you manage your relationships with your customers

P: as best as I can as almost motherly yeah, yeah

I: ok, could you please elaborate on that

P: well I, I am on my own so I love to have people this is my social life is my work so everybody that comes is my friend they i welcome them so it's nice and they like to come to me because it um not um it's not very um formal

I: ok,

P: it's like coming back home

I: ok, ok and how do you evaluate your performance

P: I do pretty well I wake up at 5 o'clock in the morning we open at 6 breakfast we close normally at 8 I go home 9, 10 o'clock I work every day so I think my performance is ok

I: Ok and how do you measure the financial performance of the business

P: well I must say I try, I try to not to overspend when I see that there isn't money coming in difficult times if it's difficult and I need money I approach my bank I get an overdraft but I manage my finances quite well

I: mh, and how do you measure your employee performance, their morale, their skills or knowledge

P: I have got um employees that have worked for me for many years even before BB started the guest lodge because I had a restaurant before some 18 years and whoever comes really doesn't go and some are not so honest and then I have to get rid of them but normally everybody that's working for me has worked for many years yeah

I: ok

P: L how any years have you been with me (to employee,) that's when he finished school and TA nearly 20 so and others that have yeah, C you been working for me for how many years (to employee). There you are since we opened the restaurant only now 4 years

I: ok

P: yes, they worked with me upstairs before and then we changed that space into extra bedrooms and we came down

I: ok, do you see your business as successful

P: oh yes oh yes

I: why do you say so?

P: because alright today is Saturday, Sunday is not busy like last week we had a function for cancer that's why all our trees are dressed in pink for the breast cancer we had a photographer who took photographs today its absolutely quiet but we are busy

I: ok, ok and what factors have an impact on your business

P: um what would I say, good food good service definitely good food clean rooms yes

I: ok, what are some of the factors that maybe when you have set objectives or plans

they can hinder you from achieving your plans?

P: that hinder my plans um expenses family expenses you know family yeah

I: ok

P: that can have a push you down and not because that of course is first

I: ok, and I want to ask um what factors affect your business external factors affect you business negatively

P: holidays you know that becomes a no business, I can't say bad weather it doesn't affect us. Holidays extra holidays that is bad for business, laugh.

I: ok, do you have regular customers

P: oh, yes yes very regular customers

I: how do you keep them coming back?

P: they are happy, happy with our service like this lady that's just left she is been coming to me since 2002 when she had an accident I took her to hospital and since then her family, everybody from Maputo comes yeah yeah I think offering good service and being honest and our breakfasts are good very clean rooms, private quiet the rooms have got to be good clean

I: ok does crime by any chance affect your business

P: no crime but as you see we do have a security guard 24 hours a day our doors are totally closed so nobody can come in without being noticed and um no crime

I: ok, do you find it easy or difficult to comply with the tourism regulations

P: no very easy, no problem

I: so there is nothing else that affects your business from outside

P: no, no

I: and what methods do you use to measure the growth or success of the business

P: with what money comes in how many people come in laugh that's my growth laugh

I: so in other words your occupancy

P: yes, yes

I: ok, and do you attribute your success to prior decisions that you have made

P: no, no no decisions um I would say we just keep going and do what we have to do and try and do it as best we can and that's our success yes and by giving attention to our customers yes our guests must be made very happy pay attention to them if they are sick we take them to the doctor if they need medicine we go buy it, we give um we give a lot to make to make people feel at home like a mother looks after her children that's how we we try to treat everybody as though they are welcome and at home

I: so if I understand you correctly your service is your success

P: absolutely, I would say that

I: ok

P: yeah

I: and do you use any tools in your business in order to achieve your plans or objectives

P: like what do you mean tools?

I: for example um SWOT analysis

P: sorry

I: swot analysis, your strengths your weaknesses the threats and opportunities that are found in the business

P: we try our best all the time we do and our weaknesses if you catch cold or don't answer the telephone that's a little bit of a nuisance because telephones here you are running this way that way i think my one of my weaknesses is that I don't answer the telephone as I should because it although I put it there sometimes I forget to transfer the telephone and I think people get a little bit mad at me for not answering telephones all the time you know because I run to the conference room run at the back and you, something happens and to forget to transfer to another station yeah

I: ok, don't you lose business because of that

P: perhaps perhaps, yes but that could be because I don't have that person all the time when my assistant is here then she's here bur after hours that's why I said I need I need you to help me, laugh,

I: laugh,

P: yes I am looking for a good person to come in and help me

I: ok, what is it that you can recommend to others or a combination of attributes that you can recommend that contribute to success

P: to pay attention to your customer to be welcoming you should be um when you see that they are searching for something they are needing something to be immediately try and see what is it that they are the problem might be whether it's the telephone or I don't know whatever problem to try and sort it out before it becomes a problem

I: ok

P: yeah

I: anything else

P: no, keep the place very clean that's important as you see

I: ok

P: it's not always tidy but its clean, laugh

I: ok, and is there anything else that you think is relevant in connection with strategising that I have not considered

P: no I think we have covered everything good food good manners attention to detail I think that is when your customers come in to welcome then to make them feel at home not to make them feel as though they are one of these big hotels that don't even know their names yeah that's it

I: ok, is there anything else that you would like to add

P: no, I think we have done it all haven't we

I: yes, laugh, we have I just want to ask one more thing how do you operationalise your targets if you maybe set targets or plans how do you operationalise them

P: well by trying to um to follow them through if it's quiet then if you want to get extra um

conferences we phone the different people that had been coming to us and say are you ok, how are you, laugh, and that's how we we go back to them yeah

I: ok, and do they always come back

P: some come some are have um other spaces in their in their firms so

I: ok,

P: it works

I: ok, so who participates in strategising?

P: myself and A and um M who is the head of the kitchen she makes sure that its spotless and the food goes out that's you know when we send food out it must look, be good nothing from the freezer to the table of our customer that's how it goes fresh food in the rooms we don't put a chocolate on the pillow, we put a basket of fruit so when they come home they can have an apple, banana, a naartjie or whatever it might be with a few sucking sweets I find that that's better than a chocolate that most people don't even eat it

I: ok, ok

P: that's what I prefer to do daily a basket of fruit daily in the customers' room with a bottle of water and that's it

I: ok and how do you measure customer satisfaction, how do you find out if a customer is satisfied

P: I do have um a questionnaire that the new customers sometimes answered and its always extremely good

I: ok

P: sometimes they say parking space we don't need parking because they are dropped here but otherwise the rooms and the service and everything is good good good

I: ok

P: that's how um yes, a questionnaire I think can answer you can find out how your customer feels about it

I: ok and how do you resolve those negative ones on the questionnaire

P: oh well say they might say that the fruit was empty or the fruit had been frozen then we we look at it and we get it right but we try not to have those problems yeah we try you know because its small it's not difficult to keep a place like ours clean

I: ok

FOLLOW UP MEETING

I: What kind of training do you offer your staff?

P: what kind of training, well er the young one that's there she's gone from the kitchen to the front to the bakery she's at the bakery now and then she must do upstairs and so on so they are all rounders

I: ok, do you train them yourself

P: no no the people inside like B is the baker, what can i bake the baker M she's not

here to day trains the kitchen F in front trains the till and how to run and make the coffee so you know the people that know the work yeah ok

I: ok, and what do you mean when you say occupancy

P: what do you mean occupancy it means how many people you have got in the lodge

I: mh,ok

P: the amount of guests you have got

I: ok,

BED 8

I: can you please describe your business to me

P: sigh, this is a guesthouse industry um we accommodate people from locally and overseas

I: ok

P: on a daily weekly or monthly or yearly basis

I: ok

P: because we do have people that stay here on a long term basis as well

I: ok

P: and short term, preferably short term, laugh

I: laugh, and how many people do you employ

P: how many people do we have employed, um myself and then four staff workers assistants yes

I: and do you have an appointed manager who manages the business

P: yes myself, jack of all trades master of none but the staff are just if I am not here then they manage the place so they can be called managers as well we all are because we work together as a team the one is not better than the other one the one is not doing less than the other one because there is no such a thing if we don't pull together we are not going to go forward it's not as if the manager is here at the top and the rest have to do the work I don't believe in that I believe in you work with your people together you can do much more than one standing aside and just giving orders it's better to work together

I: ok, and what type of entity is your business

P: the entity is um

I: what is it registered as

P: as a, it is registered as a guesthouse

I: ok,

P: just for accommodation as such we did do conferencing but we stopped with that

I: ok

P: yeah

I: is it a cc

P: yes it is a cc

I: ok and how long have you been in existence

P: 6,7, 8 years now

I: ok

P: yes

I: what are your occupancy rates?

P: it all depends its quite seasonally as such because of the Christmas period it goes down by 50% then because there is no business in the area as such but from and even January up until when the businesses reopen again for the new year then anything from 85 to 95 percent on a monthly basis

I: ok, have you heard of strategising

P: yes we strategise everyday

I: what do you understand strategising to mean

P: sigh, you have to have a strategy to promote your business, how to run your business because things change daily so that if you don't go with a strategy you will go nowhere you have to strategise

I: ok, and are there any routine activities or practices that you regard as strategising

P: yes, our routine activities is the daily cleaning because that is the prominent um guideline of that because if you don't have a prestigious clean guesthouse and I have picked up that guests prefer anything else above extreme cleanliness linen wise you know general in general that they really prefer

I: ok and how do you strategise

P: how do you mean how do we do it, we implement it we discuss it you know as a team and then we pick up this is where we need to improvise then we try and get a better solution or to improve in the situation and then we implement it

I: do you write your strategies anywhere

P: no, we talk about it, laugh

I: ok,

P: us women like to talk

I: yes, and how often do you strategise

P: well we have a weekly meeting on a Monday and then we do discuss um what we need to do or what went wrong or what is needed to be done for the week and that type of thing so once a week

I: and who participates in strategising

P: all of us, all of us because we work together I said to you as a team

I: ok, and what tools do you use in strategising

P: what tools, laugh, our brains and our voices, laugh

I: laugh,

P: um and you know what if we don't really know then you google and you get information from other people or you talk because we have a monthly meeting with other guesthouses and then you, you talk to the other owners and see you compare and

say this is my problem do you have the same problem how can we help each other

I: ok, and how do you come up with long and short term objectives

P: well long term you can't really do because this is a day to day basis so um then you know you go and sit and see what the problem is or what needs to be done and you try and solve it there and then because you can't long term because things change every day you get new guests every every day so you know and it changes with each guest because some people we are all individuals we all have individual needs and preferences and that type of thing we all and some are easy and some are difficult

I: ok

P: luckily we do get the more easy ones, chuckle,

I: and where do you see the business in the next ten years

P: I don't know, I don't think that far ahead I could not be here in 10 years' time we live my motto is I live each day to the best of my ability I don't know if God is going to end my daily career on earth tomorrow or whenever no we don't plan that far ahead not at all

I: ok, and how do you measure the effectiveness of your objectives

P: how do you mean

I: how do you find out if you have been successful in achieving your objectives

P: you can see by the um amount of people coming and going if it goes down then you know something is wrong that you did something wrong somewhere and you have to go and see where did it go wrong and try and improve on the mistake that was made or the fault that was um occurred or whatever what happened yes

I: ok, you mentioned that things are constantly changing in the industry, how do you deal with change

P: how do we deal with change, on a daily basis and you have to go and see um what the clients want because they don't want not all want the same and um some want this some wants that so you have to try and get a middleman or a middle way to try you cannot satisfy everybody's needs but you can try and get to a point where you can be on a safe road that you can do that you know because tastes differs but you can try your best to do that

I: and how do you find out customer needs

P: you talk to your customers, you have to have a a open um channel with your clients so they can feel free and say listen I rather want this or I rather want you need to be a peoples person in this industry because if you don't do that how are you going to know what your clients need and what they do prefer

I: ok and how do you manage your relationships with your clients

P: how do we manage it well we you try and befriend your clients but some people are you know there are different personalities some people do not because they um then you respect their privacy but you try and be as friendly as possible and as helpful as possible because we are here to give assistance and a service to them so you have to

you know what you have to keep that channel of communication open and they must feel free that if something bothers them or something is not to their liking that they can come and speak to you or whatever

I: ok what resources do you use in your business

P: what resources do we use, laugh, sorry about that

I: no problem

P: this is my partner 24/7

I: no problem

P: ok so as i said we make use of online booking facilities

I: the resources you use in your business

P: yes, mainly them and lot of advertising and that's it because if you don't advertise people won't know about you and then it is the word of mouth as well

I: ok, how do you advertise?

P: how do we advertise, on the internet, laugh, everything is on the internet these days yes and then we have contracts with 5 or 6 online booking facilities and they do the advertisement for us

I: ok, and who is your competition

P: the other guesthouses around the area

I: do you have strategies in order to keep up with the competition

P: no we don't you know i actually as such because it's actually just the 3 or 4 of us we are we have a good relationship with each other we know each other personally if they are fully booked they will recommend to our guesthouse if we have a overflow we send to the other one so we work quite hand in hand

I: ok

P: but they still stay the competition, and you try to better them, laugh. no you have to

I: ok what is it that you feel you have to in order to be a preferred guesthouse than your competition

P: the personal touch, yes that ability to make the client feel very special here and most of the people like the homely atmosphere and um the friendliness and the interaction form the staff

I:ok, ok, do you compare your business with best practices in the industry

P: no not at all

I: ok, how do you put into action your objectives or your strategies?

P: sigh, how do you mean how do I put it in action because if you have them you do them you interact or you do them on a daily basis so you do that by you know interacting on a daily basis

I: ok and do your plans always go according to how you have planned them

P: no, nothing goes according to not these days you always have to have a plan b or c sometimes d laugh, sometimes no plan laugh just go with the flow

I: laugh, ok how do you measure your financial performance

P: how do you mean how do we measure it because what do I measure it to because this is that is personal because what we bring into the company every month um we know what we need to get into because due to the fact that we need to pay salaries, water and electricity and so forth and so forth so how do you mean I don't really understand what you

I: ok for example the attributes that you think they contribute to your financial performance for example your quality of service or your occupancy rates how do you measure

P: you can, well we do it on a monthly basis and what we like to do is compare to the last say for instance last year in October how but you can actually not because um especially in our area because just look at the factor of the Oscar Pistorius trial since this trial started we you know the occupancy has gone up December when Tata Madiba died normally December is a low month it was sky high last year

I: ok

P: so it all depends on things like that that you also have to take into consideration and you need to take into consideration um what is going on in the country at the moment you know um everybody is with a tight budget these days so it all depends on factors like that and what I have noticed is companies also are cutting down say for instance normally they booked in their clients or their staff as such from a Sunday evening up until the Friday now they won't they will let them come in on the Monday evening so they can save on the cost of the you know the Sunday so it all depends on the financial climate as well in the country

I: ok and how do you evaluate your business performance overall

P: I don't do that my accountant does it, laugh, no we have an accountant that does take care of the financial side of it and you know if there is something like for instance the electricity jumped with 50% last month then she will tell me listen what happened whatever lets look into that so yes I have got a lady that's handling that side of the business just to make sure that everything is on the safe side

I: ok you mentioned a few factors that affect your business, what other factors have an impact on your business

P: well I think that's more or less that yes I think that's more or less or

I: ok, do you consider your business as successful

P: I think so

I: why

P: because my staff and I are quite happy in what we are doing and I think we have built a good client base and according to that I don't I think if we didn't have the client base that we have at the moment you know I would feel you know there is something wrong but we are and we feel quite comfortably with where do we stand today

I: ok do you have customers who keep coming back

P: yes I have got customers my they are like family to us no definitely

I: and how do you keep them coming back

P: just by the way we treat the people, laugh, no that's the you know people want to be feeling that they are special they want to feel that this is their second home so yeah and and that's what myself and the staff are really trying to do

I: ok, and how do you empower your staff to do that

P: well we as i told you we work together as a team we discuss things if they don't know something they will come and ask me and training training that's the main thing because when they started here in the business all of them none of them really knew what was going on so it's just the constant training and we all learn on a daily basis there is no such a thing as we don't learn we learn everyday together as a team because if one doesn't understand something we all as a group come and we redo it until everybody understands what's going on

I: ok what methods do you use to measure the growth or success of your business?

P: what measures I just have a look at my financial situation laugh, no you can do financially you can have a look and see are we growing but not really because things as i said to you things do get more expensive on a daily basis but you can see with the amount of people coming and going yes and on your staff if your staff is happy then you know you are growing and you are going forward

I: ok and do you attribute your success to prior decisions that you have made

P: no decisions on a daily basis

I: ok

P: prior decisions don't work, laugh

I: ok,

P: no you have to make decisions daily because its it keeps on changing,(phone rings) sorry nearly done laugh

I: laugh, do you regard your success to be linked to your strategic practices

P: yes

I: ok, how

P: well if you don't strategise every day I don't think you will be successful because you do need to to have a strategy every day because as I said to you things change whenever because um for instance maybe somebody books they don't turn up then you see by whatever time because we have a cut off time that they either would have to confirm yes we are taking or we will be here or whatever then you can think ok quickly I have another room left let me quickly just put it out on the internet I have one room left or whatever then you can maybe fill that room for the evening so you know you have to keep on thinking on your feet

I: ok the changes that happen in the industry are you able to predict these changes

P: no, no you cant

I: ok

P: it's like the weather, laugh

I: ok, in your opinion which tool or a combination of tools are most important in strategising or in achieving your strategies

P: sigh, that's a difficult one I think to improvise and to um be able to um work and go that little bit of extra mile I think those 2 will go hand in hand you know to, to accumulate what you need to

I: ok, is there anything else that you think is relevant in connection with strategising that I have not considered

P: no I don't think so I talk too much anyway, laugh

I: laugh

P: no, I don't nothing that I can think of

I: ok,

P: done, but sometimes it can be very hard and you have to keep your cool and your calm because you get clients that can um that can push all the wrong buttons you know you know people like that

I: so it is hard in that sense

P: that is I think that is the most difficult because it affects all of us and we all have to keep calm and stay professional but really inside you are boiling but well that's that's a I think a general thing in life some people are just out there to make everybody else's life miserable you do get them luckily we they are a very few we have been blessed so far, laugh,

I: laugh, and what is your vision for the business

P: you know what I don't really have a personal vision because to me this is a day as I said to you a day to day because I really take it day by day that's my motto I because from what I have learnt in personal experiences um I don't plan that far ahead but for my staff to empower them and to make them more powerful and strong individual women because what I have noticed all of my staff are except the gardener is female and all of them are the sole caretakers of their families so that to me is very important to empower them as how

I: ok

P: I am a feminist laugh

I: laugh, that's not bad

P: oh no not really

I: laugh, what are the strengths and weaknesses of your business

P: sigh, how do you mean weaknesses?

I: if you have something that you consider to be a weakness

P: no you should not have a weakness, no you should ok um you know what sometimes you do get very um unreliable people that come into your business with the false pretense of being reliable and at the end they are not that that is a weakness, that is a weakness, and what makes it difficult in our industry is our local municipality which keeps, power outages and water shortages because that is a huge problem because if

you have got a power cut um then you have to rely on a generator and we are too big to get a generator because its 4 building as such and water we only have the two water tanks and what happens if you if the power cut or water is for days on end as what is happening in some areas so its things like that that is very frustrating and us we can't do anything about it it's from another side so

I: and how does that affect your business

P: terrible terrible because guests come in here they don't care if it's the municipality they are paying they want electricity and they want water they don't they don't care some people can really be then very annoying because you know what what can you do you only can cope up until your ability of what you have and you know what if you even put the generator on then everything the aircon and all the plugs and everything can't be switched on at the same time and if you have full occupancy with 13 rooms it's impossible, people don't understand that, laugh,

I: laugh

P: so you see we do have our challenges like any business

I: yes, and you mentioned some events like the Oscar Pistorius trial, how do you exploit such opportunities

P: I don't exploit it people, I think because we are so well situated close to all the amenities then people feel comfortable in staying here because we are really close so yes and our prices are very reasonable according to our standard grading of the guesthouse yes

I: ok,

P: because we are rated as a four star and our prices are really um you know not too high not too low we are really trying to keep it in the middle and affordable for everybody

I: ok

P: like what happened with nelson Mandela's death all the other guesthouses um when that happened we knew that we are going to get a lot of international people coming in some of them pushed their prices 4 times what it was and you know what people pick up on that and maybe they will get 2 or 3 stupid ones that does that and that's it you can't really exploit something like that yeah you have to stay within a reasonable price range yeah but luckily things like that do affect us to a better extent, laugh, yeah

I: yes, laugh, and what do you think are the threats in your industry

P: crime, sigh, crime people do feel especially us in this area due to the fact that we are so close to Sunnyside that is starting to affect us whether we want to admit it or not it is, it is

I: ok

P: and even the noise levels on the weekend especially from Sunnyside

I: ok

P: that's it

I: and how do you deal with that

P: you can't, you cannot do nothing, you can't do anything what for the crime situation you can try and implement more security measures like what we did but you can only do that up to an extent if customers come in here and they are irresponsible by leaving gates open not closing because you have to come through two gates before you entre here from the parking side if they are irresponsible and not you know aware then they put us all into jeopardy but we try and communicate to them you know because in you have to be very security conscious I think everywhere these days

I: ok

P: yeah

I: any other factors or challenges

P: not really, there is a lot of challenges in this business my dear, laugh

I: laugh

P: some that I don't even want to go and discuss it but they are like in a normal business there are a lot of challenges on a daily basis you get your little you know um gremlins that come in and you know for instance as I said the power cuts then you can't answer your e-mails you can only do telephonically people these days prefer to do it via e-mail you can't so there is a lot of little challenges everyday then you go and do it at mugg and bean on your laptop, laugh

I: laugh, would you mind sharing more of these challenges

P: no not that I, you know what sigh, I don't think I can't actually think of anymore challenges

I: ok

P: can you. Laugh

I: laugh, no

P: no really

I: I am, I um want to hear from you because you are in there everyday

P: no really as i said to you those that I mentioned those are the main big ones there are a lot of small little nik naks but that's not as bad

I: ok

P: yeah

I: ok, I think we are done now

P: good

BED 9

I: so I am going to start with your biographical data, what is your age?

P: I'm 45

I: if there is any question you are not comfortable with answering its fine, and your educational level

P: I have got a BSc degree, BSc dietetic

I: sorry

P: BSc dietetic, I'm a dietician
I: oh ok laugh, and your first language
P: Afrikaans
I: ok, ethnicity
P: what's that, white
I: ok, I think that will do
P: yeah
I: your position
P: I am the manager at the guesthouse
I: ok, can you please describe your business to me
P: ok it is a guesthouse um where people is staying I have got 12 rooms and we supply breakfast and dinner
I: ok, and how many people do you employ
P: um employ I have got 4, 6 people
I: ok, is your business owner managed or is there an appointed manager
P: appointed manager
I: ok, since when have you been in this position?
P: September 2011
I: ok, and what type of legal entity is the business
P: what type of legal, what does that mean?
I: what is it registered as
P: as a guesthouse
I: as a company, or a cc
P: I don't know
I: ok, no problem
P: I just think it's a its a company yeah
I: Ok and how long has the business been in existence
P: its plus minus 8 years I think I don't know before I came here for how long I think it was about 5 years now so its 8 years
I: 8 years, ok and what are your occupancy rates
P: um, what do you mean by that
I: it means,
P: how many people what is the % of the people that stays here
I: yes
P: it depends but I think the average is about 60%
I: ok, and is it seasonal
P: no, it just now we are actually quite fully booked
I: ok
P: about 90%
I: ok, do you have times when you have low bookings

P: yes during April and March with all the long weekends then it's very quiet and over December

I: ok

P: because the people that stays here it's not like holiday or day guests it's all corporate so they all work at BMW and Nissan and when the factory closes down for the holidays or the long weekends then the guys is not here

I: ok, have you heard about strategising

P: no

I: ok, strategising basically refers to how you make plans for your business how you come up with short term and long term goals for the business and what you do in order to achieve them that's basically strategising

P: basically planning yeah

I: sometimes people interchange it strategising and planning, so do you have any activities or any routine practices that you can regard to be strategising

P: okay during the times that it's quiet we do have like specials book 3 nights and get one night free um yes when it's quiet we do more um visits to companies to tell them about the guesthouse um advertising you know that's basically it

I: Ok and how do you strategise, is it formal or informal

P: informal, yeah we don't have any formal

I: and how often do you do those

P: not very often, laugh, just when it's quiet yeah once or twice a year

I: ok do you have weekly plans or monthly plans, things that you want to achieve

P: no it's just, no

I: ok and who participates in strategising

P: it's just me and then um my assistants and the owner of the guesthouse

I: ok what tools do you use when you strategise

P: um I don't think there is really um a tool that we use just planning with paper pen and paper

I: ok, how do you come up with short term and long term goals for the guesthouse?

P: we don't really have goals I think the thing is our only goal is as long and short term is to have people staying in the guesthouse and that is just what we plan is how we can get the people here so yeah i think that is for short term goal and the long term goal is to get at least a 90% occupancy

I: ok, and who come up with these goals

P: it's basically the owner and the manager

I: ok, where do you see the business in the next ten years?

P: I don't have any idea, laugh,

I: no problem, what activities can you attribute to be helpful, you said you always want to have an occupancy of 90% so what are the things that you do in order to achieve that occupancy

P: ok we visit all our clients all the companies that book with us we send them regular emails about what's going on and then once or twice a year we have like a cocktail party or a braai we invite the people so that they can see what the guesthouse looks like and what's been happening in the during the year and yeah and then the owner also takes out the companies the people that do the bookings with us she will take them once or twice a year to a function like the barnyard or Monte casino or something she entertains them

I: ok and how do you measure if these activities have been effective

P: we can just look at our bookings see if they do book or not

I: ok and what are the strengths and weaknesses of your business

P: I think the strengths is we have got very good staff friendly helpful staff our rooms is very neat and clean the food is very good um yeah so the people come back to the guesthouse once they have been here they come back the weaknesses I think like in any business there is not always enough money we struggle sometimes with the budget um yeah no we have got very good security

I: ok, and who is your competition

P: all the guesthouses around its all the guesthouses in Pretoria um because especially for the guys from overseas they want to stay in the most upgraded guesthouses and so yeah we must compete with them because of the area what we are in they don't think that they can be um up class guesthouse in this area so all the other guesthouses

I: and do you have any competitive strategies in order to keep up with the competition or to keep up with changes in the industry

P: no

I: how do you counter competition?

P: no we don't do that

I: mm ok, and what do you regard to be something that differentiates you from other guesthouses or from other establishments which offer accommodation

P: the service the food and then the no what do you call it serenity the garden and the peacefulness and each room has its own door it's not most of the guesthouses around here it' like a house and they share bathrooms here everyone has their own bathroom their own TV it's not like a house it's their own apartment self-catering, all our rooms have stoves and microwaves so they can do self-catering

I: ok and how do you utilise this difference in order to benefit your business

P: um especially from the overseas guys like the guys from Japan and China they don't eat our food in South Africa so now because we have got our own every room has its own kitchen they can prepare their own food and that is a big help for us in comparison to the others

I: and do you compare your business with best practices in the industry

P: mm no I don't think we try to compare no we just try to be homely and have a friendly atmosphere for the people

I: ok, how do you put into action the plans that you have set for yourselves

P: we don't put them in action because we don't have plans. laugh, I told you this this game is from its day to day and its um what do you call it um crisis management you know or like that because it's very difficult, you can't really plan ahead because you don't know if you are going to be fully booked or only have one guest um you can't really really plan because sometimes there is no guests and at 4 o'clock a bus arrives with 12 guests and then I mean you can't plan for that yeah

I: ok has any change taken place in the business

P: any change, no they are very stuck to their roots

I: Ok and how do you manage your relationships with your customers

P: we are just friendly we the we are 2 managers here one in the morning one in the afternoon and evening so we try to be here when they leave and we try to be here when they arrive at night we talk to them, if they have got problems we try to solve them we have got a very open relationship yes

I: and you mentioned before that you have customers who come back to the guesthouse, do you keep their details do you communicate with them

P: yes

I: and how do you do that

P: mainly by email yeah we send them emails if we have got specials

I: ok and how do you find out your customer preferences or how do you find out if a customer is satisfied or dissatisfied

P: we do have a little form in the room that they can fill in or they not grade us but they tell what's good what's bad or what's yeah and yeah by talking to them and we receive quite a few letter of thanking us for the service

I: ok how

P: um sorry and they tell us very quickly when they don't like something laugh

I: Ok and how do you deal with those situations

P: um we personally just try to if they don't like the food for one or other reason we try to adapt to their preferences or if something is not they don't like something we try to fix it as soon as possible

I: ok how do you evaluate your business performance?

P: we don't do that

I: how do you measure financial performance?

P: we don't measure it you see i am not responsible for the finance so the owner of the guesthouse she's got another business and the financial department there handles all the stuff here so I don't know really know I just do the um the shopping and then I send through the um receipts and then they do it so I don't know and then they tell me very quickly if there is no money left, ... laugh

I: laugh; ok tell me more about your staff

P: my staff here i have got 1 white lady working for me she's like my assistant and then I

have got 3 um black ladies they are cleaning ladies and so on and then yeah I have got 1 guy working in the garden

I: ok do you consider the business to be successful

P: yes I think it's a successful business it have its problems and sometimes financially it's a little bit difficult because of all the costs that's going up people don't want to pay more for the rooms they can't understand if the rates must go up so yeah it's difficult to keep up with your services but the guests don't pay more

I: why do you think guests are reluctant to pay more rates?

P: I don't think they always have money and because its companies they want to save money for the company

I: ok, ok, you also mentioned something about costs going up can you elaborate more on that

P: all the food prices electricity water um salaries everything is going up and the rates of the guesthouse is not going up so that's actually a problem with businesses

I: and how does that affect the business

P: negatively for the people that work here between the manager and the owner because I must manage it and the owner doesn't understand why I buy the same stuff but it costs more and um yeah so in that way it does affect it negatively

I: ok what methods do you use to measure the growth of the business?

P: we don't do that

I: in your opinion has the business grown since you started working here

P: grown , yes I think it has grown there is more um more guests and we have like um we do um upgrading like the Jacuzzi and so I think it is busier than it was at the beginning I can't really say how it was ages ago I was not here and there was no measuring thing here so that I can say this is what is was 5 years ago and this is what it is now and we are doing as I say we build more like the Jacuzzi and upgrading not more rooms but yes I think it has there is more, sigh, road signs on the roads and um better pamphlets and stuff like that yes

I: ok, and do you have any other methods besides the ones you have mentioned that you use to advertise your business

P: ok, we have a website and then we hand out a lot of pamphlets and we advertise in yellow pages and then just basically person to person with the companies

I: ok, what do you regard to be your strongest marketing tool?

P: um I would say personal visits to our clients to keep up that communication and

I: ok, do you attribute the success of the business prior decisions that you have made

P: yeah we have made decisions that I think made it made good yeah

I: ok, and do you regard your success to be linked to strategic practices

P: no, laugh,

I: how, ok what is it that you link your success to

P: just our good service yeah

I: ok, and in your opinion which tool is most useful or a combination of tools which are most useful in order to achieve success

P: hard work and good services

I: ok, and what are the factors that significantly impact your business

P: our business definitely um the businesses around um where the guests are working say for instance if they strike at BMW and they are not open then the guests is not here or when they are closed down for holidays so definitely the clients and where they work because it's like more corporate people that stay here

I: ok so besides corporate people you do not have any other clients that come

P: very seldom, very seldom, when there is like a a wedding around the other venues here and they need we will but it's difficult because our clients are long term so they book for 2-3 weeks or months and then we don't have one night open and that's a problem because I can't you phone me to book for middle December for a wedding for one night but I don't know if I am going to have guys staying here for 3 weeks and then I don't have that room it doesn't help I book for the wedding and now this guy want to book for 3 weeks now I can't take him because I'm booked for one night so we don't like to book out um one night in advance if you come here to day and you say you want a room tomorrow and I do have one available I can help you but I'm not going to say yes you can book a room for December because I don't know if I am going to have long term guests staying here

I: ok, what other external factors affect you

P: electricity supply water supply, laugh, yeah the guests especially those from overseas they don't understand if there is no water or there is no electricity and that it takes 4 to 5 days to fix it so we do have generators but the generators don't supply all their needs we have installed gas heaters now so

I: any other factors, does crime affect you

P: the people, we have never had any crime in here at the guesthouse but next door is a problem um there is a lot of drug lords staying there, Nigerians but we know about it we try not to inform the guests about and they when they arrive we tell them it's very safe um they don't have to feel anything and we do have security during the night here and you know electrical fencing so we don't really have a problem with crime it doesn't really affect us

I: ok, you said before that clients are not willing to pay more and what do you attribute it to

P: um as I said because now it's a business they book four people here for 5 nights so it costs them a lot of money and they just say um we want they don't want the company to pay too much so if I ask them 50rand more per person for 5 nights then they say no we will find another place so I don't not to say they are stingy but they also want to save money for their company and um yeah but a lot of them because they like the services here they come back again but now we can't say every time they come back its R50

more you understand and I think people are funny if they hear its R600 it's too much if its R599 its fine

I: ok, laugh

P: laugh, yeah

I: how do you comply with tourism council regulations?

P: um we are we have got the tourism stars they come check and then we don't have a shuttle service ourselves but we use registered shuttle services for our guests

I: ok, is it possible, to predict changes in the factors that affect the business

P: factors that change here that affect the business, no I don't really think so there is no really factors no I don't think there is it's just like I say you know our main factor for changing here is the companies around us so for instance if BMW says because of oil problems in South Africa they are closing down the factory we will lose a lot of clients because we do a lot of BMW clients yes

I: is there anything else that you think is relevant that I haven't asked

P: no you know talking to you make a lot of sense because there is not really any planning here there is not a budget here um and that is the way the owner prefers it she like us to do um to go out and do um to go out and visit all the people and tell them about the guesthouse but that's mainly yeah then as I said the budget and that's actually we had a big fight about it yesterday um our staff is they are all UIF registered um all their stuff is in place because the other business is a labour broker so they do, all those staff things are sorted out and they are happy and yeah as I say um we do a lot of advertising not too much with like newspapers and magazines and too many other websites because it doesn't work for us because people don't stop here when they pass through town um yeah its people from overseas travel agents where what we can't when they book they are booked and as i said for a guesthouse it's very difficult to plan because you don't know what's going to happen in the next 5minutes you don't know if there is going to be electricity you don't know if you are going to get be fully booked um yeah and i think one problem you also have is when you advertise for specials and things like that and people phone and you are already fully booked when they phone a second time after a special and you are fully booked they don't phone again and that happened quite often that we are fully booked and we can help them after 2 or3 times they don't come so we try and keep up and phone them again and tell them now we have got accommodation available it is difficult to plan a guesthouse

I: ok

P: but I know there is not enough money and it's difficult and the thing is I don't know if I'm managing the place but I don't think if the owner has a vision of where she's going with it

I: mh

P: I think there's 12 rooms and we have reached the 12th rooms and now we must just try to keep them occupied there's no way else we are going to do it we are not going to

become a 4 star hotel and build more rooms she doesn't want to do that

I: ok, why do you think she doesn't want to do that?

P: um because the people like it that its small and this is just a hobby for her you know so if there is one month there is not enough money say for instance to buy the electricity she just take the money from her other company

I: ok

P: and it's not like this is her only business so um it like it must work you know it's difficult to explain that but this is her hobby it's not her main concern

I: ok, laugh

P: laugh, does it make sense

I: yes it does. Anything else

P: no nothing

I: you said you have a BSc degree how does your degree assist you in managing the guesthouse

P: no the degree and the um the degree that I studied doesn't have anything to do with the guesthouse no so it doesn't help me at all it's got nothing to do with

I: ok, so it doesn't assist you at all

P: I am not working in the in what I have studied in the medical line and dietetic and healthy food and here its fancy food and nothing to do with the medical line yeah so I didn't like what i studied so that's why I have changed

I: ok, alright that's fine

FOLLOW UP MEETING

I: what is the business registered as

P: it's a company, yeah

I: ok, so it's not a close corporation

P: I really don't know, they registered it under something they have got a company registration number and a VAT number maybe it is a pty yeah

I: ok, and for how long has it been in existence

P: ten years

I: ten years ok, and um i was asking also about the occupancy rates i just wanted to ask you what are the occupancy rates and what exactly do you mean by occupancy

P: well right we have a standard rate we have a fixed rate so the occupancy is when there is people here so what do you want to know about that

I: um like on average how full are you

P: we are about in a month we are about 52% occupied it depends what time of the year it is because it varies in the beginning of the year we are 60-80% occupancy in the middle of the year we are 40-50% occupancy at the end of the year we are about 30% occupancy it just depends on the time of the year

I: ok, um I also want to ask if you train your staff, do you train your staff and in what

areas

P: no we don't really do any training, when we appoint someone they must have um experience in the same industry

I: ok, alright I think that's all

BED 10

I: I am going to start with your biographical data; if there is any question that you are not comfortable answering its fine. Your age

P: 37

I: and educational level

P: matric

I: your first language

P: Afrikaans

I: your position in the business

P: owner

I: ok, can you please describe your business to me

P: it's in the hospitality sector providing long term short term accommodation to guests and conference and um functioning

I: mmh and how many people do you employ

P: 6

I: ok, is your business owner managed or you have an appointed manager

P: owner managed

I: ok, and what type of legal entity is the business

P: cc

I: how long has it been in existence?

P: 14 years

I: ok, and what are your occupancy rates

P: occupancy rates Monday to Friday is about 75% weekends is about 60%

I: ok and is the occupancy seasonal

P: yes April and December is quiet

I: mh ok

P: so when its school holidays April and December

I: ok, and have you heard of the term strategising

P: yes

I: what do you understand it to mean

P: strategising, i have a strategy that's um forms part of the business to make sure it manage everyday on a monthly weekly daily and yearly basis, if all departments marketing operations administration sales

I: ok and do you have routine activities or practices that you regard to be strategising

P: yes, daily weekly and monthly

I: ok, can you please provide examples

P: examples on daily is to make sure the stock is there menus is done room inspection is done security checks is done staff is on duty dress code is checked. Weekly is check the alarm system do a full thorough inspection on the whole building for the maintenance and monthly is the payments and wages and staff and planning the next month

I: ok, and how do you strategise,

P: what do you mean how do I strategise

I: is it formal or informal

P: informal

I: ok, and who participates in strategising

P: me

I: by yourself,

P: by myself

I: ok and what tools do you use when strategising

P: my past experience in the business and some market research to see what the competition is doing and check up on the tourism council and grading council to see if there is any new requirements or any new specifications and then i set it altogether in a plan

I: and who are your competition

P: competition is other guesthouses in the area hotels took a lot of um a lot of our market share after the world cup because they dropped their rates

I: Ok and how do you compare, you mentioned that you look at what the competition is doing. How do you use that to improve your business?

P: i really make sure that i am the first one that does that

I: ok, what are the strengths and weaknesses of your business?

P: weaknesses of my business when it was operating only on a 4star level without long term rooms was space rooms not enough rooms and now with the long term weaknesses in the business yeah there is not enough rooms

I: ok, and your strengths

P: one strength is that we have been operating for 13 years we have a solid customer base and our guests normally comes back if they have stayed with us

I: ok how do you keep them coming back?

P: we have our home lodge atmosphere make sure that when they get here they feel like they are at home we look after them they also enjoy our unique look the whole A backwards homely atmosphere

I: Ok and how do you manage your customer relationships

P: I don't see all guests myself personally the staff also attends to them we have a questionnaire that they have to fill in when they book out and then I will give them a call and ask them did they enjoy their stay or send an e-mail

I: ok, and if you have negative feedback on the questionnaire what do you usually do

P: if its reasonable from um the guest side i would attend to it i would also let him know that thank you for the feedback we are attending to the matter changing it or but if you are going to ask me for a new big screen TV then um you are going to have to wait till that one breaks before we get one laugh

I: ok, laugh and what competitive strategise do you use to keep up with the competition

P: in the 4 star or the long term market

I: in both

P: both, long term market is not better guesthouses that actually provide that service four star accommodation I belong to a couple of associations so there are the centurion accommodation association is where other guesthouses is all together I was the chairperson for that association for 3 years so you know what your competition is up to and the other forum centurion business forum I was on the management team there and there is different industries and different businesses together so you update each other to see what the other one is busy with and then you know how to change your plan or edit your plan or

I: ok,

P: new plan

I: ok, how do you allocate resources that are available in your business?

P: how do I,

I: allocate resources

P: resources like which resources

I: the resources that you use in your business li8ke your assets, your people

P: what about them

I: how do you allocate those resources in order to achieve your objectives?

P: allocate to what, to the total of your business a % or

I: in order to achieve your plans, how do you allocate those resources?

P: yeah but allocate to what

I: how do you use the resources in achieving your plans?

P: how do i use it, okay I can't um use my assets movable and fixed assets if I don't have staff because they manage it yeah

I: ok, and what do you regard your business to be different from others in your area

P: in the area, our home lodge environment our guests don't sit in their rooms and lock themselves they all sit in the restaurant area

I: Ok and how do you compare your business to best practices in the industry

P: best practices, 5 years ago I was the best you could find

I: ok

P: in the whole of Gauteng but I have downscaling like you can see with the long term rooms because i am moving out of the industry slowly but surely

I: Ok and why are you moving out

P: out of the industry um service the service industry yes

I: ok, how do you put your plans for the business into action?

P: what do you mean how?

I: let's say you have a long term plan or a short term plan how do you start doing things so that you realise

P: I start at the beginning and I do whatever that needs to be done to get the job done, laugh

I: laugh, and do your plans always go according to how you plan them

P: no,

I: mh what affects that

P: well it's something will only affect you the first time and then the second time you will know to work around it so the situation and action plan has new challenges that you have to learn so that next time you know it you have to work around it

I: ok, where do you see your business in the next 10 years?

P: in the next 10 years, if it was still in the in 10 years in the hospitality industry in 10 years you say neh then I would have added another 2 houses to be 5 in total but my 10 year plan is to make sure that my asset is running with long term guests not 4 star accommodation anymore

I: ok and how do you measure the effectiveness of your plans

P: what, these plans i am telling you now

I: any plans for the business

P: how do I

I: measure their effectiveness

P: oh on the end result, yeah on the end result but you have to put something in to get something out

I: has any change taken place in your business

P: yes

I: and how have you managed it, you can provide examples

P: moving the business over from 4 star graded accommodation to long term accommodation and I am busy with it already for about two years and it will probably take me another 2 years to make sure that that's the only way that I operate because I have many many years of 4 star accommodation clients that still come to us I have to make sure they phase out slowly but surely

I: Ok and how do you manage that change how are you managing that change

P: well just have more long term rooms than day to day rooms

I: ok,

P: make sure that um when there is a long term unit for a month open I utilise it for day to day so I think I will always have the big rooms the big rooms I think will probably stay day to day for quite some time I think yeah

I: Ok and how do you evaluate your business performance

P: performance is I would say we are performing at about 60% at the moment 5 years ago our performance was 96% I had the biggest staff crew I had a different standard than what I have now after the 2010 world cup when the hospitality industry went down our small businesses don't have cash flow to carry yourself for 3 months unlike hotels that have each other um that is where the long term plan started so there is also a way of income rather have someone in the room for a lower rate for 30 days than have the room empty so that is how that part of my business was created it was because the all of a sudden after the world cup the hotels dropped their rates with more than just between 50 and 60 % and our guesthouses lost a lot of business because of that and now looking at the long term for me as a person not to be in the guesthouse industry anymore I would still keep my asset and have it rented out on a long term basis because I want to start a new business otherwise I have to sell the assets and I will not um get what it is worth to me on the long run yeah

I: Ok and how do you measure financial performance

P: financial performance is um business is doing good, yeah it's a healthy business you won't get rich with a guesthouse but you will definitely manage the assets to pay themselves off so that when you retire then you have a pension fund that is what it is to me but you won't get rich with a guesthouse

I: ok, do you consider your business to be successful

P: yes

I: and why

P: why because i started it from scratch and I know exactly how it works, laughs, yeah

I: ok, and what methods do you use to measure the growth or the success of your business

P: what measure

I: what methods do you use to measure growth or success?

P: growth I compare this year with the previous 2 years I compare the stock usages from the two years I make sure that I have minimum staff

I: ok, why is that

P: because staff is the only thing that you um need but that you can cut on when you have to that's the 1st thing that people that's because of that's they are human

I: ok, tell me more about your employees

P: employees they are all awesome yeah all of them are awesome I have never I think I had 2 people in 13 years that were not good employees but I have got good employees um some of them have studied hospitality industry some not the two that i have now the 2 girls that I have now have not studied for it but I train them myself and M and A my 2 housekeeping ladies has been working M has been working for me for more than 10 years so she and the gardener also S he was here from the beginning they are part of the furniture yeah I have a nice team yeah

I: ok, and what are the factors that have an impact on your business

P: an impact on my business, external actors

I: yes

P: school holidays, public holidays, if there is a public holiday your whole week is quiet

I: Ok and why is that

P: nobody comes my market is training and sales managers people that travel and if there is a school holiday on a Wednesday they rather take leave and take their kids away or the companies don't book training or travel if they have to do Monday to Friday and there is a public holiday on a Wednesday and this country has got enough public holidays

I: ok,

P: what else, yeah that's it

I: mm and um things like crime do they affect you

P: crime touch wood we have got 10 feet walls and an electric fence that's there for a reason I insisted to have that and the staff is well trained not to let anyone into the gate that they are not supposed to we have had did we have an incident there I don't think we have ever had an incident

I: ok, do you see that um people are more willing to book in than a few years back

P: what do you mean?

I: do you have more customers than when you started

P: i now have 14 rooms and they are full so I can't have more oh you mean different clients yes definitely

I: ok, do you attribute any of your success to the prior decisions that you have made

P: yes

I: and do you regard success to be linked to strategising practices or is it incidental

P: success to me is what you put in is what you are going to get out you can't that to me is success you can't be successful if you don't do anything about the situation

I: ok, and in your opinion which tool is most useful or which tool can you recommend to others in the same industry that has helped you over the years to achieve your plans

P: very good client service, very very good client service

I: and how do you achieve that

P: manage your operations very well how do I achieve it, make sure my staff is trained make sure I am there when there is guests that's staying a long time make sure that the inspections is done on the rooms so that when the guest is there he has everything make sure when I send the invoice that it's up to date that its correct its on time and its quick its fast so I would say business is all about good customer service if you work with clients you have to operate quickly

I: ok,

P: in any industry

I: mm so you mentioned um that you that they fill in a questionnaire when they leave, is that how you measure customer satisfaction

P: yes a part of it because it's anonymous

I: ok and how else do you measure customer satisfaction

P: most of the time I do most of the customer service and then also make sure the girls when they work they are dressed properly and look after the needs of the customers

I: what activities do you attribute to be helpful in achieving your strategies?

P: what

I: what activities

P: constant marketing constant follow up with lead and clues and quotations

I: ok,

P: constantly looking for new business attend meetings attend breakfast networking where you can expand your network

I: how else do you look for new business?

P: new business attending like I said network breakfast um association meetings I was also the um on the board with all the chairpersons for the accommodation industry for Gauteng in SA yeah so you meet new people there lastly actually we have a lot of referrals as well yeah

I: do you find that um it's easy or difficult to comply with the regulations of the tourism council

P: yes it is I have got my business for 13 years I was first graded 12 years of the 13 years i will not grade again because of the regulations that changed um I don't think anyone can expect from a small business to change TVs and air cons and all those sort of things and change their operations because the grading council has now decided that they want to make their 4 star guesthouse um the recommendations is almost like a hotel we can't I can't go and just get 17 new flat screen TVs and 16 new of this because because they say so for me TV is in working order guest is not complaining I am not replacing it unless if they break or till a guest complain to me or 10 or more guests complain to me then I will consider it not because the grading council tell me to its just financially the business won't be viable if every time they change the regulations you have to actually change the whole interior it costs money

I: ok, so it's expensive to comply with their new regulations

P: with the new yeah because they upgrade and they don't think of the small businesses where we must get the cash flow from to do it if you have the cash fine if it's a business that can handle it i mean then I'm sure we will all do it I don't think there is a guesthouse that will have a problem to do it

I: ok, and is there anything else that you think is relevant in connection with strategising that I have not asked

P: I would say have 3 options when I strategise I say ok 1 2 and 3 I am hoping to all 3 till the first one comes then if the first plan if I have plans and plan number 2 starts enrolling first then I ditch the other 2 then I focus on that 1 now you have 3 you can't just have one plan and think it's going to work out it's like me I have planned rooms about

this people is going to stay here or this is going to happen or utilise this space for this and then all of a sudden I get someone who wants to rent the restaurant area on a monthly basis for a good rent so the whole plan changes again

I: ok

P: so that's what i would say if you strategise make sure you have more than one option and when you see the one option peaks make sure you go for it immediately and take action

I: and how do you come up with these 3 options

P: I know what my business needs I know how my business works I know what I want so it would normally come from what I think is best for the business

I: ok do you actually write down these plans

P: yeah

I: ok,

P: in my little black book

I: mm

BED 11

I: I am going to start with biographical data remember if there is any question that you are not comfortable answering its perfectly fine, your age

P: 54

I: your educational level

P: it's a matric

I: ok, your first language

P: it's English

I: Ok and you said you are the manager

P: yeah

I: ok, can you please describe your business to me

P: look we are a bed and breakfast and we do dinners on request

I: ok, and how many employees do you employ

P: we employ um it's 1 2 3 4 5 6 7 8 9

I: ok, is your business managed by the owner or appointed manager

P: appointed manager

I: and for how long have you been in this position

P: in this position 7 years

I: and what is the business registered as

P: its its got different registration its W properties, V family trust and C and R hotels,

I: Ok and how long has it been in existence

P: sigh, about 20 years

I: and what are your occupancy rates

P: occupancy rates it depends it's um if you do it an average over a year it's about 75%

I: ok, and is it seasonal, does it change

P: it changes yes, yes, yes because Pretoria is not a holidaymaker it is a business maker so as a result December and January is terrible we get our few but December and January we are always very quiet but the rest of the year we are fine

I: ok have you heard about strategising

P: I have heard about strategising yeah

I: and what do you understand it to mean

P: laugh, strategising means to me is um its um I don't know how to explain I can think but strategising if you have got to do that say I have got to do the bookings and I have got a strategise to find the clients so that I can get the bookings am I right or am I wrong laugh

I: laugh, there is a lot that is involved in strategising that's what I want to find out from you

P: yeah, yeah

I: and so do you have routine activities or practices that you regard to be strategising in the business that you do always

P: um look I do all the admin and everything I do the ordering I do everything here basically from a to z I look after this place I look after A and I look after O mansions so I have got it varies everyday varies its but I know I have to do that so I do all the admin and petty cash and pay the bills and do everything so that's my job

I: Ok and how do you strategise, is it formal or informal

P: informal, its informal yeah I don't we don't there is not a set routine or anything like that no

I: Ok and how often do you strategise

P: basically never, yeah I am just you know when you have been working so long you have you get so used to you do this this time and you cannot always especially in the hospitality business you cannot say I am now going to do a half an hour of admin you cannot do it because you have got the phone you have got the bookings you have got everything so as a result you do it when you can do it so there is no routine that we do everyday is different

I: so if I understand you correctly you don't weekly plans or monthly plans

P: no

I: ok,

P: laugh

I: and who participates in strategising

P: nobody, I do it all I we just carry on and do our thing

I: ok, and what tools do you use when you strategise

P: tools do I use, I don't really do anything because as I said you know I don't really strategise I mean it's this is it completely different type of environment it's like I mean like you come now you have made the appointment yes then I completely forgot as

usual because I was busy with this so there is no really a person who does the strategising or anything

I: ok, and do you have long and short term goals for the business

P: oh yes no we do our short term is to, is to is to fill up my place and the long term is obviously is to make a profit of this place that is our main its goes around money

I: ok, where do you see the business in the next 10 years?

P: at this stage hopefully it will still be here

I: ok, what activities do you regard to be helpful in achieving your goals?

P: what activities my activities is is my marketing basically is i because I have been here so long you know it's easy for me to pick up a phone and phone old guests and that type of thing so that's what I do

I: ok, what are the strengths and weaknesses of your business?

P: the strengths are um that we we have been here a long time we um actually work a lot on referrals that's our strength and my staff are very very good and it's just that we are a good company we and that's what we are our weaknesses I suppose sometimes me when I lose my temper laugh

I: ok, laugh

P: there is no real weaknesses you know it's just that when it's not our occupancy yes that is our weakness is when it starts getting empty and that is where our weakness starts coming financially and that type of thing

I: mm ok, and who is your competition

P: laugh, well there is my competition here is BH there is all the guesthouses around here are all my competition so and there is plenty around here

I: ok,

P: and that is my competition

I: and do you have competitive strategies in order to keep up with the competition or to counter

P: yes no we um as a matter of fact we get on very well with all the guesthouses around here if I have got an overflow it goes to them if they have got an overflow you know they need accommodation they send here so what we do is we have got a very very good working relationship between the whole lot of guesthouses so there is no I get lots and I send lots so

I: ok, and what do you regard yourself as a business what is it that you regard to be different from the others

P: you mean the business itself

I: yes, how different are you from your competition

P: um you know every guesthouse has got their um their and that's a bit here we are very friendly place we make the people feel very much at home we try and make it a home away from home and that is our aim is our guests to make and I will tell you something that we get a lot of compliments my staff are very good and my place is

clean so I have got people that come back and back and back

I: Ok and how do you use these these differences that you have told me your staff and your cleanliness how do you use all this to make your customers come back

P: what do you mean how do I use it, they just see it they realise that they know they can book in here anytime when its clean and everything so there is no real strategy in that, laugh

I: ok, do you compare your business to best practices in the industry

P: the best practices I don't know um look we are in hospitality so obviously it's a completely different thing to a steel ... but it's it is a good lucrative business it is its profit wise it's not much but we will but we survive

I: ok and do you look at other successful accommodation establishments and maybe take something from them and use in the business

P: yes, no we do no we do

I: how do you do that?

P: look if I can improve something um it's like we have just our website was up to megats so we have created a new website because I pushed for it so that was a new strategy that I done when I saw the other websites and that's what I did

I: ok

P: but the rest of the time this house has been like this since you know everything has been the same

I: ok and how do you put into action your plans or your goals and objectives

P: how do I put it into action, the day I feel like it, laugh

I: ok, laugh

P: no there is what I do normally if I see its it's a bit quiet and my phone is not ringing then I start phoning guests you know all the companies and that type of thing and basically do my marketing at that stage and that's what I do

I: ok, and do your plans always go according to how you plan them or

P: no no it never does because here you cannot plan a thing because something is always wrong not wrong but there is always something else that you have to do

I: ok and what is the challenge in that

P: it's exciting because not every day is the same I don't come in and sit behind that desk and just work on the computer its different I speak to different people I do different things I do the shopping and I go to the other guesthouses and I sort out and I do my stock so you know it it's to me it's an interesting job and not every day is the same

I: ok, has any change taken place since you were manager in the business

P: yes it has it has improved

I: Ok and how do you manage change

P: by marketing and because I am a peoples person I speak both languages and I have just jetted up I have I have you know sort of like really worked hard in my marketing and that stuff to get where we are now I have doubled it now

I: ok

P: Mmm

I: ok, you mentioned earlier that you have customers that keep on coming back, how do you manage your relationships with these customers

P: what do you mean by managing it, I I

I: do you contact them, do you, how do you keep the relationship going

P: we um I don't really ever have to phone back my people they just know that they can pick up the phone and I will make a plan for them to have a room for that night I can show you what I got from the SAPS. I got a beautiful certificate from them because I go out of my way to help the people so they know that they can just pick up the phone and I will make a plan somehow even if I put them in the washroom

I: ok (participant shows interviewer certificate from SAPS)

P: I am joking but you know what I mean, laugh

I: laugh yes

P: that is why they do come back and back and back because we are very friendly here and we really go out of our way to see that our guests are relaxed and everything so

I: so is that how you, you build that trust

P: I build that trust in them so they know they can just pick up the phone or send me an email

I: Ok and how do you evaluate your business performance

P: evaluate very good it it its good, I mean some days it's not some days but 99% of the time our business is good,

I: and by good do you mean occupancy rates,

P: occupancy rates and that type of thing yes

I: ok and what else

P: um laugh all I can say again is that it's like a home away from home as you can see we um busy all the time and the people come in and out I have a lot of peeps sit here and chat with me so its its an ongoing thing I just rate it its good

I: Ok and how do you find out if your customers are satisfied

P: well they will tell me if they are not satisfied they come to me and they thank me and they I always ask them did they enjoy their stay and they will always say yes now you know when my clients when my guests come in I do say to them if there is anything that that they need and its within my means I will help them to get whatever it is we do a lot of extra here for our guests like if they they, transport for them we do not have transport we do not transport people but we do a lot of extra little things for our guests

I: Ok and how do you measure your financial performance

P: what do you mean by measuring?

I: do you look at your cash flow your revenue or do you look at market share or occupancy rate or quality

P: we look at our cash flow

I: ok

P: yeah that's our main thing is our cash flow we don't look at anything else but that

I: ok, do you consider your business to be successful

P: yes

I: and why

P: it's been going for 20 years, laugh, so I think it is successful

I: ok, mm and what methods do you use to measure growth

P: to measure

I: growth

P: growth, sigh, I don't know I don't know how to answer that to measure growth oh to to measure the growth is my occupancy it's my occupancy

I: ok

P: and that's how we do measure our growth which is picking up and um and that's about it its, that's how we measure it

I: and what factors significantly impact your business, external factors

P: no there aren't really external factors that impact our our business because I mean it's just a bed and breakfast either somebody wants a b and b or they don't so outside it doesn't really

I: ok,

P: nothing happens from the outside

I: Ok and how do you comply with tourism council regulations

P: we comply a 100%

I: do you find it difficult or easy

P: no um as long as you keep up with your things no problem

I: ok, does something like crime affect you

P: no

I: ok

P: one thing I will say we are FBI cleared because I have um American volunteers which is the peace corps they come from all over the African countries Uganda and that type of thing and they come and have their medi vacs and they come to stay here so as a result is I am FBI cleared and everything boy oh boy nobody can get in here

I: ok

P: and with M with any of our other places nobody can get in we are very very secure

I: ok,

P: but it can happen I mean you never know but it hasn't as yet no

I: ok, do you attribute any of your successes to prior decisions that you have made

P: laugh, I should imagine so yes, yes yes as I said I walked in here and it was not a disaster but I have pulled it out of the doldrums i have worked hard I haven't had leave for 3 years because it is impossible for me to go because nobody would know what to do over here so I brought it up to where it is today yes that's what I can say

I: ok, um

P: I am not a very good interviewee, laugh

I: laugh, ok and do you meet with the owners to discuss the business

P: yes, she lives next door

I: ok

P: yeah, but she doesn't interfere or anything like that she just I have tea with her every morning we discuss she asks me what's the occupancy and I tell her the occupancy and that's it and then if she wants me to do I am actually her pa too I do things for her and everything so

I: ok, and do you regard your success to be linked to strategic practices

P: yeah I should imagine so yes yes because i mean you i would say that which is your marketing and your people skills and that type of thing because that is strategy i mean you can look at the guests the guests can shout at you, you know whatever it is but you also remain calm and I will always but I mean it, it is its to strategise that way yeah that's our success

I: in your opinion which tool is most useful or which combination of tools is most useful to contribute to success

P: what tools, it's my computer and my telephone

I: mm

P: and obviously what do you mean by tools um

I: the tools that contribute to success

P: to success

I: yes

P: sigh, um what tools is my tools to my success in this place is my personality is because I am good with people and I am I am good to the people and I always try and go out of my way to make my people come back and to fill it up that is my tool for the success that I have built up here and it's my personality I am can be very nasty too sometimes yes but I am just a peoples people so and ask you can ask my staff they love me to death, laugh, neh C (asks employee) laugh

I: laugh; please tell me more about your staff

P: my staff

I: m hum

P: this is C, and um she does also night shift and all my staff are superb

I: ok

P: I don't have one that I can say anything horrible about I am good to my staff I can also be strict sometimes with them but they know they can always come to me with a problem I never ever ever have to stand and look over their shoulders I do check yes I check the rooms and I say come come come but I mean she can also tell you I um my staff I never interfere with my staff, laugh

I: ok, laugh is there anything else that you think is relevant to strategising that I have not

asked

P: no, no

I: ok, so we are done thank you

FOLLOW UP MEETING

I: You mentioned in the last interview that you manage 3 places

P: that's correct

I: is it owned by the same person

P: owned by the same person

I: ok and in total how many employees are employed at all the three establishments

P: 17

I: ok, ok and do you train your staff

P: um not really because my staff has been here for many years so their training is complete we do do a bit every now and again just to sharpen up the place and just to

I:ok, in specific skills

P: um it's just managing their time basically its managing their time

I: ok, and also your occupancy, what do you mean when you say occupancy

P: occupancy means if you take it over a monthly, and quarterly and 6 monthly you take it how full your guesthouse or whatever it is has been then you average it out to a occupancy of 60 or 40 or 75 or whatever it is that's how you do your occupancy you work it out statistically

I: ok, alright thank you very much

BED 12

I: Ok, I am going to start with your biographical data, if you are not comfortable in answering any question you don't have to, your age

P: ok no problem I will answer you where I can

I: ok,

P: ok I am 29

I: and your educational level

P: I done hospitality and bakery

I: ok at what level

P: um level 4

I: N4

P: yeah, it's N4

I: ok, with an FET, did you do it with an FET

P: what is that?

I: a college in a college

P: oh yeah, yeah

I: your first language

P: it's Afrikaans

I: ok, ethnicity, ethnicity

P: what is that?

I: ok, no problem

P: I don't know what it is

I: your position

P: I hold as manager

I: ok, can you please describe your business to me

P: ok we are a lodge we accommodate people for accommodation and business people and so on and then we have the restaurant on the premises that we can help them with functions, conferences, um venues yeah

I: ok, and how many people are employed in the business

P: we are two businesses on the ground so I am working for the lodge part not the restaurant part um in my space we have altogether we are 6 people and then we have um a student that is working for us as well

I: ok, is your business owner managed or it's managed by an appointed manager

P: by a manager

I: since when

P: I am working now 5 years here

I: ok and what type of legal entity is the business, what is it registered as

P: oh um it's registered as R lodge CC

I: ok and how long has the business been in existence

P: it's from 2004

I: ok, what are your occupancy rates?

P: the how busy we are or what sorry

I: how full your rooms are

P: um it depends if you have a good year a bad year so far we are doing well its depending on contracts that we can get and so on so i would say about 80% if we are going to look um through the year and so on

I: ok, is it seasonal the occupancy

P: we are busy now, yeah

I: do you have times when you are not busy

P: normally in the winter but this year we were busy in the winter so December we are quiet and January we are quiet then mid-January we start picking up

I: ok

P: so we are more for business people than um this is not for holiday, laugh, people come in not for holiday they coming for business so it's when business is going

I: ok have you heard about strategising

P: um where you are planning to get more people or what

I: strategising in general

P: you have to explain more because I am Afrikaans I am thinking more in Afrikaans

and so on so you got to I will ok

I: ok let me share my definition with you strategising refers to how managers put into practice the main concepts of strategic management and management tools so basically it means you set goals long term and short term goals and then you allocate resources in order to achieve those goals

P: yeah we are we are working on that yeah we are doing that

I: ok so do you have any routine activities or practices that you regard to be strategising

P: um I don't know if my answer is going to be quite good but like for instance now that we don't have the internet for me it's you have to reply as quick as possible to e-mails to help people because if they can see you are responding fast automatically they know they will have a good service here and then always try to keep your guests happy and so on because at the end the biggest advert to keep yourself busy argh to keep the place busy is mouth to mouth

I: and how do you keep your customers happy

P: always be friendly and always try to be helpful, laugh

I: ok, how do you strategise, is it formal or informal

P: I think it's more formal because you have to work public you have to work with them talk to them and so on

I: ok, do you write down any of your plans

P: not really because I am doing it every day I don't really think it's I don't really write it down

I: how do you do it?

P: it's I think it's like I said its daily basis that you are working on it and then it's because you are doing it every day it's easy

I: ok and how often do you strategise

P: laugh, I don't really know how to answer you on this one because yeah like I said it's I think you understand what I am trying to say

I: and who participates in strategising besides yourself

P: we will sometimes speak to the owners and so on but your, it's difficult to speak to them because its I will give them opinions what to improve and so on but at the end the biggest say is by them not by me

I: ok and do you have any tools that you use in strategising

P: I, like I said it's the normal we are a normal business it's difficult to answer this that way

I: ok, how do you come up with short term goals?

P: like I said it's like a daily basis what are you going to do and at the end is what you do is what you give what you get back from the customer, I don't really know how to answer

I: ok, and who else comes up with long term and short term goals, is it only you

P: no sometimes the owners will come as well with things and they will say let's do this

or do this or they will phone me and say ok they do I have any ideas and then we can work from there

I: Ok and where do you see the business in the next 10 years

P: I think the, we from um from the time I started here until now we are improved a lot I can see a lot of improvement and so on there is a lot of things to do still to get improvement and yeah i think it will go well because when I started here we didn't have stars and um we have stars now we are running for our second year with the stars so I can see we are growing

I: ok, and who is your competition

P: I cannot really say we have a competition because we are building our own name I rather think we are competition towards other people the reason I am thinking this is because a lot of times people will phone and then I am fully booked and I don't have space for them and then they say do I know of a place that is the same as us and I don't know of a place that is the same as us in the area maybe further away but it's more outside town and so on and people doesn't want to go outside so i rather think we are the competition, laugh

I: ok what are the strengths and weaknesses of your business?

P: I think because the owners doesn't come here a lot I will say that's weaknesses because they are certain things we cannot do fast enough to improve our self because there is not really there is you know there is things that I want to do but I cannot do it because I have to get permission so certain things it's difficult that I think it's a weakness in our business um um that's about and then because we are 2 different businesses we sometimes don't get along we don't see eye to eye always but we argh we try to work together

I: ok, is the other business owned by the same owners

P: no, it is 2 different owners they are renting from us

I: ok, and what resources do you use in your business

P: resources like advertising or what, ok it will be the internet and um we have flyers um and I think the biggest thing is mouth to mouth and then we are on Facebook as well

I: ok

P: um I don't know if the owners are doing more what I don't maybe know but that is that but I think we are doing well because we are not really advertising a lot and we are most of the time we are fully booked like for instance this week the rest of this week from tonight I am fully booked and next week is the same so and then we are working with travel agencies as well as the travel agencies are are there as well and then when they send people to us they are then reporting back to the travel agency if they were happy or not so I think at the end people that you are working with are looking at the guests if they are happy as well

I: Ok and you mentioned earlier that you think you are a competition to other similar businesses in the area what sets you apart from the others

P: because we have the restaurant on the premises um the guests doesn't have to go out so the guests can eat here and its more relaxing and there is always people so um if you want a more quiet place this is not the place for you then we are not the place for you but if you like to sit down just sit alone but you want to be in between people then it's nice and I think because of the restaurant we are different than the others

I: ok,

P: and because you can still come and go as you want we are not like keeping you locked up inside we keep you are free to go when you want to go

I: and how do you use this to benefit your business

P: I think it's doing it itself so I don't really think we have to do anything um yeah

I: ok, alright do you compare your business with best practices in your industry

P: you have to explain a little bit more there, chuckle

I: ok, do you look at other places maybe which are doing well

P: to get better ideas and so on

I: yes

P: um yes but um then I understand why it won't work here there are certain stuff that I think ok maybe we should do it and so on and then you realise because of the restaurant you cannot do certain stuff um like for instance some places will give you slice of cake when you arrive with a cup of tea and we cannot really do it because then um its getting interrupting with the restaurant but um then the other lady she told me the other day yeah when they get to a place they get um um sherry but I know certain places because I was staying before places that you can see they are giving a sherry and so on but you you know at the end I don't really think it's a good idea because for instance if you get someone checking in and they have an alcohol problem you don't really want to give them something that will um give them problems at the end then you are going to get another problem so I don't I think it's what we are doing I think is right for the business because I did look at things to improve it because you see it by other places and its working for them but you understand why it won't work here so you would rather put um if you want to give the guest something you would rather put maybe a chocolate or a rusk or a biscuit or something but you won't go extreme with something else I think um

I: Ok and how do you exploit opportunities in the industry

P: um if we talk about that opportunities is maybe to get a contract or to get more people in we will work on a price maybe to give them a discount and work something out that will work for that company or something like that yeah

I: ok so if I understand you correctly you tailor your service to suit the customer

P: yeah

I: ok and how do you put into action the objectives or the plans that you have for the business

P: at the end it is having meetings with the owners again and um get quotes and do

things but at the end because I am working for a long time here I know what they want so before they come I already do it and I just give it to them before they make a decision then it's easier to make the decision and then it's go faster

I: ok

P: yeah

I: do your plans always go according to how you have planned them or you fine-tune them as you go

P: at the end like I said it's not my choice or my decision at the end but um I think my ideas most of the times counts so because they do listen what I am thinking and want to do and then it will happen sometimes but not always not 100% like I want it, laugh

I: ok

P: because you will come with an idea and someone will listen to your idea and they say I think it's a good idea but let us do it like this and then yeah I am not always agreeing what they are saying because I am working here and I am working here with the people they will not always see it like you are trying to explain to them so it depends

I: ok, and when you have made a decision or when you have agreed as to what you are going to do does it always work like that or you find out that maybe something happens that makes you to change your plan

P: I think it's by good planning or so on because at the end if its approved it have to work out correctly because yeah I don't I don't I never had a situation that it didn't work out

I: ok, has any change taken place in the business

P: form the day I started here a lot laugh yeah there is a lot of things like the staff for instance and we upgraded the rooms and so on yeah

I: and how did you manage that change

P: um it's nice when a guest sees it that you are trying to do improvement and so on and the people that is coming for the stars because they came for the second time because the first time they were here they were telling us ok you have to look at this and this and this and when they came again they said they can see we have done a lot and they can see we are still busy with a few things and so on um a stupid thing that we did well not really stupid we this area that you walk on it was when I started here it was only stones and ground so for instance when ladies come with high heels they didn't like it at all so I talked to my boss for a long time but it takes long certain stuff doesn't happen when you want them to happen so we have the paving here now so it helps already a lot so you look at things that is a problem to the guests and you try to work on that to improve it for the future so that you don't have the same problem again

I: Ok and how do you manage your relationships with your customers

P: well sometimes it's hard because you get a difficult customers laugh like you know um especially when you get long term guests they started to try to be more your friend so try not to get friends with your customers because that can in the long term make

problems for yourself

I: ok,

P: so yeah at the end you have to try not to get friends with your not too friendly but you still have to keep it um work related to your guests because at the end they are just the customers and not your friend

I: ok, yes, and how do you retain customers

P: um this by always stay friendly always be helpful like I said in the beginning um something it's not possible to help them with because they are expecting the impossible things then you just have to explain to them nicely we are not um like for instance if they are asking for discount then you can just tell them you are not authorised to do that because most of the people that wants discount it's the people that have money but they don't want to give it out

I: laugh, ok

P: people that are people that's struggling they never ask for discount its interesting how life is

I: laugh, yeah and how do you measure the performance of your business

P: um we at the end of the month every day we have a system that we work on and then it is um balancing out which room made the most money which room didn't make the most money um then we can maybe look at that room why it didn't make money and maybe improve that room to make the customer happy um yeah because certain rooms are rooms that the people likes and certain for a group for instance the people will like that rooms for um a non-group but it is business that is for smaller group then they will not like the rooms um but if you are paying for yourself then they love that rooms again so it depends what happens yeah so you try you starting to notice which people you can put where and which people doesn't have a problem especially with your regulars you know them by now so you if they make a phone call you will tell them um yes your room is open because you know which room they always book so you try to give them the same room every time the reason for that is so that they can start feeling at home um because if you make too much changes that can cause problems as well so you try to give them the same service every time

I: Ok and how do you measure financial performance

P: um you can put sometimes special because then when you put specials automatically you um you are getting people to get to you um or sometimes you can just give something back like we will do in the end of the year because we are quiet we will send out a letter that's telling the people because it's Christmas we want to give something back then we will give the rooms out for half price or something like that just to give something back because then you are they appreciate it and then they will always come back

I: ok, please tell me more about your employees

P: I have very nice employees um my employees is like my family I will fight for them

um I never had a problem of theft before because I don't know I think it's because we are looking after them but I think when you are not looking after your people they will start to get problems and I always tell them when you have a problem come and talk to me in if i done something wrong come and talk to me as well because I am only human as well I can have a bad day and maybe I treated you bad and so on please come and talk to me even if it's not the same day just come the next day or so because all of us are human beings and all of us can make mistakes um I am not a fight person with them um they know that they can talk to me they know they can come to me with a problem um they don't really fight if there is a fight i will tell them you are like brothers and sisters why are you fighting and then they will explain the one day the one they put salt in the water in the fridge drinking water they wanted to be spiteful then i said but it's not right you know the guys are working outside they are working in the garden and then it getting hot and um when they wanted a glass of water and you put salt in its little bit selfish don't you think it's not the right thing to do because tap water won't be um ending your thirst by that that's not right what you done

I: ok do you consider your business to be successful

P: yes I agree I can see we are successful because so far each month it's just getting better and better and better so I will say it's successful

I: ok, and in your opinion what are the key factors that significantly impact the business

P: it's the service you give to the guests um at the end they just to keep them happy and so on because at the end because you are working with people the whole time it's by keeping them happy

I: ok

P: if you are not keeping them happy and then just look after the rooms and look after things and try to improve where you can

I: ok does anything from outside the business affect you

P: like what, laugh

I: laugh

P: like we don't have power from outside yes like if the phones is not working and the internet is not working, laugh, those are the kind of things like today for instance because like I explained to you earlier it's the same that we don't have power at the end because your business is standing still because you cannot communicate with the world outside

I: ok, any other factors

P: maybe the traffic, laugh, I don't know that can affect it as well but I think the nice thing about our place is we are um the place is on the right place um this road is not really busy so its quick to get onto the road get to the place we are so at the end we have to look at the place where you are and if there is need for that place to be so that things that we can look at

I: do things like crime affect you

P: we don't have a problem because we have security um 24hr security um we never had a problem before touchwood but there is always a first time yeah

I: ok,

P: I think at the end it's just if you have God in your business, laugh

I: yes, and what methods do you use to measure the growth of your business

P: I think um most of the things we already talked about that's no I don't really know

I: ok, and do you attribute the success of the business to decisions that you have made before

P: yeah I can I will say a lot of decisions we made made the improvement of the business and made it better and sometimes it can affect it as well but I think most of the things it's actually more good than bad

I: ok, do you regard your success to be linked to strategising or is it incidental

P: I think it's at the end what you put in is what you will get out by any business yeah

I: ok, can you elaborate on that

P: um most of your questions is the same over and over you know that, laugh

I: laugh

P: so it makes it difficult to answer yeah it's like um what you do for the guests maybe sometimes you have to do something extra and for instance we are not doing dry cleanings but what I am doing now is I put it in my car and I go and take it and I will go and fetch it again sometimes you have to do something extra

I: ok, ok, and in your opinion what is it that mostly contributes to success

P: i think its most of the time you have to listen to what the people saying try to help them and try to do what is best um and it's like I said what you put in is what you will get out of it so at the end it's that

I: ok, is there anything else that you think is relevant in connection with strategising that I have not asked

P: no I think we have everything, laugh

I: ok, thank you very much for your time

FOLLOW UP MEETING

I: OK, this is a follow up on our previous interview, um if you want to check whether I have transcribed it correctly

P: no it's fine

I: I just want to ask some follow up questions when you said your occupancy was about 80% on average what do you mean by occupancy

P: how full and how busy we are, yeah most of the time we are fully booked so that's why i said 80% yeah for instance last week i only had two rooms available because we were fully booked

I: so most of the room, about 80% of the rooms were full

P: yes

I: alright, and um do you train your staff

P: um most of them were here before I came here so if we get new staff the old staff will train them and show them and help them and so on

I: do they train them in specific skills

P: um like they have to know how to clean the rooms and how to make the beds and what has to be in the rooms things like that and if I train somebody it will be how to make invoices, quotations how to check people in things like that

I: ok so basically a person is trained by someone who is already doing that job

P: yes

I: ok, and how do you describe your relationship with the owners of the business

P: it's good, yeah no we don't have problems everything is good

I: ok, you don't face any challenges

P: they will make targets for me but um they are good people they are listening and they have good heart

I: ok, because last time you said that sometimes because they are not hands on

P: yeah they are not hands on i am running the place at the end um but the relationship i have with them is good there is no problems they take my opinion

I: ok that's fine and do you always agree or at times you disagree

P: no you will we sometimes disagree

I: is there anything that you also want to ask, I think I have asked what I wanted to ask

P: ok

I: Thank you so much

BED 13

I: and I will start with your biographical data, your age

P: um 47

I: ok, gender

P: female

I: and your educational level

P: um matric and N5

I: ok, in which field

P: sales and marketing

I: alright, and your first language

P: it's Afrikaans

I: and your ethnicity

P: um coloured

I: and what's your position in the business

P: um I am the owner

I: ok, do you also manage the business

P: yes, I do have a manager as well that's helping me um with the business but most of

the time I am here

I: ok

P: and now I am full time this year I am full time in the business

I: ok, could you please describe your business to me

P: ok it's a guest house um and my target market is obviously your not just the lower, lower, medium and obviously your affluent market and yeah so so and military and its mainly predominantly the government and military but also the private sector

I: ok, alright and how many people are employed in the business

P: 4 full time and then I have got like 2 that's part time

I: ok and what type of legal entity is the business

P: it's a cc, close corporation

I: alright, how long has it been in existence

P: since 2008

I: ok and what are your occupancy rates

P: what do you mean by rates?

I: um how full are you

P: oh ok ok, at the moment the demand is bigger than the supply so I have got, I'm quite, you have got your cycle where you have got your you know your cycle where it's like full and mainly over um um like December you don't have your full occupancy because mainly those people are courses end and thing but then you have your travellers that maybe one night or two nights but I'm happy with that it's not that I stress too much then at least it also gives me time to do the ad hoc functions you know like renovations and cleaning and things like that no I'm happy as I said currently my demand is bigger than the supply so I am most of the time I am full if not then it's like one or two rooms that are open and if I don't have people it's fine with me you know, laugh

I: ok, have you heard about strategising

P: no

I: um I will share my definition with you, strategising it refers to how managers put into practice the main elements of strategic management and management tools so it basically refers to how you plan in your business and how you meet your objectives

P: ok

I: yes

P: alright then if, with that definition then I can say I am I do planning but because it's like you know it's not that difficult task to plan you have to do some planning because obviously you get the bookings you know when to put people where so I do planning but mainly periods especially with expansion you have to do planning because then I do that when the occupancy are not full and also how to get more at this point in time I am not doing marketing my word of mouth is actually great so so I don't need at this point in time to do more planning because I can't service more than what I have currently had

but obviously in a few months or when everything is done obviously I look at expansion as well

I: ok do you have routine activities or practices that you regard as strategising

P: yes obviously if you say routine where I go personally where I check up on things strategies say for instance clients come in they have needs so you have to also look at the needs and when there is needs obviously then I am doing planning like I have got a new market that I have entered in which is paraplegic market that I didn't cater before so now it calls planning because I didn't know how what they need, how they do things the rooms you need planning because the showers they need certain things the baths they don't you know things that is new there you really need strategic planning there so you know as it comes and I take it i sit down and I do planning and I work accordingly to that

I: and how do you strategise, is it formal or informal

P: I would say informal because you don't need formal planning for that you know its um I have got expertise I will look at the expertise what do I need is it is it some do I need expertise or can I just take anyone for that job because obviously you also want to service the people that are unemployed so you understand whereas if you go to professional people obviously you pay more and also my aim is to, to to help those that doesn't have jobs you know to create opportunities for people and I will call the right people but obviously I will look at people that I know that needs jobs you know that have the expertise but they can't get you know work so I will sit with them and see and obviously in all areas like in my area you have got the plumbing you have got like you know tiling so you have got a lot of expertise and and you get good people out there so you don't always need professionals there are professional but you know the lower and the medium segment that you will target so I use the target market you know people that are on pension and you use that target market as well

I: and um how often do you make plans or come up with strategies

P: on a daily basis, because on a daily basis people are you get different people with different needs so obviously people will um you get like different also type of people like you get your ethnic groups so you get for instance now Muslims so now obviously when they come you have to be ready you have to strategise then you have to make plans for them, their eating you know how they want even their toilets must be different they do so you have to as it comes I will just like handle it

I: ok and who participates in strategising

P: me as a manager and also my um myself and also my manager that's also here and I have got also someone that comes in like twice a week so you know so there is always we will sit it's important to have other people's views also you know otherwise you become like a Hitler and I think things change people change so you need to be abreast of changes all the time

I: Ok and how do you come up with short term and long term goals

P: ok, short term is when you have to do something immediately like when you have a problem or you have something or there is an opportunity that comes your way then you can't then you have to deal with it because at the end of the day opportunity sometimes only comes once so you have to deal with it, it all depends on the financial you know if you have the finances because that plays a very important role and also if you have the right people to do that project for you. Long term is like what do I want to do like for instance if you want to expand you can't just do it in the short term first of all finances you plan also the time because for timing is important I can't plan when I have got a full occupancy um also when I do it that time I know that time you won't inconvenience people I have the funds and also um you know there is no occupants so long term planning is important because also you have to grow all the time and unfortunately this business it always you always have to plan you always have to make provision for things you know and like for instance also you get where people don't want air cons you get other people they want air cons and they want you know and winter time so you can plan now for winter by winter you have maybe 3 air cons you know so that is the planning that you do you must plan for your winter the blankets and things and the mist important your Eskom so you have now a lot of load shedding which have a major effect on the business so that's why you need planning you need now to plan and put finances aside so that by the time you get there although you have your air cons now there is another obstacle which is your Eskom so you need to plan now how you are going to combat that obstacle

I: and who comes up with these goals

P: um myself, sometimes my husband and also my managers you know so as I said sometimes they will because they are also in the market so they can see things they see how other people do things so you know you always open for changes and and as I said you must be an analytical thinker you can't just you need to think out of the box so a lot of and I listen to people's ideas if people give me ideas and even the guests it's important to hear it from the horse's mouth you know because they stay here they know what they want they give you ideas and then I will you know when it comes up I will sit with all of that and I will think and I will ask also advice you know because it is important to have advice as well

I: ok, where do you see your business in the next ten years?

P: mmh its growing so rapidly, chuckle, that it makes me scared because at currently even you know it's like you can't cope with the volumes I am coping now you know but it expansion, in ten years' time I'm I'm already looking now to buy another property you know to move out because as I explained the demand is bigger than the supply so this is at the right place it's the right target market um my prices are right you know and you know those four Ps are very important in marketing so price place promotion I have always got those so its growing rapidly I must say in the next ten years if not this will be like a mini hotel

I: ok and what activities do you think are helpful in achieving your goals or your strategy

P: ok, um location is very important this is I mean my location is 100% also um the extra mile um you know the market that I service a lot of them I need to pick up so I render a service where I take them where they need to be I pick them up you know I will go the extra mile in giving them um the menus I don't give the normal food the normal breakfast I cater for diabetes you know I will you know it's important some don't eat maybe certain things so for me my clients are important so I look at the needs I analyse the needs and I will help them so if they don't eat certain things I will make an effort to go the extra mile to get that food especially those that are halaal, and your the ethnic groups that don't eat pork so you know what I will make sure that they are happy so that is um for me doing that extra

I: ok and what are the strengths and weaknesses of your business

P: ok, let me start with the strengths the strength is as I said location, the price um also its a small business people you know it's a home away from home um they um people don't want to stay in hotels anymore because it becomes too big you becomes a number so my strength is the fact that it's the location is right and the price is right um as I said and I cater for all groups it's not just um the higher group or the upmarket you know I look at the lower and also my medium segment and affluent as well um my weaknesses is obviously my demand is bigger than the supply weaknesses also funds because I am funding it out of my own pocket I used to work so whatever comes in I put it back into the project at this point in time there is no funding since I started so which is a bit of an obstacle but as I said the business has been doing so well you know I can't cope and it's just expanding and yeah and its expanding rapidly so I need actually more rooms I need more people but obviously I can't do it now you know so that is some of my weaknesses

I: ok and what strategies do you use to keep up with your competition or changes in the environment

P: ok there is a lot of competition firstly you still have the obviously as you call it the white dominant world where whites still goes to whites I get a few you know but not like as I would love it to be but I am happy with what I have I don't complain but in terms of um business you still get that obstacle where they would rather um especially um my segment my target market you know what if there is like whites they will use whites and give the business to whites instead of to me so yeah that is one of the obstacles also whereas like um you know and it's difficult to penetrate the market so you have to be you know you have to be a step ahead you have to do more you know then so its hard work because I'm hands on I have to check everything myself you know because of this world if you have one negative thing you know it can you know damage your business and its like you still um um and also in this facility where I stay its predominantly white

I: ok

P: most of the guesthouses is white you do get a few um but as I said I am fortunate

with word of mouth because of how I do things and I am a peoples person that's why that helped me but it's still a white dominant world and I would like to see that change in the next few years you know but I'm not too much worried about that as I said in the private sector also the private sector is also using me which is a bonus to me it's just as I said now in future I know that is an obstacle but it doesn't um um you know sort of a major concern for me as long as I know the people are happy those that I service and the changes that I love to do do I will do the the changes accordingly

I: ok and what do you regard to be unique about your business from your competition

P: ok, except for the pricing I am the only guesthouse that gives such a huge breakfast and I give quality, quality and quantity I know my clients I know what they like they dislike I'm open for changes um it's a home away from home they can braai if they want to braai they can use the kitchen if they want to use the kitchen so there is a lot of um extra I will take them where they need to be. Ok what makes me unique?

I: yes

P: so I am um I am from the previous disadvantaged groups so you know what and also what is nice is that that you know I am a go getter I am a peoples person people want to still work with people not with items or things like that and the mere fact that I am hands on you know and I am approachable you know they can come to me they can approach me and that makes it unique as I said people want to deal with people and also um I know where they come from you know you have your sympathy empathy and you know here and there you know where you have to you know more or less maybe bend a rule here or bend a rule there in terms of to make them happy to make sure that they are satisfied you know

I: ok

P: because customers still want to be you know it's still about customers and the needs of the customer you know so that is the main difference and also as I said to be in this dominant world where it's still where I have penetrated a market which is very difficult to penetrate you know and when you get your obstacles you know for me it's an obstacle I look at solutions

I: and do you compare your business to best practices in the industry

P: yes of course you need to you need to otherwise you stay behind you need to see how other people does it because you want to also be on top you also want to be there you just don't want to stagnate because if you stagnate you become just like the normal business that are normally if you want to have success you need to know what has past successes do to get where they are so how to get your business to the next level you see so I'm always looking at other things you know although you have your obstacles um you still know that um and your weaknesses you have to work on those all the time to get on top and as I said I am a go getter I want to be the best I don't settle for anything less

I: ok and how do you use the best practices in the industry to improve your business

performance

P: ok your best practice for instance um client services your your suppliers you know using the best suppliers you know because obviously when you start up your um because you are limited with finances you um as you grow you grow with your suppliers with your um also your clientele your new to penetrate new markets obviously where um where that will sustain your business you know like your repeat business long stays you know where usually at the beginning you get people a day or two because they first want to try things out so it's to get those clients from other markets obviously to use your facilities so like those that go to the hotels and whatever your overseas guests um you know to get those people also to use your facilities so obviously that's where I am also networking you know with people you know from different segments and also different government sectors

I: and do you conduct a SWOT analysis for the business

P: of course yeah

I: how often

P: um I am doing it like like its supposed to be once a month but like once a week because you always have to use your SWOT analysis your strengths your weaknesses and and like when I have an overflow I always look for people where I can put people so which is a a weakness now but I also use it as a strength where people can go to other places and see what's the difference so for me it's not a challenge not to see them and because I provide for them um they phone me and I provide other accommodation for them and the thing is this where other people will feel its I am not supposed to give business for me it's nothing because for me it's a challenge and they see they go there they always come back and they give me feedback to say no there it was um the food was not nice the people are not as friendly as so for me it's an opportunity for them not to take it for granted but to see that obviously what I am offering is actually better than what's out in the market

I: Ok and how do you put into action the objectives that you set for the business

P: ok once I have set and I sit and I have planned it I ask as I explained to you I ask for other people's opinions because you know what as I said to you because you are used to doing things and we that come from the old school as I said in terms of you are used to doing things the same way because you are busy with new generation they do things differently they are more versatile they are also more open you know to things and they also um like to take opportunities you know we are scared sometimes to take opportunities the older you get the more difficult it becomes to take chances and challenges so um when I put it into practice I will sit with people that I know that has expertise maybe people that has done it where they had a success rate and you know what and then I will only put it into practice you see because it's no use you do something and it fails because people that have failed they will tell you where they have gone wrong or whatever so a lot of people that are successful they will tell you what

helped them to be successful so you listen to leaders you know and I always like to listen to leaders to people that that are ahead in the industry and it also motivates you a lot you know that you can see they have have done it, they have also come from there you know but you can also do it so you know a setback for me is always like it helps me when there is a setback or people had setbacks to say ok where that they do it they have done it here and that's why they failed so I look why they failed and why they have succeeded because maybe they didn't give up so when you have challenges it's important not to just give up on when you failed it's to stand up and to not make the same mistakes again and to make sure that when you go into the industry to make sure that you make the best out of it

I: do you also include your employees

P: yes I do I do on a constant basis because if you don't they get into the trap where they are used to doing things their own way and as I said um because you are used to it you get used to your manager and your staff they might also take everything for granted and you have to emphasise all the time you know the importance of the client and the importance of the business and its important for them also to give their best and to change

I: ok, do your plans always go according to how you have planned them

P: unfortunately not always reason being is that you get always people that come they are so used to they just come and they will just say help me out for business do you have a spare room and then I must always make a plan, sometimes people don't always come out they book by you and then you have to strategise and see how you can help them so you can't always plan although you plan for the week, this but this is an industry where you get unfortunately people they say they come and they don't come or they come and they bring a second or third person sometimes they come with a wife and you give them a single room because they never told you so then you have to strategise so you always have to be abreast of what's going to happen and ask the right questions and tell them listen, this is and explain to them you know why you need to know and things like that

I: ok has any change taken place in your business

P: oh a lot, laugh, always all the time all the time

I: and how did you manage that change

P: um because I am a positive person it gives me that satisfaction that you are growing because if there is no changes that means you stagnate you know things will stay the same but unfortunately in business you can't just be happy with what you have or content with what you have or the business you always have to think ahead and strategise so for me its fine I can deal with it even the bad ones the bad things its fine but you know you work on that and bad things I mean in a good light bad because obviously finances bad because you can't do the um projects you know and also one of the biggest obstacles is your dolomite you are in an area where there is dolomite where

there is um sinkholes and that is something that you can't do anything about it but you have to make provision that when you have your guesthouse that is in order and I am talking and that's huge money that you have to lay out so you don't plan for that but you have to you see

I: ok and how do you relate with your customers

P: telephonically, personally like you have seen now um one on ones and also um and with the you have got different with the individual then you have got the base or the person that's doing your bookings and you have got the senior person now that always you, so its important to have that communication so I communicate with them on a daily basis and if there is a problem I don't just communicate with the person I take it up with the person to say why so that you know if there is a comeback or a bad reflection that they know why it happened or the reason being because you can't just sit and think that it's going to be ok you always have to make sure that if there is a negative thing why it happened or why and so communication is very important to communicate to the person first and then obviously to whoever is your second or third person

I: so this means that you keep your customer data with you, it's available to you

P: yes

I: ok and how do you manage the relationships with your customers

P: ok, because you are in contact with them on a daily basis the booking clerks you speak to them on a daily basis your customers when they leave obviously they will come in to say you know and i will always ask how was the experience what is it that I can do differently because you can't just accept that they are ok or are happy because you don't go into the rooms always you know so in my industry you have to ask them questions all the time, are you ok how was the stay give me feedback so

I: Ok and how do you evaluate your business performance

P: obviously if you don't get money then you know there is a problem, you have to do , um for me the most important is is when I do projects when I see I could um you know because then whenever there is a need for something then I do a project so all the time I am progressing and for me that is the most important so I look back and I see ok, what have I accomplished in the last 6 months what did I accomplish in the last year did my business go down is my clients less or is it still increasing rapidly so I always evaluate and financially also to see ok I have done this project and its done and I have done this and I have improved the rooms with air cons I have improved the rooms with this and that I have got new beds and that is for me I know there is a lot of improvement all the time but every like 3 months or so or when I do something I know I can start this project so if it doesn't go well you can't do projects you know you can't expand so

I: ok and how do you measure your financial performance

P: laugh, that's a big question, ok at this point in time I I don't sit and plan um ok you know this and that but because as I said Eskom you know it's a big thing you have to unfortunately everything is last although you wanted other things you have to prioritise

so for now Eskom is a big problem so it's a huge capital layout so you can't really plan and say I'm going to pocket this money everything that comes in I have to get the place up to standard and because there is no funding you know it's important so unfortunately now I can't really plan and say keep this and this and plan as the money comes in and as first priority I do it as it come unfortunately now Eskom is my biggest obstacle now which I am doing now and when the finance come in I do the projects that's really to enhance the place and to make my customers happy that's the most important thing so financially, and as I said because of at least the constant flow i can do a lot of things and I know some times like my husband will say you must plan you can't just do something but because I deal with the customers I deal with the, I'm here all the time I see what people you know they want to relax they want to have a good bed they want to have um they want to be comfortable they want um a good breakfast you know it's very important so um obviously those are the major things that you have to cater and your financial planning must be done accordingly you know you can't give um you know old food you can't give you have to give fresh food you know you have to buy on a daily basis so prices change things go up so you can't just say ok I'm planning now to have maybe a R100 a night you know certain things unfortunately it goes up and you have to stay abreast of that expenses that you are going to incur

I: ok you mentioned Eskom as one of the factors that affect the business, are there any other factors that affect the business from outside

P: um I would love to have a kombi and a driver to drive the people around you know because people all the time you have to drive them and for me it's sometimes difficult because I'm a hands on person I oversee the kitchen in the morning to make sure its 100% um also new staff I need more staff but obviously your salary is already you know high so your expenses you know so I would love to also do other more projects and things like that but as I said finances it's not like you can have like bulk money to do it all at once you see although you have constant inflow of finances you still have a constant flow of expenses you know so um although I would love certain things to do I would love to have more places I actually need another place I need conference facilities there is a big demand for conference facilities I can't give it now so which would have been in my benefit if I can give because sometimes its 10 people and they don't want to go to a conference centre and they pay a lot of money so I can save them a lot of money but I don't have the facilities now so that's also a big um you know like um weakness

I: ok

P: you know that I would like to enhance in future

I: and do you consider your business to be successful

P: of course yes

I: and why

P: successful for the mere fact that we have two properties now for the business although its bonded that's a plus and from 2008 and still to be in business that's a big

plus so so and the mere fact that my demand is higher than my supply that means that its growing and people are happy and I am at the right place and you know my prices are right um you know and price is not always an obstacle people are prepared to pay for what they want however because I am in a market where there is budget restraints and things like that I can't charge you know exorbitant prices I have to keep my prices at the level where its, you know

I: ok and what methods do you use to measure the growth or success of your business

P: finances, if money comes in you know mos. its growth because if nothing comes in then there is a problem, laugh, ok and also the growing factor of my clientele my clients has grown and also I am already penetrating the private sector where I have got constant business for the next few months already and um people make booking long ahead before the time because they know that you know that the supply is not so huge so that is also and the fact that I can pay my bonds I can pay my overheads I can pay my staff you know that is a success and also umm i left my work, i had a permanent job so since December I am not working which means that you know you cant do that if you if your business is not doing well but I must say it's also by the grace of God

I: ok, and do you attribute any of your success to prior decisions that you have made

P: yes of course, because you can't just go into a business if you don't if you don't know the market you are going to penetrate you need to know your market, you need to know your market segment, you need to do a swot analysis to see like I tried it out with a small unit to see how it works you see and as I said you need to know your four Ps your price, your location all that place price all that things you need to take in consideration because if you open a business at the wrong place and you have the wrong target market you know it can be devastating you know you will waste your time and your money you know and your business can fall apart

I: ok, would you regard your success to be linked to strategic practices

P: I can say also that but um not that as much not really um as I said it wasnt really strategic planning it's just that it was there but mainly as I said it's the um the market penetration I was looking at my market and also the thing is this because I come from the industry and I know I concentrate a lot on client service clients clients clients you can't have a market and you are not concentrating on your client service it's still the best out of all people will come to you because not because of your place or whatever but because of how you treat them how you deal with them you know if you give solutions and things like that to their problems you know

I: ok, and do you use any tools when you are strategising

P: yes like you have to sit and you need to plan so you need like um like I have for the week the month and for the month ahead so I need to see ok so next month there is occupancy so I already plan ahead so you need tools to do your planning and also for the rooms what will you need for that time you know so you need sometimes you know extra beds you need extra things to do if people come for family you need to put a new

with a double and single because they bring the kids along so yeah you need tools for that planning certainly

I: ok and in your opinion which tool is most successful or which combination of tools is most useful to contribute to success

P: ok um I would say more the mere fact that um because of what you offer you know what you offer, my breakfast as I say it's like very good my bedding quality, um people like quality so obviously my food and also the what you offer them it's like 5 star in a 3 star place you understand what I am saying so that is and that is my success because of my quality of food you know and how I do it and also the thing is um some people can't eat in the morning I will make their lunchboxes you know where a lot of guesthouses won't do that so you know because of all the add-ons that I do that's what makes my business successful

I: ok

P: I'm not sure if it answers all the questions

I: and how do you comply with the tourism council regulations

P: ok at this point in time I'm busy with the dolomite, the geologist and the wet audit service report because of the area that I'm in and that cost the geologist report is R35000 your dolomite is R8000 your wet audit service report is R10000 so I am busy with that now and because its an exorbitant amount I'm only now finished with that although i have already they have already contacted me and they said to me i can get um I can do the grading with them and because I also worked in the financial sector where I know there is a lot of benefits if you belong to them you know it is important obviously at a later stage to do it but I can't unless I have that in place now and also with your municipality they have got your rules and regulations I'm busy also with the plans and things like that before I can enter that market but I already they came and they said already its 3 star you know as it look now it's already qualified 3-4 star you see so that is it

I: ok, is there anything else that you think is relevant in connection with strategising that i have not considered

P: um no not really, I think you have covered everything as I said that i am not sure if I have covered everything, laugh

I: ok, thank you very much for your time

FOLLOW UP MEETING

I: do you train your staff

P: yes, training is very important without training you can't because remember the people I take is people that have never been in that industry so I you have to impart your knowledge to them

I: ok, so do you train them in specific skills

P: yes, I do I do like even with the breakfast I stand with them and now I leave them

they do it most of the time and um even with the cleaning you know some of them they don't know how to make up the beds and you know you need to be excellent you know in this unfortunately you can't compromise on food one mistake is too many so unfortunately I don't compromise on the standard of the food and on the standard of my rooms the bedding nice neat clean bedding

I: ok, and your manager

P: also she comes twice a week and then she goes and looks and see if the rooms are up to standard because sometimes i am busy then I don't have the time like i oversee in the morning I stand up like certain mornings like today I stood up and I took over I did it so that also they can see I am hands on as well you know so that they know I can, I can jump in and I can just do it

I: ok

P: manager is important for the days that I don't, also it creates also a job it's not full time but also the person doesn't they work on a temporary they come on a sometimes Monday, Friday because Friday you have to change everything so yeah

I: ok, and by occupancy what do you mean

P: occupancy is like there is always people like in my case like every day you have to make up the beds and um you have to change if its one night you have to take everything out so it all depends on your occupancy but like most of the time like now I am full for the last two months already i am already fully booked till the 26th of June so its full occupancy

I: ok, alright thank you very much