

# Assessment of destination performance: a strategy map approach

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## Abstract

**Purpose** – Notwithstanding a growing interest on destination management, little is known about the formation and evaluation of destination managers' strategies. Strategy assessment is essential to understand whether, and how, destination managers allow the reconciliation of the diverse stakeholders' interests within an integrated destination plan, pursuing the development of the destination. The purpose of this paper is the exploration and building of a strategy assessment approach.

**Design/methodology/approach** – A qualitative methodology is adopted, to identify key dimensions of strategy assessment and their combination within an integrated destination plan. Data come from the city of Turin, and the destination management organization developed for 2006 Winter Olympic Games.

**Findings** – The use of balanced scorecard approaches points out how a financial dimension is key in meta-management contexts, notwithstanding the public interests of the destination supply system. Also, this work discloses the formative process that characterizes strategic planning within supply networks of tourism destination. It describes the hierarchy of strategy assessment, taking into consideration externalities emerging from integrated supply systems developed at the destination level.

**Research limitations/implications** – Limitations are intrinsic to case study methods, and points on findings generalizability.

**Practical implications** – The paper offers insights on developing analytical capability within meta-management organizations, to diagnose value creation and competitiveness gaps. Also, it gives insights on developing co-ordination capabilities, allowing different strategic goals to be drawn into an integrated design.

**Originality/value** – The paper offers a novel approach for developing a strategy map, and contributes to prior research on strategy assessment in meta-management.

**Keywords** Strategic objectives, Balanced scorecard, Strategic planning, Stakeholder analysis

**Paper type** Case study

## Introduction

Destination management literature emphasizes how competition in tourism increasingly involves geographical systems where suppliers of hospitality, transportation, entertainment, and cultural services collaborate to increase the attractiveness of the destination and improve its ability to acquire customers (e.g. Bieger, 1998, 2000; Buhalis, 2000; Ritchie and Crouch, 2000; Go and Govers, 2000). The attention paid to rivalry across destinations and collaboration within the destination, however, has obscured the fact that competitive dynamics continue to operate inside any local supply system. While suppliers of the same destination show converging interests in attracting the customer, they remain competitors when it comes to sharing the pie of the acquired tourists' budgets. These conditions, known in strategy literature as co-competition (Nalebuff and Brandenburger, 1996), require cross-organizational competitive strategies that allow the reconciliation of the complex structure of stakeholders involved in the supply system.

Prior research has paid attention to exploring strategy implementation, as well as defining its underlying mechanisms and processes (Weaver, 2000; Flagestad and Hope, 2001;

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Sainaghi, 2006). Despite this considerable body of research on the implementation of a destination strategy little is yet known about assessing the strategy itself. Indeed, assessment tools seem to be a key condition to aligning suppliers who converge on the same customer and share the same geographical environment and, at the same time, are separate in their property assets, production systems, and organizational structures.

This paper seeks to fill this gap with an exploratory analysis based on a case study of the "Turin Convention Bureau", set up for the 2006 Winter Olympics. Box 1 provides a brief description of the Torino Convention Bureau (TCB). The case study is then put into the context of the existing literature on strategy definition and measurement and accounting, ending with the drafting of a strategic map and measurement indicators. The following section examines DM literature, defining the construct and discussing the relevant gaps in destination management research. Various strategy assessment models are then examined with a view to their application to an empirical case study. The paper ends with the case study, a discussion of the results and their contribution to management theory and practice.

There are still problems as highlighted by the Second Strategic Plan of 2006.

#### Box 1: The Turin Convention Bureau

The Turin Convention Bureau (TCB) was set up in 2000 as a mixed public-private stockholding consortium "in order to strengthen Turin (Torino) as a conference center, unifying policies for the promotion of conference business" as set out in the First Strategic Plan for the Turin Metropolitan Area. Of its share capital, 80 percent is controlled by the public sector (Turin City Council through its tourism promotion consortium "Turismo Torino", the province, the Turin Chamber of Commerce, the two bank foundations and the "Unione Industriale"), which contribute about half of the income. The remaining 20 percent is controlled by 80 private stakeholders (hotels, restaurants, conference organising agencies, conference center managers and companies providing services such as tourist guides and hostesses) contributing between 20 and 25 percent of the income through subscriptions.

TCB operates on the basis of a number of guiding principles seeking (as quoted in its Articles) "to satisfy stakeholder expectations as much as possible, striking a balance between stakeholder expectations and the financial commitment required to sustain the consortium".

TCB distinguishes between Band A stakeholders involved in the central businesses of the conference sector (in terms of total turnover) such as conference centers, PCOs or hotel booking centers, hoteliers and catering companies, and Band B stakeholders only partially involved in the conference market such as hostess or tourist guide agencies and transport businesses. One of TCB's goals is to increase the number of stakeholders from the hotel sector.

The TCB's mission is "to promote Turin and enhance its image as a destination for conferences and events". This is linked to the goal of "developing the tourist business and positioning the destination of Turin-Piedmont in the national and international tourist market" as set out in the First Strategic Plan of the Turin Metropolitan Area of 2000, repeated in the Second Plan of 2006. It is broken down into three strategic goals:

1. The enhancement of both tangible (infrastructure, Olympic venues and hospitality structures) and intangible resources (image and international reputation) arising from the Olympics in order to attract large international conferences (more than 1,000 participants) of the highest level and reputation and to develop two new business sectors (corporate incentive and conventions).
2. The development of the City's reputation through the promotion of an alternative image to that of a purely industrial center.
3. The development of a significant side-business sector, reducing seasonality by means of a calendar of events.

By following the above goals TCB has been able, over the period 2000 to 2005, to attract about 30 conferences to Turin (14 in 2003), many of which with over 2000 participants. The efforts devoted to this tourist segment have succeeded in changing the destination mix. Thus the percentage of business tourism has fallen from 80 percent in 1989 (the initial candidacy for the Olympics) to 60 percent in 2006 with the balance taken up by the leisure component.



The City is still not seen as an interesting destination for business and leisure tourism. The cost and quality of urban transport and accessibility from the outside still act as disincentives. Connections with the high-speed railway are still not fully operational and the City still has to negotiate contracts the continued flights with low-cost airlines. Local operators have not been co-operative and opportunistic behaviour still predominates. The prices of conference services are not yet competitive in comparison with the great European conference destinations. The City's conference centers lack a reference manager able to promote them as a single trade fair-conference center. We need a tourism observatory able to provide and interpret reliable and up-to-date data.

### Strategic destination management

This paper concerns the tourist destination (Bieger, 1998; Davidson and Maitland, 1997; Dredge, 1999; Sainaghi, 2006). It is a special form of district (e.g. Becattini, 1987, 1989; Visconti, 1994) in which each player produces or manages one or more basic services according to a horizontal product-specialised model. The services are then collected together by the end customer ("DIY" tourism), in all-inclusive packages by agencies (organised tourism) or by organizations within the district, such as the Convention Bureau or local tourist businesses (network model).

Integrated management of the destination product is vitally important given the fragmentation of supply and the systematic nature of tourism. The competitive advantage of tourist services, entertainment, and cultural providers depends heavily on the attractiveness of the destination. Improvements in the profitability and competitiveness of these businesses are tied to meta-management policies and are only partially under the control of single organisations (De Carlo, 2004). For this reason, not only management scholars, but also practitioners have focussed greater attention on the discussion of destination management.

The literature shows how the creation of effective meta-management structures is often hindered by the sheer number of stakeholders (institutions, public bodies, private businesses, residents, tourists) with different and often contradictory goals (Keogh, 1990; Selin and Beason, 1991; Reed, 1997; Bramwell and Sharman, 1999). In this context, Destination Management Organisations (DMOs) are essential to fostering collaboration and integration of the main stakeholders in the strategic management of the destination as a whole (Jamal and Getz, 1995; Sautter and Leisen, 1999; Dredge, 2006).

Over the last 20 years, the literature on tourism planning (Getz, 1986; Murphy, 1985; Gunn, 1994) and destination planning (Jamal and Getz, 1995; Pearce, 2000) has expanded considerably, producing tools and criteria for tourist development plans, but there is a lack of focus on translating macro goals into specific business tasks and they give less weight to the later stages of implementation and assessment. Some authors have highlighted implementation risks (Choy, 1991) and proposed techniques for the review and implementation of plans (Pearce, 1995, 2000). However, little emphasis has been placed on how to integrate different stakeholders. Other research has investigated the question of benchmarking in tourist destinations (Kozak, 2001; Kozak and Rimmington, 1998; Fuchs and Weiermair, 2004) and destination competitiveness (Enright and Newton, 2004; Dwyer *et al.*, 2000). These studies reflect a macro-focus on tourist systems or selective emphasis on specific performance dimensions (customer satisfaction, service quality, ...).

In light of the abovementioned limits, there is a need to assess the results of destination strategy, and propose strategy control models in order to translate business strategies into objectives and performance indicators. Successful destination management requires a system of indicators to monitor the effects of actions on destination competitiveness and the performance of the actors in the system. Furthermore, the implementation of strategy review and performance assessment serves to maintain concentration on the destination's pre-set goals, to sharpen management tools and to increase cohesion among the actors. An effective monitoring system makes it possible to evaluate the validity of meta-management actions and their impact on the performance of the most important product/market combinations, of the main production cycle links and the most significant business clusters.



However, there are challenges to face in the implementation of such a system. First, a strategic control system requires a clear definition of both the desired positioning and the specific objectives to reach the end result. The strategic plans for destinations do not, however, always include such goals. Even if a plan exists, it may not be capable of guiding the positioning process. If a strategy does not provide a guide for action, does not concentrate on the real problems of a destination, is not supported by the main stakeholders, nor can it be implemented by a party capable of mobilising the necessary resources, then it is likely to remain nothing more than an exercise in analysis.

Second, the many players within the destination, including those with a co-ordinating role (e.g. trade fairs, municipal offices and local foundations) sometimes have conflicting goals for the management of trade-offs in resource use. Finally, public bodies may resist the definition of a plan as well as strategic goals for its implementation because of short-term horizons dictated by electoral considerations or because of reluctance to set priorities that may affect resource allocation.

Even when the creation of a destination strategic plan has been possible, there is a further obstacle to the implementation of a control system. The lack of information at a destination level is partly due to the failure of actors to adopt advanced management tools. At the same time, inadequate sector information is produced at a structural level. Typical results indicators are often based on partial data (e.g. official accommodation figures that neglect the other supply components, including commuting and the hidden market). They are unreliable because collection criteria vary in geographical scope and time. Moreover they measure the past and not the present, concentrating on flow volumes rather than quality or value.

In order to respond to these issues, we have drawn on performance assessment techniques that are already established in management accounting research, and have developed them within the context of a Convention Bureau based in Turin.

### Performance measurement techniques

One of the first attempts to identify critical areas to measure performance by relating it to the strategy followed dates back to 1952 when General Electric drew up its so-called Measurement Project. Following this, the Business Navigator developed over the 1990s by Skandia (1994) to measure intellectual capital, the Performance Pyramid (Cross and Lynch, 1991, 1992a, b), the Stakeholder Model Approach (Atkinson *et al.*, 1997), the Value Reporting model (Wright and Keegan, 1997), the EFQM model (Olve *et al.*, 1999) and the Intangible Asset Monitor (Sveiby, 1998). The multi-dimensional models developed over the 1990s use strategic criteria in the choice of areas to monitor and the related value drivers, often with implicit reference to analysis models such as Porter's five forces (Porter, 1985) and the value chain, or the profit chain in services (Heskett *et al.*, 1997). One of these models, the Balanced Scorecard (BSC), (Kaplan and Norton, 1992) has gained widespread recognition partly because of the dissemination skills of its authors, but also undoubtedly because of its versatility. It is a model that can be applied with varying levels of complexity. Thus it can either be used simply to provide a balanced view of the business's performance or (as the authors propose) as a strategic management system. Links with the organisational structure are weak, so little integration or adaptation is required for its implementation. Kaplan and Norton's model seems to be the most adequate:

- to evaluate the effectiveness of meta-management actions and their impact on performance;
- to transform the meta-management strategy so as to develop the local context into operational decisions enabling the players to integrate within the destination supply system.

Recently, Kaplan and Norton (2004, 2006) have emphasised the existence of such relationships of cause and effect through a BSC Strategy Map, which gives an explicit description of the hypotheses behind business strategy. Each BSC measurement is a link in a causal chain connecting outcomes with their drivers (Kaplan and Norton, 2001). It is



important to emphasise that the causal links are only based on business strategy hypotheses and may not be correct. Taking these features into account, the workgroup chose to apply the TCB Kaplan and Norton model, because the sheer number of stakeholders with different and sometimes contradictory goals made it necessary to increase the collaboration and integration among them. This was achieved by means of a system of indicators, to monitor the effects of actions on destination competitiveness and the performance of individual players in the system.

The purpose of the BSC model is to translate business strategy into goals and performance measurements from four different perspectives: economics and finance, the market, internal processes and innovation and learning (Kaplan and Norton, 1992, 1996a, b). The use of this model allowed us to explain the relationships existing between the objectives according to the four perspectives. Each of the indicators and its hypothesised cause-effect relationship was analysed, tested and validated by corporate management and by different categories of the TCB stakeholders.

## Methodology

The lack of previous research related to our research problem suggested a theory-building approach (Eisenhardt, 1989). A case study research technique (Yin, 1984) was adopted, which makes data collection more onerous, but has important interpretative advantages – its foundations on the depth of analysis and inductive logic permit a more reliable interpretation of the data (Bourgeois and Eisenhardt, 1988). More specifically, a single case study was chosen in view of the complexity of the stakeholder structure and the need to create an indicator system dealing with different stakeholders' goals.

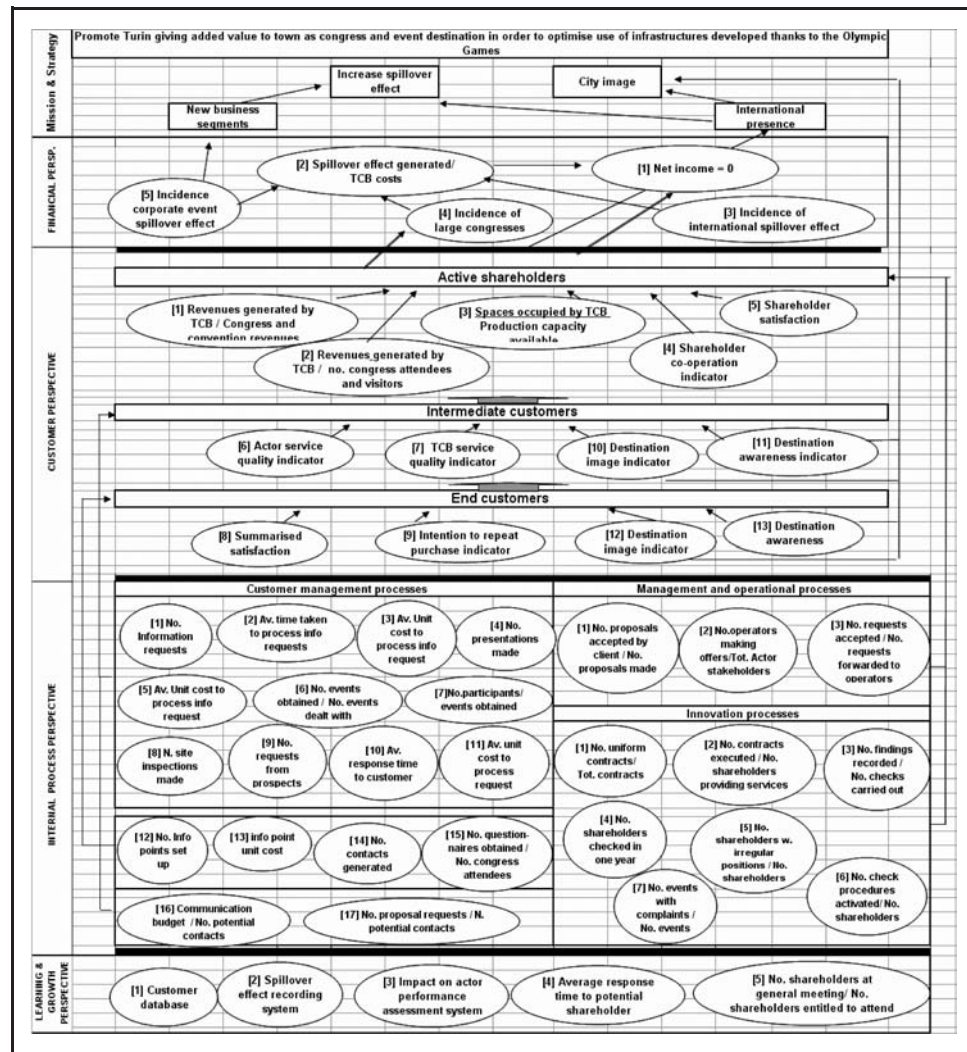
Apart from our ability to access key managers and obtain endorsement for our research, the case selection was based on the existence of two basic criteria. First, the choice was limited to destinations that concentrate on conference activities. The tourist component is part of the "augmented product"; that is, in addition to the principal reason for the visitor's trip. Destination management in such cases goes beyond the empirical setting of the typical tourist destinations, allowing an exploration of the strategy to the business context, considered to be of critical importance by most recent studies. Second, the choice was narrowed to cities which can be defined precisely in compliance with the prescriptions of destination management literature. This process led us to identify the Torino Convention Bureau as a suitable case. Since the 2006 Winter Olympics, Turin had been involved in destination management for the conference market.

Data were first collected through secondary sources, using the web to obtain preliminary information on the TCB's profile and institutional and organisational structure. Then primary sources were used to obtain information about TCB's constitution, internal procedures, market strategy and institutional communication activities. Eight in-depth interviews were conducted: with the CEO and the President of the TCB, as well as two public officials of the city of Turin and the Region; then four directors of the largest private-owned companies associated to the TCB, and part of the offering systems. These interviews were semi-structured, based on standard questions, then extended in relation to the type of interviewee. They were conducted by members of the research team with an average length of about 90 minutes. They were recorded and transcribed in full on the same day that they were conducted.

Data from the interviews were then analyzed by the research team members, using the strategy map approach as a grid to identify a first map of the key dimensions of strategy assessment as well as the underlying indicators. This map was then submitted to the interviewees, engaging them in active dialogues as recommended by the grounded theory approach (Glaser and Strauss, 1967), to emphasize areas of overlap as well as gaps according to each respondent, discussing possible alternative configurations of the system of indicators included in the strategy map, and clarifying possible inconsistencies. The outcome of this analysis is represented in Figure 1, and discussed in the following sections.



**Figure 1** Turin Convention Bureau strategy map



### The application of the balanced scorecard model to TCB

To apply the model of the balanced scorecard according to the approach of the strategic map to TCB, as defined by Kaplan and Norton (2004, 2006), the TCB mission and strategy needed to be clarified. A sequence of steps was developed.

The starting point was the analysis of the strategic plan of the city of Turin, which clearly defined strategic directions to develop the segment of business congress. Afterwards, two interviews were held with the CEO of TCB; two interviews with the key public stakeholders and three interviews with key private stakeholders, in order to redefine the TCB strategic mission and objectives, resulting from the destination plan. The strategy formulation allowed the workgroup to carry out the second step, namely to define the hierarchy of the four perspectives of the balanced scorecard.

One of the first peculiarities of the application of the BSC results was the fact that, although TCB is a non-profit organisation, the hierarchical structure of the model places the financial dimension at the highest level which would be typical for an organisation pursuing profit goals. TCB's stated mission and strategy make it clear that the fundamental purpose of the organisation is to create externalities through spill-overs in the side-business fields. In the interviews, the managing director of TCB stated and emphasised that "the existence of this company is justified if the value of the spillovers generated is greater than the value of the

costs borne by the company for its management". The ratio between the spill-over generation and the resources used by TCB is quantified between 12 (the lowest satisfactory level) and 20: in 2005 the ratio was about 18.

In the strategy map model shown in Figure 1, the customer perspective serves as a base to achieve the objectives of the financial perspective. The internal business process perspective allows the identification of critical internal processes required to achieve the objectives established in the financial and customer perspectives. The learning and growth prospects are placed at the base of the strategic map.

In the third step indicators monitoring each of the four perspectives of the balanced scorecard were identified and selected, based on the abovementioned hierarchy. To identify the indicators, the workgroup used: interviews with corporate management and stakeholders, TCB statute, an in-house document of TCB named "Criteria of Operativeness" in which corporate procedures and operational management guidelines are described, in-house TCB regulations, TCB statutes, data of the Osservatorio Congressuale Torinese (Turin Congress Observatory) are analytically described. Moreover, to identify the indicators of the internal perspective, all TCB employees were interviewed for about two hours, in order to define a complete map of the activities carried out by the company according to the activity-based costing approach. This data allowed the calculation of the cost of activities and their respective outputs, as well as the aggregation of activities and their costs into the processes.

The last step began immediately after the work-up of the strategy map and involved the validation of the strategic map. In particular, the indicators identified with corporate management and with the representatives of the public and private stakeholders were analysed and discussed. This allowed each indicator to be tested from the following points of view:

- relevance, selectivity, significance and representativity of the indicators within each BSC perspective;
- completeness of the monitored phenomena in each BSC perspective;
- consistency of the individual indicators versus the content of the strategy expressed by TCB;
- real possibility to quantify the numerous indicators and measurement modes (timing, criteria, objects, identification subjects).

The strategy map below shows that the non-profit status of TCB, the special nature of the activities carried out, the characteristics of its stakeholders and the destination strategies all have a significant influence on the structure of the BSC and the type of indicators that are needed to monitor the four performance analysis dimensions. Figure 1 shows the strategic map and sets out all the indicators listed further below according to the four perspectives.

### Financial perspective

The financial perspective monitors the company's ability to satisfy the expectations of its shareholders. TCB's shareholders come from both the public and private sectors (the latter being the active shareholders). It follows that the financial indicators that measure the achievement of strategic goals include the following:

- the achievement of a balance in the net income results [1];
- the amount of side-business generated by TCB in a specific period compared with the total costs incurred by TCB over the same period [2];
- consistent with the strategy, special attention is given to the international conference market [3,4,5].

### Customer perspective

The customer perspective was handled in a slightly unusual way; although the TCB is the guarantor, the shareholders are the central element around which its activities revolve. The



conference city as a whole becomes a body that can make unitary and strategic decisions far more effectively on the market and in dealings with customers than its shareholders could be on their own. It follows that the first customer category to satisfy is a shareholder category, i.e. that of the active shareholders. The most significant indicators include:

- The TCB's impact on shareholders' turnover is shown by an indicator in the form of the ratio for individual shareholder categories between the turnover generated by TCB in one year and the total turnover the shareholder has achieved in the conference and business events sector [1,2,3].
- A summary indicator of co-operation between shareholders can be drawn up on the basis of indicators of attitude to measure the level of shareholder involvement, level of conflict and the level of trust [4].
- An indicator of satisfaction is made up of an overall measurement [5].

The satisfaction of active shareholders is clearly conditional on the satisfaction of two customer categories: intermediate customer (category associations, professional associations etc.) [6,7], and final customers (the participants in conferences/business events) [8], loyalty can be measured effectively through an indicator of intention to repurchase [9]. Indicators providing a measurement of the destination's image are those measuring awareness of the destination and those concerned with image which have to be measured in relation both to intermediate customers [10,11] and end customers [12,13].

### **Internal processes perspective**

The perspective of internal processes is designed to identify and control company processes which are of critical importance for the achievement of the goals described in the two preceding perspectives. Given the peculiar nature of the production process carried out by TCB, it is useful to describe its role in the achievement of the strategy previously mentioned. The TCB's internal processes must be able to promote a valid composite package of conference provision, offering the customer an excellent range of services while preserving a healthy level of competition between shareholders. If this is the role assigned to internal processes it follows that it is possible to apply the following classification of the processes (proposed by Kaplan and Norton).

#### ***Customer management processes***

A primary activity of this process is dealing with customers' requests for information about: shareholders and the characteristics of TCB's conference system, prices and conference services, hotels and hotel prices. Indicators able to monitor this activity are: the number of requests for information received in a year [1], the average time required for handling the requests [2], the efficiency in doing so [3]. Another activity is the processing of candidacy for membership. The first stage – in which TCB organises a presentation to show the customer the characteristics of the city – can be monitored through: one indicator identifying the number of presentations effected and another calculating the cost [4,5]; an indicator recording the number of presentations effected and the proportion of these continuing on to the second stage [6]. The second stage begins if the customer asks for a financial quotation: it is of interest to identify size of the events acquired in terms of participant numbers [7]; if the customer confirms its interest in the destination, the TCB will invite it for a site inspection [8] of the facilities available in the city during which the customer will be able to meet the chosen actor.

Further TCB activities include the processing of requests concerning the organisation of business events (meetings and conventions). Indicators for monitoring this activity are: [9] the number of requests received by the businesses [10], the average response time to the customer [11] and the average unit cost of processing the request. During the more important conferences TCB manages an information center to welcome participants and the tourist promotion of the area. Indicators for monitoring this activity identify the number of information centers set up and managed over the year [12], their cost [13] and the number of contacts generated [14]. The TCB is also responsible for the running of the customer service





to survey and analyse the degree of satisfaction of participants including their opinion of the welcome they received from the City: indicators here measure the frequency and extent of customer satisfaction surveys driven during each event [15]. A final process regards customer communication activities for which typical indicators would be: the ratio between the communication budget and the number of potential contacts [16], the ratio between the number of requests for proposals and the number of potential contacts [17].

### *Management and operational processes*

If the customer requests a detailed proposal after the presentation effected by the TCB, the DMCs are responsible for its preparation so that the customer may choose the partner it considers most appropriate. The activities carried out by DMCs can be monitored by reference to indicators measuring:

- the success rate of the quotations submitted to customers [1];
- the checks carried out by TCB on the results of negotiations for the organisation of business events;
- the actors' average response time [2]; and
- the percentage of quotations successfully completed [3].

### *Innovation processes*

Important innovations would be:

- the introduction of a uniform contract for each type of service adopted by all TCB shareholders [1];
- TCB could subject its service provider members to quality control procedures. The indicators would relate to the frequency of checks [2] and their results [3,4,5]; and
- checking procedures in the case of complaints by customers [6] and [7].

### **Learning and growth perspective**

The goals of the learning and growth perspective are made up of the drivers to obtain excellent results in the other BSC perspectives. Investment in staff and IT systems represent the premise for organisational learning. The indicators measure three aspects:

- (1) the creation of a customer data base [1];
- (2) the creation of a precise system for the measurement of the side-business [2]; and
- (3) the creation of a system to measure the impact of events organised by TCB on the performance of active shareholders [3].

Another goal relating to the learning/growth perspective is concerned with the management of relations with shareholders with particular attention to two aspects: activities of relevance to the admission/resignation of shareholders and participation of members to meetings [4,5].

### **Conclusions and implications**

Some contributions to theory may be derived from the analysis of the TCB case. First, this analysis contributes to prior research on strategy assessment (e.g. Kaplan and Norton, 1996a, b), by showing how BSC models can be extended to a meta-management context, where strategic intents emerge from the interaction of a network of interdependent organizations. In particular, it shows how the customer dimension of the BSC requires the inclusion of two levels of customer within the model. On the one hand, there is the demand typically expressed by the end customer for conference services and the correlated hospitality, transport and entertainment services in the destination. On the other hand, there is also a demand represented by intermediate customers such as associations and other purchasing institutions, and by the business and institution system brought together by the TCB. The analysis thus offers an extension of the conceptual category of customer conventionally considered in the Balanced Scorecard effectiveness assessment,



encompassing the wider shareholder system that truly represents the demand side in meta-management service network.

Moreover, this study shows how a financial dimension is key in meta-management contexts, because financial outcomes act as a glue for the network actors associated to the DM organization, allowing strategic convergence even when individual goals might engender contrasting tensions. This appears to be a unique feature of the meta-management of a tourist destination since the strategic objectives of the public and private components within the institutional structure tend to coincide, concentrating on the destination's ability to attract visitors and the consequential generation of business. We thus show how BSC models provide evidence of a financial perspective even in those organizations where the institutional configuration is prevalently public in character, and thus may be expected to be only weakly oriented to profitability.

Second, this analysis contributes to prior work on strategic planning within destinations by developing an integrated hierarchical approach, where intermediate objectives expressed by specific actors are linked and coordinated within higher-order strategic goals. It thus offers an original view of the formative process that characterizes strategic planning within supply networks based on tourism destination.

Third, the TCB case offers insights also for the strategy implementation (e.g. Pearce, 2000; Enright and Newton, 2004) and performance assessment (e.g. Lai *et al.*, 2006) literature on destinations, by defining network-level indicators –, e.g. those based on the internal process dimension – and by identifying the interdependencies among indicators. It thus takes externalities of single actors' behaviour into account, and emphasizes the key steps of strategy implementation, where the coordination among the different parties must be managed and controlled.

There are also key implications for practice that derive from our analysis. First, the application of BSC models discloses potential for a shift in the analytical capability of the meta-management organization, fostering its effectiveness in diagnosing value creation gap and in increasing the potential competitiveness of the meta-management organization. Indeed, destination managers applying BSC models are endowed with a comprehensive view of competitiveness indicators (increase in occupancy rates, reduction of seasonality and widening of their customer portfolio) and financial indicators (growth in turnover, increase in side-business margins, increase in self-financing circuits, balancing of debt ratios and creation of investment resources) which significantly increase their precision in assessing the achievement of strategic goals, and in re-orienting their strategic action. The learning economies gained from improved understanding of the new management techniques should not be underestimated. Over time people learn to define goals with increasing precision, to target the required actions with greater accuracy, to estimate the expected effects with greater clarity and to require greater efficiency and effectiveness in operational processes. The foundations are thus laid for the development of best practices in the management both of the destination and of each individual business.

Second, the application of a BSC approach has a key implication in terms of co-ordination capability. Indeed, it provides evidence of the parties' activity developed within the destination (investment by hospitality businesses for supply development, cultural or environmental projects promoted by local foundations or institutions and events), and of the meta-manager ability to draw them into an overall strategic design. The effects from the introduction of planning techniques and a strategic management process structured on destination players and between businesses and meta-management bodies in particular, are of great significance. Through the "business" approach described above to destination problems, it is possible to create a climate of trust, pulling together towards shared goals. Improved results lead to more positive expectations both for the present and the future, facilitating the business investment process required to sustain the competitive advantage. This is an important transition because the consolidation of the competition strategy of individual businesses reinforces the repositioning decisions made by the destination and



stimulates differentiation in local businesses' product system, reducing the tendency to implement price competition.

There are at least three limitations to be considered in examining the contribution of this study. First, the analysis is based on a case study research design, which has significant advantages in developing reliable models, but lacks in terms of generalizability of results. While this study has the merit of presenting new evidence on the strategy assessment for tourism destinations, further research would be desirable to build on these findings. Thus quantitative analyses could be developed in order to understand how strategy assessment models vary according to destination management key characteristics, type of location, the targeted market, as well as the convention bureau's network. Indeed, these features could shape the process through which the strategy of the supply system is formulated and implemented. Second, the analysis is focused on the identification of key dimensions of strategy assessment. Although this is a first necessary step, other studies might want to implement the model to measure the level of compliance with the identified strategy that destination managers can reach, and identifying determinants of variance between ex ante strategy goals and ex-post destination performances. Third, while the analysis assumes a supply-based process of strategy assessment, it leaves the customer-based view unexplored. Indeed, we interviewed managers of the TCB as well as managers belonging to key companies in the supply systems; however we did not address the perspective of the final customer who purchases and uses the tourism product. Hence, we cannot ensure that strategy dimensions that might be relevant for the success of the destination are included in the model because they were not considered by the subset of stakeholders we interviewed. Further research would be useful to explore this issue further, developing frameworks that extend the strategy assessment process to the customer component of the stakeholder system.

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