

# The ultimate DESTINATION BUSINESS

(Think small)

The market for specialist tours has been burgeoning seriously for over 20 years, but more profitably for some operators than others. Whilst majors ogle the margins in upmarket travel, one relatively small operator stands out as the ultimate travel business, let alone a role model SME. **Locum Destination Review** investigates Worldwide Journeys & Expeditions and asks Locum non-executive director **Tony Hodges** to interview its co-founder and motive force, **Nick Van Gruisen** (right).



**IMAGINE** your ideal destination business. A hotel or resort? Hardly. It might have a seductive location and benefits in kind but think about capital strain, seasonality, guest demands. A city perhaps? Fine if you are drawn to public service but with such a low ceiling on rewards, for all but the very few, and with so many stakeholders to satisfy, better to cede that opportunity to more philanthropic individuals. How about a visitor attraction? Again, the capital risk never seems to fade from view (even if you discover Eden) and all those people to satisfy - staff, visitors, stakeholders, the list (and the strain) seems endless.

No. The ultimate destination business requires very little capital, a small tightly

knit group of staff, regular but infrequent contact with loyal, high-spending customers, a growing market, and enough of a geographical spread to limit the downsides of seasonality. Let us open a specialist, upmarket tour operator.

It seems that many entrepreneurs have done precisely that in recent years but, of those who have grown beyond micro-partnership status, not all have generated the profitability our ideal business model should predict.

Let us meet someone who has created such an ideal. One Nick Van Gruisen at Worldwide Journeys & Expeditions. If our much put upon Parliamentary Under-Secretary of State for Small Business, the

unenvied Nigel Griffiths, needs a role model SME to offer those that merely whinge, a service business case study to cheer him on rainy days at the surgery, he should join us too.

**CONSIDER** the facts. In ten years, Nick Van Gruisen and his partner Rowan Paterson have grown their company by 20 per cent p.a. to a modest but attractive turnover of £8.5 million. Nice steady growth but nothing world shattering there. His two most easily comparable peer group members - Abercrombie & Kent and Cox & Kings - turn over two to three times that much. But these competitors achieve their volume with approximately 70 and 50 staff respectively. Van Gruisen's staff of about a

## WORLDWIDE JOURNEYS & EXPEDITIONS: RESUMÉ

- **Status:** Independent, long-haul upmarket tour operator
- **Turnover:** £8.5 million, growing 20 per cent p.a.
- **Profitability:** 'Best in market' at £60k per employee
- **Specialism:** Upmarket tailor-made holidays
- **Destinations:** Africa, Central and South America, Indian sub-continent, Thailand, Malaysia, Indo-China, Indonesia and the Indian Ocean
- **Other strings:**
  - Ultimate Travel, retail travel agency
  - Wildlife Journeys, wildlife and ornithological tours with leading naturalist
  - Charity fund-raising group tours to remote mountain regions



## 'Offering a touch of comfort to adventurers ...

dozen generate three times as much profit per head as their nearest rival. As a result, they are simply 'better paid than other travel people'.

Ask Van Gruisen what his secret is and without a hint of false modesty he tells you 'the strategy's easy, there's nothing clever about it - finding the right people to read the brochure and ring up, then have a good person in the office. And run the office cheaply.'

It may not be rocket science but it seems beyond most tour operators. Of one well-known example, Van Gruisen is dismissive, if accurate. 'Not a bad travel agency ... bad management, bad business sense.' Which you deduce is, for Van Gruisen, just a lack of common sense.

**READ** the brochure and you might not be absolutely sure what sets Worldwide Journeys & Expeditions apart from the herd. (See 'Brandwatch' on pages 36 to 39 for a competitive review.) *The Sunday Times* called it 'lavish', 'a 200-page showcase of exotic possibilities, lavishly illustrated with "I wanna

be there" photographs ... one of the most seductive in the business'. But aren't they all?

Explore further and you realise there are more people featured in Van Gruisen's tome - staff, locals, tourists - than in rival brochures. This 'peopleness' connects naturally with the user-friendliness of his operation.

As he allowed to an investigative reporter: 'If you are going to say anything nice about us, I think I would be most pleased to read that you found us a quietly confident crew.' The reporter agreed: 'No doubt about it ... we got a distinct taste of quiet confidence when we called anonymously to ask about a suitable hotel in Mauritius for a family holiday. Harriet was a fount of wisdom.' No wonder Van Gruisen pays his staff well but you sense that the people-orientation of the brochure and his staff flow naturally from the man himself.

**MEET** him and you forget the stereotype of Travel Agent Man. He is neither old-school buttonhole nor nouveau flash. Rather he feels like an enthusiastic gap year student, if

overgrown, who happens to be making money out of a pursuit he enjoys. He obviously loves exploring and the comforts of civilised hedonism and he connects with others who enjoy similar pleasures. He has the easy charm of the serial traveller.

The gap year student associations have their roots in fact. That was when he discovered the joys of (early) specialised tourism, managing a game reserve in South Africa and a luxury tented camp in the Okavango Delta. From Botswana it was a short step to a Nepalese trekking company called ExplorAsia, where he met Paterson, his future business partner. Van Gruisen's advantage is that he has grown up (to use the term loosely) with the kind of tourism in which his business specialises. He has observed and participated in this market's growth.

When he first worked the Nepal run in the late '70s, 'it was practically unheard of then apart from a few friends of our age going overland in a bus ... it was very adventurous'. His clients 'were late 50s, early 60s,



### ... a whisper of the unknown to hedonists'

countrified gentry and members of Lloyds. It was all about adventure and they all wanted to go to places associated with Empire. The French and the Germans were much more interested in places like Tibet which, for the English, wasn't really part of Empire. The English wanted to go to places where grandad had been.'

The new traveller and the new market arrived, as with so many examples of conspicuous consumption, with Thatcher. 'It changed with the boom of the '80s - money, sophistication, TV coverage. Abercrombie & Kent had just started in London and got under way aggressively ... they'd started in Africa a bit earlier with two ladies (in London) fielding the odd call.' Van Gruisen wickedly recalls an earlier description of him by a mid-'80s journalist 'in comparison with the dowager duchesses of A & K, a brash young upstart'. No longer an brash, nor an upstart, Van Gruisen today is a serious player in the business of specialist tourism.

**FORGET** the textbook and the management consultant's organogram. Nick

Van Gruisen's success seems to be built on choosing to zig when others zag. (This he shares with Tim Smit, albeit in very different form.)

A professional advisor might have pointed out the need for an accountant, a gopher, credit card payments. He will demonstrate these are costs without benefit. 'I have built this £8.5 million pound upscale tour operator without these things.'

A marketing specialist might point out the growth in ecotourism but he sees no value in a term that to him means nothing. 'I don't know what ecotourism is ... marketing babble ... I've not met anyone except specialists in the business who understands what ecotourism means.'

Yet Van Gruisen is closer to the market than anyone, a natural, khaki-clad travel marketing man if ever there were one. Where over 90 per cent of the 500 trekking agencies in Nepal still think that adventurous tourists like it rough, he disagrees. 'I've never felt there was anything clever about being uncomfortable. If I'm

going trekking in the Himalayas for ten days, I have no intention of crapping behind a rock, standing up straight ... (unlike the others) we provide loo seats and we're very proud of our loo seats.' (I stop myself smiling at the thought, as Van Gruisen continues to make sense.) 'We like giving people showers on their trek. It's very civilised. In the '80s it was unheard of ... but it's just common sense.'

Even this interviewer, who dislikes discomfort with a passion, might fancy Van Gruisen's approach to adventurous tourism. 'If you trek with us in Morocco, you can have red wine and carpets. It's fabulous.'

So you are not hard-edge, Nick? Apparently not. 'We are totally soggy. We want to make it as comfortable as is possible.'

No wonder this tour operator continues to grow. His staff churn is minimal. His existing customers contribute 65 per cent of his business. And he can straddle five continents of different travel experiences and desires. He can offer a touch of comfort to

Escorted tours for those  
who share a passion  
for the natural world



Escorted wildlife and birdwatching tours

Wildlife Journeys



incorporating Binding

## THE FUTURE IS TAILOR-MADE TRAVEL

'90 per cent of our business. The only downside is you're travelling alone. Groups are actually more expensive (but) a lot of people don't want to spend two weeks, three meals a day, with their wife or husband or partner - it's quite a challenge for some people. But yes, this is the fastest growing sector.'

*Nick Van Gruisen*

## Another ultimate experience

adventurers and a whisper of the unknown to hedonists. All because he puts himself in our shoes, whatever our destination: 'Travel is actually hard work. So one tries to create a holiday that is relatively comfortable, mentally and physically, for our client.'

**GROW** at your peril, if you want to remain our ultimate destination business. But grow you must, Mr Van Gruisen, as well you know, if you value momentum.

He knows, full well. First he recognises the importance of consistent growth. 'Everything is organic. That is our strength.' So, on this side of the business, he looks to maintain real but modest growth to about 50 per cent higher turnover, 'say to £12 million, with two or three more staff. Each member of staff doing close to a million a year.'

Second, he recognises the importance of specialism. The only other tour operators whom he really respects are those who specialise. 'I prefer small and selective, a rifle approach.' Within this, he sees where the market growth is moving. He would like more of the 'lazy days' tourism sector but

knows he is well-placed for the faster growth in travel to the natural world.

And he understands it has to be steady growth. 'We can keep up with it, grow with it ... we don't lose any of our charm by exploding.'

This approach he can afford by virtue of his other travel agency interests and he is clearly aware - despite his entirely valid suspicion of marketing jargon - that his future will involve more scale, 'enough to have buying power and marketing power without losing personal touch.'

He recognises he has to address some outstanding questions on branding. His business has too much of a reputation to risk these days for him to allow confusion between his Worldwide Journeys & Expeditions and another less desirable firm called Worldwide Journeys. He knows this needs fixing. 'It is a quagmire I go around monthly.'

And he seems to see the sense in redefining the true specialism of his business. It is a strange truth that, although

you might expect group travel to generate economies, it is usually more expensive. And that, although you might expect tailor-made holidays to cost more, they usually need not. Result: higher margins in 'tailor-made travel'. So why is Van Gruisen (like the industry) still talking about 'specialist tourism' when that term can cover football supporters on the razzle as easily as nature photographers on the game reserve, and when 'tailor-made tourism' constitutes 90 per cent of his business?

Go on, Nick. Stand out from the market as well as you stand out from the average SME. It is perfectly clear that you have tailor-made your business. That is why it is the ultimate destination business.