

## **Operator Issues - How networking has helped Hiking New Zealand?**

### **1. Overview of Hiking New Zealand**

Hiking New Zealand started in 1993 guiding two 10-day hiking safaris in the South Island. In 1998 we set up the NZ Wildlife Research Fund donating a small percentage from each booking. To date over \$55000 has gone into this fund to support research on Hector's dolphin. In 2001 we started selling the Milford and Routeburn guided walks through our website [www.HikingNewZealand.com](http://www.HikingNewZealand.com). In 2002 we won the NZ Tourism distinction award after winning 3 tourism awards in successive years: Service to the Environment, Adventure and Ecotourism. In 2004 half the business was sold to the operations manager and his partner. Today we have 4 office staff and 4 part-time guides selling over 30 different hiking products and running 5 hiking trips.

### **2. Concessions**

One of Hiking New Zealand biggest challenges is working with Department of Conservation on our concession. Recently three operators and TIA have been able to turn around an initiative by Southland DoC to charge concession fees for an operator's full guiding allocation in advance, whether or not we use it. For Hiking New Zealand this is twice what we guide today. Without the effort by Geoff Ensor from TIA we would not have achieved this outcome. Operators should seriously consider becoming members of the TIA if they aren't already. The more concessionaires that become TIA members the more weight TIA will have when negotiating with DoC on everyone's behalf.

Operators need to work together and be pro-active about how we see New Zealand's National Parks and reserves managed in the future. This means reading drafts of National Park Management Plans, and making submissions that will favour responsible ecotourism on the DoC estate. It also means standing or nominating fellow tourism operators for conservation boards, to ensure that ecotourism has a voice that fairly represents the huge role that it now plays in the New Zealand economy.

### **3. Guides**

The seasonal nature of tourism and the present high employment level makes it very hard to have enough guides during peak periods. When short of guides, we contact other operators to see if they have guides available. Similarly we refer guide employment enquiries that we don't need on to other operators. We also work together with other operators for outdoor risk management training.

### **4. Referrals / Making money from other operators**

Hiking New Zealand now makes a substantial proportion of its profit from selling other operators tours - operators that are also our competition. This started from receiving enquiries for Milford and Routeburn guided walks through our website and then arranging to become an agent for them. We now sell over 30 operators - for 20% commission. In return we have convinced other operators to sell some of our hiking safaris on their websites. Many operators are hesitant about giving away this much commission but it needs to be worthwhile. 20 - 25 % commission is standard for working with overseas wholesalers. We should be prepared to give it to each other.

When you receive a decent commission, you are in a position where you can sell another operators trip, instead of running your own trip with marginal numbers. This is especially relevant in the shoulder and off-season. There are many other trips that will compliment your operation - accommodation, adventure activities

other ecotourism products. If you can on sell these products to your clients you will increase margins significantly.

For Hiking New Zealand networking with other operators has been essential for our business growth.