

Greenhouse, Melbourne Steve Gaff, General Manager

Tel (03) 9639 6400

steve_gaff@friendlygroup.com.au



If your idea of backpacker travel is lumpy mattresses and mildewy showers, take a visit to the Friendly Group's 'Greenhouse' in Flinders Lane, Melbourne.

It's a Victorian Tourism Award Hall of Fame inductee and a twice winner of the Australian Tourism Awards. At the time of writing, Greenhouse had averaged 89% occupancy for the previous six months and had lifted its average length of stay by 30% in just a year.

Unlike the fairly loose plans of the travellers it accommodates in its 63 rooms, Greenhouse's business journey since it opened in 2000 has left nothing to chance and has been guided by business planning every step of the way.

However, it is not a business plan written at great expense by an external consultant. In fact, Greenhouse's business plan grows out of its annual entry to the Victorian Tourism Awards. The award's categories and questions have been deliberately designed to reflect sound business planning principles, which General Manager Steve Gaff says helps to reveal the gaps in their operation and what needs to be improved.

"It's very much a review and preview process", says Steve.

“The Friendly Group has an overall ten year plan, but we use the tourism awards process as an annual business planning exercise. It enables us to focus on things such as staff performance, occupancy levels, financial projections, business goals, maintenance schedules, marketing etc.

“Our goals are not necessarily just bottom line considerations, but relate as much to delivering consistent service, lifting maintenance standards and keeping staff motivated and challenged.

“We regularly review the document throughout the year and even use it as an induction tool for new staff, because it provides the most complete overview of this business.

“Our 19 staff are active contributors to the document, so there is a major sense of ownership. Unlike many backpacker places, we only employ permanent staff, who love being here and are committed to taking the company forward”, says Steve.

In a business where nearly 70% of patronage comes from word-of-mouth and the other 30% from reviews, advertising, the website and travel agents, it is clearly the standards of Greenhouse that keep it as one of the most talked-about and patronised backpacker hostels in Australia.

Key Lessons

- The most successful tourism businesses usually work to a business and marketing plan.
- Effective business planning does not necessarily have to come out of a formal business plan.
- The structure and questions of the entry process to the Victorian Tourism Awards helps operators reflect upon their performance and operational systems and to identify areas of attention.
- Involve other family members and staff in the business planning process.

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