

## Industry Analysis

### **Evolution and Creativity of Tourism Businesses: The Entrepreneurial Journey of Asian Overland Services**

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Asian Overland Services started in 1976 in servicing the tourism industry when inbound tourism was very much in its infancy. During this early period, there was only a tourism department in the Ministry of Trade in Malaysia. Inbound tourism began in Malaysia at the same time when Tourism Development Corporation (TDC) was conceptualized in 1972. It was during this era that I began working as a part time tour guide in 1974 while still in school. There was no licensing requirement for the setting up of a travel business at the time. Therefore, after I left school at 19 years-old, I set up Asian Overland Service Tours and Travel (AOSTT) in 1976. AOSTT started with a few partners in adventure and nature travel in Southeast Asia. The business served as an extension of my passion in trekking, camping and mountaineering. Times were tough at the period as not many people understood about inbound travel. Most were doing outbound travel and globally, many did not know about Malaysia.

As I was one of the first to climb Mount Tahan (in West Malaysia) and very familiar with its terrain, AOSTT started tours here and expanded it further to climbing Mount Kinabalu, exploring long houses in Sarawak, Niah Caves and the orangutan expedition tours. Nonetheless, Asians did not appreciate these tours and the market was predominantly from Europe where tourism was more mature there. Thus, AOSTT had to participate in travel trade fairs of World Travel Market in London, *Internationale Tourismus-Börse* (ITB) in Berlin and later Pacific Asia Travel Association (PATA) Travel Mart to market Malaysia as tourist destination. The Association of Southeast Asian Nations (ASEAN) later started ASEAN Travel Mart with similar aim of promoting countries in ASEAN. Unfortunately, my business partners in AOSTT left by 1980, as they considered nature tours to be unpopular in Malaysia at the time. Indeed, the word 'ecotourism' was only coined in mid-1980s to define nature tourism with responsibility. With the departure of AOSTT's partners, the focus of the company shifted to Malaysia, Borneo and Singapore. Normal tours with nature and adventurous tours were include in the services.

To make nature guiding more professional, AOSTT took the initiative to start nature guide training courses with the help of Forestry Research Institute of Malaysia (FRIM) as the current Director General, Tan Sri Dr Salleh Mohd Nor was also the president of Malaysian Nature Society and was very much supportive in promoting nature tourism and later ecotourism. In 1990, these courses were supported and funded by the American Express.

Most tourists were supportive of this concept and thus AOSTT started incentive tours whereby corporate companies would pay more for such creative tour programmes. Subsequently, AOSTT become members of PATA to understand more about the business of leisure tourism and also joined Society of Incentive Travel (SITE) which is based in the USA. Being members of such professional body, AOSTT was able to improve and build the linkages with

similar minded people and improve the professionalism of AOSTT to manage their clients more professionally. This subsequently resulted in AOSTT winning numerous awards. Winning these awards showed that AOSTT is amongst the best in the international field. Benchmarking globally is the way forward to be the best.

Later in the 1980s, the incentive market was developed whereby trainings and meetings were incorporated to justify the trip and thus AOSTT needed to expand their knowledge. Thus, AOSTT joined major trade shows like the Asia-Pacific Incentives and Meetings Expo (AIME) in Melbourne, the Exhibition for the Incentive Business Travel and Meetings (EIBTM) in Switzerland (later this event moved to Spain), and the Worldwide Exhibition for Incentive Travel, Meetings and Events (IMEX) in Frankfurt. With the expansion of the market further, AOSTT also joined association in this field like the International Conference and Convention Association (ICCA) based in Amsterdam, and the company was certified in conference business. Hence, AOSTT participated in the International Association of Professional Organisers (IAPCO), and took a leadership position in ICCA by being the chair of Asia Pacific for almost a decade and vice president for six years. During this period, I also served as the secretary and a board member of PATA for many years. By being active and involved globally, AOSTT could understand and feel where the trend was moving towards.

In addition, AOSTT also played an active role in education and sustainability. Thus, AOSTT contributed articles in travel trade like Travel Trade Gazette (TTG) and many others. In the early days (1970s), business communication was mainly through the telex machine, an archaic technology that has almost gone into extinction, like the dinosaurs. One had to type using an old fashion type writer and a long tape with holes were created and this tape would be fed into a machine to send to the other travel agent for booking or confirmation. This conventional method was expensive, and the communication had to be precise. By mid-1980s, the fax machine was created where the whole sheet of typed paper is transmitted (faxed) like a scanned message. This innovation at the time was much faster and cheaper. Many developing countries were still using this technology for business communication. Then the Internet was only widely used by the late 1990s.

Subsequently, the mobile phones further changed the business communication in the travel industry. The mobile technology was first developed by Motorola in the 1970s by transmitting speech by radio. The first handheld mobile phone was then in the size of a 'brick' and thus heavy with a dimension and weight of 23 centimeters by 13 centimeters and weighed 1.1kilogrammes (2.42pauns). AOSTT owned the first handheld machine with a battery in mid 1980s, half the size of a small laptop bag with a phone at the upright in a long antenna. Being one of the pioneer with these gadget, it looked cool and trendy then. Thus, AOSTT could travel and make faster decisions as clients needed quick responses. AOSTT's tour operations were also one of the first to be computerised. In the early 1980s, AOSTT purchased a Singapore software and later an Israeli system called Paxy.

AOSTT needed to continuously engage in the latest technology and be aware of the trends to move forward. Thus, huge investment was needed. The company learned to be prudent and save to invest in technology and human resources in order to be successful. From early times, AOSTT have always spend time and invested more than others. Being the pioneer, AOSTT had to be independent in trying to rapidly grow in a specialize field. In the late 1990s, AOSTT purchased its own building with sufficient space to grow the staffing from 30s tillover 140 staff today in the travel and conference group without including the hospitality group. AOSTT today also managed the greenest hotel in ASEAN with their Frangipani Resort Langkawi that have developed over 250 ways to save the environment.

In conclusion, my experience in the founding of AOSTT and managing the company over the years showed that to be successful in the challenging tourism industry in Malaysia, one need the following 12 traits: (1) patience; (2) discipline; (3) goal oriented; (4) health; (5) stable and supportive spouse and family (if married); (6) a motivated team; (7) reward appropriately; (8) long term planning; (9) financial prudence and buffer; (10) research and innovation; (11) keeping abreast with technology; and finally (12) investment in human resource.