FLYNOW TRAVEL

Strategic Management and Leadership Analysis

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Report

1. Introduction

Fly Now Travel is a small family-owned travel agency with approximately 20 employees based in Johannesburg, South Africa. Initially operating under a different name, Flywell Travel; Fly Now Travel was built out of a split partnership with Flywell Travel and over 40 years has constantly been recognised as a respectable travel agency in both corporate and leisure travel. As a member of the XL Travel Group, Fly Now Travel forms part of the diverse, owner-managed agencies, as they strive to bring their expert knowledge and experience to their customers providing them with a doorway to their destination.

Over the last year, the COVID-19 pandemic has ravaged the world, its people and all businesses from small to global enterprises. Many businesses were forced to close doors, and the BEACH (Booking, Entertainment & Liver Events, Airlines, Cruises & Casinos, Hotels & Resorts) industry was one of those affected the most. In March 2020, the BEACH stocks lost $332 billion in value (Neufeld, 2020). Before the pandemic, the travel and tourism industry warranted 10% of the global economy and with the various global travel restrictions and regulations, as well as the unlikelihood of vaccine passports or some alternative, being implemented anytime soon (Cherney, 2021); small businesses like Fly Now Travel need to implement a new strategy to ensure the business does not shut down and can sustainably continue to provide their services to their customers.

2. Stakeholder Analysis

R. Edward Freeman defines that one of the purposes of strategic management is to give an organisation a direction and help reach it. Stakeholders – being those who can have an impact, both significant and minor, in the implementation and direction of the plan – must be considered in the strategic management process (Freeman, 1984). In assisting Fly Now with their new strategic management approach, the first step would be to analyse their stakeholders and perform a stakeholder analysis.

1.1. Identifying the Stakeholders

Identifying the various stakeholders that affect Fly Now are broken down into: *Internal* and *External* stakeholders. The Internal stakeholders are those that have the direct relationship with the business, and all of the other stakeholders will be considered External (Fernando, 2021). Many of the identified stakeholders listed below are also those found in the tourism industry themselves, however given that Fly Now is a small business, it's effect and impact on the stakeholders is not as significant as the impact of some of the stakeholders on Fly Now (Stainton, 2020).

1.1.1. Internal Stakeholders

Three internal stakeholders have been identified for Fly Now Travel:

- Employees
- Tourists/Clients
- XL Travel Group.

The 17 **employees** within Fly Now are not only the backbone of the company, but will also dictate how well the company performs financially and how well they maintain and improve their reputation and brand. The **tourists/clients** are the lifeline of the business, as their loyalty, and willingness to use the travel agency over competitors is what has kept this business alive for 40 years and will continue to keep the business running and growing. Unlike other travel groups, the **XL Travel Group** offers their travel agencies an opportunity to be run in their own way by only paying a membership fee. The risk for the XL Travel Group is that should Fly Now Travel not be a reputable brand anymore, it could harm the broader group's standing and reputation.

1.1.2. External Stakeholders

The external stakeholders identified are:

- Local airlines
- International airlines
- Government (local and foreign)

- Utility organisations
- Car rental agencies
- Hotels
- Tour operators
- Transport/Taxi organisations
- Banks
- Educators/Training Facilitators

The **airline** industry is the backbone of the tourism industry both on a **local** and **international** level, as the main reason a customer uses a travel agent. The **government** are those who control the travel restrictions between all countries especially given the problem and the world's current COVID-19 pandemic. **Utility organisations** are those that provide the travel agency, the airports and the country the necessary infrastructure and necessities in running the business and supports the industry. Given South Africa's electricity crisis, this stakeholder has an impact on the business and its success. **Car rental agencies, hotels, tour operators and transport/taxi organisations** rely on the likes of travel agents and booking sites to help boost their own economy and organisation (Stainton, 2020). **Banks** are the external stakeholders affected by both the customers, the business and all other stakeholders as they provide the finances for all stakeholders. The **education/training facilitators** are the last identified stakeholders as upskilling any new or current employees will be halted as the organisation has very little to no business.
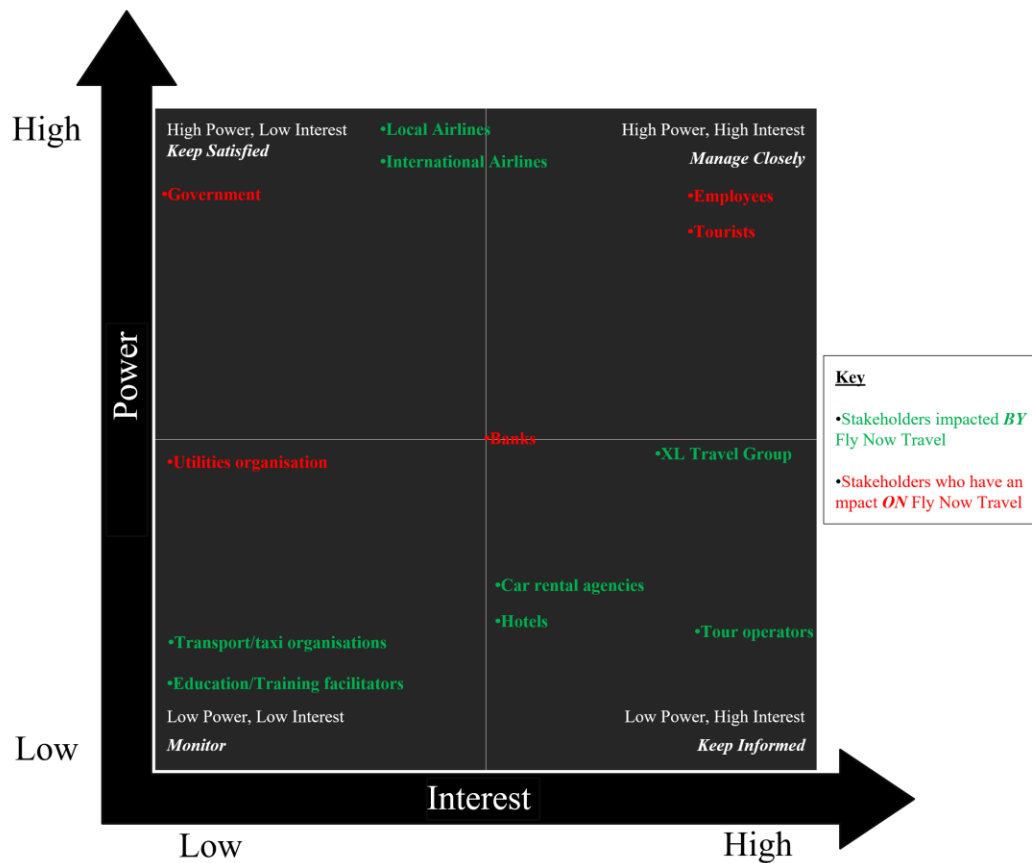
1.2.   Stakeholder Map

Figure 1: Stakeholder Map (Mind Tools Content Team, n.d.)

Figure 1 is the stakeholder map originally adapted from Mendelow's Power Dynamism Matrix for Environment Scanning (Mind Tools Content Team, n.d.). By using this stakeholder map, management at Fly Now Travel can now identify which stakeholders should be prioritised and engaged with more frequently. The impact of the stakeholder on Fly Now Travel and the impact of Fly Now Travel on the stakeholder have also been identified to allow management to understand how to engage with these stakeholders.

1.3.   Stakeholder Engagement

To ensure the success of Fly Now's strategy moving forward, proper stakeholder engagement must be observed. Based on the stakeholder map in Figure 1, those who have an impact *on* the

strategy must have their regulations and requirements met. Such as the governments with their regulations and restrictions, as well as airlines whom are instructed when and where they can fly during COVID retractions. In South Africa, the power utility Eskom, struggles to provide power constantly and the business may be subject to predetermined power cuts and this must be monitored to ensure the business can continue to provide value to their customers. The employees of Fly Now must be constantly engaged with management to discuss new strategies and ways of working moving forward. They ensure the success of the business going forward.

The stakeholders impacted *by* Fly Now form part of a broader discussion and will be impacted by how well Fly Now address the ongoing pandemic and the new strategy. They must be kept in constant discussion and potentially be brought in as informants. For example, hotels and tour operators would have seen a decline in business given the lack of tourists and as a result must be informed of any new strategies, be it partnerships, market penetration or development with Fly Now. This will allow the stakeholder's respective strategies to align with an external strategy that could assist in boosting the tourism industry.

2. External Factors (PESTLE Analysis)

Before deciding on a new strategy going forward, Fly Now Travel need to identify the impact of the various external factors on the business. A PESTLE analysis, seen in Figure 2, is carried out to fully understand and address various factors such as:

- Political
- Economic
- Sociocultural
- Technological
- Legal
- Environmental (Morrison, 2013).

Figure 2: PESTLE Analysis (Morrison, 2013)

2.1. Political

The various political aspects that could affect Fly Now Travel stem from the responses that governments from various countries have given with regards to the COVID-19 pandemic. Now that the virus has multiple strains and a second and third wave looming, flights to and from various countries are being banned. Given the large population of Indians in South Africa, direct flights from India and South Africa were cancelled, and so travelling to India had to be done via a second country, such as UAE or Qatar. But due to the increasing number of infections in India, many countries have banned tourists from travelling to India or coming from India. These countries include the UAE, Australia, Canada, Saudi Arabia, UK, USA and China (CNN Staff, 2021).

2.2. Economic

South Africa is still a developing country, with a heavily influenced economy, and the pandemic had affected an already downward economy resulting in the unemployment rate reaching a record value of 30.8% in the last quarter of 2020 (Bohlmann, et al., 2021). The restrictions from government, lack of unemployment funding has affected Fly Now and its employees as management had given all employees three months of salary in an attempt to help amidst the ongoing pandemic.

2.3. Sociocultural

The pandemic affected all business in an unplanned manner and resulted in majority of the workforce, working from home. This began to increase frustrations at home and with travel restrictions in place on an international travel, many tourists are looking for alternatives to satisfy their vacationing desires. As a result, local tourism and domestic travel has seen a sharp increase within South Africa as lockdown restrictions have begun to ease (Domestic Flights South Africa, 2021). With the tourism industry at a standstill, the employees at Fly Now Travel have to be downsized to ensure that the business does not begin to suffer a loss and go into debt.

2.4. Technological

Travel agencies like Fly Now Travel does not only have competition in physical travel agencies but are at a severe disadvantage to Online Travel Agents such as *Booking.com*, *TripAdvisor*, *Airbnb* and *Trivago*. The need for an online and digital presence is vital as this will allow a small business to reach more customers and a broader range of customers. With the use of the likes of Google Ads Services, Fly Now Travel could see a significant boost in customers and economic activity.

2.5. Legal

With the pandemic ongoing and working from home still being the preferred option, Fly Now Travel must adhere to these regulations with their staff. These regulations and safety protocols are also adhered to if and when any customers visit on the premises. Given the nature of the

business, the government regulations and restrictions must be considered when planning and creating an itinerary for any client. For example, any person travelling from India to Dubai, must be out of India for 14 days before being permitted into Dubai.

2.6. Environmental

There are not many environmental aspects that must be taken into consideration when analysing the external factors of Fly Now Travel. Natural disasters may cause concern for travellers travelling to the affected places, and should this occur, the consultants at Fly Now Travel must be considerate and conform to any regulations presented by any governing bodies and converse this to their clients. Travelling may be a seasonal matter, but given travel restrictions, this is not of any concern for the near future given international restrictions on travel.

3. **Strategy Formulation**

Now that part of the external environment has been analysed using the PESTLE analysis, the internal and the rest of the external environments must be analysed using the SWOT analysis before formulating a new strategy.

3.1. SWOT Analysis

The **strengths** and **weaknesses** identified are internal to Fly Now Travel and the **opportunities** and **threats** to Fly Now Travel are external to Fly Now. The goal of a SWOT analysis is to take the strengths and capitalise on them; subsequently it is to identify weaknesses and improve on them. The opportunities identified must be monitored as this can lead to a new venture and have a positive influence and lastly the threats must be eliminated to ensure survivability and profitability of Fly Now Travel (Parsons, 2021). Figure 3 shows the key points of the SWOT analysis.

3.1.1. Strengths

Fly Now Travel's management has a 40-year relationship with the Indian community in Johannesburg and is highly respected. The loyalty of their clientele is a definite strength of the company as was apparent when the original partnership with the Flywell Travel brand was dissolved. The management at Fly Now Travel also have trusting relationships with many managers at reputable airlines both international and local. The biggest strength that is displayed is that the consultants provide excellent service to the customers (both tourists and corporate) by resolving multiple issues and catering to their clients' needs. Fly Now Travel has the distinct advantage of having their offices in two locations in Johannesburg, the head office based in an affluent neighbourhood near their corporate clientele and a smaller office in a more central location to the Indian community. Given that majority of the clients at the secondary office are walk-in clients who are Indian/Pakistani/Bangladeshi nationals, the service, expertise and recognition provided by the consultants are Fly Now Travel give them a competitive advantage over their competitors.

3.1.2. Weaknesses

Due to the restrictions placed by international and local governments because of the ongoing pandemic, international leisure travel is seen to be on the decline. As a result of this Fly Now Travel has seen a decline in customers and cash flow while still holding onto their entire staff. As respected as they are, Fly Now does not have a digital footprint and relies more on walk-in clients and phone calls given by reference. Another weakness is that the number of corporate clienteles is small and limited as this forms part of the backbone of the Fly Now Travel cash flow. Fly Now travel has many relationships with international tour operators but due to the pandemic cannot utilise these relationships, contrary to this Fly Now does not have many relationships with local tour operators.

3.1.3. Opportunities

With the COVID pandemic still ongoing, many travellers are looking to travelling locally and experience tourism in their own country. There is support from the South African government's

Minister of Tourism to meeting the demand of local travellers to experience local tourism (Business Tech, 2021). Many competitors have closed their doors due to the pandemic with a slow recovery plan, this gives Fly Now the opportunity to use their brand and recognition in the community to look for local tour operators and partnerships to improve the business and tourism within South Africa. Another opportunity exists with a digital implementation including a website and potential phone app to bring an easier experience to the customers during lockdown.

3.1.4. Threats

A major threat to Fly Now Travel is the location of their secondary office, as the area is saturated by travel agencies giving Fly Now Travel fierce competition. Besides physical travel agents, global competitors, also known as Online Travel Agents (OTA), such as *Booking.com* bring an easier experience to their users making the need for physical travel agents null.

3.1.5. Summarised SWOT Analysis

Strengths
- Respected across community
- Loyal customers/clients
- Strong relationshi[with airline management
- Excellent customer service
- Provide corporate and leisure travel
- Multiple offices
- Recognisable brand

Weaknesses
- Lack of digital footprint
- Excessive employees in declining cash flow
- Small number of corporate clients
- Lack of relationships with local tour operators

Opportunities
- Local tourism is seeing an increase
- Support from Tourism Minister for local tourism
- Partnerships with local tour operators to boost local tourism industry
- Less competitors due to strain of pandemic
- Digital implementation and room for exploration

Threats
- Saturation of travel agencies near secondary office
- Competitors have a global digital footprint

Figure 3: Summarised SWOT Analysis

3.2. Proposed Strategy

The new strategy for Fly Now Travel would be a dual-approach strategy combining the non-price competitive strategy of ***Product Development*** and a horizontal integration of a ***Merger*** type strategy. The Product Development approach will allow Fly Now Travel to explore the opportunities of the digital space such as digital marketing, personalised web page, phone applications giving some competition to existing OTAs. The Merger approach works hand-in-hand with Product Development strategy as this will provide management to pursue partnerships with local tour operators and other tourism services; such as game and safari lodges and other notable tourist attractions to benefit from the current local tourism boom and allow that to be another backbone to the company's cash flow.

By utilising a dual approach as suggested, Fly Now will have the opportunity to continue operating under the strain of the pandemic, improve the marketing and recognition of the brand through the digital space and continue to provide their customers with the expert knowledge and experience they have been accustomed to for the past 40 years.

3.3. Strategy Evaluation

This would be the best way forward as the main backbone of Fly Now's business was their few corporate accounts and the large international leisure customers. By working with local tour operators and companies, Fly Now can now develop and create new packages for their customers to purchase and experience while international restrictions are still in effect. This will allow Fly Now to develop new marketing strategies to reach the public and in turn boost the local tourism industry. When travel restrictions are lifted and international travel will be allowed, the partnerships with local tour operators and various packages can still be leveraged for the all customers, including those travelling to South Africa.

4. <u>Strategy Explanation</u>

In order for Fly Now to implement the new strategy well, prior research was done on general advice and knowledge on how to improve the sales performance of any travel agency. Being in

an increasingly competitive industry, the goal of any travel agency is to ensure the customer and user experience is better than any other agencies and even OTAs. It can be seen that two key factors stand out in order to improve the sales of any travel agency. The first is a digital presence, inferring to using the likes of social media to improve marketing and reaching a better audience and having some sort of online consultation available. The second factor is partnerships or business-to-business networking. This will allow the likes of Fly Now Travel to leverage off these relationships for a better customer experience creating the idea of a "one-stop shop" for any and all travel requirements (Lemax, 2018) (Morgaine, n.d.).

4.1. Supporting Innovation and Change

As per the research done on improving the sales of a travel agency, it can be seen that the dual-approach proposed would address both of the improvement factors mentioned above. The Merger approach will allow for new packages to be created in the local market that can be given to customers at competitive prices benefitting both partners involved. This then leads into the Product Development approach by allowing Fly Now to leverage not only new partnerships, but those existing with local airlines, hotels and car rental agencies to provide a full package and complete experience to their customers at a competitive cost.

The introduction of these new local products not only benefit all parties, but allow the tourism industry within South Africa to continually grow and in a sustainable manner, as this brings a new product on offer for any international travellers. The addition of the local tourism will give Fly Now a new direction to work towards and once the pandemic is nearing its end, and the global tourism industry is nearing its normal state, the new products on offer for local tourism provides Fly Now with a new income stream building on their current offerings and service.

The other part of the Product Development approach is the digital aspect of the new strategy. By exploring the digital space and creating the digital presence, Fly Now Travel is able to explore new marketing opportunities using social media. In conjunction to this, the creation of a website that can be done by the XL Travel Group will make the user experience more streamlined and

safer during the pandemic. This will also allow Fly Now travel to be on a somewhat equal playing field as their competitors such as the Flight Centre group and even OTAs.

4.2. Critical Analysis

The dual-strategy approach of the Product Development and Merger strategies will address all of the opportunities and threats that are present to Fly Now Travel while leveraging their current strengths and would hopefully address some of their weaknesses. The dual-approach chosen holds an advantage over a *Digital Transformation Strategy* as the Digital Transformation Strategy looks at adjusting the business to address and present itself in the digital marketplace (Briggs, 2020). If Fly Now were to implement a Digital Transformation Strategy, they would only be addressing a part of the threats presented by their competitors. It would allow them to be more innovative but would require major organisational changes such as people and infrastructure which would be increasingly costly.

The tourism industry is a hyper-competitive environment and choosing a *Cost Leadership* strategic approach may allow Fly Now to gain a significant advantage over their competitors. The issue with using this approach is that the profit margins are then reduced and in order to stay in business with a positive cash flow, Fly Now needs majority share of the customers. Although their reputation and service exceed others, this approach may not be sustainable going forward. However, using elements of the Cost-Leadership approach in creating the packages would allow Fly Now to become more unique in their product offerings leading to a more *Focused* strategy based on the local tourism industry. Subsequently, when travel restrictions are eased and international tourism is being welcomed, the Focused approach will not be sustainable and could result in Fly Now requiring a new strategic plan.

Another reason that the dual-approach should be the preferred strategic way forward is that it allows Fly Now to grow their business in a declining economy with the ongoing pandemic. If the company had chosen to use a *Defender* strategy, and protect their current customer base, whilst attempting to maintain stable growth the company would not survive the remainder of the

pandemic and may be forced to close doors. Although their customer base may be loyal and their corporate accounts are focused mainly on local travel, it is not sustainable for the business during the pandemic as their leisure market would be at a standstill. Although the vaccine rollout is underway on a global scale, international restrictions are still in place and all rules must still be adhered to.

Fly Now Travel could attempt to use the *Diversification* strategy in an attempt to continue to operate within the tourism industry, but move from the travel agency area to the tour operator area. This would give Fly Now Travel a distinct competitive advantage over their competitors, however may be a very costly strategy going forward. This strategy would require large organisational change and may only bring profitable business at a further stage than management is willing to wait for.

5. Implementation Plan

In order to execute the new strategy, an implementation plan must be developed for Fly Now Travel. The structure of the implementation plan would be as follows:

- Research and Discovery
- Risk assessment and Budget
- Roadshow
- Assign responsibility
- Develop schedule
- Review.

5.1. Research and Discovery

The implementation plan begins with the *Research and Discovery* phase which will allow management to decide on the desired outcomes, how will it benefit the business and how does one define success (Malsam, 2019). This will allow management to agree on the communal outcome, potential organisational changes and most importantly ensuring that the new strategy will achieve the business's objectives.

5.2. Risk Assessment and Budget

The next step in the implementation plan is to perform a thorough risk and budget assessment. The risks, assumptions and mitigation strategies developed here will be vital to the execution of the new strategy. The risk assessment will involve in-depth research into similar strategic initiatives as well as assessing the current situation and the final goal to ensure that the implementation will be as smooth as possible. In addition, performing a thorough risk assessment will leave the business in good standing before implementing and give rise to better decision-making as the implementation goes on (Keqa & Albarina, 2016).

Since Fly Now Travel is a small business, budgeting for the implementation of this new strategy will be crucial as it should not impact current business cash-flow including salaries paid to employees and service provided to customers. Considering the risks identified it will allow management to budget accordingly and adjust spending for the implementation of the strategy (Morpus, 2020).

5.3. Roadshow

The idea behind adding the *Roadshow* phase of the implementation plan is to present the new strategy and goals to all major stakeholders. In doing so, this allows management to gain valuable buy-in from all major stakeholders and adjust the strategy accordingly. This includes presenting the proposed strategy and implementation of it to those businesses that form part of the *Merger* strategy proposed for Fly Now Travel.

By presenting the proposed strategy and implementation to potential partners, it will allow those potential partners to provide valuable feedback and adjust their strategy accordingly to accommodate Fly Now's potential partnership. Discussions of the type of new products that can be developed should be discussed in detail here and taken into account during the implementation of the strategy.

5.4. Assign Responsibility

Assigning champions/owners for the implementation process and smaller goals will give that champion/owner the responsibility of tracking the overall implementation. This includes tracking and monitoring how productive the team is, assigning tasks and keeping the implementation on the correct track (Morpus, 2020). Choosing the champion is an important part of the implementation plan as this will also present accountability and ownership to the relevant person and team. The champions/owners will also be responsible for ensuring the implementation continues to align to Fly Now's objective and vision.

Assigning responsibility does not only involve choosing the champion/owner but would also involve creating and allocating the team, whether temporary or permanent, to ensure the implementation of the strategy is done so seamlessly.

5.5. Develop Schedule

This stage of the implementation plan is when the actual implementation would actually occur and the project is physically underway. Given the nature of the organisation, its structure and the type of strategic implementation that will be occurring, it would be best to choose an Agile methodology, specifically a Kanban approach.

The Kanban approach is based off four core principles and six practices, and allows the project to focus on what needs to be done and achieving it in a manageable way. The first principle looks at what is currently being done and will allow the Kanban methodology to overlay and fit over the current workflow and methodology. The second principle looks into incrementing small change in a manner that encounters minimal resistance. The third principle addresses organisational structure, roles and responsibilities and allows the Kanban methodology to promote an open method of working. The fourth principle encourages collaboration from all team members with the goal in mind of reaching an optimal performance level. The six practices look at managing the workflow, by visualising it, and limiting the work that is currently in

progress, defining a structure to the process itself, integrating feedback loops and increasing the collaboration (Kanbanize, n.d.).

With the approach being chosen the next step is to break down the goals and objectives into milestones. Milestones will allow for gradual, effective and constant implementation of the strategy (Morpus, 2020). Breaking each of the milestones into smaller tasks fits into the Kanban methodology allowing the project team to realise the benefits of Kanban such as revealing bottlenecks in the workflow, engaging in a more responsive team and promoting a more productive and collaborative environment (Kanbanize, n.d.).

Once the milestones and tasks have been identified along with appropriate timelines, the project manager will be able to use project management software to work out the critical path and create potential buffers in the project plan to account for potential scope creeps (Morpus, 2020).

5.6. Review

The final step and constantly recurring step of the implementation plan would be the *review* with management and other key stakeholders. The review will allow all the necessary stakeholders to receive constant updates on the implementation, track the progress and monitor and evaluate any changes to business. This will also allow for retrospectives, giving valuable insights as to what has been working well during the implementation, what has not been working well and any major set backs that were encountered and how it was dealt with. Preferably these review sessions would occur at each milestone; where minor milestones would include retrospectives with the project team and major milestones including management and key stakeholders.

6. Recommendations & Conclusion

Although the proposed strategic plan and implementation plan would address all of Fly Now's concerns involving their competitors, and potential opportunities that they could use to their advantage and boost their business. The proposed approach tackles multiple aspects in a digital

and business first manner. During the implementation of the strategy, there could be a better way of executing the strategy and the implementation of it. A more extensive analysis of the dual-approach strategy could be done to determine if the proposed strategy would be sustainable for the next 10 years. Subsequently, qualified or trained professionals may be required to ensure that the implementation of the proposed strategy is done so in the correct manner.

In conclusion, Fly Now Travel's current situation has been evaluated and presented. The stakeholders were identified and analysed and were categorised as having an impact on Fly Now or being impacted by Fly Now. The stakeholders were further mapped to determine their relative power and interest with regards to the business. An environmental analysis was done, looking at both internal and external factors. The external environment was analysed using the PESTLE analysis and internal was done using the SWOT analysis. A dual-approach strategy combining the Product Development and Merger strategic approach was proposed for Fly Now detailing its benefits over other strategies. An implementation plan was presented and recommendations have been given for the analysis on Fly Now.

Task 2: Organisational Redesign

1. Organisational Structure

In order for the proposed strategy to be as effective as possible, the organisational structure must be analysed and restructured in order to achieve the organisations objectives.
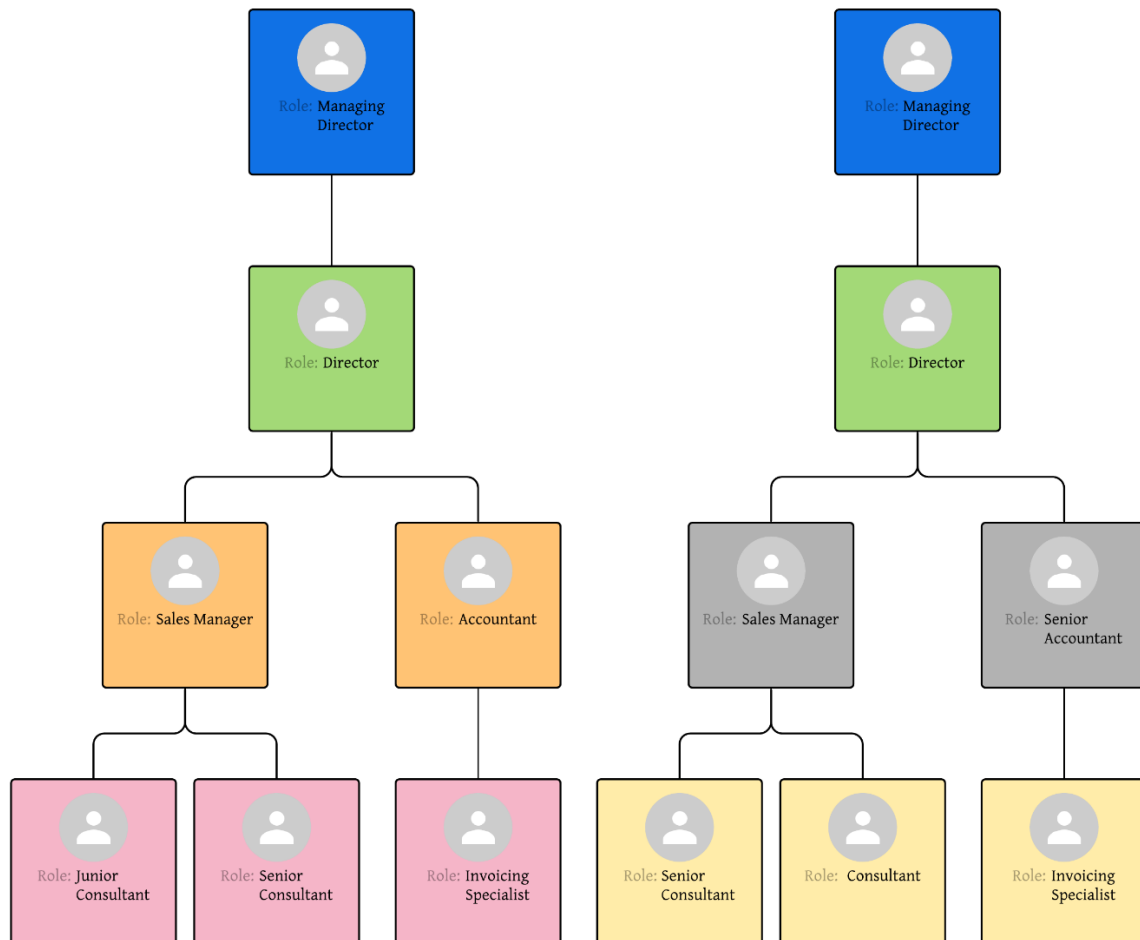
1.1. Current Organisational Structure

Figure 4 presents the current organisational structure, and it can be seen that currently Fly Now Travel has a *Divisional* structure in their organisation. Although it has been working throughout the years, the pandemic has brought to light the ineffectiveness of the organisation's structure.

Since corporate clients are handled by the two Sales Managers and Senior Consultants, the Junior Consultant and Consultant handle all leisure clients alongside one of the Managing Directors. The two Directors oversee all operations relating to both office locations. One of the noticeable disadvantages of the Divisional Structure is that functional activities are duplicated. This type of structure would not work with the proposed strategy as there would be multiple gaps within the organisation that would create multiple management issues and loss of partnerships with potential partners in the industry.Figure 4: Current Organisational Structure

1.2. Proposed Organisational Structure
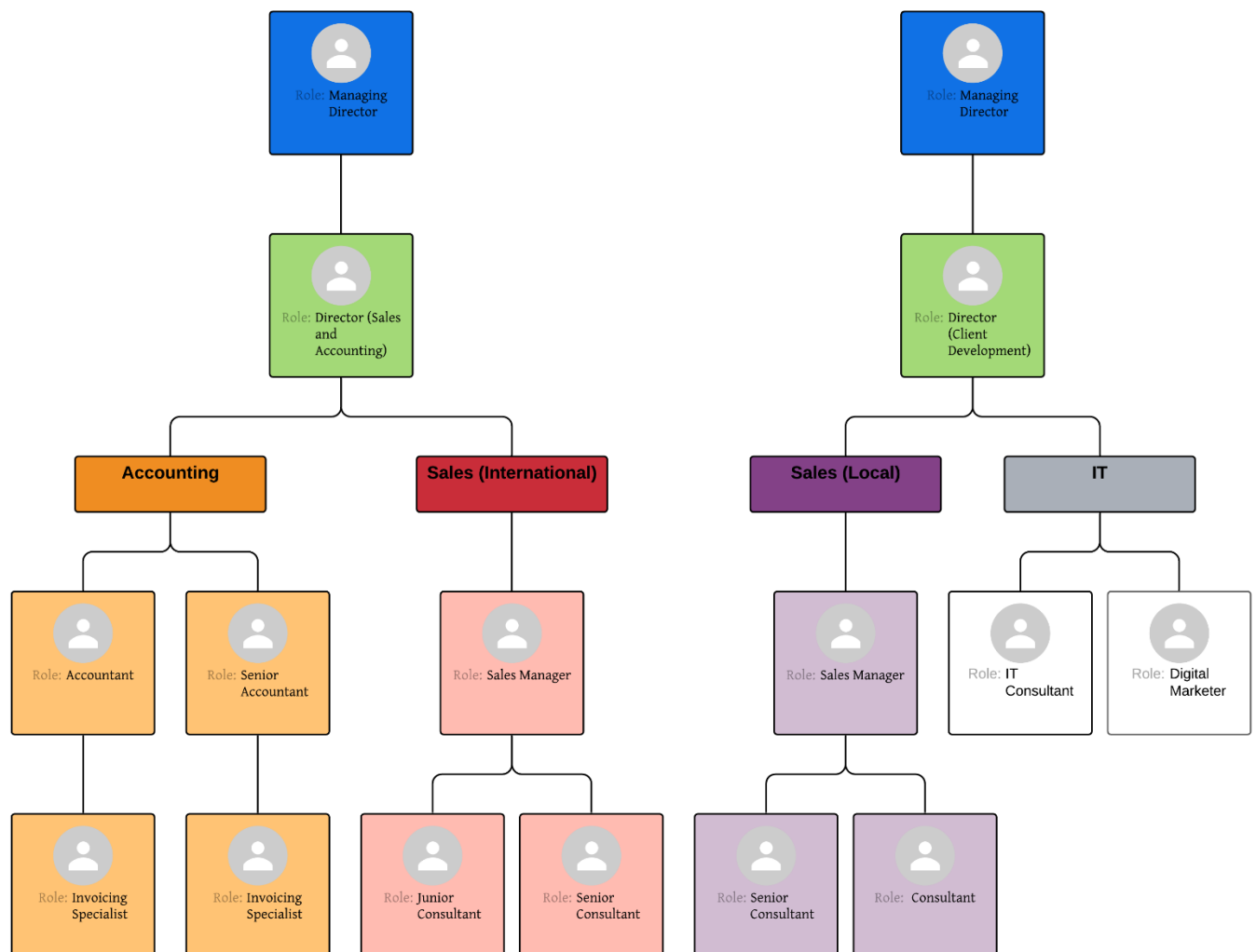
Figure 5: Proposed Organisational Structure

Figure 5 presents the proposed organisational structure for Fly Now Travel for the proposed dual-approach strategy. As can be seen from the proposed structure, the organisational structure will move from a *Divisional Structure* to a *Functional Structure*.

The Functional Structure is more catered to the proposed strategy as this allow for more specialised areas that can focus on specific selling points. The proposed structure presented in Figure 5 creates a dedicated team for international sales and a dedicated team for local sales. Given that the proposed strategy recommends partnerships with local tour operators and tourist services, this would allow a new revenue stream to reveal itself for Fly Now Travel giving them a distinct advantage over their competitors who would be looking solely at providing local citizens international travel. By dedicating a sales team for international travel and one for local travel, this will allow Fly Now to monitor and expand the business in the relevant space as time goes on, creating a sustainable organisational structure.

The addition of the IT department with a sole IT consultant caters to the Product Development part of the proposed strategy, whereby Fly Now Travel could explore the digital space. The IT consultant's skills would range depending on the chosen route in the digital space, however in the beginning the necessary skills required would be that of web development and web page maintenance. The second role required in the IT department would be that of a digital marketer, as this person's role would be to increase the digital footprint of Fly Now through the use of social media, building a better presence and utilising the likes of social media and ad services to boost the recognition of the Fly Now Travel brand.

The organisational restructure is required as the current divisional structure does not work for a travel agency such as Fly Now. Typically, a divisional structure is best suited for companies that offer multiple product offerings or have multiple geographical locations/divisions. The major disadvantage of this structure is that although there is operational flexibility, there is not separation of specialised functions; and for a small business such as Fly Now Travel, this structure is not effective (Lumen Learning, n.d.).

The proposed functional structure would grant Fly Now efficiency in their operations given their dedicated departments and teams with specialised skills. A disadvantage of using the functional structure is that cross-functional communication may not be effective or may not occur at all. This could lead to a lack of innovation and flexibility within the company as the strategy is implemented and utilised. However, a functional structure is definitely more suited as a travel agency provides a specific type of product, travel and tourism, and has no need for any diversification of products and services offered (Lumen Learning, n.d.).

A benefit of the proposed structural change is that staff upskilling would become more relevant and specialised. For example, the Directors will no longer be responsible over a sales manager and an accountant but rather be focused on sales and accounting and client development. Their focus becomes aligned with the proposed strategy and will assist in achieving the company's objective. The same benefit of upskilling passes onto the sales team, by allowing them to specialise in their respective departments.

The corporate clientele that is currently allocated to the two Sales Managers and Senior Consultants would remain with the respective members. The reason for this is that the corporate clientele look to travel only locally and their current point of contact within Fly Now Travel has not changed over the last decade, and given the nature of the contracts with corporate clients, the relationship with these clients can continue with the respective members of the organisation. This will allow Fly Now to utilise the new proposed strategy and its opportunities while maintaining stable growth and level of service provided to their existing customers.

2. Critical Analysis

As Fly Now Travel is a small business with less than 25 employees, restructuring the organisation may not be as challenging as if it were a larger enterprise. The benefits realised in the restructuring of the organisation are focused more on improving the efficiency of the business operations while expanding it in a localised manner. Given the new opportunities that could arise, it allows the staff opportunities to upskill themselves in order to help execute the

implementation of the proposed strategy. However, this upskilling could cost the business more than anticipated as the upskilling may require highly specialised training. With the pandemic ongoing combined with the urgency to implement the proposed strategy, business may not be willing to cover the costs of any extra training. This could potentially be resolved by bringing in management consultants that could assist in the implementation of the proposed strategy as well as facilitate the training of the organisation.

In all organisations, there will always be resistance to change from all levels of the organisation. Restructuring the organisation may involve downsizing, rightsizing or delayering which may not be accepted by some members of the organisation. The use of the Kanban methodology will allow all members of the organisation to adapt to the changes to the organisation in a gradual manner and will give transparency throughout the entire process. The inclusion of a change manager will assist in adjusting all staff member to the new structure of the organisation.

The introduction of an IT consultant who's focus would be the website of Fly Now travel may not be accepted by some of the consultants as they may feel that the implementation of this type of technology may make them redundant and could lead to a job loss. To mitigate this, a clear discussion must be had with all stakeholders stating the capabilities of the website in the short and long term. If the website is dedicated to giving quotations on various packages and deals and will connect customers with one of the consultants, this would be a positive change to the organisation. However, should the website be able to process the details and requirements of the customer without the need of a consultant, this may be met with negative reactions from the consultants, as this website could potentially replace them saving the company money.

The COVID pandemic is still ongoing, and although vaccine rollouts are underway, international leisure travel may not return to normal until the end of 2022 (Business Tech, 2021). The proposed restructure suggests a dedicated team for international travel and one for local travel, and this may create unnecessary friction between the employees as one department has no option but to wait until the pandemic is over, whereas the other department would become the most prioritised and crucial department of Fly Now Travel. Mitigating this concern may be the most

challenging as this is not something that management nor the proposed strategy can control. This is something that is dependent on the effect of the vaccine, and foreign government's travel restrictions.

Overall, the proposed dual-approach strategic plan and organisational restructure would have a positive effect on Fly Now Travel and would allow them to grow the business in a sustainable manner for the foreseeable future.

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