

South American Adventures Unlimited

SA Adventures Unlimited was formed four years ago by Michael and Jill Rodriguez. Michael was a trained geologist, while Jill had a master's degree in Spanish. They were both avid outdoor enthusiasts and fell in love while trekking across the Andes in Chile. Upon graduation they seized upon the idea of starting their own specialized tour business that would focus on organizing and leading "high-end" adventure trips in South America. Their first trip was a three-week excursion across Ecuador and Peru. The trip was a resounding success, and they became convinced that they could make a livelihood doing something they both enjoyed.

After the first year, Adventures Unlimited began to slowly expand the size and scope of the business. The Rodriguezes' strategy was a simple one. They recruited experienced, reliable people who shared their passion for South America and the outdoors. They helped these people organize specific trips and advertised the excursion over the Internet and in travel magazines.

Adventures Unlimited has grown from offering 4 trips a year to having 16 different excursions scheduled, including trips to Central America. They now had an administrative support staff of three people and a relatively stable group of five trip planners/guides whom they hired on a trip-by-trip contract basis. The company enjoyed a high level of repeat business and often used their customers' suggestions to organize future trips.

Although the Rodriguezes were pleased with the success of their venture, they were beginning to encounter problems that worried them about the future. A couple of the tours went over budget because of unanticipated costs, which eroded that year's profit. In one case, they had to refund 30 percent of the tour fee because a group was stranded five days in Blanco Puente after missing a train connection. They were also having a hard time maintaining the high level of customer satisfaction to which they were accustomed. Customers were beginning to complain about the quality of the accommodations and the price of the tours. One group, unfortunately, was struck by a bad case of food poisoning. Finally, the Rodriguezes were having a hard time tracking costs across projects and typically did not know how well they did until after their taxes were prepared. This made it difficult to plan future excursions.

The Rodriguezes shared these concerns around the family dinner table. Among the members in attendance was Michael's younger brother, Mario, a student at a nearby university. After dinner, Mario approached Michael and Jill and suggested that they look into what business people called "project management." He had been briefly exposed to project management in his Business Operations class and felt that it might apply to their tour business.

1. To what extent does project management apply to Adventures Unlimited?
2. What kind of training in project management should the Rodriguezes, the administrative staff, and tour guides receive to improve the operation of Adventures Unlimited? Try to identify major topics or skill sets that should be addressed.