

**Searching for better productivity in the  
travel business  
- and what it means in practice**

**EPC 2006**

Miia Porkkala  
Rukakeskus Group




**Agenda**

- The Rukakeskus Group & the tourist resort business
- Modern demands for the ski business
- The Ruka way to gain productivity
- Summary

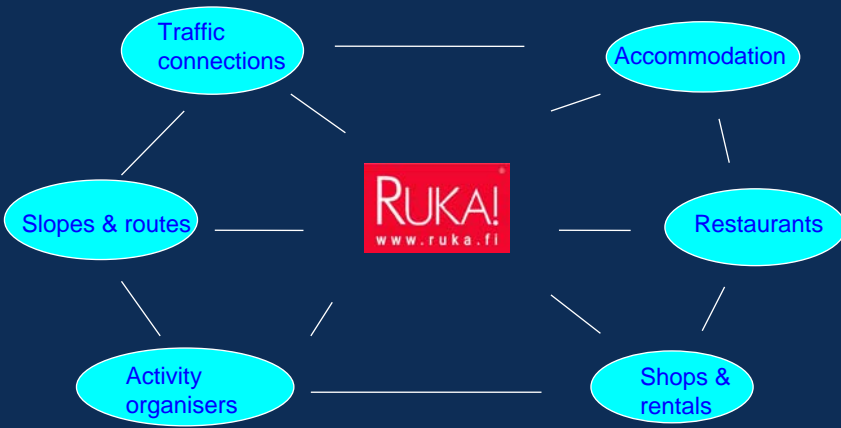


## Rukakeskus Group

- Established in 1966
- Second generation family-owned
- Main business ski services and services related to the ski business
- Plays a key role in the Ruka and Pyhä tourist resorts
- Turnover 19 m euros
- Personnel approx. 155



## A Resort is more than the sum of its units



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graph TD; RUKA[RUKA! www.ruka.fi]; TC(Traffic connections); A(Accommodation); R(Restaurants); SR(Shops & rentals); AO(Activity organisers); SRS(Slopes & routes); RUKA --- TC; RUKA --- A; RUKA --- R; RUKA --- SR; RUKA --- AO; RUKA --- SRS; TC --- A; A --- R; R --- SR; SR --- AO; AO --- SRS; SRS --- TC;
```



## Major changes in the ski business in recent decades

- Ski resorts changing into year-round tourist resorts
- Rapid growth in the number of international customers, business turning towards export
- A resort's national and international accessibility a key element for success
- As in any other business, productivity is vital for development




## Modern demands for the ski business

- Skilful personnel; more than just the right attitude is required
- On-going improvements in quality and product development
- Sales & marketing to attract year-round business and new customer groups
- Co-operation: A resort is more than the sum of its units




## Searching for better productivity in the Rukakeskus Group- the Ruka way

1. Clear strategies, objectives and management system
2. Co-operation
3. Training & education
4. Local agreements

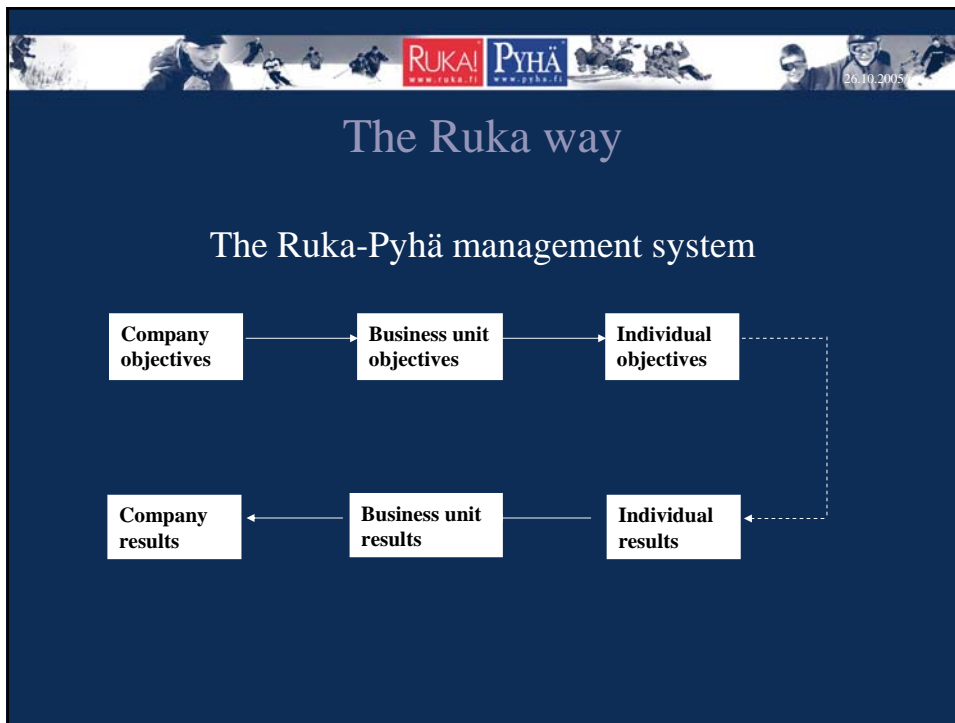


## The Ruka way


1. Clear strategies, objectives and management system



```
graph TD; A[Operational models, fishbone diagrams] --> B[Year calendar]; B --> C[Unit scorecards 06-09]; C --> D[Scorecard 06-09]; D --> E[Strategy 2010];
```



- 
- ## The Ruka way
- ### 2. Co-operation
- Active role in Finnish ski association
  - Active role in local tourist associations and with local companies
  - → clear division of tasks, avoiding overlap
  - → joint productization with regional services



## The Ruka way

### 3. Training & education

- Continual improvement of operational models and training according to annual themes
- Introductory programmes for seasonal staff
- ”Ruka-Academy”



## The Ruka Way

### 4. Local agreements

- Why ?
  - Seasonal business – seasonal jobs → possible to create year-round jobs out of seasonal business through mutual agreement
  - Seasonal jobs – unskilled personnel → possible to train and acquire proper skills and devoted personnel with year round jobs
  - The ski business demands special skills that can only be learned in practice, which is why it is of vital importance to attract permanent staff



## Local agreements

- Key elements for local agreements in Ruka
  - unions committed to experiment
  - personnel strongly involved in the planning process → expertise to organise the work effectively
  - reference period from 3 weeks to 52 weeks
  - average 112.5 h/3 weeks and 7.5h/day
  - for each person there was approx. 187.5 h reserved in the "bank" → approx. 25 days
  - Those days were paid during holidays between May-September




## Local agreements

- Benefits that were gained
  - Retention of skilful staff →
    - Savings in recruitment and introductory briefings
    - Reduction in errors through improvement in work skills
    - A permanent staff could concentrate their energies on operational development
  - Increase in permanent jobs
  - More time for hobbies
  - Tax revenue for the municipality



## Local agreements

- Previously there were 25 year-round employees in ski lift operations. After local agreements were applied there were 37 (an increase of 48% ).



## Summary

- A clear target that must be announced properly
- Proper management system to support operational level
- Co-operation and Win/Win operations





Thank you for making this possible:

- personnel
- supervisors
- The TE-Centre and the Ministry of Labour