

Case Summary

The case study conveys the story of an entrepreneurial led development and operation of a sustainable resort in the Caribbean. The development and operations story follows the creation of unique resort with minimal investment and the preservation of the local environment and culture. When I asked Stanley Selengut, the founder of the resort, in a closing interview at Maho to summarize his operation at Maho, he said that he follows the KISS principle, by Keeping it Simple and Sustainable. While the idea of Ecotourism was popularized around 1976, Stanley had already started to implement its principles in sustainable design and development of his project at Maho. While the growth and development of Maho from its initial 18 tented accommodations to 114 tents, cottages and studios spread over two resorts (the original Maho Bay Camps and Estate Concordia) today has taken over 35 years the project has provided several valuable lessons for resort developers and operators around the world and could be used as a teaching case in hospitality programs.

Learning Outcomes

The case provides valuable lessons which include creative use of resources by minimizing impact on the environment and developing projects in harmony with their natural surroundings, the promotional power of a unique sustainability story, the creation of a loyal fan following by establishing a culture where guests, employees and resort owners share a common set of values, the ability and responsibility of eco-sensitive resorts to not only entertain but educate guests to become better environmental stewards. Most importantly it has shown through its consistent performance over 3 decades that by innovation, creativity, passion for sustainable development, it is possible to be environmentally conscious and profitable at the same time. Finally, the Maho Bay story may serve as an inspiration for hotel industry leaders and hospitality educators to incorporate principles of the Triple Bottom-line, with a balanced concern for People, Planet and Profit in their businesses and curriculums. As a trend setting development it has multiple teaching applications from its simple use for classroom discussion to its application for implementing sustainable policies and practices at resorts looking to apply greening concepts and culture.

Conceptual Foundation of the Case

This case illustrates a successful sustainable development as a broad multi-stakeholder concept. While several developments have talked about greening their organizations, very few organizations understood that it could become not only a part of their company's strategy, but actually the foundation of it. This was because John Elkington translated sustainable development as a concept into a tangible business model. He introduced this to business through a

paradigm of the triple bottom line (TBL), which he initially presented in a book, vividly titled *Cannibals with Forks*. The foundation of the triple bottom line is a holistic approach to developing business through a strategy based on three pillars, sometimes called Profit—People—Planet:

Economic prosperity (profit). Businesses are meant to make a profit and improve their bottom lines year after year, but they should conduct their business with total transparency toward all stakeholders and with ethics.

Social responsibility (people). While conducting business, companies must take care of the surrounding communities, starting, obviously, with their own employees, followed by the local community, the national community, and the international community.

Environmental protection (planet). The impact that any business has on the environment must be assessed and reduced as much as possible. This will have two positive immediate consequences: it will reduce the carbon footprint of the company and, by measuring and improving energy expenses, it will improve the economic bottom line.

With this triple bottom-line foundation, the case shows the successful implementation of this concept in creating a sustainable resort and provides a set of sustainability lessons and benchmarks for the hotel industry and future hospitality managers.

Teaching Objectives of the Case

- To communicate an understanding and appreciation of the sensitivity of Real Estate Development in environments with fragile ecological systems.
- To provide students with examples of the importance of involving multiple stakeholders in development of resorts
- To illustrate the successful development and operation of a resort in harmony with Economic, Social and Environmental perspectives.
- To spur innovative thinking when working in environments which are resource dependent and resource constrained.

The case may be used for either graduate or undergraduate hospitality/ tourism programs. It could be part of a course on sustainable development, tourism development, marketing, human resource management, or resource economics. The case may also be used as part of a professional development program for resort managers.

Preliminary Reading Assignments

Deale, C.S. Et.Al, (2011) A Case Study of Sustainability in Jackson County, North Carolina. *Journal of Hospitality and Tourism Cases*, (1), (1), pp.12-24. Review the case and select from the extensive list of references and resource materials cited in the teaching materials of the case.

Houdre, Herve, (2006). Sustainable Hospitality. Sustainable Development in the Hotel Industry. <http://willarddc.com/sd/docs/willardwhitepaperproof.pdf>

Elkington, J.(1997), *Cannibals with Forks: The Triple Bottomline of the 21st Century Business*. (Oxford: Capstone Publishing Limited).

Current Case: A Case Study for Developing and Operating Sustainable Resorts. *Innovative Sustainability Practices for the Next Generation of Green Resort Managers*

<http://www.maho.org/>: The website will be a good resource to review before or after reading the case, as it will provide a visual overview of the case and has several links to practices, operating philosophy and travel publications. Stanley Selengut, the founder of the resort has won several national awards and recognitions for his pioneering work at this resort.

Discussion Questions and Applied Learning to Highlight Teaching Objectives of the Case

The case provides the instructor several different approaches to applying the material. Ultimately, its application will depend on the teaching style and overall content and focus of the class. Outlined below are five different approaches which may be used by the instructor. The first approach focuses on the importance of stakeholders in sustainable development. If the instructor wants to focus on skills and competencies, the case provides several instances. Finally, the case also provides material to apply innovative thinking, implement a communication program at the unit and corporate level. The discussion notes below are meant to jump start the instructors thinking to apply the materials presented in the case. However, several other approaches may be used.

1. *Is it possible to have a truly sustainable resort development? With the multiple stakeholders involved in the development and operation of a resort what are the conflicts between these stakeholders and how can they be resolved?*
 - a. Possible activity is to divide the class into groups representing different and divergent development interests, such as developer and community residents. Create a scenario(s) where there is divergence of interest and moderate a role play session(s) where the two are pitched against each other. The audience (rest of the class) can offer suggestions on how to bridge the gap. Other conflicting parties may be government vs. developer, customer vs. operator, environmental policing groups vs. developer, and employees vs. management.
2. *Based on a reading of the case and related readings, what are the basic competencies required to develop and operate a sustainable resort?*
 - a. Possible activity is to have students make a list of competencies that they found to be important from the case and readings and ask them to rank those competencies. Furthermore, the instructor could devise ways to help students identify their personal strengths and weaknesses related to

those competencies.

- b. Another activity may involve a discussion or assignment of how these competencies that students identified, could be made part of a resort's culture. In other words, how do managers teach these (knowledge, skills and abilities) to the employees?

The premise of this discussion and assignment is that there is a lack of education in the hospitality industry regarding sustainability. While sustainability may be implemented at a hotel, there is a need to educate staff on the most efficient and long lasting practices to publicize and implement the sustainability procedures

The purpose of the exercise is to help students to think about ways to disseminate knowledge throughout the hotel's organizational chain pertaining to sustainability. The vision is to have a hotel operated by employees who are educated and enthusiastic about the sustainability initiatives at the facility, visited by guests who make sustainability a priority, and surrounded by a community that appreciates and promotes the sustainability efforts at the hotel

3. *What were the innovative development and operational practices identified in the case?*
 - a. Possible activity would involve students listing a select number of innovative practices such as solar and wind power, or recycling programs. After a student or group has been assigned an innovative practice, they should first understand how it was applied to the case. After this basic understanding, they should be asked to research the use of this practice in other settings and the (financial and other) viability of this practice and related benefits. Their research findings could be used for classroom discussion, presentation or a written report. It is important that their research highlight the triple bottom-line framework in their presentation and discussion. It's best that they pick one or two practices and understand those in-depth.
4. *In several instances eco resorts have very good sustainable practices but they don't communicate these practices to their benefit. Suggest ways (either with examples from the case or additional reading assignments) that resorts can leverage their sustainability efforts and practices to creating customer satisfaction and a place where employees want to and love to work.*
5. *A related assignment associated with communicating sustainability is to have students or student groups review the Corporate Social Responsibility (CSR) report of a publicly listed hospitality company and identify the triple bottom-line practices of these companies. An interesting twist to this assignment may be to ask (after they have researched the company's stated and published practices) students to visit an area hotel which has that brand (Marriott, Wyndham, IHG, Hyatt, Accor etc) to see the extent to which the local, unit level manager is aware*

of the corporate policies. They might be surprised to learn that sometimes, corporate policies don't convert into unit (hotel) level practices.

Other Applications of the Case Study

- Incorporating Teaching Case in a one or two week study abroad or immersive program.
- Applying the Teaching Case as part of a training program to implement Sustainability at an existing resort.

Additional Readings, References and Resources

For students who want to learn more about sustainable development the following references may be provided by the instructor as additional resources.

- Innovation for Sustainable Tourism: International Case Studies: Provides an online collection of several case studies on sustainable tourism and innovative practices. <http://www.best-educationnetwork.org/>
- Green Lodging News is a good source for updates on sustainability trends: <http://www.greenlodgingnews.com/>
- The International Tourism Partnership is an excellent resource for sustainability trends, cases, publications and a text on incorporating environmental practices in the hotel industry: <http://www.tourismpartnership.org/>
- The Environmental SIG as part of ICHRIE is an excellent resource and network of educators who have an interest in teaching sustainability and may be linked with other educators who have taught this theme and used case studies in the past. The network could be used to spur other teaching ideas around this case.

Introduction