

# Starting and managing a sustainable travel business

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A bike tour by the Andes.

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The COVID-19 outbreak has presented business with myriad challenges, but it also has given companies and entrepreneurs the opportunity to reflect and plan for a changed world.

Tourism is an industry directly affected by this crisis. One likely outcome is that sustainable tourism, already growing rapidly prior to the outbreak, will expand at an even faster rate. Residual anxiety about crowded urban destinations is likely to continue for some time, whereas sustainable travel by definition takes place in more remote environments.

I started and grew an innovative social enterprise in sustainable travel, based in Canada. The company organized expeditions in over 30 countries on five continents, before it eventually was sold to a leading educational travel company.

Drawing upon my own experience, I can set out what I believe to be the four key success factors for startups in this field. First, the drive to make a positive impact on the environment and local communities must be at the core of all decision making. Second, partnerships are absolutely key. Third, the business model must be disruptive. Finally, bootstrapping and the courage to overcome hurdles are indispensable.

## Ever-increasing demand

The modern world has placed unprecedented pressure on our ecosystems, wildlife and natural environment.

Temperatures are rising rapidly, while the frequency of natural disasters is unprecedented. Our oceans and food systems are infested with chemicals and microplastics. Air pollution is a major global killer. A recent report by the World Wide Fund for Nature (WWF) indicates that the planet has lost about half its wildlife in the past four decades alone.

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In response, travelers are becoming more environmentally conscious. They are seeking more sustainable and healthier choices, in combination with unique authentic and cultural experiences. Adventure travel and ecotourism has been flourishing for several years, growing at an annual rate of over 12 percent worldwide and predicted to reach a market size of more than \$1.5 trillion by 2025. I believe that the COVID-19 outbreak may serve to accelerate this expansion over the medium and long term.

## **1. Place positive impact front and center**

A strong desire to make a positive impact on both the environment and local communities is what drove me and my business partner to establish our travel business, and then overcome the hurdles we faced. Profits were a welcome byproduct of a passion for making a difference.

I started a sustainable travel business primarily in order to do something to alleviate one of the most pressing problems of our time: the deterioration and destruction of natural environments and fragile cultures by grotesque, badly planned and polluting human activity. There was clearly a gap that could be filled by young and disruptive businesses such as ours.

A fundamental principle was to contribute to local social projects on every trip even if it just meant visiting a fair-trade workshop or organizing a cooking experience with members of a local orphanage. Another was to pick up waste we found on our paths in nature reserves and other natural environments.

One initiative concerned the conservation of the White Desert in Egypt. While almost all visitors to this desert landscape would use four-wheel-drive vehicles to discover the area, leaving tracks that could remain for decades, disturbing wildlife and destroying flora, we decided instead to ask our local partners to provide camels for the treks.

## **2. Develop partnerships**

Partnerships were essential for developing innovative expeditions and impact projects across the globe with very limited resources. Instead of designing new products from scratch, we collaborated with NGOs and local communities on new initiatives. Some of these ideas also came from our clients, including from forward-thinking educational institutions.

Our expedition leaders were one of our main competitive advantages. We called them creative organizers (COs). These individuals were hired for their passion for sustainable travel, their ability to connect with people and their understanding of the culture and language of both the travelers and the local communities. That ability to bridge cultures enabled us to create lasting partnerships with the communities we visited, with our educational partners and with local and international NGOs. Together, they created unique and innovative expeditions that gave us an edge over our rivals.

One of our initiatives was a collaborative project for conservation activities in one of Chile's national parks. We initiated a partnership with a Canadian high school, the Sepaq (*Société des établissements de plein air du Québec*) — the agency in Quebec province managing national parks and nature reserves — and the Radal Siete Tazas National Park, one of Chile's most beautiful national parks.

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The partnership consisted of transferring knowledge from Sepaq on how to monitor and minimize the impact of tourism on the ecosystems surrounding the trails in the national parks. The students and their teachers studied the scientific methodology and applied it during their one-week stay in the national park. Our CO team collaborated with our Chilean hosts prior to the trip to ensure that the methodology was adapted to the local context.



### **3 . Practice disruptive innovation**

A disruptive business model offers newcomers the opportunity to leapfrog large players in the traditional tourism industry. Incumbent players have developed rigid business models, with their transport and lodging infrastructure no longer compatible with the demands of sustainable travelers and ecotourists. Meanwhile, intermediaries such as tour operators have created a large gap between travelers and the local communities. This inability to respond to customer demand makes it almost impossible for large companies to compete with innovative and agile sustainable travel enterprises.

Our guiding principle was to find new features in products that clients increasingly value and that traditional competitors would find hard to replicate.

With our team of multicultural and multilingual COs, and our direct (and low-cost) access to local communities, we were able to operate unique expeditions popular with environmentally conscious travelers. The belief that we were a disruptive innovator, a new breed of social enterprise in the tourism industry, gave us the confidence to compete against decades-old tourism companies and travel agencies.

### **4. Exercise bootstrapping and courage**

In non-tech sectors, especially in service-intensive fields such as travel, investors and banks generally tend to shy away from startups. In such circumstances, with only sporadic grants from awards and small loans from development banks, entrepreneurs need to ensure that every dollar is spent wisely. This bootstrapping approach involves testing and adjusting the startup's business model through a trial-and-error process with quick and inexpensive iterations. In the meantime, the founders maintain full ownership.

That startup journey is no smooth ride. Courage and perseverance are essential for overcoming obstacles in this early phase.

In the first three years of the business, we offered expeditions to small groups of individuals who booked separately. The marketing and sales costs involved in acquiring one client were too high, making it very difficult to break even. We had to find a solution, and we started to move into

business-to-business (B2B) sales instead of business-to-consumer (B2C). As a result, we soon came across our most important market, educational travel. Shifting to B2B helped us grow faster while substantially reducing the cost of client acquisition and improving our bottom line.

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At the same time, our life-changing unique expeditions and our regular participation in conferences and events granted us media exposure. Free publicity is a major boon for a startup, and appearances in newspapers, social media and TV channels are worth more than a large budget spent on marketing and adverts.

Focusing on the needs and experience of every single client was the best sales strategy. These highly satisfied clients were happy to promote our products for free.

Nonetheless, we often had to act quickly to handle threats to our business. When the uprising started to erupt in Egypt in 2011, we had hundreds of travelers booked on various trips to the country, mostly students. Our close connections on the ground enabled us to detect rumblings of a revolution early enough to prevent our still-young business from being bankrupted. We moved quickly to ensure that every single one of our travelers had the best travel insurance on the market, shifting most of our trips from Egypt to other destinations while insurance covered all costs and losses. We managed to retain most clients, who still had the chance to enjoy a life-changing expedition somewhere safe.

Most larger businesses can overcome crises and unforeseeable events, but unfortunately, many startups do not. Resilient startups are led by visionary, bold and persevering entrepreneurs who work tirelessly to make their business succeed. They are never afraid to experiment, and rapidly update their business models to reflect changed circumstances.

Starting a new business is exciting but always daunting. By closely following these four broad guidelines, entrepreneurs have the opportunity to capitalize on ever-heightening awareness of the environment and build a successful venture in the field of sustainable travel.

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