CONCEPT

Tour Operator and Travel Agency Operations: Package Design, Costing and Contracting



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Introduction:

Tour operator and travel agency operations lose margin quietly: packages priced from outdated supplier rates, hotel allotments released too late, ground handlers briefed by phone and groups left waiting at transfer points. Complaints on tour then eat what little profit remains. This Core Concept course gives product, contracting, reservations and operations teams a working method for designing, costing, contracting and running tour packages for groups and independent travellers. Participants build a Costed Tour Package and Operations Plan for a case itinerary that can be adapted to their own programmes.

Course Objectives:

- Map the travel distribution chain and position their own business as tour operator, travel agency, wholesaler or destination management company
- Design tour package itineraries that match a defined market segment, season and travel style
- Cost and price a package using a component costing sheet, mark-up and commission structure and currency buffer
- Negotiate and administer contracts with hotels, transport companies, ground handlers and guides, including allotments, release periods and cancellation terms
- Run reservations, rooming lists, vouchers and daily operations control for group and independent travellers, and resolve complaints raised on tour
- Produce a Costed Tour Package and Operations Plan with risk controls and a sustainable, community-based product element

Target Audience:

- Product and itinerary staff who design and update package tours and excursion programmes
- Contracting staff who negotiate and load hotel, transport, ground handling and guiding rates
- Reservations staff who confirm bookings, manage allotments and issue rooming lists and vouchers
- Operations staff who dispatch transfers, coordinate suppliers and follow groups day by day
- Travel agency consultants who sell and tailor packages for leisure, incentive and group clients
- Customer service staff who handle traveller queries, changes and complaints before and during travel

Course Outline:

Day 1: Travel Distribution Chain and Tour Operator Business Models

- Travel Distribution Chain Map: Suppliers, Wholesalers, Tour Operators, Agencies and Online Retailers
- Tour Operator, Travel Agency and DMC Business Model Comparison
- Commission, Net Rate and Service Fee Revenue Structures
- Inbound, Outbound and Domestic Package Market Segments
- Current Product and Operations Baseline Review Template

Day 2: Tour Package Product Design and Dynamic Packaging

- Package Tour Components: Accommodation, Transport, Meals, Sightseeing and Transfers
- Itinerary Design Canvas: Pace, Routing, Seasonality and Traveller Profile
- Series Departure, Tailor-Made and FIT Product Formats
- Dynamic Packaging Versus Pre-Packaged Tours: Rules, Live Availability and Bundling
- Online Distribution Channels: Own Website, Agency Extranets and Online Travel Platforms

Day 3: Package Costing, Pricing and Supplier Contracting

- Component Costing Sheet: Fixed and Variable Costs Per Person and Per Group
- Mark-Up, Margin, Commission Levels and Currency Exchange Buffer
- Hotel Contracts: Allotment, Release Period, Rate Validity and Cancellation Terms
- Transport, Ground Handler and Guide Service Agreements and Rate Sheets
- Supplier Negotiation Scorecard and Rate Loading Checklist

Day 4: Reservations, Operations Control, Service Recovery and Risk

- Group Handling: Rooming Lists, Name Changes, Attrition and Final Manifests
- Reservations Workflow: Booking Confirmation, Vouchers and Supplier Reconfirmation
- Operations Control Sheet and Daily Transfer and Excursion Dispatch
- On-Tour Complaint Log, Escalation Matrix and Compensation Guidelines
- Duty of Care Plan: Traveller Tracking, Incident Response and Supplier Safety Checks

Day 5: Sustainable Products and Costed Package Build

- Sustainable Supplier Criteria and Community-Based Tourism Product Element
- Case Itinerary Brief: Market Segment, Group Size and Travel Dates Window
- Costing Model Build: Component Costs, Selling Price and Break-Even Group Size
- Operations Plan Build: Supplier Schedule, Contingency Options and Risk Register
- Costed Tour Package and Operations Plan Presentation and Peer Challenge

Skills You Will Gain:

- Tour Package Design
- Package Costing and Pricing
- Hotel Allotment Management
- Supplier Contract Negotiation
- Group and FIT Reservations Handling
- Tour Operations Control
- On-Tour Complaint Resolution
- Traveller Duty of Care

Why Attend This Course:

- Return with a Costed Tour Package and Operations Plan that can be adapted to a real programme
- Price packages from a costing model that protects margin against rate changes, attrition and currency movement
- Cut late releases, missed transfers and supplier no-shows through clear contracts, reconfirmation routines and daily dispatch control
- Compare product and operations practice with peers from tour operators, travel agencies and destination management companies

Conclusion:

Profitable tour operations rest on a few disciplines: a clear place in the distribution chain, packages designed for a defined traveller, costing that holds when rates change, supplier contracts that protect allotments, and daily control of reservations and ground services. The one week move from business models and product design through costing, pricing and contracting to reservations, operations control, complaints and duty of care. The final day adds a sustainable, community-based element and closes with a Costed Tour Package and Operations Plan ready for peer challenge.