

mpo profile

JOHN and SILVANA NICHOLLS
Owners of Vanuatu Hotels
Vanuatu Members of whl.travel

MPO of the Year

By Ethan Gelber



On a typical morning, John and Silvana Nicholls share a pawpaw topped with passion fruit from their garden. The handmade, wood-fired bread from an indigenous baker is still warm, as is the pot of organically grown coffee from a nearby island. Any leftovers will be disposed of on a compost heap that will fertilise their banana trees. “It’s tough, but someone’s got to do it!” says John.

As ethical entrepreneurs go, the Nicholls make a lot of sense. Not only are they clear about what they say and believe, they act on it, stand by it and, especially of late, have been reaping the time-honoured rewards of such coherent practice-what-they-preach-ism. Their latest accolade comes from whl.travel, which has recognised the Nicholls as its MPO of the Year, outstripping approximately 80 others in several service-area criteria.

The Nicholls own and operate Vanuatu Hotels (www.vanuatu-hotels.vu), the most comprehensive online accommodation booking facility and premier inbound travellers’ and trade service for this island nation in the South Pacific. Running a business unaffiliated with any hotel, resort or tourism company, the Nicholls got where they are today by putting in the long, hard hours required to build expertise and a reputation for integrity and reliability. But they also found their way into a golden opportunity and have capitalized on it fully. Fortunately for the people and nature of Vanuatu, the Nicholls’ undertakings show a profound respect for their adopted land and promote culturally and ecologically sensitive travel.

Early Starts

John Nicholls was the first of the duo to be launched in a career in tourism. “I started in 1973 as a waiter in a family-run restaurant, so I guess that makes it roughly 35 years, with a few breaks in between. My father ran hotels and resorts most of his life; my brother had a restaurant in Sydney; and my French mother is/was an amazing cook, which set me initially on the food-and-beverage direction, then onto hotel management.”

From this modest food-service start, Nicholls’ run up the ladder of executive responsibility in the industry has since then included an impressive list of resorts and hotel chains, like Club Med, Travelodge/Parkroyal, the Lombardo’s Fishing Boat Harbour complex in Fremantle on Australia’s west coast, Contiki Resort in the Whitsunday Islands and Rydge’s flagship Lakeside Hotel in the Australian Capital Territory city of Canberra, culminating with bouts as General Manager of the Kuranda Rainforest Resort in Australia’s North Queensland and the White Grass Ocean Resort and Breakas Beach Resort, both in Vanuatu.

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Silvana Nicholls entered the picture as a vacationer in the Whitsundays when John was leading the Contiki charge there. She was taking a break from her hi-tech role as a supervisor for the 120 computer systems Ampol Oil Exploration's head office in Sydney, Australia. They were married five years later.



Unbeatable Team in an Unbeatable Place

"Silvana's insatiable appetite for work made me realise that we had all the collective skills to be a strong resort management couple," says John. So they moved to North Queensland, Australia, where Silvana ran the administration of a large eco theme park and John was the general manager at a mountain eco resort.

"Then, one day we read an advertisement that required a couple to open a resort called White Grass Ocean Resort on the island of Tanna, Vanuatu," continues John. "My mother had filled my head with the wondrous adventures

she had as a girl in the New Hebrides. The country had changed its name to Vanuatu and was now a republic, but in essence had not changed that much. So we applied and got the job. We started in 2001, launched it and ran the resort for three years. We had a blast and during that time fell in love with the people of the country and found a great sense of belonging."

From Tanna, they moved to Port Vila, the more central and dynamic capital city of Vanuatu on the main island of Efate. There, in addition to taking on fulltime work at the Breakas Beach Resort, they identified another business opportunity - arranging on-the-spot, discounted accommodation at the airport for incoming travellers who had not booked in advance. "Well, many locals thought we were nuts," recalls John, "but that's the way I usually travel, so it made a lot of sense to me." Vanuatu Standby Accommodation is now a well-known business.

The whl.travel Connection

In the early days of whl.travel, there was a much less formal expression-of-interest process. Luck and word of mouth were as important as industry smarts and enthusiasm. The Nicholls benefited from all four.

"When we were running the resort in Tanna, I read somewhere on the Internet a report on The World Bank introducing a book-on-line portal," says John. "I was so impressed by the idea. I mean the whl.travel model is as brilliant as it is simple. Then, one day the most amazing thing happened. WHL and the IFC were presenting their product to the industry in Vanuatu! I could not contain my joy. However, the day they gave their presentation, I fell sick with the worst flu I have had in my entire life; bed-ridden, I missed the meet. How ironic, considering I was the only one in the country that knew of and was already sold on the project! Anyway, I contacted Rob Shortland and found they were still open to tenders and they were prepared to bend over backwards to assist in setting up an MPO in Vanuatu. Vanuatu was probably in the first dozen MPOs to be signed up. Now I could realise my dream of aggregating Vanuatu tourism products and services online under one banner. Vanuatu Hotels was that vehicle."

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But dreams still take time, something of which the Nicholls were acutely aware. John's experience of launching six resorts from the ground up had taught him that it takes three years to establish a solid commercial presence. They nevertheless dove fully into the predictable new-business cycle - a first year of spending more than earning, a second year of attempting to break even and a third year when the return on time and investment begins to show.



"Anyone that is not willing to put in the effort or patience should not bother to apply," advises John. "We stopped all other employment and dedicated our time totally to the task of making our MPO site successful. That's how much we believed we were on a winner. This meant we forewent around \$200,000 tax-free income since we took on being an MPO, but it's all worth it in the long run, as we are now recouping this investment with the knowledge that it will just keep growing. So far this year, revenue is up by 25% on

last year, and 73% on the previous year. In every way, Vanuatu Hotels is now a very sound business"

Keeping It Local

In the introductory material about the Nicholls on the Vanuatu Hotels Web site, travellers are told of their "deep attachment and respect for the people of Vanuatu and an uncompromising commitment to the protection of the country's natural heritage." John elaborates: "We feel very fortunate to have discovered our piece of paradise and have found a sense of purpose in Vanuatu that could not be found in our past 'Westernised' life: We have been given the rare opportunity to be part of something greater than our finite life; to contribute to the development of the economic and social future of a nation! The minute we read WHL's core values back in 2005, we were sold. We knew this is what we wanted for our beloved Vanuatu."

The Nicholls have accordingly shown great initiative in finding ways to increase the benefit of their work with the greater community. They are doing this in part by building a depth of service for packages, tours and activities that is equivalent to that of their accommodation service, which, after three years, now includes 99% of Vanuatu hotel inventory, including resorts, motels, guesthouses and NiVanuatu (indigenous) bungalows. For example, in addition to booking a room, through Vanuatu Hotels, a traveller can reserve a flight to and from anywhere in the world, purchase insurance, rent a car and make arrangement to be married on top of a live volcano with a croquembouche wedding cake delivered to the rim. "And the beauty of it is that all our revenue is generated in the country for the country, reducing leakage, which is a real problem for Vanuatu," says John. (Estimates show that between 50% and 70% of the tourism dollars generated by Vanuatu never make it to the country.) "Another benefit is that we are distributing to a much wider audience, consequently that means more foreign exchange acquired from markets that may have never heard of Vanuatu, money that would have been spent in countries with healthy economies. Now some of it is being spent here."

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Caring for the Destination

The general practice of sustainable tourism, although relatively new as a labelled hot-button concept, has been around for a long time. Some people have been sensitive to the needs of the land and their communities without commercial forces having to convince them of its marketability. For these people - the genuinely eco- and culturally friendly practitioners - "it belonged to their personal ideological approach," says John. "They saw the publicity of it as blatant commercialisation of their inner beliefs." This was the challenge the Nicholls faced in cataloguing their suppliers' sustainable practices, especially since, "In a way, I empathize with this view," admits John. "If you believe in sustainable tourism, you practice it everyday. It's a way of life. The day you tell everyone about it, you feel that you have sold out your beliefs to gain some business advantage."



At the same time, the Nicholls had to be conscious of mild greenwashing. "Some of the businesses that publicize their sustainable credentials were found to be wanting in putting into practice their commitments," remarks John, using as an example one resort that recycles paper and is careful to involve and respect the indigenous community but still burns 20 acres of garden waste every week. "The fire will smoulder days on end. This destination has a long way to go in developing an eco-conscious culture!"

Fortunately, the Nicholls are active in fostering local awareness and a sense of honesty. For a year they produced a monthly newsletter addressing sustainability issues and John is active on committees and advisory boards looking for ways to influence government policy and the hospitality industry about it. This year, they introduced the Best Green Operator category and continued to sponsor the Best Indigenous Bungalow award in the Vanuatu Tourism Awards.

Perhaps most importantly, they don't exempt themselves from what they ask of others. "We wanted to build a respected and credible business that was beyond reproach," John emphasises. "We had to ensure that no one could ever insinuate we were being insincere. We have made sure that every part of our business could be scrutinised thoroughly on the basis of eco-sustainability. We had to be the role model of our own preachings." Accordingly, they recycle all their waste paper into garden compost. They have calculated, minimised and offset their business and personal energy usage. They are researching how to run their home and office needs on a wind generator with a solar backup. They're even planning for their next car to run on coconut fuel produced locally by a company employing indigenous people in the outer islands where there is little employment and cash. "We happily follow sustainable practices in everything we do. As MPOs we commit ourselves to this; it is the responsibility we willingly and passionately take on board. The commercial benefits are just part and parcel of our initial commitment. It's easy, makes sense and saves us money."

The Challenges Ahead

Tourism in the South Pacific has long been dominated by wholesalers in Australia and New Zealand, but the trade winds seem to be blowing in a different direction of late, due in particular to the Internet and organisations like whl.travel with its global network of local partners.

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“The tourism food chain has changed radically,” says John, “and it's bewildering that traditional wholesalers have not changed their way of doing business. I find hard to believe the collective self-denial of traditional wholesalers. Some still believe to this day that the Internet is not a viable commercial medium for their business. Admittedly, they may have the critical mass of mainstream distribution and more funds than us, but the tide is changing.”



This assertion appears to be borne out by recent experience, both in Vanuatu and in neighbouring islands where whl.travel is active. “Travel agents in our prime markets are increasingly jumping over the wholesalers to buy direct from us in the country,” says John. “They recognise that our business and Internet presence is strong and diligently maintained by WHL and us. They want to take advantage of this.” Similarly, in Samoa, the local whl.travel affiliate has become that country's premier booking engine, with

well over 2 million Web site hits in two months, up from 555,000 for all of 2006.

“Yes, we had a difficult start as the concept was so different for our suppliers to absorb, and the Internet was still regarded locally as an information-gathering medium,” reports John. “In our first year, we had around 30% of the Vanuatu hotel inventory, second year 70% and now 99%. We now represent 52 accommodation providers, with four more to be registered this month. Until 12 months ago, we still had to knock on doors, but now we are well established and they come to us. It's much easier.”

Prizing Success

The whl.travel Reward and Recognition programme is designed to encourage its network affiliates to meet business objectives and service standards. The 2007-2008 programme focused on the ability of each MPO to hit and surpass the 95% success level for responding to client queries within 24 hours, to keep fresh and up-to-date the content on their sites and to be active and involved in the network.

The Nicholls took top honours by only one point after a closely fought contest between the top three MPOs for most of the year. (The MPO for Lebanon took second place; Cape Town took third.) Although there can be only one winner, Rob Shortland, who now oversees whl.travel network quality control, was quick to note that for all three, “In terms of pure customer services, they've done a superb job.”

“I'm elated!” reported John, after learning about the win. “Especially for my wife, Silvana, the best business partner anyone could ever wish for. The award is recognition of her inexhaustible commitment to service and obsessive perfectionist character. It has been tough, we have worked very hard and must admit we are both extremely competitive. But you know, the best thing is that a benchmark had to be set. Now other MPOs are going to try and blast us off - love it, it makes it fun, and ultimately a higher benchmark will be set!”

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The rules will change in 2008-2009 to include new parameters and more acknowledgements throughout the year, but the goal remains the same. "Who cares if we win or not again?" reacts John. "This R&R competition has greater rewards for all of us in the whl.travel organisation than a single MPO winning a prize. It is an essential motivator for all of us to improve."



Walking the Talk

John's many years in tourism have taught him that there is no such thing as secure employment in the tourism industry. "You're on top one day and you can be out of a job the next day." However, he's thrilled to have found something different in whl.travel, a discovery already made in 85 other destinations in 46 countries around the world, with more epiphanies to come in at least 60 more destinations (including 22 new countries) in the next few months "It's different with WHL. They provide the most amazing vehicle. The MPO only has to drive it. That's what we're good

at! Friends ask me why I never wanted to own my own resort? My answer is: 'Did Schumacher own the Ferrari he was driving?' WHL provides the Ferrari, never stops enhancing it and I am having a ball driving it. They put all their energy into what they're good at, and it's my job to put all my skills to work and make it happen."

John often likens whl.travel's innovative approach to Club Med's originality. "Like Club Med, whl.travel requires an uncompromising commitment to the organisation's core values and business ethos." But the benefits to that devotion are obvious: "Being an MPO requires minimal investment, so you're not financially exposed and you're in partnership with a growing professional international community. This global pooling of intellectual resources is unequalled. Our competitors may be big now, but WHL has the winning formula."

"I could not be more proud than to be part of an organisation such as WHL. It's a little like being on the Greenpeace ship saving whales. You know you're doing something valuable, yet at the same time building a successful business. It also has fulfilled my lifelong ambition of working from a home office with my wife. It's undeniably the best business decision I have ever made. No matter how much I pester the WHL team in the different MPO support services, they are always there to help me succeed. It's a bit like an extended family; we're all in it for the long run, together. I foresee WHL becoming the dominant 'real travel' online booking engine of the world within the next five years or earlier."

John concludes: "Like all great organisations, success depends on the calibre and commitment of the people that belong to that organization. whl.travel has some pretty amazing people led by a true visionary." He then repeats a familiar mantra: "As the whl.travel CEO likes to remind us, 'Walk the talk, guys'." ■

accommodation profile

This month we feature Iririki Island Resorts and Spa, in Snorkelers Cove - Vanuatu ([http://www.vanuatu-hotels.vu/Iririki Island Resort Spa Iririki Island Efate](http://www.vanuatu-hotels.vu/Iririki_Island_Resort_Spa_Iririki_Island_Efate)). They offer all the relaxation and amenities of a five star beach island resort, with the piece of mind that you are staying with people who truly care about the local environment, wildlife and people.

They have built a major water treatment plant, responsible for all the raw sewerage and waste water of the island, which is converted into re-usable gray water. This is used for irrigation, reducing natural water usage by 70%. Treated water is also used throughout other parts of the island. They adhere to strict recycling standards, with nothing going to waste.

193 of their 200 staff are local Ni-Vanuatu people, who are continually trained in hospitality management to give them a sustainable future. The water plant has also created even more jobs for locals.

They no longer sell the local Coconut Crab due to it being endangered, and they do not allow fishing within a close vicinity of the island to preserve the natural fish and coral reef species. ■



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