



Almaty-Bishkek Economic Corridor Support

Institutional and Business Plan for the Almaty Tourism Skilling Center

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Acronyms and Abbreviations

ABEC	Almaty-Bishkek Economic Corridor
APL	accreditation of prior learning
ASC	Almaty Skilling Center (working title)
CAPEX	capital expenditure
CAREC	Central Asia Regional Economic Cooperation Program
COE	center of excellence
CPD	continuing professional development
DMO	destination management organization
ECTS	European Credit Transfer System
ECVET	European Credit system for Vocational Education and Training
EHEA	European Higher Education Area
EQF	European Qualifications Framework
F&B	food and beverage
FL	foreign language
HEI	higher education institution
HRD	human resource development
IFMGA	International Federation of Mountain Guides Association
INSETT	in-service teacher training
ISCED	International Standard Classification of Education
IUTH	International University of Tourism and Hospitality
KMGA	Kyrgyz Mountain Guides Association
MICE	meetings, incentives, conventions, exhibitions
OPEX	operating expense
PRESETT	pre-service teacher training
RPL	recognition of prior learning
TNA	training needs assessment
TVET	technical and vocational education and training
UCA	University of Central Asia
UG	undergraduate
USP	unique selling proposition
VET	vocational education and training
WBL	work-based learning
WTP	willingness to pay

Executive Summary

This report elaborates on the establishment of a TVET skilling center for the tourism and hospitality sector in Almaty under the auspices of the International University of Tourism and Hospitality (IUTH) opened in Nur-Sultan in 2019, now being moved to Turkistan. The lack of vocational and practical training and quality issues are inhibiting factors for the delivery of a competitive touristic product in Kazakhstan. The report identifies a gap between the skills required by the labor market and the traditional learning objectives in the curricula taught.

To address this mismatch, the report suggests a two-pronged competency-based curriculum for the most demanded occupations in the field of Rooms Division Operations and Food and Beverage Operations. Further education measures outside diploma programs such as Mountain and Tour Guide or Tourist Police training will be offered in a Continuous Professional Development branch. Furthermore, this unit will identify new technical developments in the industry and swiftly adapt its course offering for professionals. It potentially contributes to the self-financing ability of the Skilling Center.

In its aspiration to become a reputable institution, models of cooperation with an international center of excellence are presented. This not only provides a boost during the initial development phase, it also helps overcome outdated curricula and ensures continuous quality monitoring. Albeit incurring large costs, the competitor analysis suggests a higher willingness to pay for potential students in programs run collaboratively with a renowned international partner.

A state-of-the-art facility and internal structures that allow for an outstanding learning experience are clear objectives for the founding of the Center. At the same time these indispensable factors conflict with oversized student numbers. The identification and training of qualified teachers are not possible at a large scale; small group teaching and practical training are only efficient when done in manageable numbers; the effort to recruit sufficient students in Kazakhstan and Central Asia for a newly established institution with higher tuition fees than average – all of these are factors which suggest a moderate student number.

1 Introduction

In May 2019 the Government of the Republic of Kazakhstan adopted a State Tourism Development Program delineating the challenges and rationales of the status quo of the industry in the country. With regards to human resource development (HRD) the program acknowledges the need of skilled labor and the fact that well-trained personnel are one of the main factors for competitive advantage and the buildup of a touristic offering able to attract more tourists, both international and domestic (Government of Kazakhstan 2019). Kazakhstan and the ABEC possess a wealth of natural attractions, historic sites, and urban centers which until now are only used to a minor extend in the touristic value added.

The opening of the International University of Tourism and Hospitality in 2019 is one of the results of this realization of the shortage of skilled staff which eventually could hamper other efforts to raise the share of this industry in the national economy. A further measure is to not only open yet another higher education institution (HEI) that teaches tourism profiles but to address the vast lack of vocational and practical training in hospitality and adjacent industries in the country.

The Ministry of Education and Science – Department of TVET has identified three main challenges with respect to the current provision in tourism education¹:

- 1) the market is not satisfied with the service level
- 2) curricula are too rigid and not flexible
- 3) lack of equipment in training facilities for state-of-the-art education

Hence, it can be stated that there is a mismatch between the curricula in TVET programs and the skills required by employers in the industry. Most structures and contents are outdated and theoretical rather than practical. TVET centers lack industry experience and the knowledge needed to manage programs with employers and professional associations. The qualification system until now is insufficient as it does not foresee adequate standards for hospitality-related occupations. Without well developed and widely accepted standards, it will be difficult to promote education and training provisions, strengthen access to learning, and support continuous professional development (CPD). The lack of equipment and of human and financial resources has led to low-quality TVET programs. Teachers are not properly trained, and in-service teacher training is almost nonexistent. Most TVET institutions have outdated equipment and information systems, decrepit school buildings, and poorly maintained dormitories. Coupled with obsolete curricula, these factors have contributed to the difficulty in attracting students, generating an unfavorable perception of a career in the hospitality industry.

The proposed creation of the Almaty Skilling Center² (ASC) under the auspices of the International University of Tourism and Hospitality is therefore timely as one initiative with the potential to contribute to the HR requirements of the tourism and hospitality industry in Kazakhstan and the ABEC.

2 Status Quo of TVET in Tourism and Hospitality

Kazakhstan has a large number of higher education institutions (HEIs) and vocational colleges offering tourism and hospitality programs. Although the exact numbers of these institutions vary (relevant sources mention between 47 to 64 universities and another 41 vocational

¹ Meeting with the Director of TVET Department on 21 Jan 2020

² Working title

colleges)³, the number of graduates per year is around 3,500. Half of them can be considered as under-skilled and of the remaining half another 50% are not entering the industry. These circumstances bring the number down to only one-quarter of the graduates forming the yearly added skilled workforce (ADB 2019⁴; Government of Kazakhstan 2019).

One main reason for this large number of unqualified graduates is the low orientation towards work-based learning (WBL) and the small proportion of practical training. In international comparison, best practice models have a share of 50-70% practical or on-the-job training in TVET programs. There, industry representatives customarily build an advisory board for schools of international format to monitor the needs of the labor market and to provide feedback on the design and the constant improvement of the curricula in use. They typically ensure a strong focus on WBL and at the same time, offer internships and placements.

3 Availability of Skilled Labor for Touristic Development

When looking at the typical professions in the tourism labor market, it shows that around 75% are to be found in gastronomy and hotels. The food and beverage (F&B) and hospitality industry or in other words the “eating and sleeping” account for three-quarters of the jobs needed (Eurostat 2020⁵). Highly developed tourism markets – despite all shortcomings they might face in attracting skilled workers too – have an emphasis on practical training. Furthermore, professional training starts at a relatively early stage; in some countries, young people take up a vocational hospitality education after compulsory schooling. For instance, in countries with traditionally strong dual education systems, e.g. Austria and Germany, vocational education and training (VET) institutions in the upper-secondary (VET schools) and post-secondary non-tertiary level (VET colleges) outnumber those on the tertiary level at least 3:1. The growth and quality of the touristic offering of a destination largely rely on these jobs in the F&B and hospitality section of the tourism industry. Universities typically cover the remaining 25% of employment opportunities on the managerial level. The high number of HEIs teaching tourism profiles in conjunction with a large number of graduates unqualified for the tourism labor market indicates the poor alignment of education and industry needs. The Kazakh school system and its requirement for every young person to attain the capability to pass upper secondary school inhibits a dual system in the sense of apprenticeships; nevertheless, the proposed ASC will have a focus on post-secondary VET to help mitigate the skill gap.

4 Key Aspects

ASC shall be planned and opened in the country’s largest city. This is a logic decision when bearing in mind that 55% of the national touristic activities take place in Almaty city and oblast. A dense network of private sector companies consisting of large international hotel chains, gastronomic businesses, small and medium-sized enterprises, and tour operators is essential for the establishment of robust ties with industry representatives functioning as advisors, internship providers and future employers, and is crucial for the success of the center.

This institutional plan and business plan for ASC will make suggestions for various elements and should be considered as a guideline towards international standards in TVET and at the

³ The ABEC report „Improving education, skills, and employment in tourism (ADB 2019) speaks of 47 HEIs and 41 vocational colleges; the State Tourism Development Program (Government of Kazakhstan 2019) indicates 61 HEIs, and Kazakh Tourism-National Company mentions 64 HEIs (meeting with Kazakh Tourism on 20 Jan 2020).

⁴ <https://www.adb.org/publications/education-skills-employment-tourism-abec>

⁵ https://ec.europa.eu/eurostat/statistics-explained/index.php/Tourism_industries_-_employment#The_tourism_industries_employ_over_13_million_people_in_the_EU

same time be guided by the needs of the local tourism and hospitality industry. These elements are:

- **Capacity of facility:** ASC shall be designed for a student number of 500-600 when operating in maximum capacity. Even though a higher number is technically possible, the inhibiting factors would be that training laboratories should not exceed a maximum group size of 15 (a higher student number would therefore require a significant ex ante investment in facilities) and that teacher training can hardly be done for a larger number (see next paragraph).
- **Teacher training:** This is a key element for the success of ASC and should be structured into pre-service teacher training (PRESETT) and in-service teacher training (INSETT). On the long run, ASC should actively engage in PRESETT to improve the competencies of future teachers; however, for the pre-opening and initial stage INSETT is the only possible way to build-up a satisfactory faculty. The support of an international center of excellence (COE) in tourism and hospitality VET is strongly recommended for INSETT as it brings in the latest didactic methods combined with the newest technical developments of the industry (refer to chapter 5.3 and 7.4).
- **Programs offered:** The education content will be aligned with the demands of a dynamic labor market. Modern tourism colleges therefore train more than one occupation as job profiles have certain overlaps and workers in the industry easily change their jobs within the subsectors. The suggested diploma programs will be clustered into 2 streams among which students can choose: Rooms division operations (incorporating front office and housekeeping) and F&B operations (encompassing professional cookery and F&B services). In this configuration, skills with commonalities are grouped together while keeping a certain breadth. In accordance with the Kazakh school system, the admission requirement for a full-time diploma program is a high school diploma and the curricula are designed in a modular shape to match the level of knowledge at the point of entry. The two diploma programs will form the backbone of the teaching activity of ASC (refer to Chapter 8).
- **Center for continuing professional development (CPD):** This shall serve as a platform for professionals willing to brush up their knowledge on the latest trends and innovations of the subsectors and for teaching basic skills of occupations that are not required to complete a full diploma course. The training of mountain and tour guides should be held in short courses in accordance with international standards such as the International Federation of Mountain Guides Association (IFMGA) or local ones such as the Kyrgyz Mountain Guides Association (KMGA) (refer to chapter 9.4). The training of the newly established tourist police of Kazakhstan is another sequence of courses that do not require a full diploma, but ASC will organize courses in customer relations, intercultural communication, and foreign language skills in addition to the courses taught at the police academy (refer to Chapter 9.5).
- **Language training:** Apart from the paramount importance of foreign language skills, predominantly English but preferably also other languages of the visitors' major countries of origin, ASC will incorporate linguistic skills in its diploma courses and CPD offerings. However, the establishment of a language training centre within ASC is not envisaged during the launch phase as other providers in Almaty such as the British Council and a wide range of private language schools offer courses on all levels and some are certified IELTS, TOEFL or Cambridge Certificate test centres. ASC will most likely not be able to compete with incumbent providers at the first stage (refer to Chapter 9.3).
- **Additional income streams:** In pursuit of financial viability and independence, ASC shall commercialize its school businesses by opening them to the public (refer to Chapter 9).

- **Organizational design:** ASC's endeavor to become a renowned TVET center of the international format will require it to abide by modern standards aligned with the interest and demands of its stakeholders. A deep understanding of the competitive environment, knowing the relevant benchmarks future employers are looking at and possible partnerships will help position ASC among the other educational institutions in the region.
- **Cooperation with international COE or HEI:** ASC can boost the pre-launch phase significantly when it enters a partnership with an international university or TVET centre. Partner institutions located in countries or regions with a high touristic value added, especially when they have an international profile and branch campuses abroad are very likely to be a good fit as in most cases, they have a know-how transfer department and the required project management knowledge as well as strong interrelations with the industry and active alumni networks (refer to Chapter 7).
- **Financial aspects:** A business plan for 10 years starting with the pre-opening phase shall serve as a guideline and delineate possible scenarios when reflecting all aspects which will be addressed in this institutional plan (refer to business plan in Annex 1).



Figure 1: Stakeholders of ASC

5 Almaty Skilling Center (ASC)

Skilling centers and vocational training institutions differ from universities in the narrower sense in many aspects. The most important difference is the absence of research activities. Universities build their self-conception on the strong interlinks between research and teaching and have considerable outputs in basic research. In some countries universities of applied sciences emerged in the last two decades having a more market and practical orientation of

study programs and a focus on applied research. ASC will make use of the affiliation with its parent university IUTH in Turkistan and integrate the latest innovations and research findings in the field of tourism economics in the relevant subjects and in the CPD courses. Apart from that, ASC is not expected to provide for the required resources in terms of qualified personnel, library⁶ or laboratories for research activities.

Another difference is the nature of the programs taught as they are not conceived as degree-bearing. The Bologna Accord defines first cycle post-secondary programs of less than 180 ECTS⁷ as non-degree or short cycle qualifications.⁸ Kazakhstan as a member of the European Higher Education Area (EHEA) adheres to this principle. In the EHEA, a full academic year consists of 60 ECTS; consequently, the herein proposed program of 1.5 years amounts to 90 ECTS. Notwithstanding any possible credit transfer into an academic top-up program such as a bachelor's degree, the conferment of a non-degree diploma or certificate upon completion conforms to Bologna rules.

5.1 Organizational Plan

The affiliation of ASC with IUTH requires an organizational integration into the management structures of the university. Typically, TVET centers that are not independent from another HEI are headed by a Director of TVET (or similar denominations) who ranks among the group of deans or program directors of the superordinate HEI.

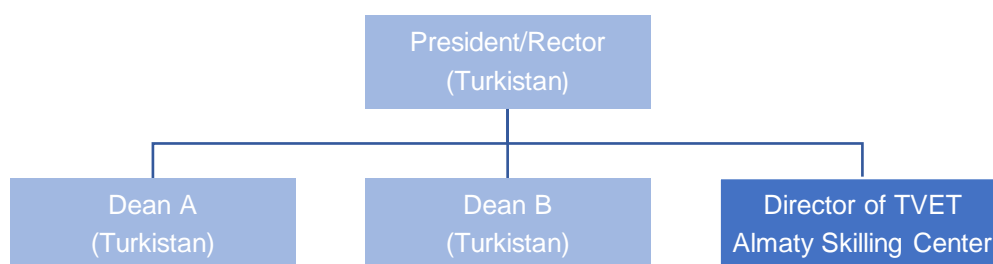


Figure 2: ASC's hierarchic academic integration

The inclusion of the Director of ASC in the group of deans of the home campus shall despite a geographic distance ensure involvement in all collegial bodies of the university. Although ASC is located in Almaty and a regularly physical presence in Turkistan will perhaps be difficult to realize, participation in important meetings shall be carried out through teleconferences. The general organization of the parent university in Turkistan is not a matter within the scope of this report; however, it is presupposed that essential committees and boards such as a university board, a senate, a studies and examination committee, school or program area meetings, directors' meetings, and scholarship boards are summoned on a regular basis. In addition to these, committees that focus on diversity and equal opportunity, institutional review and quality management have become common practice at most universities.

The Director of ASC leads the organization of teaching, and he/she can nominate various Program Area Coordinators who support him/her in further developing the curricula. In

⁶ Nevertheless, a basic library is required.

⁷ European Credit Transfer System

⁸ [Appendix III: Overarching Framework of Qualifications of the European Higher Education Area.](#)

administrative tasks, the Area Coordinators are supported by Program Managers. The Program Managers form the Registrar Office. Similar to the other deans of the university, the Director of ASC reports to the President or Rector.

ASC as being dislocated from the main campus will have to setup its own administration. It hereby can make use of the main campus' infrastructure such as IT, student administration systems, e-library, forms/templates, and resources. The organizational chart could be designed in the following manner:

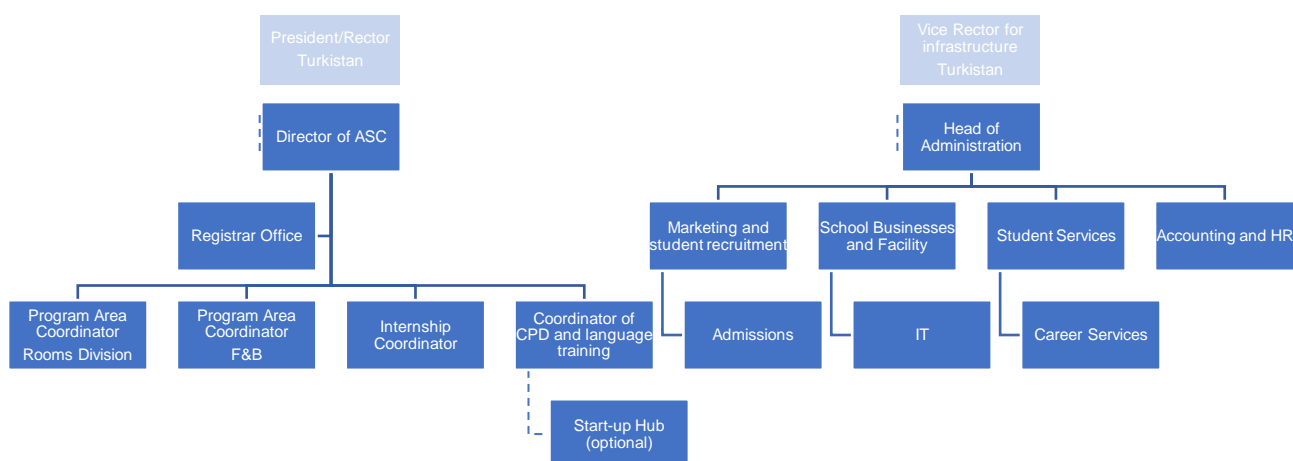


Figure 3: Main organization of ASC

Figure 3 sketches the main organization of ASC and is subject to the hierarchic design of the parent campus and possible co-ownership. The staffing plan of each department remains unconsidered for this figure. The Director of ASC and the Head of Administration constitute the Campus Board of ASC.

5.1.1 Academic Division

The constitution of the university will define the principal decision-making bodies and their roles and scope of responsibilities. All other departments and roles will be laid down in job descriptions. Indicative outlines of the academic roles and offices as mentioned in Figure 3 are:

- The **Director of ASC** is responsible for directing all education affairs, in particular, ASC's teaching programs. If prevented from performing his/her duties, the Director is deputized by the longest-serving Program Area Coordinator. He/she reports to the Vice President/Rector of the main campus.
- The **Registrar's Office** comprises the Program Managers and additional staff like an Assistant to the Director and a Quality Manager. It constitutes the centrepiece of many academic operations and provides a platform of services that enables the Center to deliver its programs. It implements QM mechanisms with regards to the teaching and learning experience.
- **Program Area Coordinators** support the Director in the further development of the curricula and lead the teaching operations in their respective program.

- The **Internship Coordinator** is responsible for the organization of the internship program. On the one hand, he/she makes sure that standards for internships are communicated to the students by holding preparation workshops. On the other hand, the Coordinator is in steady contact with internship providers, and prospects for new partners and collects feedback from students and companies in the form of reports after the end of the placement. He/she closely collaborates with the Career Services.
- The **Coordinator of CPD** oversees the entire range of further education measures, the training for mountain guides and tour guides, and the courses taught for the tourist police as part of their training and additional language courses as needed. He/she appoints qualified lecturers and trainers for each course, and ensures the incorporation of international standards (e.g. ECVET⁹) and the certification of select courses with independent CPD accreditation institutions (e.g. the CPD Certification Service¹⁰).
- **Start-up Hub:** This is an optional unit and most likely not be required at the beginning of operation. In the first years after the opening and once ASC has established solid business contacts, however, a start-up hub is a straight way forward to becoming an entrepreneurial and innovative institution. It is an additional offer for students and start-ups from outside pursuing the goal of launching their own venture and developing scalable, novel businesses. It supports ASC to develop a strong entrepreneurial mindset among students and involves them in commercial activities before entering the labor market. In this constellation, it is under the supervision of the Coordinator of CPD, but it could equally be subordinated to the Head of Administration. In any case, it should be a more independent entity than other departments, ideally a separate legal construct to ensure agile decision-making and economically feasible operations. The Start-up Hub creates a supportive infrastructure for its ventures and maintains an ecosystem for its players consisting of venture capital firms, companies in F&B, hospitality, gastronomy and tourism in the broadest sense. HEI start-up hubs often consist of two sections – an incubator and an accelerator. The incubator is designed to support students in the idea-finding process and provides workshops to shape ideas into minimal viable products. The accelerator on the other hand is a program that boosts existing products and companies in their development. This program should be open to the public and benefit from an active exchange between student teams and national and international start-ups. Access to the program is competitive and students as well as start-ups from outside have to apply. Well-functioning accelerators host an in-house investment fund in collaboration with institutional investors which assists with pre-seed to seed investments of student ventures and university spin-offs. As the start-up culture in Kazakhstan and ABEC is most likely weakly established, ASC will have to attract venture capital and feasibly take shares itself in promising business ideas.

5.1.2 Administrative Division

The administrative division of ASC will provide a large amount of services to employees, applicants, students, graduates, and other external stakeholders. During the initial phase of ASC, the staffing number will correspond to the low student number. With its growth, adjustments in the organization will become necessary and the further improvement of the communication flow within the Center will be essential. When running at full capacity the responsibilities of the administration units can be described as follows:

- **Head of Administration:** He/she leads the administrative division of ASC, engages in business development, commissions projects and implements the results. He has

⁹ www.ecvet-secretariat.eu

¹⁰ www.cpduk.co.uk

signatory power for all commercial aspects and together with the Director, he/she forms the Campus Board of ASC. He/she reports to the Vice Rector for infrastructure or Vice Rector in charge of commercial affairs (or other denomination) of the main campus. If prevented from performing his/her duties, the Head of Administration is deputized by his/her assistant.

- **Marketing and Student Recruitment:** ASC in its initial stage will be more or less unknown to potential students. The main job is to increase student numbers, enhance the qualification level of applicants from intake to intake and strengthen ASC's image and popularity as a leading TVET centre in the field of tourism and hospitality in Central Asia. ASC is a working title for this report; the final name needs to become a brand and the brand values and unique selling proposition (USP) need to be promoted in a sound marketing strategy. Almaty as a favorable study location must be emphasized. The activities encompass.
 - o public relations and media cooperation
 - o marketing material production and distribution
 - o online marketing (incl. search engine marketing, retargeting ads, social media marketing, e-mail campaigns)

Besides the paramount importance of online tools, physical representation is key to reaching the target group and building confidence in the brand through

 - o international and national high school visits
 - o attendance at education fairs
 - o student ambassador programs
 - o trustworthy recruitment agencies
 - o membership in college associations and participation in conferences
- **Admissions:** This team in collaboration with the Director and Program Area Coordinators has to develop admissions criteria for any country-of-origin applicants might come from. There are variations in the quality of schools within one country but also in the education systems between countries. It ensures fair and comparable treatment of all application documents and carries out interviews with every applicant, either in person or in video calls. The admissions team also helps define scholarship criteria and handles a separate stream of applications for this purpose.
- **School Business and Facility:** This unit ensures a smooth operation of the school businesses open to the public (e.g., cafeteria, snack bar, pastry shop, training hotel), develops new products and monitors the quality. It organizes events and rents out the training facilities and function rooms during semester breaks and on weekends. The technical maintenance of fixture, furnishings and all equipment lies in its responsibility as well as procurement.
- **IT:** Ideally, the IT environment is going to operate as a technical entity of the parent university's infrastructure. ASC will have remote access through desktop virtualization to file servers, databases, student administration software, accounting and HR software, web and e-mail servers, library catalogues, e-journals, and e-learning tools and resources. Universities usually have cheap access to many software products (e.g. Microsoft Education licenses, hotel reservations and management systems for training purposes such as Opera, Protel, and Fidelio) and ASC should make use of it. In case distant access to the main campus in Turkistan can be established, the IT unit in Almaty will only consist of a small number of technical supporters.
- **Student Services:** This service unit supports new and continuing students and ensures their well-being, a positive learning experience and personal development. It is an important factor for academic success and the overall satisfaction which contributes to a positive image and word-of-mouth recommendations. Especially international students,

who are going to live abroad for the first time when entering a post-secondary program at ASC require much assistance before and during their studies, both personally and in terms of legal questions such as visa applications, health insurance, registration, and other official documents. Orientation sessions prior to the beginning allow for a smooth transition and have a strong impact on the academic success of each individual. In the case of the establishment of exchange programs with other TVET centers, Student Services administer the communication with incoming students and host institutions. Furthermore, it coordinates student housing, either on-campus or in dormitories around the city.

- **Career Services:** As a subordinate office of Student Services, it organizes the internship program in close collaboration with the Internship Coordinator and assists students in finding the right placement. It is the main communicator within the industry and maintains a job database for interns and graduates. It keeps contact with alumni as they often become professionals in the industry themselves and possibly future employers, and maintains networks through events, social media pages and direct mailings. Industry representatives are encouraged to assume an active role at ASC, either as guest speakers, members of an advisory board, mentors for select students and are invited to career fairs and functions on campus.
- **Accounting and HR:** This unit mainly focuses on bookkeeping as well as the reporting landscape on one side; on the other side it manages all HR-related processes. It facilitates student payments, monitors all money transactions and implements all legal obligations regarding accounting standards and taxation. Given the affiliation with the parent campus, it will not carry out its own financial control but regularly report numbers and KPIs to Turkistan. In terms of HR, the department drafts job announcements upon request of the relevant department head, assists with the onboarding of new employees and helps with work permits for foreign colleagues, and administers the contracts.

5.2 Infrastructure

ASC will be planned in a shape and size that allows an efficient operation within the framework of quality of teaching, building and fitting costs, and reasonable setup costs. The capacity of ASC should be limited to 500-600 students when running at maximum capacity based on projections of 180 seats¹¹ available per intake. Maximum capacity is reached in year 2 with 360 students enrolled on a full time Diploma. The remaining 140 places will be used for short courses for CPD, tour and mountain guides, and tourist police. Notwithstanding any possible extensions of the premises at a later stage or the setup of branch campuses in other cities in Kazakhstan and ABEC, the suggested student number of 500-600 requires a certain number of teachers that need to undergo INSETT depending on the number of professionals who can be recruited to become teachers and it entails a certain number of labs. These labs basically are mockups of all departments of a hotel as induction of students to practical training necessarily has to take place in a training situation. Hereby the international standard for group size is 15. Whereas the exact number has to be determined by the teaching hours foreseen in practical training, the outfit of training labs – especially kitchens – incurs substantial expenses. In terms of floor space, comparable TVET centers of a similar capacity and group sizes of 15 in practical and 30 in theoretic training have between 2,500 and 3,000 square meters.

¹¹ Calculated on the basis of a factor of 15 (as it also is the max. group size for the labs), assuming that 2x15 are alternating groups in the labs, altogether 6 in each track. For example:

- Rooms division: 6x15 (group A+B/group C+D/group E+F are alternating in the labs; in the theoretic common hospitality skills module, groups of 30 could be put together, i.e. A+B together/C+D together/E+F together).
- F&B: same scheme

Physical characteristics of ASC will include:

- Classrooms
- Auditorium
- Training kitchens
- Training restaurants (incl. training bars)
- Mockup hotel rooms
- Mockup receptions
- School businesses facility (open to public)
- Laundry
- IT-labs and e-library
- Learning zones and student lounges
- Administrative areas, offices, meeting rooms, and maintenance facilities.

5.3 Faculty and Teacher Training

One of the capacity constraints to be considered by ASC when determining what programs will be offered will be the technical competencies of the teaching personnel. That said, if programs are to be demand driven then it needs to be the training priorities for the sector that determine the program offer in the first instance with appropriate measures taken to ensure that the teaching personnel has the capacity and competencies to deliver the training.

ASC may recruit and select the teaching personnel from a number of sources including:

- Existing teachers from other education and training establishments;
- New/recent graduate teachers with little/no teaching experience;
- Industry professionals with varying levels of prior teaching experience.

Industry professionals with their up-to-date industry knowledge and technical skills can very effectively supplement and complement academic personnel in the delivery of training. Hiring professionals and train them in INSETT is proposed for the pre-opening and initial phase of ASC.

The faculty of ASC will be segmented in two groups: Internal and external faculty members. For external teachers, some industry partners indicated a willingness to release senior personnel to perform teaching duties as part of their social responsibility, and some industry professionals indicated a willingness to participate on a voluntary basis. Paid external lecturers are hired on semester or shorter basis by the Program Area Coordinator.

Internal faculty is the backbone of each education institution. Recruiting qualified teachers prior to opening, attract professionals through INSETT and continuously advance it through PRESETT are important tasks of the Director and Program Area Coordinators of ASC. Each member is assigned to one program area notwithstanding the fact that teaching obligations may occur in another area or in the CPD department.

6 Competitive Environment and Willingness to Pay

6.1 Strategic Positioning and Unique Selling Proposition (USP)

ASC will offer state of the art curricula, modern learning and training facilities and a high employability of its graduates. An international orientation and a good share of English as language of instruction in its courses should attract students from other countries. A strong orientation towards the needs of the tourism and hospitality industry will be combined with an emphasis on skills development, practical training and internships. Entrepreneurial aspects

throughout the programs and especially in the CPD courses and in the start-up hub will contribute to the advancement of the touristic value added in Kazakhstan and the ABEC.

The USP of ASC comprises inter alia:

- A strong alignment with the demands of the tourism and hospitality industry
- An international orientation and high share of English as teaching language
- A generic hospitality module ensuring a broad set of skills and specializations deepening proficiencies in relevant occupations for employability in not only one but several positions of a hotel
- An affiliation with and endorsement of the diploma by an international COE

The target group are high school graduates, and the target markets are

- Local (Almaty city and oblast)
- Wider Kazakhstan and ABEC
- Neighboring countries (Kyrgyzstan, Russia, Uzbekistan, Turkmenistan)
- Other CAREC countries

ASC strives for an international student body of at least 30%.

6.2 Competitor Analysis

The new Skilling Center will have to compete with a range of incumbent universities and colleges in Kazakhstan, Central Asia, the Caucasus region, the Middle East, and South and Southeast Asia. The brief overview below delineates some indicators of the most prominent competitors in the above-mentioned regions.

Manas University – School of Tourism and Hotel Management

Bishkek, Kyrgyzstan

3 departments (Restaurant Management, Tourism and Hotel Management, Travel Business and Tour Guiding)

600 students in total (approx. 200 in each department)

50% practical training and internships of a total of 11 months in 3 years programs

Programs: Preparatory courses and bachelors

Language of instruction: Turkish, Kyrgyz, Russian; English, German

Tuition fee for undergraduate (UG): free

Kazakh Academy of Sports and Tourism

Almaty, Kazakhstan

2 departments (Sports, Tourism)

3,000 students in total (approx. 300 in tourism department)

70% practical training

Programs: Bachelor and master

Language of instruction: Russian

Tuition fee for UG: KZT400,000 p.a. (grants up to 50% possible)

Turan University – Department of Tourism

Almaty, Kazakhstan

1 department (Tourism)

Student number: n/a

4-5 months practical training

Programs: Bachelor and master

Language of instruction: Russian and English

Tuition fee for UG: KZT725,000 p.a.

Almaty Technological University – Kazakh-Swiss Institute of Tourism and Hospitality

Almaty, Kazakhstan

3 departments (Tourism, Hospitality, Swiss program)

500 students in hospitality, 150 in tourism, 50 in Swiss program

Low share of practical training but currently setting up a training hotel

Programs: Bachelor, dual bachelor, master

Language of instruction: in Kazakh track 50% Kazakh, 30% Russian, 20% English; in dual track: English.

Tuition fee for UG: KZT500,000 p.a. (Kazakh track); KZT1 million p.a. (Swiss dual track)

*College of Tourism and Hospitality**Almaty, Kazakhstan*

3 departments (Catering, Restaurant, Management)

1,200 students in total

60% of practical training

Programs: Diploma course

Language of instruction: Kazakh and Russian

Tuition fee for diploma course: KZT200,000 p.a.

*Al-Farabi Kazakh National University – Department of Recreational Geography and Tourism**Almaty, Kazakhstan*

Department of Tourism and CPD department

620 students in tourism total, thereof 100 in the English track

Language of instruction: Russian, Kazakh; English in the international track

Tuition fee for UG: KZT1.01 million p.a. (Kazakh nationals); KZT1.4 million p.a. (foreigners)

*Silk Road International University of Tourism**Samarkand, Uzbekistan*

Departments: Tourism Management, Travel Services, Pedagogy and Social Services in Tourism, Practical Languages

125 students per intake

Language of instruction: Uzbek, Russian, English

Tuition fee for UG: UZS8-10 million (Uzbek nationals); UZS20-30 million (foreigners)

Table 1 below summarizes the universities, tourism and hospitality programs and their average annual tuition fees and adds universities and colleges in the Caucasus Region, the Middle East and Southeast Asia.

Name/location	Location	Program type	Tuition fee p.a. on average in \$
Kazakh Academy of Sports and Tourism	Almaty, Kazakhstan	Bachelor	1,000
Turan University – Department of Tourism	Almaty, Kazakhstan	Bachelor	1,800
Almaty Technological University – Kazakh-Swiss Institute of Tourism and Hospitality	Almaty, Kazakhstan	Bachelor	1,200 (Kazakh track) 2,500 (Swiss dual track)
College of Tourism and Hospitality	Almaty, Kazakhstan	Diploma course	500
Al-Farabi National University – Department of Recreational Geography and Tourism	Almaty, Kazakhstan	Bachelor	2,500 (locals) 3,500 (foreigners)
Manas University – School of Tourism and Hotel Management	Bishkek, Kyrgyzstan	Bachelor	Free

Silk Road International University of Tourism	Samarkand, Uzbekistan	Bachelor	950 (locals) 2,600 (foreigners)
Caucasus University – Caucasus Tourism School	Tbilisi, Georgia	Bachelor	1,400
University of Kutaisi	Kutaisi, Georgia	Bachelor	800
Yerevan State University	Yerevan, Armenia	Bachelor	2,730
Azerbaijan Tourism and Management University	Baku, Azerbaijan	Bachelor	1,800
Emirates Academy of Hospitality Management	Dubai, UAE	Associate degree	26,000
Dubai College of Tourism	Dubai, UAE	Diploma	5,000
Royal Academy of Culinary Arts	Amman, Jordan	Diploma course	3,500 (locals) 7,000 (foreigners)
Hong Kong Polytechnic University – School of Hotel and Tourism Management	Hong Kong, China	Bachelor	5,400 (locals) 18,000 (foreigners)
Taylor's University – School of Hospitality, Tourism and Events	Subang Jaya, Malaysia	Bachelor	8,300 (locals) 9,500 (foreigners)
Ecole hôtelière de Lausanne – Singapore Campus	Singapore	Bachelor	27,500

Table 1: Synopsis of tourism and hospitality programs in Central Asia, Caucasus, Middle East, Southeast Asia

Universities and colleges in Almaty charge around \$500-2,500 p.a. for tourism and hospitality management programs. Programs that are held in cooperation with an international COE are more expensive. The situation regarding HEIs in Central Asia and the Caucasus region is very similar to what has been said for Kazakhstan.

The numbers suggest that – in general – education costs in Almaty, in wider Kazakhstan and in neighboring regions are comparatively low (if not free outright) when looking at institutions in Central and Western Europe, North America, the Middle East and Southeast Asia. These regions traditionally have the highest ranked and renowned HEIs in the field of tourism and hospitality management. At the same time their fees are among the highest in the world too.

The willingness to pay (WTP) is lower for diploma courses in comparison to undergraduate programs since they are shorter and do not award an academic degree, hence the salary expectation is low. This general attitude partially ignores the situation on the job market. Prospective students (and their parents who have a strong influence on the decision since they mostly pay the fees) strive for managerial jobs as the expectations in career progression, income and job satisfaction are higher, they mainly deem classic bachelor programs to lead to these jobs. Managerial levels in tourism and hospitality, however, are very permeable in terms of career paths and innumerable cases of general managers of hotels show that line employees who did not have an academic degree when entering the industry could advance to a senior or C-suite position; many, admittedly, attended an MBA course or similar later in their professional lives.

WTP is higher for programs, in TVET and undergraduate alike, which are operated under the license or in collaboration with an international COE. The highest WTP can be stated for programs that confer degrees or diplomas of the same academic credentials as the home HEI. High capital expenditure (CAPEX) for initial setup costs to comply with outfit requirements of the licensor as well as operational expense (OPEX) for the license fee itself can somewhat be recouped by levying high tuition fees. Nevertheless, the case of Kazakhstan shows that

universities and colleges that offer a degree in collaboration with an international COE have troubles to charge high tuition fees and recruit a satisfactory number of students at the same time. A low entry salary in the hospitality industry has a presumably strong impact in this regard. It seems reasonable to suppose that the owners, be it public or private, subsidize the licensing.

The example of Almaty Technological University – Kazakh-Swiss Institute of Tourism and Hospitality gives a strong indication on WTP for an international double degree program. Students only spend 10 days in the second or third year in Switzerland, but the curriculum consists of up to 60% of Swiss content. HTMi Lucerne as the cooperation partner sends teachers periodically, provides large online learning resources, and monitors quality through audits and QM reports. The tuition fee of KZT1 million per year seems affordable, yet the current student number is only 50. This example suggests that high tuition fees even for programs of high international value are difficult to be fetched. The business plan in Annex 1 calculates the revenues from tuition fees for the diploma programs on the basis of \$2,500 per person and academic year for the first 5 years of operation.

6.3 Competitor Situation in CPD

Continuous professional development programs are not a common form of learning in Central Asia so far. Nevertheless, two examples are worth to be highlighted: The University of Central Asia (UCA) and Al-Farabi National University.

UCA has a so-called ‘School of Continuing and Professional Education – SPCE’ which is the longest-existing part of the university. SPCE operates learning centres in Kazakhstan, Kyrgyzstan, Tajikistan, and Afghanistan. Most of them are located in remote areas or small towns; besides Dushanbe and Bishkek, there is no major city or capital campus. In 2020, however, it will open branches in Kabul and Almaty; the latter will focus on artificial intelligence, data science, and machine learning. SPCE has around 20,000 learners per year in approx. 450 training modules. The duration of the courses varies largely from 100 hours, 200 hours, 600 hours to 750 hours and comprises certificates from 1 to 3 years. ECVET is used as the standard framework for all course types. The fee structure largely depends on the regional purchasing power with Kazakhstan having the highest and Afghanistan the lowest fees. SPCE does not disclose them to the public.¹² The language of instruction is mainly the local language and Russian to a smaller extent. Given the remote locations of SPCE, English skills are very rare and courses in English are rather an exception. Courses related to tourism and hospitality management are organized in modular sections that allow for breaks and the collection of credits over time. The course design is done by local experts and SPCE’s own trainers; the tourism team is located in the Tekeli campus and rolls out its products over all other campuses. Only a few courses are designed and held by international experts. Industry connections have been established in the form of some corporate courses and besides that, all other students are self-payers as UCA does not grant scholarships. In terms of operations over all locations, SPCE funds two-thirds of the budget on its own and only one-third is injected by UCA.

Al-Farabi National University runs a ‘Kazakh-British Centre for Professional Development and Engagement’ and has a collaboration with the British Council which certifies all courses.¹³ They are focused on capacity building, and soft skills such as communication and presentation. The duration is mostly 3 full days and training is provided free of charge based on an open competition.

¹² Video call with the Director of SPCE on 28 Feb 2020

¹³ <https://www.britishcouncil.kz/newton-al-farabi/professional-development/centres>

6.4 Scholarship Strategy

A sound scholarship strategy provides a boost of student numbers during the initial phase. This element is important to show the recruitment capacity of ASC to its stakeholders; having a first solid cohort of students lays the foundation for word-of-mouth recommendations and is a strong support measure for the overall high marketing expenditure in the beginning. On the other hand, scholarships can have a negative impact on WTP when granted uncoordinatedly. In such case, re-establishing WTP for market-compliant fees is difficult. It will therefore be necessary to implement a target-oriented strategy after the first year of operation. Ideally, funds originate from outside the institution. Many countries offer scholarships for their citizens and tourism education is very often eligible. Governments in addition buy annual quotas of college places for education in strategic industries. Furthermore, the industry itself can play an active role through CPD scholarships that (i) have an inclusive character and enable students without financial means to attend a course and (ii) react to new technologies and innovations.

Scholarships are also provided to enrolled students. In this case, they are granted on the basis of

- outstanding academic achievement during the study period (i.e. merit scholarship)
- promotion of the mission and vision of ASC and extra achievements in this respect
- need and hardship scholarships for existing students (ad hoc).

Scholarships are an option to mitigate sales pressure and in the form of long-term commitments by external sponsors they allow ASC to charge competitive tuition fees while having a substantial part of its revenues secured.

7 Licensing Models with International Center of Excellence

In various talks with representatives of the Kazakh tourism and hospitality industry, managers from destination management organizations (DMOs) as well as HEIs the tenor was to bring in an international COE to team up with the new skilling center in Almaty. Curricula in Kazakhstan are perceived to be mostly outdated and the cooperation with a reputable international partner avoids dealing with obsolete standards and regulations or reduces it to a minimum. By adhering to international standards, local authorities are less likely to request full compliance with outworn education policy. International hotel chains and other asset holders in the industry are acquainted with working on the basis of international standards and graduates of ASC will therefore have an edge over those of customary skilling centers.

The modalities of cooperation with an international COE have several characteristics. The most important one is the assurance of quality. COEs have stipulations on how the partner institution has to fit out its facilities and academically operate the programs. Depending on the degree of integration, the magnitude of the brand use and whether the program is certified by an international accreditation authority, the levels of detail differ from each other.

It is important to note that most tertiary accreditation authorities do not deal with programs below undergraduate level (i.e., bachelor programs) or level 6 according to the European Qualifications Framework (EQF) and the International Standard Classification of Education (ISCED). A diploma course as proposed in this report will be considered as level 4 or 5 (post-secondary non-tertiary or short-cycle tertiary) depending on the exact classification in the national qualifications' framework of the home country of the COE.

Cooperation models between an international COE and ASC can be sketched as follows:

7.1 Model 1 - Full License

In this option, the international COE and ASC establish cooperation under a full license model. It encompasses the implementation of the COE's curricula and syllabi, and ASC fully incorporates the COE's academic guidelines, rules & regulations as well as QM standards. The COE monitors the quality; ASC provides infrastructure and all HR resources (faculty and administration). Students of the campus receive a diploma or an endorsement by the COE in addition to the local diploma.

Furthermore, it entitles the partner to fully use the COE's brand name and corporate design as well as optional use of all administrative software (students, alumni, career center, library) under the condition of technical feasibility and extra setup payment.

This option has an approximate development time of 1-2 years (incl. contract negotiation, site visits, and licensing process) from LOI until the launch of the program depending on the desired specifications by ASC.

Distribution of tasks:

Int'l COE:

- Licensing process and awarding or endorsement of diploma in addition to local diploma
- Cession of all material regarding the study program
- Compilation of rules, regulations, and guidelines of academic self-administration
- Implementation of QM mechanisms
- Transfer rights to use the brand incl. brand guidelines, logos, templates for brochures, website, newsletter, et al.

ASC:

- Right to operate programs in the host country and local accreditation (operating license)
- Provision of infrastructure
- Management of all financial, administrative, and operational tasks
- Full compliance with COE's academic rules and rules regarding QM and brand

7.2 Model 2 - Academic Cooperation without Double Diploma

The COE will provide know-how, curricula, syllabi and grants ASC the right to use the COE's brand name in the format of '*Academic Collaboration*'. Quality management is still ensured by the COE but to a smaller extent. Students do not receive a diploma or endorsement of the COE but a local diploma by ASC only.

Distribution of tasks:

Int'l COE:

- Cession of all material regarding the study program
- Implementation of QM mechanisms
- Transfer rights to use the brand incl. brand guidelines, logos, templates for brochures, website, newsletter, et al.

Partner:

- Right to operate programs in host country or local accreditation (operating license)
- Provision of infrastructure
- Management of all financial, administrative, and operational tasks
- Full compliance with COE's rules regarding QM and brand

7.3 Model 3 - Twinning with Simple Cession of Curricula, Syllabi and Know-How Transfer

In this format, the COE simply provides its curricula and syllabi, know-how as required and other services upon request. Neither a license nor a brand use is envisaged.

Distribution of tasks:

Int'l COE:

- Cession of all material regarding the study program
- Consulting during the setup phase

Partner:

- Right to operate programs in host country or local accreditation (operating license)
- Provision of infrastructure
- Management of all financial, administrative and operational tasks

Indicative distribution of tasks between int'l COE and ASC:

Tasks/activities	Diploma/CPD		
	done by		<i>Diploma program in rooms divisions operations</i> <i>Diploma program in food and beverage operations</i> <i>CPD courses</i>
Task (according to model 1, 2, and 3)	COE	ASC	
Financial/legal issues		1,2,3	Investments in real estate
		1,2,3	Recruiting
		1,2,3	Housing of students and international faculty
		1,2,3	Marketing
		1,2,3	Local permission for running a business
	1,2		Brand protection
		1,2,3	Foundation of legal company
		1,2,3	Payment of license/royalty fee
	1,2		Rights of control
	1,2,3		Drafting of cooperation agreement
Quality/teaching	1,2,3		Curriculum
	1	1,2,3	Carrying out teaching
	1	1,2,3	Carrying out practical training
	1,2	1,2,3	Carrying out management/quality control
	1	1,2,3	Carrying out admissions
Other activities	1,2		Licensing
	1	1,2,3	Preparatory courses (Mathematics, Statistics, English) if desired
	1,2,3		Coaching in recruiting
	1,2,3		Coaching in student services
	1,2,3		Coaching in marketing
	1,2,3	1,2,3	Corporate identity
	1,2	1,2,3	Website templates (design)
	1,2	1,2,3	Marketing material
	1,2		Brand management
	1,2		Contract templates and forms

	1	Administrative software (hosted by COE) if desired
	1,2,3	Know-how facility management and equipment (at extra costs)
	1	Access to library (e-journals)
	1,2	Train-the-trainer programs
	1,2,3	Producing content for blended learning sessions
<i>Table 2: Distribution of tasks between int'l COE and ASC</i>		

The above-mentioned options are an approach to categorize the variety of collaboration. In any of those, thorough negotiations will be held to define the demand of partners and feasibility according to education laws of the home and target country.

7.4 Teacher Training Through International Center of Excellence

The COE will also be appointed to hold teacher trainings in the form of INSETT during the setup phase and subsequently PRESETT. It is important that the state-of-the-art curricula are taught using modern didactic methods. COEs entering a partnership with a university or college offer teacher training as an accompanying part of their knowledge transfer package and highly encourage the partner to make use of it. Depending on the licensing model, some COEs hold INSETT and continuous PRESETT as mandatory elements of the contract (refer to chapter 5.3).

7.5 International Non-Governmental Accreditation

As mentioned above, many governmental accreditation authorities will only give attention to academic programs from bachelor to doctorate level. Diploma programs sometimes can undergo a voluntary screening but at the end, its findings have no real impact on the program itself. What has much more credibility for non-degree programs are international, non-governmental accreditations and certifications. These agencies often specialize in specific fields of education, and they have clear sets of requirements and criteria which must be fulfilled in order to apply for it. In case the partner COE already possesses such an accreditation it can sometimes be conveyed to the program at the partner campus. If not, the partner COE can leverage its reputation and know-how to achieve it.

Graduates with degrees from accredited hospitality institutions could have several career advantages within the field:

- A wider variety of domestic and global employment opportunities from which to choose.
- A better likelihood of sustaining lifelong careers in the industry.
- A higher probability of faster advancement to mid and upper-level positions.

In tourism and hospitality education there is several agencies of different recognition that accredit diploma programs, for example:

- The Institute of Hospitality - IOH (UK) – www.instituteofhospitality.org
- The International Centre of Excellence in Tourism and Hospitality Education - THE-ICE (Australia) – www.the-ice.org
- Commission for Accreditation of Hospitality Management Programs - CAHM (USA) – <http://www.acpha-cahm.org>
- UNWTO.TedQual (Andorra¹⁴) – www.unwto.org/UNWTO-ted-qual

8 Program Offering

¹⁴ UNWTO is a specialized agency of the United Nations

8.1 Identifying Tourism's Skills Needs in Kazakhstan

Workforce development for tourism in Kazakhstan requires attention at a number of different levels and across a range of skills areas. The diversity and complexity of the industry's sub-sectors (accommodation, transport, F&B, culture and heritage, adventure sports, tourist information, MICE, etc.) alone require formative and continuous training in these technical areas alongside generic service and other soft skills areas. At the same time, the tourism workforce requires skills development at all levels for basic entry positions through to senior management. Table 2 gives an indication of the various skills areas and levels that national tourism workforce development in Kazakhstan needs to accommodate.

Skills Level	Accommodation/ Front Office	Food & Beverage	Tourist Police/ Immigration etc.	Culture & Heritage	Adventure Sports	Tourist Information/ Mountain Guiding	MICE, Events etc.
Formative Pre-entry	X	X		X	X	X	X
Front Line/Technical	X	X	X	X	X	X	X
Supervisory	X	X	X	X	X	X	X
Small Business Development/ Entrepreneurship	X	X		X			
Management Development	X	X	X	X	X	X	X
Senior Management	X	X	X	X	X	X	X

Table 2: Indicative mapping of workforce development requirements for tourism, by level and skills area

Meeting this complex array of workforce development requirements needs commitment and investment by a wide range of stakeholders in both the public and private sectors. It therefore demands a multi-faceted approach involving:

- Government support such as the Ministry of Education and Science collaboration and cooperation for
 - o greater clarity and/or easing of regulatory requirements for curricula¹⁵;
 - o (new) program approval, accreditation, and award of qualifications;
 - o release of TVET and other teachers for professional development;
 - o training and/or accreditation of industry trainers;
 - o increase in and modernization of tourism practical training facilities.
- Identification of tourism's skills needs.
 - o An assessment of the current and projected market trends in the tourism industry in order to establish a skill needs profile of the tourism industry in Kazakhstan that highlights both current requirements and how these will change over the next 10-15 years, based on projected tourism arrivals figures. This assessment will highlight current and projected needs with respect to:
 - numbers of employees required by tourism sub-sector (accommodation, food service, travel services etc.);
 - skills and qualifications levels of required staff (operative, supervisory, managerial);
 - geographical distribution of employees.

¹⁵ Source: The Ministry of Education and Science – Department of TVET

- Programs below 10 months do not require accreditation;
- Programs between 10 months to 4 years are considered as diploma programs;
- Shorter formats can receive a certificate (however not state-recognized).

- Consultation and dialogue on HR planning with all stakeholder representatives
- Private sector initiatives
- Joint initiatives
- Flexible learning approaches

8.2 Program Offering/Portfolio - Range of Curriculum

The Kazakhstan Tourist Association & Kazakhstan Association of Hotels and Restaurants have contributed to the establishment of a national qualifications framework (NQF) similar to the European Union (EU) NQF model¹⁶. They have commenced the process of setting standards for occupations in hospitality and tourism for 24 occupations, the list is attached as Annex 5.

The 24 occupations identified are of varying levels of sophistication and responsibility, some of which might require extensive vocational training whereas others might only require short-term training of one to two weeks or on-the-job training.

It is recommended that ASC's initial program offer should encompass some of the aforementioned occupations cross-referenced against the priority skills areas identified by industry. Based on this rationale it is anticipated that the most in demands occupations will be in the core disciplines of:

- Professional Cookery
- Food & Beverage Service
- Housekeeping
- Hotel Reception

It is therefore proposed to develop and offer two fulltime programs, positioned at diploma level, encompassing these core disciplines as follows:

1. Diploma in Rooms Division Operations (incorporating front office and housekeeping);
and
2. Diploma in Food & Beverage Operations (incorporating professional cookery and F&B service)

Offering these programs will dictate the infrastructure requirements and teaching obligations at ASC.

Definition of Entry Level

A High School Diploma, as determined by the university management, is the entry level requirement to enroll on a full-time diploma program.

8.3 Developing Competency-Based Curriculum

In response to the Ministry of Education and Science – Department of TVET observation that “the market is not satisfied with the service level (of graduates)” and that “curricula are too rigid and not flexible” it is clear that new and improved flexible curricula are required to better serve the needs of the sector. If programs and curricula do not adequately reflect the requirements of the labor market, TVET graduates will have difficulty in finding a job, performing well in a job, or starting their own business.

¹⁶ A national qualifications framework is a formal system describing qualifications. 47 countries participating in the Bologna Process are committed to producing a national qualifications framework.

A move towards competency-based curricula based on learning outcomes rather than traditional learning objectives will provide a more flexible approach, graduating young people with the competencies required by the sector. In other words, supporting the student/learner to acquire the knowledge, skills and competencies become 'job ready'. Curriculum therefore will be oriented towards the world of work with emphasis on the acquisition of competency based employable skills.

Competency-based curriculum is now widely used and there are many examples of competency formats. It is suggested to refer to the Association of Southeast Asian Nations (ASEAN) competency standards for tourism professionals (ACCSTP)¹⁷ which are already well elaborated for occupations in the tourism sector. The ACCSTP are minimum requirements of competency standards for each job-title. It is based on the concept of competency – the knowledge, skills attitudes that individuals must have, or must acquire, to perform effectively at work. Competence is all about demonstrable performance outputs and in the case of the ACCSTP relates to a system or set of minimum standards required for effective performance at work.

8.3.1 National Occupational Standards

National occupational standards are the skills and knowledge required to be successful in an occupation. The Kazakhstan Tourist Association & Kazakhstan Association of Hotels and Restaurants, the industry experts, are developing and validating national occupational standards representing what real employers look for in new hires and reflect actual workplace conditions and current issues affecting the occupation. They have commenced the process of setting standards for occupations in hospitality and tourism for 24 occupations, the list is attached as Annex 5. All curricula and program development will evolve from here.

8.3.2 Framework

The curriculum will need to be elaborated in compliance with Ministry of Education and Science regulations (refer to Annex 6). A framework for the elaboration of a competency-based curriculum is proposed. A sample framework is presented here for consideration. This may be adapted to reflect and/or include any relevant Ministry of Education and Science regulations prevailing in Kazakhstan.

- General Principles
- Name of Curricula
- Name of Qualification
- Responsible Body
- Curricula Objectives and Philosophy
- Occupational Competency Standard
 - o Knowledge
 - o Skills
 - o Attitude
- Level of Qualification
- Competency Level of the Graduate
- Learning-Teaching Structure
- Eligibility to Apply
- Selection Criteria of the Candidates
- Registration
- Period of Studying
- Teaching-Learning Assessment
- Job Analysis
- Measurement of Modules
- Modules

¹⁷ www.asean.org

- Learning-Teaching Resources
- Teacher's Qualifications
- Structure of Modules

The proposed diploma programs have been elaborated in this framework. Refer to Diploma in Rooms Division Operations, attached as Annex 3 and Diploma in Food & Beverage Service Operations, attached as Annex 4.

8.3.3 Curriculum Overview

The major input for competency based TVET programs and curricula derives from the requirements of the labor market. The quality of the curriculum is a decisive factor for the relevance of a training program. Increased collaboration between industry and education providers to develop and deliver programs that meet industry's needs is required.

Elaboration and validation of the curriculum will require a consultative process between educators and sector stakeholders to ensure program content is current and appropriate to industry needs. Engaging sector stakeholders in the curriculum development process also helps to secure industry 'buy in' and commitment to supporting the program through providing internship opportunities, guest lectures and other collaborative measures.

To 'kick start' and support the curriculum development process, program content, reflective of current global good practice, has been developed and is provided here as a resource. A consultative process may then be used to review and validate this draft curriculum, see the proposed curriculum development methodology validation process.

Program Structure

It is envisaged that a diploma program will comprise 2,000 nominal hours implemented over 4 semesters, each semester of approx. 14-16 weeks (16-20 weeks).

Modular Approach

Developing a competency-based curriculum supports the implementation of modular structures facilitating flexibility in usage and mode of delivery. The modules may be integrated into a full-time academic program and/or they may be delivered as demand-driven 'stand-alone' short-term training programs either in their entirety or in parts. The modules include:

- 2 Basic Optional Modules
- 8 Generic Hospitality Skills Modules
- 6-7 Skill Specific Modules – varied depending on program content requirements
- 1 Internship Module

It is proposed to elaborate the programs for the target occupations positioned at Diploma level of approx. 2,000 hours; this will be the master program for the discipline. As required and on demand units/modules may be extrapolated the master program for delivery as 'stand-alone' short programs. This structure will facilitate ASC offer a comprehensive portfolio of programs that are current, relevant to sector needs which can contribute to upgrading standards in the sector.

8.4 Program Content

8.4.1 Basic Optional Modules

2 modules

B1	Optional: Provision for local curriculum if required
B2	Communicating in Basic English

B1: Provision is made for the inclusion of mandatory content of local curriculum that may be required related to the uniqueness of Kazakhstan vis-à-vis politics, law culture etc. If this is required, the local curriculum will be provided by the Ministry of Education and Science.

B2: Given the importance private sector employers in Kazakhstan has attributed to language skills in preparing graduates to be 'job ready', a standard Communicating in Basic English module is proposed as a mandatory pre-entry requirement to a diploma program. It is envisaged that additional English and other language training will be required, this will be considered and determined at local level.

8.4.2 Generic Hospitality Skills Modules

8 modules

Considering the commonality across the disciplines with respect to a number of subject areas such as working with colleagues, using common business tools, customer service, work safety and hygiene and others, a common generic hospitality skills module is proposed for integration into all the two diploma programs as well as for use on other tourism programs.

The modules include:

G1	Working with Colleagues and Customers
G2	Using Common Business Tools and Processes
G3	Developing Industry Knowledge for Tourism and Hospitality
G4	Maintaining Hygiene and Sanitation in the Workplace
G5	Using Communication Equipment for Tourism and Hospitality
G6	Maintaining Workplace Safety and Security
G7	Establishing Effective Customer/Guest Service
G8	Marketing and Entrepreneurship Fundamentals for Tourism and Hospitality

An outline content has been developed and is provided in Annex 2.

8.4.3 Skill Specific Modules

Each discipline will have a number of skills specific modules which may vary in accordance with the requirements of the program. In this instance the modules proposed are:

Diploma in Rooms Division Operations

6 modules

S1	Developing Knowledge on Hotel Operations
S2	Providing Front Office Services
S3	Providing Housekeeping Services to Guests
S4	Operating Laundry and Linen Control
S5	Providing Rooms Division Services
S6	Organizing Meetings, Incentives, Conventions and Events

An outline content has been developed and is provided Annex 3.

Diploma in Food & Beverage Operations

7 modules

S1	Introducing the Basic Principles of Cooking
S2	Preparing Local and Regional Cuisine
S3	Preparing Basic Breads, Cakes, Pastry and Dessert Products
S4	Operating Safely in Food Production

S5	Providing Food and Beverage Services
S6	Performing Wine and Bar Services
S7	Planning Catering and Banquets

An outline content has been developed and is provided in Annex 4.

8.4.4 Internship Module

A mandatory internship module is proposed providing students/learners enrolled on the diploma programs with an industry-based learning exposure. Employers and educators are encouraged work together as partners to discuss, agree, develop, and implement the internship program. An outline content has been developed and is provided in Annexes 3 and 4.

8.4.5 Indicative Allocation of Hours

An indicative allocation of hours for each module is included as a guideline only.

Determination of actual theory and practical hours will be considered as part of the curriculum development process/validation process. The content of each module will be reviewed by the stakeholders and 'weighted' in terms of relevance and priority, the allocation of hours will be determined accordingly. Where appropriate and feasible, the balance of theory to practical should be a ratio of approximately 30:70%.

8.4.6 Curriculum Development Methodology and Validation Process

Acknowledging the need to accelerate development of the curriculum and yet respect the process of stakeholder engagement throughout, a staggered development methodology is proposed. A stakeholder consultative process will provide the platform for review and discussion; to endorse and/or amend the range of the programs offer; as well as the content and 'weighting' of the curricula.

Step 1: A draft curriculum (master version) elaborated, informed by initial findings and stakeholder meetings and modeled on international 'good practice' norms.

Step 2: Presented as 'discussion starter' to key educator stakeholders (i.e. university management). They will be the drivers of the curriculum development process.

Step 3: Presented as a 'discussion starter' at stakeholder curriculum development workshop where content will be reviewed and 'workshopped'. Stakeholders will include private sector enterprise, educators/teachers, and representatives from relevant government departments responsible for approval. All stakeholders will be engaged in shaping the program to local requirements. Having the draft master version elaborated and used as the basis of discussion will serve to accelerate the curriculum development process.

Step 4: Following which content is tweaked and updated to meet local requirements as per stakeholder feedback and input.

Step 5: Curriculum is submitted for approval in compliance with Ministry of Education and Science regulations.

Step 6: Program is piloted after which it will need to be reviewed; amended if required following a similar model.

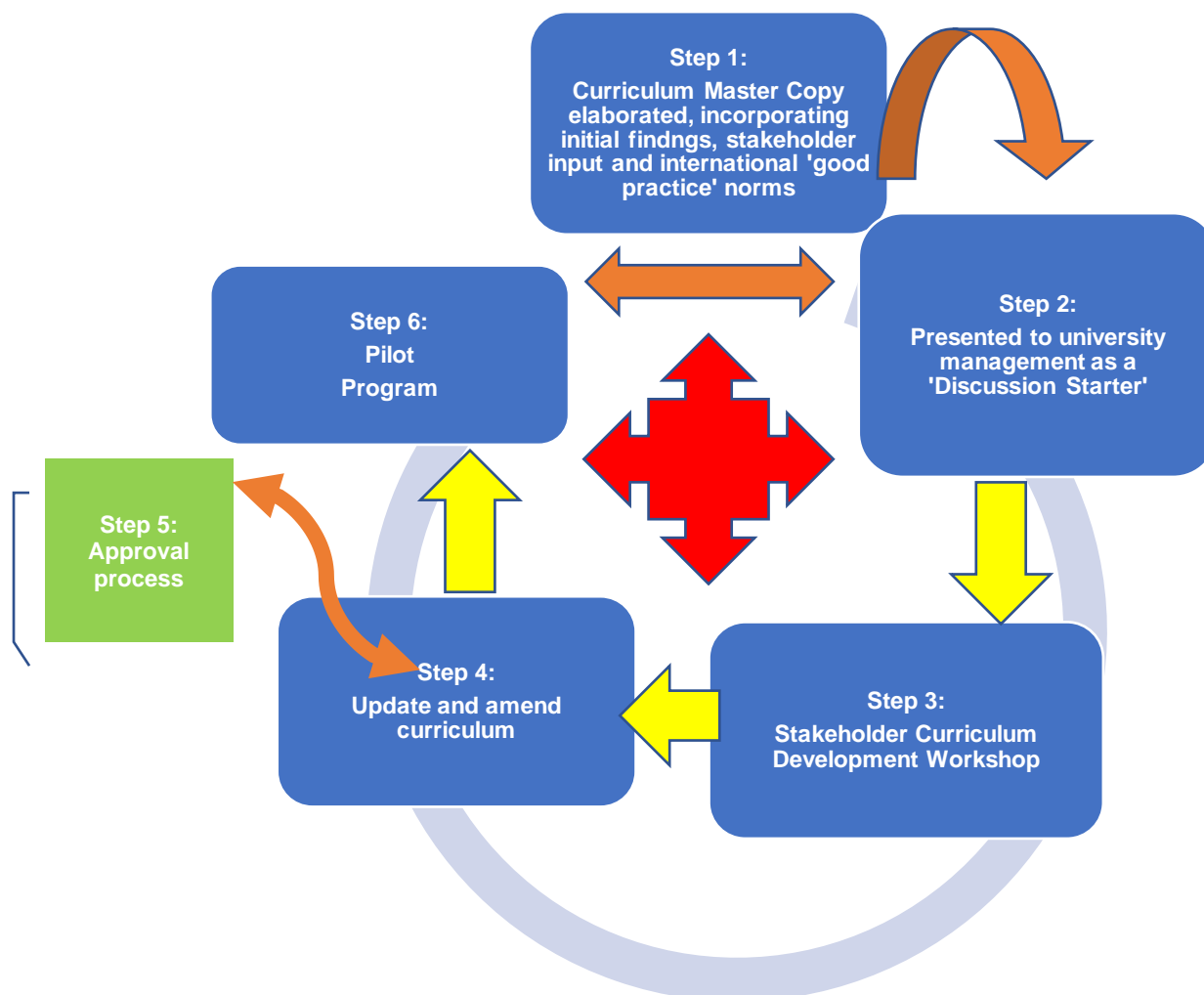


Figure 4: Curriculum development methodology and validation process

This continuous cycle of consultation and curriculum review will ensure content remains current and relevant to sector requirements.

8.5 Training Needs Assessment (TNA)

The development of ASC teaching faculty will need to begin with an overall skills audit and comprehensive needs assessment of their own teaching resources as well as the 'pool' of potential teachers/trainers. It is envisaged that the disparity in the level of teaching and/or industry experience in this 'pool' of teachers will mean the conduct of a training needs assessment (TNA) will be necessary. Results of the skills audit and TNA will help identify priority areas for intervention; define key target groups, and the means for effectively delivering needed knowledge, skills, and competencies.

It is envisaged that the TNA will identify the need for a raft of capacity-building actions to:

- i familiarize all potential teaches/trainers with the new competency-based curriculum;
- ii upskill teachers with the development of specialist skills to deliver competency-based curricula;
- iii upgrade technical knowledge and skills of teachers through industry exposure and other measures; and

- iv equip industry professionals/trainers with relevant didactics and pedagogics according to ministerial standards to enable them to fulfil this role.

Specifically, for ASC faculty it is envisaged that they will benefit from:

- Updating knowledge and pedagogical skills (based on different and new technologies, change of work, know-how, materials etc.);
- Upgrading specific technical competences;
- Upgrading teaching skills in the context of complex technology and the work-process relation;
- Enhancing industrial experience.

Appropriate capacity-building interventions for teachers and trainers will need to be developed and supported so as to expand and enhance their proficiencies to deliver competency-based curricula. Initiatives designed to expose teaching staff to best operational practices in the tourism workplace will be offered.

It is proposed that an independent expert conducts the TNA; a draft Terms of Reference (ToR) for the conduct of the TNA is attached as Annex 7.

9 Additional Income Streams

9.1 Continuous Professional Development (CPD)

ASC will be required to have income-generating activities to supplement its government funding and student fee revenue stream. To do so, ASC will want to optimize its resources in terms of the physical facility and human resource capacity to meet any demand that may exist for its education and training services. However, income-generating activities must not in any way compromise the quality of education of the courses or lead to the exploitation of students as cheap labor.

Once ASC is well established as a provider of quality tourism training, they should undertake consumer demand surveys and market opportunity assessments to identify services, products, and specific training programs in demand by the sector and/or local communities, which could be offered against payment.

Potential revenue generating opportunities might include:

Short demand-driven training programs with flexible learning approaches need to be developed and implemented to meet the diverse needs of the sector as well as to accommodate the various requirements of the client/end-user of the service in terms of access, availability, timing, etc. The content of the competency-based curriculum in its modular structure provides ASC with a databank of 'ready-made' training materials which may be converted into an extensive portfolio of short training programs. The modular structure allows for flexibility in the duration of the training programs in accordance with the demand. Training might be implemented at ASC and/or in the host enterprise. In addition to the more traditional mode of delivery other flexible delivery approaches for consideration include the use of mobile training units and possibly in the future the introduction of e-learning innovation.

Mobile training units/mobile training teams could be assembled to address any need that may arise for delivery of training in more remote destinations. The Government of Kazakhstan and/or the sector representative bodies could be potential clients for this service. For example, ASC might be requested to develop and conduct very specific short training courses such as basic tourism training and awareness-raising in all destinations. ASC could train and mobilize trainers to conduct short training courses to increase local people's understanding of key

social, environmental, and economic issues linked to tourism. Other training programs – if implemented nation-wide – have the potential to make a positive impact in the sector including health and hygiene and service excellence training etc.

Mobile training teams were used in the Kyrgyz Republic to provide tourism skills training in rural areas under the auspices of the Tourism Skills Training in Rural Areas Project (T-Star). Good practice transfer opportunities may exist for ASC, refer to case study in Annex 8.

Offering e-learning resources

Developing an appropriate suite of e-learning resources which would be available to users at a cost could present ASC with an additional revenue stream. However, initial investment costs are high and the level of support and resources required to develop and maintain the currency of bespoke tourism training resources needs to be recognized. Costs of the development or investment are amortized overtime, with high level take-up it could be a cost-effective alternative to more traditional modes of training delivery.

Consideration could be given to purchasing and/or licensing existing training resources (which may require some adaptation to ensure they are suitable for local use) as against developing them.

An e-learning good practice example is the emerit online training program for the hospitality sector offered by the Canadian Tourism Human Resource Council (CTHRC)¹⁸. Emerit training is available for dozens of occupations in workbook and modular online formats. It is purchased by individuals, businesses, schools, and organizations from the emerit website. The emerit website contains all training products offered. These products range from essential skills to cultural sensitivity, to occupation-specific training for front-line, supervisory, and management staff in accommodation, food and beverage, events/meetings, and travel/tour operations. Training from emerit is flexible – it can be used in the workplace, in the classroom and for self-directed study. Emerit provides a structured and flexible route to the delivery of recognized training within the tourism industry. As an off-the-shelf product, it is available and adaptable to any tourism context and jurisdiction; as a concept, it provides a framework which can be developed independently at a national or regional level. Emerit highlights the value of training resources as key to supporting successful training and developing across all skills areas within the tourism industry. In many countries (and Kazakhstan is no different) it is frequently used in absence of current and suitable training materials that act as a major inhibitor to training within the tourism industry.

Recognition of prior learning (RPL)/accreditation of prior learning (APL)

An opportunity might exist for ASC to offer an RPL/APL service to industry professionals who do not have a formal qualification. RPL/APL is an assessment process that involves assessment of an individual's relevant prior learning (including formal, informal, and non-formal learning) to benchmark their extensive skills and experience against the standards set out in each unit of competency in the curriculum. Applicants who meet the criteria could be awarded a formal qualification. Applicants requiring more training to achieve the level of competency could be directed to ASC training. The RPL/APL service together with the award of a qualification would be offered at a charge.

9.2 Self-Sufficient School Model by Operating a ‘School Business’

There is global precedent whereby tourism schools offer hotel and tourism products and services on a cost-recovery/commercial business within the school environs. Examples include services that are offered to the public albeit at lower rates than the market such as a training

¹⁸ Further information may be accessed on: <http://emerit.ca/home>

restaurant, sale of baked goods, provision of laundry services, letting guest accommodation and meeting space. Frequently, these are set up to provide a “learning by doing”, methodology as well as educating the students in an entrepreneurial environment.

Connecting “learning by doing”, to teaching students how to earn income from their skills, results in an even more powerful methodology of “learning by doing and earning”. It follows that if a school needs a kitchen to teach students how to cook, it needs a school restaurant business to teach students how to make money from the food that is produced. There is no value in teaching students how to lose money – for a school business to provide students a genuine understanding of how to make money, it must be able to generate a profit. This is at the core of the self-sufficient school model, offering as it does both a more effective educational approach, and the means to pay for the higher costs of using such an approach. Some of the factors impacting on the feasibility and likely financial contribution of this strategy will be the return-on-investment requirements; the geographic location of ASC – to attract paying customers, it will need to be located in an area with a high level of footfall.

9.3 Additional Income Stream Language Center

There is little doubt that skills in the language of another country are invaluable when communicating with people from that country. This is nowhere more apposite than in the context of the cross-cultural interface between tourism enterprises and visitors. Private sector (tourism enterprise) stakeholders in Kazakhstan clearly identified foreign language (FL) proficiency particularly in front-line staff as critical to providing guests with a quality service experience. Despite the importance employers place on FL skills, comparatively weak attention has been given to FL skills development on tourism programs in Kazakhstan.

Language training is a specialism requiring highly skilled linguists to deliver programs. It also requires long term commitment and investment on the part of the student/learner. For language training to be successful, substantial investment in resources will be required including hiring of native-language trainers; developing highly effective learning resources; access to current language training technologies such as mobile language applications and other innovative learning language tools. Development costs will be substantial, and it is a highly competitive market. Commercial technology-based language learning packages are widely available such as Duolingo, Rosetta Stone, Babbel, or Fluenz to name but a few.

The stakeholders identified English as a priority language for the sector, followed by Mandarin, and a smattering of other European languages based on the origin of visitors to Kazakhstan. Specifically, for mountain guides German, Japanese, Arabic and Spanish have been identified as priority languages. It is also possible that language requirements will change as the tourism market grows and diversifies thus it will be difficult for any training provider to service all of the language training needs at any point in time.

ASC will function primarily as a dedicated tourism sector skills training center. It cannot also be a full-time language training provider; this may not be feasible and/or compatible with their mandate. However, ASC can offer complementary language training providing added value to their suite of training programs. Mastering the language and accomplishing fluency is a potentially life-long learning route. For many positions, particularly front-line roles, having an appropriate level of English proficiency is a requirement. It is proposed therefore that initially ASC focuses on English language programs only with a two-pronged approach:

Basic communication in English

The new competency-based curricula will offer and/or integrate an optional Basic Communication in English module into the program. This would be the minimum level of English required for an entry-level job in the sector.

English for Tourism Purposes (ETP)

Given the importance of English language to the sector in Kazakhstan, ASC could develop and offer an English for Tourism Purposes (ETP) program to a wider audience. Potential also exists for offering bespoke English language programs to a diverse client base of tourism professions, for example:

- English for Tour Managers
- English for Tour Guides and Mountain Guides
- English for Air Flight Services
- English for Food and Beverage Services

9.4 Specialized Training for Tour Guides and Mountain Guides

Kazakhstan is already well-positioned to conduct tour guide and mountain guide training. The Kazakh Academy of Sports and Tourism is well-equipped to deliver technical training in accordance with standards set by KMGGA through its affiliation with IFMGA. An IFMGA-certified mountain guide is a professional whose competence has been certified by an official institution that is accredited by the IFMGA. He/she may lead, instruct, advise and coach members of the public in the four disciplines of mountaineering, ski touring, rock climbing and ice climbing. To ensure that this is done as safely and responsibly as possible, the IFMGA has a training scheme that sets a common worldwide standard in the four disciplines.

Recognizing that individual countries may have their own individual requirements as regards the training of their own mountain guides, a degree of autonomy exists within the IFMGA training Scheme. While the scheme covers technical skills in depth, the IFMGA attaches equal importance to the non-technical or soft skills of a mountain guide. ASC could potentially deliver this soft skills component of the mountain guide program.

The modular structure of the aforementioned Generic Hospitality Skills Program facilitates the extrapolation of relevant learning units which can be packaged into Hospitality Skills for Mountain Guide program. A notional allocation of 120 hours is proposed. Learning units extrapolated from the following modules may be customized within a mountain guide context.

G1	Working with Colleagues and Customers
G2	Using Common Business Tools and Processes
G3	Developing Industry Knowledge for Tourism and Hospitality
G4	Maintaining Hygiene and Sanitation in the Workplace
G5	Using Communication Equipment for Tourism and Hospitality
G6	Maintaining Workplace Safety and Security
G7	Establishing Effective Customer/Guest Service
G8	Marketing and Entrepreneurship Fundamentals for Tourism and Hospitality

9.5 Specialized Training for Tourist Police Officers

Kazakhstan recently established a Tourist Police unit comprising 200 officers who are deployed at currently 28 touristic spots around the country. These police officers are part of the patrol police and have to complete the same training in the police academies as other regular units. The Kazakh Ministry of the Interior well noticed that the Tourist Police has to be given some additional training outside the sovereign rights it is vested with.

These additional training components do not require a full diploma, but ASC can organize courses in customer relation, intercultural communication, and foreign language skills. Like the

mountain and tour guides training, the police training will be carried out within the CPD branch of ASC. Possible modules are:

P1	Working with Colleagues and Customers
P2	Establishing Effective Customer/Guest Service
P3	Knowledge about Touristic Sights and Kazakhstan's Cultural Heritage
P4	Basic Communication in English

Annex 1

Summary - Business plan

The business plan below serves as an indicative draft until the completion of the final version. Main cost indicators with regards to

- HR costs
- rental costs or costs of building work
- size of facility and maximum student numbers
- licensing model with international partner (out of 3 options or no licensing at all)
- investment budget

require consultation with the stakeholders.

For this initial draft business plan stretching over a period of 10 years + a pre-opening year, the following cost indicators are used:

Teaching

- Teaching hours in diploma courses: In accordance with the curriculum, a diploma program comprises 1,440 contact hours over 2 years (3 semesters of teaching, 1 semester internship)
- Each teacher will input 15-20h/week per semester
- One semester consists of 14-16 weeks
- 16 faculty will be required to cover the study plan
- Overall student number is between 500-600
- CPD teaching (mountain guides 120h, tourist police 60h) is carried out with external lecturers for flexibility reasons
- Language offering consists of 5 courses of 2h week/semester (high competition hence a smaller offering) and is carried out with external lecturers

HR (salaries net monthly)

- Directors of department: \$1,500-1,700
- Deputy director of department (+ senior faculty): \$1,300-1,500
- Senior manager (+ mid-level faculty): \$800-1,000
- Manager or skilled office worker (+ junior faculty): \$600-700
- Cook and other school business workers: \$400
- External lecturers: \$30 per teaching unit (50 minutes)

Revenues

- Tuition fees for diploma programs: \$2,500 per student and year (increase to \$3,000 after 5 years).
- CPD: \$100 per course/student; language \$60 per course/student
- A conservative estimation of school business revenues of half the student body spends an average of \$2 per day over 100 days per academic year.

Rent

Commercial rents in Almaty are between KZT2,300-6,000 per sqm, depending on the district. The business plan calculates with an average of \$9 per sqm and month. The size of the premises is estimated as 2,500 sqm.

Licensing by international partner

The cost estimations are based on model 1 – full license by an upper medium tier international university (see chapter 7.1 of the main report) that are calculated as follows:

- \$150,000 annual license fee for two diploma programs
- \$ 50,000 in the pre-opening phase and year one for consulting expenses.

Additionally, two weeks of faculty and teacher training for the pre-opening phase and year one, as well as one week of faculty and teacher training for the subsequent years, are calculated based on \$15,000 per week for up to 15 participants.

It has to be noted that license fees vary enormously among international universities and the degree of integration. Some universities can charge up to \$1 million p.a., whereas some universities take a fixed percentage of the revenue from tuition fees, and there are mixed forms.

Investments

In the stakeholder consultation held on May 2020, IUTH's management expressed a strong inclination towards a rental option of a facility for ASC. The business plan, therefore, takes into account average commercial rental costs in Almaty (see above). The investment budget at the end of the spreadsheet indicates figures based on experience for cases where the rent does not comprise the required configuration ASC will need with regards to practical training. Should IUTH choose to purchase a building at a later stage, these values can be taken as a reference.

Conclusion

When looking at a school as a business case, it becomes apparent that the fraction of fixed costs is very high compared to, e.g. a company producing consumer goods. The main cost factors are HR, license fee, and – if rented – rental costs. If the rent does not comprise the required outfit for practical training laboratories, equipment costs need to be taken into account according to the indications given in the investment budget. The P&L forecast for this indicative draft is slightly negative in the first five years. The linearity in the development of the numbers is due to the attempt to reach maximum capacity quickly.

**Development of
Study Related
Costs \$**

	Pre- opening	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Costs for diploma ceremonies		0	1800	1800	1800	1800	1800	1800	1800	1800	1800
Number of graduates		0	180	180	180	180	180	180	180	180	180
Number of ceremonies		0	2	2	2	2	2	2	2	2	2
Total costs for ceremonies \$		0	1800	1800	1800	1800	1800	1800	1800	1800	1800
Costs for study material											
Costs for reading material etc.		13800	13800	13800	13800	13800	13800	13800	13800	13800	13800
Costs for F&B material		9000	9000	9000	9000	9000	9000	9000	9000	9000	9000
Planned excursion. /guest lectures		1800	1800	1800	1800	1800	1800	1800	1800	1800	1800
Total costs for study material \$		24600	24600	24600	24600	24600	24600	24600	24600	24600	24600
Total study related costs \$		24600	26400	26400	26400	26400	26400	26400	26400	26400	26400

**Development of Revenues
from Tuition Fees \$**

	Pre- opening	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Diploma Rooms division		225000	450000	450000	450000	450000	540000	540000	540000	540000	540000
Diploma F&B		225000	450000	450000	450000	450000	540000	540000	540000	540000	540000
CPD		72000	72000	72000	72000	72000	72000	72000	72000	72000	72000
Languages		36000	36000	36000	36000	36000	36000	36000	36000	36000	36000
Total \$		558000	1008000	1008000	1008000	1008000	1188000	1188000	1188000	1188000	1188000

**Profit & Loss
Forecast \$**

	Pre- opening	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Revenues tuition fees	0	558000	1008000	1008000	1008000	1008000	1188000	1188000	1188000	1188000	1188000
(Faculty)	0	81600	100800	100800	100800	100800	100800	100800	100800	100800	100800
(External lecturer)	0	19800	19800	19800	19800	19800	19800	19800	19800	19800	19800
(Administrative staff)	132600	193200	214800	228000	228000	228000	228000	228000	228000	228000	228000
(Study related costs)	0	24600	26400	26400	26400	26400	26400	26400	26400	26400	26400
School business revenues	0	42000	60000	60000	60000	60000	60000	60000	60000	60000	60000
Other revenues											
(Other HR costs)											
(Membership fees)	0	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000
(Software licenses)	20000	20000	40000	40000	40000	40000	40000	40000	40000	40000	40000
(Travel costs internals)	10000	10000	15000	15000	15000	15000	15000	15000	15000	15000	15000
(Travel costs externals)	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000
(Library)	10000	5000	3000	3000	3000	3000	3000	3000	3000	3000	3000
(Events)	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000
(Representations)	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000
(Rental ¹ and recurrent costs)	270000	270000	270000	270000	270000	270000	270000	270000	270000	270000	270000
(Infrastructure)	20000	10000	15000	15000	15000	15000	15000	15000	15000	15000	15000
(Office expenses)	5000	6000	7000	7000	7000	7000	7000	7000	7000	7000	7000
(School businesses expenses)	0	21000	30000	30000	30000	30000	30000	30000	30000	30000	30000
(Marketing expenses)	150000	150000	150000	150000	150000	150000	150000	150000	150000	150000	150000
(Teacher training int'l COE)	30000	30000	15000	15000	15000	15000	15000	15000	15000	15000	15000
(Consultancy expenses int'l COE)	50000	50000	0	0	0	0	0	0	0	0	0
(License fees int'l COE)	150000	150000	150000	150000	150000	150000	150000	150000	150000	150000	150000
(Other expenses)											
Operating profit \$	-862600	-461200	-8800	-22000	-22000	-22000	158000	158000	158000	158000	158000
Scholarships/fixed study places ²											

¹ If facility is rented

² If provided by external source

() = negative

Key Indicators

	Pre- opening	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Total budget		1061200	1076800	1090000	1090000	1090000	1090000	1090000	1090000	1090000	1090000
Budget per student		2527	1795	1817	1817	1817	1817	1817	1817	1817	1817
Labor costs		294600	335400	348600	348600	348600	348600	348600	348600	348600	348600
in %		28%	31%	32%	32%	32%	32%	32%	32%	32%	32%
Operating expenditures		766600	741400	741400	741400	741400	741400	741400	741400	741400	741400
in %		72%	69%	68%	68%	68%	68%	68%	68%	68%	68%
Tuition per student		1329	1680	1680	1680	1680	1980	1980	1980	1980	1980
in % of budget per student		53%	94%	92%	92%	92%	109%	109%	109%	109%	109%
Revenues per student		1429	1780	1780	1780	1780	2080	2080	2080	2080	2080
in % of budget per student		57%	99%	98%	98%	98%	114%	114%	114%	114%	114%
Labor costs per student		701	559	581	581	581	581	581	581	581	581
Operating expenditures per student		1825	1236	1236	1236	1236	1236	1236	1236	1236	1236
Operating exp. w/o rental / student¹		1182	786	786	786	786	786	786	786	786	786

¹ If facility is rented