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Neven Salamon

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Feasibility Study for a College - Hotel

Neven Šalamon

American College of Management and Technology

Instructor: Tane Dusilo - Cavich

Mentor: David Crumb

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### Abstract

A simulation of business setting is often present in an educational environment. It helps students understand business environment and the issues businesses are facing. An upgrade of simulation of business setting in an educational environment is an educational environment placed into the real business setting. Hospitality oriented students learn about hotels. Consequently, hotel is the best business setting where hospitality oriented education could be placed.

### Feasibility Study for a College – Hotel

The need for an educational environment which combines theoretical knowledge and practice of skills exists in every phase of the educational system. In primary education, an application of methods that include practice of skills is used on an everyday basis. Students solve different mathematical problems; they conduct small experiments in biology, physics or chemistry class; they express themselves while drawing or sculpting in art class. Such practical exercises are not expensive since they usually require only paper and pen, paint brushes, or a microscope, for example.

In higher education, however, practice of skills is very expensive. Students attending FER (Faculty of Electrical Engineering and Computing) in Zagreb are using cutting edge technology to learn how to apply theoretical knowledge in real situations. Technology which they use is expensive, and for that reason, it is most often a donation from various companies that are interested in acquiring students with an educational background of immense quality. ("Donacija HT-a", 2004)

To overcome a bridge between theoretical education and the practice of skills, the majority of colleges require some type of active participation in the business world in order to receive a diploma. Professional preparation of this type comes in numerous forms, such as cooperative education, internships, summer undergraduate research etc. In all of these situations one angle stands out: all of them strictly divide learning time from practicing time.

The hospitality industry of today's world is somewhat different than it used to be. Every hotel that can afford the newest technical appliances will have them, thus making equipment an almost irrelevant factor in global competition. Hotels sell experiences and not the newest air

conditioner. Consequently, hotel managers should be educated (or prepared) to meet guest's expectations of the experience economy.

In this paper, a feasibility study for a hotel <sup>whose</sup> ~~which~~ primary function is the enhancement of education for ACMT students will be conducted. Part of the hotel would serve as a dorm for students, while the other part will be used for business purposes by ACMT.

The students will benefit from the possibility to have first hand experiences in all of the hotel's departments at the same time when they attend lessons concerning the specific subject. Some positions could be monitored (using surveillance technology) and used for class purposes to combine theory with a real situation in real time. Most of all, students will benefit by being constantly exposed to the hotel atmosphere and adapting to a hotel environment.

The feasibility study is needed in order to find out whether such a hotel can function by itself, and not become a burden for the local economy or RIT. The hotel Tirena will serve as a base for income forecast and estimation of expenses. Dorm rental to students will be presented as a constant income for the hotel, while income from rooms rented to guests will be forecasted according to previous trends in Babin Kuk area.

Four perspectives shaped my reasons for starting this project: the Croatian orientation toward tourism, the development of the Dubrovnik area into an elite tourism location, the short length of the tourism season in Croatia, and my perspective as a student.

Croatia is a country oriented toward tourism with total income from tourism activities of \$6, 8 billion in 2004, 8% higher than in 2003. ("Prihodi od turizma", 2005) Our educational system allows students to start specializing for tourism activities from high school age by providing adequate education in Tourism High Schools. After completing high school, students can choose between several colleges that offer tourism oriented programs. ("Odjeli i učenici",

**2004) Introduction of college – hotel concept would be of great significance for Croatian**

students and for future tourism development as well.

The city of Dubrovnik is developing into elite tourism destination. Two five star hotels are already functioning in the city and the Hilton Hotel is about to be opened. ("Hotels - Dubrovnik", 2004) All other hotels are constantly improving their services in order to meet standards for higher rating of their service. An elite tourism location is the best place to actively learn about elite tourism.

Unfortunately, the tourism season in Croatia lasts for only three to four months during the summer. During the winter, when visitors are gone, coastal hotels and restaurants work at low capacity and anticipate small incomes. It seems natural that students, who study during the other three quarters of a year, and bring significant income to the city, are reasonable replacement for tourists. For example, 600 students are currently enrolled at the ACMT. Considering that each student spends at least 3000 kunas a month (apartment, bills, food, books ...), we come to 1,8 million kunas a month, or an astonishing 16,2 million for nine months during the school year (only ACMT students). The vast majority of students do not work, so they only bring money to the city's activities. Some of the restaurants in the city are converted to serve as student's restaurants during the off – season, thus making profit year round.

As a student, the author is strongly committed to anticipate development and progress of ACMT. The author believes that college is situated in perfect location to offer exceptional hospitality education. Furthermore, the concept of combined theoretical and practical knowledge in colleges will soon become the benchmark in hospitality oriented colleges. Colleges already use real situations in case studies, in educational videos or in numerous other forms of delivery, but all of these are example based and not a real practice.

Considering the path that technology or engineering oriented colleges are taking in equipping their facility to enhance offered education, it logically follows that other types of colleges will soon have to do the same. Furthermore, without exceptional hospitality college in Croatia, the country does not have any base on which it will build the development of elite tourism.

Croatia has a brilliant future in tourism. As soon as the Croatian economy gets more developed and stable, and our health system and infrastructure start working properly, the country will have all prerequisites for elite tourism. That time is coming, and when it does come, extraordinary colleges oriented toward hospitality will become the need. I strongly believe that ACMT should anticipate that change and become a pioneer, because later on, every college will try to do the same. Finances seem to be an obstacle today, but in the future such investment will be considered as the most valuable one.

For estimation of costs, an interview with the general manager of hotel Tirena will be conducted. Hotel Tirena is situated in Babin Kuk area in Dubrovnik. Hotel Tirena was chosen because it already served a similar purpose. Two years ago, hotel Tirena offered students a room rental on a monthly basis, thus transforming part of a hotel into a dorm for students.

Two more interviews will be conducted. An interview with university professor Mr. David Crumb will be oriented toward practical implementation of such a program. Mr. Crumb had already worked on a similar project, but more than that, he has experience in both: teaching at hospitality oriented colleges and running a hotel.

The third interview will be conducted with Mr. Milenko Mandzo. Mr. Mandzo is the new owner of hotel Sumratin 2 in Dubrovnik. The interview with Mr. Mandzo will be oriented

**toward his perception of Dubrovnik as an elite destination, and the role of the educational system in the development of tourism activities in Croatia.**

Students of ACMT will be surveyed in order to obtain their opinions about implementation of intensive practice during the school year. The survey will be oriented toward measuring the extent to which they are willing to participate in an intensive practical learning program.

### *Literature Review*

Even though many high schools and colleges use some form of education that combines practical and theoretical knowledge, there is no strict definition of such programs. Cooperative education, for example, can be defined in many ways.

East Los Angeles College defines it as “an instructional program that is designed to complement the student's academic training with realistic on-the-job experiences”. (“Glossary of”, 2004, para. 18) University of Washington defines it as “programs that work with students, faculty, staff, and employers to help students clarify career and academic goals, and expand classroom study by allowing students to participate in paid, practical work experiences”. (“Glossary: cooperative”, 2004, para. 15) Kansas State University defines it as “the integration of academic experience with planned employment experiences that relate to a student's academic major or career goals. The work experience supplements and complements the curriculum”. (“Glossary and”, 2004, para. 12) University of Wisconsin-Stout defines it as “a learning approach that integrates college studies with working experiences in industry, business, government and public service. Under the plan, students leave campus for three to six months for the rigors and responsibilities of actual employment situations.” (“Glossary of”, 2004, para. 11)



National Commission for Cooperative Education defined co-op as “cooperative education is a structured educational strategy integrating classroom studies with learning through productive work experiences in a field related to a student's academic or career goals.” (“Glossary: Cooperative”, 2004, para. 2)

A certain amount of time spent on cooperative education is a requirement for students at the American College of Management and Technology. A minimum of 400 hours (ten weeks) is required for the two year degree, while 1600 hours are needed for the four year degree. (“ACMT Co - op”, 2004) 1600 hours are equivalent to four quarters at the college, so a four year degree actually carries four academic years of study and one year of work.

Apprenticeship is another form of combining theoretical and practical education. It does not carry any strict definition. National Center for Education Statistics defines it as “belonging to formal education. Such programs typically involve an alternation between learning in an educational institution (ordinary or specialized) and learning through work experience programs, which may include highly organized training in a firm or with a craftsman.” (“Glossary: Apprenticeship”, 2004, para. 3)

Australian government defines it as: “An apprenticeship is where a person is learning a trade by being employed in that trade or industry for an agreed period. The person is usually paid at a lower wage.” (“Glossary: Apprenticeship”, 2004, para. 2)

SouthBank Institute defines apprenticeship as “a system of training regulated by law or custom which combines on-the-job training and work experience while in paid employment with formal off-the-job training”. (“Glossary”, 2004, para. 4)

The concept of a hotel that would serve the needs of higher education is already in place in couple of locations. RIT Inn is hotel owned by Rochester Institute of Technology and is

placed in West Henrietta in NY, USA. It is a 5 story building with 305 rooms. The hotel has 12 meeting rooms with 10 000 sq. ft. of total meeting space. It also has a fitness center and a business center. ("RIT Inn Hotel Information", 2004)

Cornell University is using The Statler Hotel to aid Cornell University School of Hotel Administration. "The Statler Hotel is a primary teaching tool for the Cornell Hotel School, where some 200 Hotel School students work alongside seasoned professionals across all hotel and restaurant operations." ("The Statler", 2004, para 1) In Statler Hotel students work on a part time basis and are putting theoretical knowledge in use. The Statler Hotel has 150 guest rooms. Among other amenities and services it offers fitness center and business center. ("The Statler", 2004)

Johnson and Wales University claims that "the Hospitality College, through a philosophy of experiential learning, seeks to provide students with theoretical and practical knowledge which enables graduates to be successful in their chosen careers and to contribute significantly to society" ("The Hospitality", 2004, para. 1)

Imperial Hotel Management College based in Vancouver, Canada, offers 9-month program in which students live, study, and gain valuable practical experience daily. This program combines theoretical and practical knowledge instantly, as students spend half of their time in class and another half working in the hotel, and thus, gaining working experience. During their stay at the hotel, they take on many roles and get insight into different hospitality perspectives. They are guests, employees and students. ("Background", 2004)

University professor Mr. David Crumb describes an interactive teaching and learning model in scholar submission "Enterprise Learning". This model combines classroom theory, case study analysis, and industry environment reality through cooperation with RIT owned hotel RIT

Inn. Beside regular classroom activity, this class also includes four sessions held at the RIT Inn. The class program integrates theory, communication with hotel managers, real problems, and application of practical learning. The objective of this class is to “better prepare students in everyday problem solving situation that are common to the hospitality industry”. (Crumb, 2004, para. 2) Prof. Crumb points to the main benefits of integrated learning: learning of issues that impact the hotel industry and finding effective solutions working with the RIT Inn management; testing and validating theory learned in class; the opportunity to work with the instructor, managers, employees and teammates and expand their knowledge by inquiry and discovery; and most important, a shift from thinking like employees to thinking like managers. (Crumb, 2004)

According to Hoagland and Williamson, the purpose of conducting feasibility study is to determine whether the business idea is possible, practical, and viable. Feasibility study enables a person to take a realistic look at the positive and negative sides of the opportunity. Feasibility study should be conducted prior to starting a new business, prior to expansion of existing one, and prior to acquiring of an existing business. (Hoagland & Williamson, 2000)

According to Hofstrand and Holz-Clause, feasibility study helps us answer the question of whether to proceed with proposed idea or not, and all activities of feasibility study should be directed in that direction. (Hofstrand & Holz-Clause, 2004)

Furthermore, Hofstrand and Holz-Clause, named six parts that a feasibility study should have. Feasibility study should start with the description of the project and followed by market feasibility, technical feasibility, financial feasibility, organizational/managerial feasibility, and end with the conclusion. (Hofstrand & Holz-Clause, 2004)

According to Hofstrand and Holz-Clause (2004), description of project should include identification and exploration of business scenarios; define the project and alternative scenarios, and relationship to the surrounding geographical area.

Hofstrand and Holz-Clause divided market feasibility into five parts. These are: industry description, industry competitiveness, market potential, sales projection, and access to market outlets. (Hofstrand & Holz-Clause, 2004)

Hofstrand and Holz-Clause (2004) divided technical feasibility into five parts. These parts are: determine facility needs, suitability of production technology, availability and suitability of site, raw materials, and other inputs.

Financial part of feasibility study should include: estimation of the total capital requirements, estimation of equity and credit needs, and expected budget costs and returns of various alternatives. (Hofstrand & Holz-Clause, 2004)

Hofstrand and Holz-Clause (2004) suggest that organizational and managerial feasibility should include business structure and business founders.

Further more, Hofstrand and Holz-Clause (2004) explain that study conclusion should include: identification and description of alternative business scenarios and models, comparison and contrast of scenarios based on goals of the producer group, and an outline of criteria for decision making among alternatives.

Reilly and Millikin describe feasibility study as a preliminary evaluation of business project done for the purpose of seeing if the idea is worth of pursuing. Further more, in order to receive a realistic picture in estimating income we should be conservative, should not count on promises, and should make a range of estimation from the worst scenario to the best one. (Reilly & Millikin, n.d.)

Dr. Marion Joppe argues that primary research “can be obtained either by the investigator observing the subject or phenomenon being studied, or communicating directly or indirectly with the subject.” (Joppe, 2004, para. 1)

According to Joppe, direct communication techniques include both, quantitative and qualitative research techniques. Quantitative research is obtained using telephone survey, interview survey, or self-administered survey. Qualitative research is gathered using in-depth interview, focus group and projective techniques. (Joppe, 2004)

Joppe points out that “face-to-face interviews are a direct communication, primary research collection technique.” (Joppe, 2004, para. 1) Furthermore, she argues that “the opportunity for feedback to the respondent is a distinct advantage in personal interviews”. (Joppe, 2004, para. 2) She also suggests that in personal interview the length and the complexity can vary and be much greater than in other forms of interviews. (Joppe, 2004)

According to Joppe, in depth interview is appropriate technique if interviewer needs to explore the subject in detail or probe for feelings or attitudes. She also adds that the interview can be recorded using various technical devices if an interviewee agrees to it. (Joppe, 2004)

Joppe argues that the interviewer should be very skilled and experienced in order to establish a rapport which is critical when conducting an interview. Also, she adds that the interviewer should be able to adapt quickly to the personality and mood of the person being interviewed. (Joppe, 2004)

According to Marion Joppe, survey techniques are used to gather primary data, and are usually carried out using questionnaires from a representative sample of the population. Joppe also adds that many different types of data can be obtained using questionnaires which makes them very popular. (Joppe, 2004)

Problems which Marion Joppe says could make survey imprecise include: respondent may wish to please or impress the researcher, unwillingness to reply, questions are easily misunderstood etc. Joppe also adds that “everything about a questionnaire matters. The accuracy of survey is affected by its appearance, requested information, order of questions, and the actual words used. (Joppe, 2004)

William W. M. Trochim states that “probability sampling method is any method of sampling that utilizes some form of random selection.” (Trochim, 2005, para. 1)

According to Marion Joppe, questions asked can be open-ended or close-ended. Open-ended questions require that respondents answer in their own words. Close-ended questions require that respondents choose between a couple of offered answers and are therefore a lot easier to complete for respondents. (Joppe, 2004)

#### Method

The purpose of this project is to conduct a feasibility study for a hotel which serves educational purposes. A feasibility study is needed in order to realistically look at positive and negative sides of running a hotel for educational purposes. Primary research of this project delivers valuable information which is used to determine whether it is possible to run such a hotel or not.

In this project, the hotel Tirena is used as a base for both, financial calculation and practical implementation of education oriented hotel. Running a hotel for educational purposes is different than running a regular hotel. The presence of students makes significant difference. Financially, they bring constant income during the three quarters of a year. On the other hand, their behavior may distract guests of a hotel and thus make the hotel less desirable for them.

To obtain information which includes the financial aspects and implementation issues, three in – depth interviews were conducted. In – depth interview technique was chosen because it allows immediate feedback and possibility to probe for attitudes regarding the implementation issues.

The first interview was conducted with general manager of hotel Tirena, Mr. Josip Konjevod. The interview took place on Saturday, April 23<sup>rd</sup>, in hotel Tirena. It started at 10 am and lasted for 20 minutes. The interview was structured of both, open – ended and close – ended questions.

Open – ended questions were oriented toward his attitudes regarding a combination of a college – hotel, and toward his experience regarding the transition from college to work. Close – ended questions were related to financial aspects of hotel Tirena, such as its occupancy rates and year round expenses.

Unfortunately, Mr. Josip Konjevod has been at his current position for only 60 days, so he was not able to provide all relevant financial information. Further more, hotel Tirena is currently undergoing a process of reconstruction, which makes their current expenses different than usual.

The second interview was conducted with Mr. Milenko Mandzo. Mr. Mandzo is the new owner of hotel Sumratin 2. The interview took place on Saturday, April 23<sup>rd</sup>, in café bar “Index”. It started at 5 pm and lasted for 15 minutes. The interview was structured of open – ended questions.

During the first part of the interview, questions were oriented toward his views of Dubrovnik as an elite tourism destination. In the second part, questions were oriented toward his perception of hospitality oriented education. In the last part of the interview, questions were

related to feasibility of a hotel that serves educational purposes and the influence that such a hotel might have on the city of Dubrovnik as an elite tourism destination.

The third interview was conducted with the university professor Mr. David Crumb. Mr. Crumb possesses a unique blend of expertise and experience. Mr. Crumb worked in the hotel industry and understands its problems. Currently, he works as a professor at the university so he is familiar with issues facing students and the way they learn. Most of all, Mr. Crumb worked on a similar project at the RIT Inn. This unique blend of expertise and experience makes Mr. Crumb ideal person to interview.

The interview with Mr. Crumb took place on Tuesday, April 26<sup>th</sup>, in his office in Atlas building. It started at 4 pm and lasted for 30 minutes. The interview was constructed of open – ended questions and it had three main parts.

In the first part of the interview, questions were oriented towards his experience at the RIT Inn. Questions were mainly touching on the impact of such educational model on students. In the second part, questions were oriented toward the comparison of the location of RIT Inn and the city of Dubrovnik as the location for this project. The third part of the interview was oriented toward Mr. Crumb's opinions regarding the practical implementation of this project.

To obtain information about students' perception of combining theory and practice in educational environment, one survey was conducted. The survey was in the form of a questionnaire and it contained six questions. All questions were close – ended. The goal of the questionnaire was to investigate to what extent students would combine practical learning with the theoretical one.

Questionnaire was given to 60 ACMT students. This sample represents approximately 10% of all ACMT students which makes it a valid one. Questionnaires were administered in the



ACMT's lobby on Monday, April 25<sup>th</sup>. Questionnaires were administered in person in order to receive high response rate. Out of 60 questionnaires, 58 were handed back, which makes a 96,6% response rate.

A possible contaminating factor is the time when the questionnaires were administered. They were administered on Monday, April 25<sup>th</sup>, from noon to 5 pm. At that time, freshmen and seniors were less frequent in the lobby of the ACMT than sophomores and juniors. At the end, only 28% of questionnaires were filled by freshmen and seniors, while sophomores and juniors were represented in 72% of questionnaires.

### Results

The interview with Mr. Konjevod was mostly structured of open – ended questions. Close – ended questions were used only to obtain financial information, but unfortunately, since Mr. Konjevod works as a general manager of the hotel Tirena for only 60 days, he was not able to answer most of them. A content analysis of open – ended questions will be will be presented first, followed by summation of answers on close – ended questions.

Mr. Konjevod said that he believes that a concept of a college – hotel would not work. In his opinion, students have great need to socialize, and being close to each other that need is easy to fulfill. He was referring to parties that students might have. Mr. Konjevod thinks that guests would not appreciate such behavior and in the long run, it could have fatal consequences for finances of a hotel. He explained that during the fall, winter and spring most of the tourists are older people, and if reputation of a hotel is built on parties held by students, older guests will refuse to stay in it.

When asked about the transition from college to work, Mr. Konjevod gave an interesting answer. He believes that the transition is usually taking too long, ranging from one year to three

years. In his opinion, a long transition is direct result of lack of integration of practical learning into educational system. He remembers that when he went to school, academic year consisted of **four and a half months of theory learning, which was then followed by four and a half months of practical learning. He believes that by integrating more practical learning into the educational system, the time period needed for adaptation to business environment would be shortened.**

Mr. Konjevod added that luck plays significant role when it comes to adaptation to work environment. He said that the time needed to adapt depends a lot on a person who is in charge of a young employee. He believes that because today people live in uncertainty, they may not always be ready to help a young employee. Some people are afraid for their jobs and some are not satisfied with their current situation at work. Such conditions are a barrier for a young employee, who in many cases has to go through whole process by himself, and that prolongs the adaptation time.

Unfortunately, Mr. Konjevod is a general manager of hotel Tirena for only 60 days. When he was asked about financial data, he answered that he could not show me exact numbers. One reason for such answer is that the hotel Tirena is currently undergoing a reconstruction. During the reconstruction more people are employed than usually. Also, all other costs are higher than usual and overall financial situation is blurred. Financially, all hotels in Babin Kuk area do fine. Mr. Konjevod said that Dubrovnik is a tourism location virtually without dead season. When compared to hotels in other regions on the Croatian coast, hotels in Dubrovnik region are able to work year round and actually anticipate profits through almost all periods of a year. Mr. Konjevod said that the occupancy rate of the hotel Tirena was up to 40% in November, a time period completely out of tourism season. High occupancy rate stayed during winter months and

moved to impressive 80% at the beginning of April. He believes that hotel will be 100% full during the summer, and expects to have successful off – season again this year.

The interview with Mr. Milenko Mandzo was structured only of open – ended questions. Following is a content analysis of Mr. Mandzo's answers to the questions.

Mr. Mandzo said that one of the reasons behind his purchase of the hotel Sumratin 2 is his perception of Dubrovnik as tourism location. He says that Dubrovnik's development into elite tourism location is obvious. Overall, Croatia is improving its tourism presentation constantly and tourism is becoming the most important part of our economy. He believes that Dubrovnik is ideal place to invest into the hotel. In his opinion, Dubrovnik area will fast become quit developed tourism location because of the three reasons. The first one is simply the power that Dubrovnik by itself holds as a city with incredible past. The second one is that the entire Croatian economy is turning toward tourism and Croatia is promoted all around the world. The third reason is that the world economy is making a shift from the service economy to experience economy. The tourism lives in experience economy, and in Mr. Mandzo's perception, Dubrovnik is a brilliant place for the development of elite tourism.

Mr. Mandzo said that overall, economy oriented colleges lack practical learning programs. In his opinion, students coming out of colleges find themselves in completely different environments than the one they were prepared to. Mr. Mandzo said that in his opinion, problem with practical learning starts in the high school. In his opinion, too many students are enrolled into the gymnasium. The gymnasium offers no insight into the world of economy and it requires no co – op experience. In his opinion, practical education should be integrated within the regular academic year.

Regarding the feasibility of such a concept, Mr. Mandzo does not believe that in the long term such concept is feasible. He thinks that hotels in Dubrovnik do not have financial problems if they are run properly. In this case, Mr. Mandzo believes that guests would not appreciate students' way of life. He actually believes that students would constantly create problems for the hotel, and in his opinion, such behavior is hard to change because having fun is in the nature of all students.

Interview with Mr. Crumb was constructed of only open – ended questions. Following is the content analysis of his answers in the same order as presented in the Method section of this project.

Regarding his experience with the RIT Inn, Mr. Crumb said that he teaches a class at the RIT; the class integrates a couple of lessons held in the RIT Inn. Mr. Crumb also said that he is quite informed about the situation at the RIT Inn. He said that RIT Inn does not actually serve only to the hospitality oriented students. It is rather considered as a regular dorm for RIT's students. Mr. Crumb also mentioned that the hotel is divided approximately 2/3 for student purposes and 1/3 for business oriented one (renting rooms). Mr. Crumb added that hotel is placed two miles away from Rochester. In his opinion, RIT Inn is run pretty well, but it should be considered to aid more toward the hospitality oriented students. Also, in his opinion, financial situation is quite dictated with the ratio of student and guest rooms. If more rooms are given to guests, income is bigger, and consequently the bottom line looks a lot better as well.

When asked to compare locations of the RIT Inn and the hotel placed in the Babin Kuk area, Mr. Crumb said that Babin Kuk area has significant advantage. The advantage comes from numerous aspects through which the locations could be compared. For example, Dubrovnik is a tourism oriented city. As the matter of fact, it is one of the most desirable tourism locations in the

world. Concerning students, it offers a possibility to constantly observe tourists. In this case, they could always be able to observe guests of the hotel. Financially, there is no fear of under occupancy. Occupancy rate is one of the most important financial indicators. Dubrovnik itself is big attraction, and that adds to the financial security of almost every hotel in the city. Also, Babin Kuk area is located within walking range regarding all major institutions. This makes a significant difference because students are constantly able to change environment. Mr. Crumb said that students who live in the RIT Inn have to have a car.

Regarding the practical implementation of a college into the hotel, Mr. Crumb was quite optimistic. Mr. Crumb said: "It could work if people wanted it to work." In his opinion, creation of a good program that utilizes practical learning is the most important challenge. It is also the hardest one. The ration of rooms given to students and rooms given for business purposes will play a significant role. Mr. Crumb thinks that students would profit significantly from constant exposure to the hotel atmosphere. He also believes that financially such a hotel would not have any problems considering the location.

The questionnaire was given to 60 students. In order to receive high response rate, the questionnaires were handed out in person. 58 questionnaires were handed back which makes a 96, 6% response rate.

The questionnaire was filled in by six freshmen (10, 34%), 22 sophomores (37, 93%), 20 juniors (34, 48%), and ten seniors (17, 24%). 47 students (81, 03%) said that they would live on campus if such option was available. The most interested in living on campus are freshmen with all affirmative answers. The least interested are sophomores with almost 30% of them not being interested in living on campus.

52 students (89, 65%) feel they learn better when theories are combined with practice. four students (6, 89%) feel they learn better when listening in class, and two students (3, 45%) feel they learn better when reading materials. Seniors show the biggest interest into learning without integrated practice. Four out of ten seniors circled answer that is different than learning through combination of theory and practice. Three of them circled they learn better while listening and one when reading class materials.

55 students (94, 83%) of students would find it appealing if college offered classes which include practical learning.

39 students (67, 24%) think that they would be able to work 20 hours a week and attend classes (16 credits) at the same time. Out of 19 students that feel they would not be able to work and attend classes at the same time, 10 are sophomores. Also, most of the sophomores have not worked more than six months. 30 % of seniors also think they would not be able to work and attend classes. Overall, seniors have the most of work experience, with all of them having completed at least four quarters of co – op. 75% of juniors think they are able to work and attend classes at the same time. Juniors vary in the amount of work experience, and most of them did not work for one full year yet.

### Discussion

The concept of a hotel which serves educational purposes is an implosion of an educational environment into the business setting. Its primary function is to enhance the quality of education. The enhancement is a result of implementation of practical learning into the classic (in class) educational setting. Hotel is the most appropriate business setting for hospitality oriented students.

While staying in the hotel, students will have the opportunity to acquire insights from various job positions. They will be able to constantly observe guests and study their behavior. Further more; they could cooperate on creating bigger picture of a hotel by being involved into the managerial decision. Most importantly, being constantly exposed to hotel atmosphere, students will become familiar with the “live” matter of hotel business.

~~opinion~~ The purpose of this project was to investigate whether such a hotel is feasible or not. Prior to conducting the feasibility study, the author faced an inevitable question. What is the profit of education? A business that serves to education does not receive all of the income it worked for. Most of that income goes to companies who employ students from this college. It goes to tax from profits generated by students from this college. And most important of all, it is a long term income.

~~hotel~~ Regarding the ACMT, this hotel would have to be profitable for a couple of reasons. Having in mind the size of the college, losses could become a big burden for ACMT’s finances. The reputation of ACMT might suffer if students learn from managers who run the hotel with loss. The most important is that losses might create an unpleasant working environment which might result with distorted educational environment, thus ruining the primary function of this concept.

The interviews conducted with Mr. Konjevod, Mr. Mandzo, and Mr. Crumb, revealed some interesting issues. Even though Mr. Konjevod did not have all relevant financial information, he expressed his satisfaction with financial situation of the hotels in Babin Kuk area. The satisfaction derived from the fact that hotels in the area do not suffer from dead season during the winter. The occupancy rate is actually extraordinary high, with 40% in low season.

Mr. Konjevod and Mr. Mandzo were more concerned with practical implementation of such concept than with its feasibility. In their opinion, student life does not go hand to hand with guest's expectations. In other words, they are concerned with students' free time, and the way it is used.

Mr. Crumb believes that such concept could work if people want it to work. In his opinion, the financial aspect of this concept is not questionable because Dubrovnik is tourism attraction. In order to make it work, an educational program which takes into consideration guest's expectation should be created.

Finances of a college – hotel depend on the ratio of rooms given to students to rooms given to guests. The ratio impacts not only direct income (more guests = more income), but also the long term reputation of a hotel (less students = less trouble). The long term reputation of a hotel is also influenced by educational program that would have to be created so it suits the needs of both: the college and the hotel.

The purpose of conducting feasibility study for a college – hotel was to determine whether the idea is possible, practical and viable. The idea is possible in the terms of implementation. Negative side is that the major capital investment is required. This means that the government of the city of Dubrovnik or the Croatian government would most probably have to be included into the realization of the project. Practical implementation dictates viability of a project. Practical implementation actually means a creation of an educational program which would be used in this concept. The educational program should control the number of students placed in a hotel, and from that perspective, ensure the long term feasibility of a college – hotel concept.



Following is a brief description of an idea regarding the educational program for a college – hotel. The description is based on an estimated number of 200 college students attending ACMT and having hospitality as their major (taking in consideration that ACMT will offer a range of majors).

The college students would have classes in the new ACMT building during their freshmen, sophomore and senior year. During the junior year, classes would be held in a hotel. The hotel could be owned by ACMT (or the RIT), but a contract with a local hotel is also a possibility. The junior year was chosen because the survey showed that juniors are most willing to work and attend classes at the same time. Also, juniors have already been introduced to the basics of hotel business. Approximately 50 students would be enrolled as juniors. Hotel Tirena has 200 rooms, therefore, 50 students would occupy less than one quarter of a hotel.

All of the students would have classes in the morning (16 credits). They would be required to work part time in the afternoon for 20 hours per week. 20 hours per week means that they would have to work every other day. Half of the students would work first day, and another half second. During the year, students would go through all work positions in a hotel. Class – room education will also be aimed toward the work in a hotel in order to best supplement the opportunity for practical learning.

Since only quarter of a hotel would be given to students, financial situation during the off season would not change dramatically. Students would actually bring significant income through out the nine months of an academic year. From the long term perspective, students should not interfere with guests due to two reasons. Firstly, they would be occupied most of the time since they attend classes and work at the same time. Secondly, by working in a hotel, they would appreciate the hotel atmosphere and the work they put into creating it.

For future projects, the author suggests a creation of a hospitality oriented educational program that integrates in – class learning and a hotel based, practical learning. After an education program is created, precise feasibility study should be conducted. The feasibility study should take into the consideration that the government of Croatia, or the government of the city of Dubrovnik, could also participate in the project.

For future research, the author suggests a deep analysis of ways to combine theory and practice.

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**APPENDIX A**

**Interview protocols**

Interviewee: Mr. Josip Konjevod

**Protocol of the interview with Mr. Josip Konjevod**

Interviewer: Niveska Mandzo

**Protocol of the interview with Mr. Milenko Mandzo**

Place: Hotel Tuzla

Date: 23<sup>rd</sup> of April

Time: 10 am

Duration: 20 min

**Protocol of the interview with Mr. David Crumb**

The interview

of a college

The themes

Protocol of the interview with Mr. Josip Konjevod

Interviewee: Mr. Josip Konjevod

Interviewer: Neven Šalamon

Place: Hotel Tirena, Dubrovnik

Date: 23<sup>rd</sup> of April, 2005

Time: 10 am

Duration: 20 min

The interview with Mr. Josip Konjevod was opened with an introduction to the concept of a college – hotel. Mr. Konjevod was then asked to state his attitudes towards specific themes.

The themes were introduced as followed:

- implementation of a college into the hotel
- students behavior vs. guest expectations
- college to work transition
- college to work transition in the past
- practical learning and adaptation to business environment
- financial perspective of Babin Kuk area
- financial perspective of the city of Dubrovnik
- the role of education in tourism development

Protocol of the interview with Mr. Milenko Mandzo

Interviewee: Mr. Milenko Mandzo

Interviewer: Neven Šalamon

Place: Index café, Dubrovnik

Date: 23<sup>rd</sup> of April, 2005

Time: 5 pm

Duration: 15 min

The interview with Mr. Milenko Mandzo was opened with an introduction to the concept of a college – hotel. Mr. Mandzo was then asked to state his attitudes towards specific themes.

The themes were introduced as followed:

- Dubrovnik as an elite tourism destination
- Croatian future in tourism
- current hospitality education
- practical education now vs. practical education in the past
- feasibility of a college hotel
- long term feasibility of advanced education



Protocol of the interview with Mr. David Crumb

Interviewee: Mr. David Crumb

Interviewer: Neven Šalamon

Place: Atlas building, Dubrovnik

Date: 26<sup>th</sup> of April, 2005

Time: 4 pm

Duration: 30 min

The interview with Mr. David Crumb was opened with an introduction to the concept of a college – hotel. Mr. Crumb was then asked to state his attitudes towards specific themes. The themes were introduced as followed:

- the educational concept that RIT Inn is using
- classes at the RIT Inn
- impact of practical learning on students
- location of RIT Inn vs. Dubrovnik as a tourism destination
- implementation of a college into the hotel
- guests' expectations vs. students way of life
- possible educational programs regarding the concept of college – hotel
- ratio of guest rooms vs. ratio of student rooms
- managerial aspects of running such a hotel
- managerial aspects from educational point of view

APPENDIX B

Sample of a questionnaire administered to students

## Sample of a questionnaire administered to the students

My name is Neven Šalamon. I am a senior at the American College of Management and Technology. My senior project is about hospitality oriented college. Program of that college would combine theoretical and intensive practical learning. Please take a couple of minutes and complete this survey. The results of the survey will be of great value for the development of educational program that serves the learning needs of students. Thank you for your time.

1. You are currently enrolled as:  
a) freshman    b) sophomore    c) junior    d) senior
2. If your college offered you accommodation within the campus would you be interested in living there  
a) yes                      b) no
3. Do you feel you learn better:  
a) when listening in the class  
b) when reading materials  
c) when theories are combined with practice
4. Would you find it appealing if your college offered you classes which include practical learning?  
a) yes                      b) no
5. Would you be able to work 20 h/week and attend classes at the same time?  
a) yes                      b) no
6. How much of work experience do you have?  
a) 0 – 3 months  
b) 3 months – 1 year  
c) 1 year – 3 years  
d) more than 3 years