

Adventure training hits a brick wall FT

As the economy slows, activity training providers are suffering, says Andrew Don

Tracksuited executives armed with Polaroid cameras and ordnance survey maps are a common sight in the depths of Hampshire. They carve up the New Forest in 4x4s and mountain bikes and surf the Solent in Sunseeker powerboats.

The land and sea pursuit, as Team Tactics, an adventure activity company, has named this exercise, is not a mere jolly but a serious tool in the training armoury that WH Smith and other top companies have used to build team spirit. The benefits, claims Team Tactics, are improved communication, leadership and planning skills. The exercise also involves working together to achieve a common goal: the answers to clues that they discover using cunning and creativity, and sometimes help from the locals.

But, at £258-£342 a head, the land and sea pursuit has proved less popular recently and adventure training companies face difficulties.

Like many in the industry, Team Tactics' phones went dead for four months in the shock that stalled business after September 11 2001. But even for the adventure training companies that managed to ride it out, more bad news followed with the foot-and-mouth epidemic, rising public liability insurance premiums, the war in Iraq and the slow economy.

Public liability insurance premiums have risen as much as 10 times. Marcus Bailie, head of inspection at the Adventure Activities Licensing Authority, says: "It seems the insurance industry has had to radically change the way it works. Three or four years ago they made money on the stock exchange. That ground to a halt in the early part of 2001 and then September 11 came and insurance companies were forced to make money out of insuring... so they hiked up insurance premiums."

He adds: "Often, employees are told they have to [take part] so you get people who aren't fit, falling out of a rowing boat on Windermere and suing."

Mr Bailie fears the costs of the premiums - and the increasingly litigious culture in the UK - mean the adventure training market could go the way of the US market, which all but stopped in the 1980s because of civil litigation.

"The outlook is utterly bleak," he says, suggesting that the industry has a life span of five to 10 years unless things improve.

Meanwhile other activities such as those run by Drum Crazy and Drum Jam, which get a group of executives to stand about in the open banging drums to improve spontaneity and enhance creativity, sound too much like fun to be taken seriously in a downturn. Similarly outings to play paintball, where employees get

the chance to "kill" their boss, are often of low priority when training budgets are tight.

The wider team building industry, including providers of such creative activities as play-acting and mask-making, is worth an estimated £500m.

But Steve Myers, managing partner of Team Technology, a team performance management company in the Wirral, says corporate clients are now looking to make more of in-house team building or demanding more company-specific, better-value packages.

Mandy Applegate, marketing director of Accolade, a Cheltenham adventure activity company, says 10-15 per cent of the company's adventure market has disappeared in the past six to seven months. To cope, Accolade has diversified to find venues and organise conferences, meetings, product launches and themed parties.

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Meanwhile, Outdoor Action, a Lancashire-based paintball company whose clients include Sainsbury's and British Aerospace, has resorted to offering stag and hen parties. The foot-and-mouth outbreak hit Outdoor Action when it was forced to move events from its agricultural land to a more expensive venue.

Users of such services are certainly becoming more fastidious and demanding better value.

Alex Babenko, Asda head of management development, says: "When times are tough and everyone is chasing after the same business you need to have strong teams in place. We will look at other ways, partly because we want to make sure it's the right type of team building."

Asda sees more benefit from community-based activities, such as painting a school classroom, than from go-karting or paintball.

"Community based schemes are very low cost, they galvanise teams and they put something back," he says. "That's what we want to do much more of."

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