

## **Organization and Implementation of Integrated Management System Processes - Cruise Port Dubrovnik**

**Ivona Vrdoljak Raguz**

University of Dubrovnik, The Department of Economics and Business Economics  
Lapadska obala 7, 20 000, Dubrovnik, Croatia.  
Phone: + 385 (0) 20 445 902, Fax: + 385 (0) 20 445 940  
E-mail: [ivrdolja@unidu.hr](mailto:ivrdolja@unidu.hr)

**Doris Perucic**

University of Dubrovnik, Department of Economics and Business Economics,  
Lapadska obala 7, 20 000, Dubrovnik, Croatia.  
Phone: + 385 (0) 20 445 923, Fax: + 385 (0) 20 445 940  
E-mail: [doris.perucic@unidu.hr](mailto:doris.perucic@unidu.hr)

**Ivana Pavlic**

University of Dubrovnik, The Department of Economics and Business Economics,  
Lapadska obala 7, 20 000, Dubrovnik, Croatia.  
Phone: + 385 (0) 20 445 923, Fax: + 385 (0) 20 445 940  
E-mail: [ipavlic@unidu.hr](mailto:ipavlic@unidu.hr)

**ABSTRACT:** World cruise market is very dynamic and it is characterised by constant changes in offer and demand. Dubrovnik, as one of the leading port in the Mediterranean is faced with the problem of large concentrations of ships and passengers in a short period of time. Paper provides answers to the questions: how to manage cruise tourism in Dubrovnik? What are the guidelines for the further development of cruising in Dubrovnik? Modern ports management system must be organized and managed in a manner that will ensure the recognition requirements of stakeholders and their fulfilment. All this requires a more complex integrated management system, in which the requirements of quality management will be the basis, and requirements of environmental management needed an upgrade.

**Keywords:** Cruise tourism; Dubrovnik; Management; Generic model of integrated management processes; Sustainable development

**JEL Classifications:** M20

### **1. Introduction**

Dubrovnik is Croatia's leading destination for cruise tourism and it "carries" around 80% of the turnover of the Croatian Adriatic. Thanks to its strong tourist potential of cultural - historical resources, natural resources, and geographic - most advantageous station between Venice and Greece, Port of Dubrovnik has become an inevitable destination in the itineraries of cruise ships in the eastern Mediterranean. As a leading cruising destination on the Adriatic Coast, Dubrovnik is passing the phase of progressive growth, in which the great potential of tourism resources brings the challenges of sustainable development. Although cruise tourism brings many benefits, large concentration of cruise ships and passengers in a short interval of time requires better organization of reception, better co-operation of all stakeholders involved in cruise tourism and the establishment of an authority that would manage the cruise tourism in Dubrovnik.

Local service organizations involved in tourism development cruising indicate a satisfactory level of organization in terms of maritime, security and administrative functions at the local level. However, effective and rational management of the marine passenger port requires us to review, identify and evaluate all the elements that directly or indirectly affect their functioning. In order to achieve close cooperation between Port and all relevant city and county institutions, government

institutions and businesses it is necessary to form managing, advisory and coordinating body Dubrovnik Cruise Management Centre (DCMC), whose main objective will be to align the interests of all interested parties (stakeholders) involved in the development of cruising.

Modern ports management system must be organized and managed in a manner that will ensure the recognition requirements of stakeholders and their fulfillment. In this context, the functional organization of the processes needs to be replaced. Future directions of development of Port of Dubrovnik should be based on the organization of integrated process control system. Introducing Quality System in 2010 based on ISO 9001 Port Authority has confirmed its readiness, skills and commitment to comply with the highest quality requirements in business as well as a desire for continuous improvement of the quality system by which customer satisfaction and general social interest are the fundamental determinants of business.

## 2. Theoretical Background

Cruising became a major phenomenon, with cruise companies building new ships in the 1970s designed specifically for cruising and gained even greater momentum in the 1980s and especially 1990s (Mancini, 2000). According to the character of the travel, sea cruises are classified as nautical tourism because they are based on a vessel and sailing (Institute for Tourism, 2007).

According to Mancini a cruise vacation is a vacation trip by ship (Mancini, 2000). This definition excludes traveling by sea for business reasons, e.g. cargo ships, sailing on one's own small boat or travelling by ship as a mode of transport. The goal of going on a cruise for a passenger/ tourist is satisfying the need for vacation, escape from every day life, new experience, learning, adventure and fun.

The complexity of the term of sea cruising as a specific form of tourist offer is pointed out by numerous authors as well as numerous definitions of this phenomenon:

- According to Middleton and Clarke cruise ships are better understood as floating hotels or resorts than as forms of transport (Middleton and Clarke, 2002).
- Today's cruises compete with land-based resorts and are floating resorts with every facility you can find on land (Kasper et al., 1999).
- According to Coulson cruising meets with all of the requirements that customers expect from a holiday with exotic destinations, luxury staterooms, exceptionally high standards of service, the opportunity to meet new people, a wide range of gourmet cuisine on offer, and the activities and entertainment onboard all included in the price (Coulson, 2001).
- Cruises are a tourist product for an organized stay in ship's ambience (Bagot, 1998).
- According to Cartwright and Baird cruising can be described as a multi-centre holiday where you take your hotel with you from centre to centre (Cartwright and Baird, 1999).

Most authors regard cruising as a form of vacation on a ship. All mentioned definitions put the emphasis on stay on the ship for vacation and fun as well as for the offer that includes number of facilities. A ship is increasingly becoming a tourist destination and less a means of transport because passengers are losing the feeling of being at the sea.

Cruise tourism is one of the fastest growing tourism segments over the last decade. Extraordinary growth of demand for cruises that is registered in the last years in all generative markets confirms that the demand for cruise market is still growing. In comparison with international tourism, the world cruise industry is showing pronounced dynamic growth.

**Table 1. International demand for cruises (mil. passengers)**

	1999	2005	2007	2009	2010
North America	5.86	9.96	10.45	10.40	11.11
Europe	1.88	3.15	4.05	5.00	5.54
Rest of the world	0.85	1.21	1.37	2.10	2.25
Total	8.59	14.32	15.87	17.50	18.8

Source: Contribution of cruise tourism to the economies of Europe (2010), prepared by G.P. Wild (International) Limited and Business Research & Economic Advisors, p. 4.; Contribution of cruise tourism to the economies of Europe (2011), prepared by G.P. Wild (International) Limited and Business Research & Economic Advisors, p. 8.

In the early 80s, cruising noted slightly less than two million passengers (World Tourism Organization, 2003), while in 2010 there were 18.8 million cruise passengers. The biggest generating market is North American market with 59% share and the second most important generating market is Europe with 29% share in 2010.

The reasons of the high average annual passenger growth rate are (Peručić, 2010):

- Cruising has become a mass phenomenon
- The internationalization of cruise companies (three large corporations dominate the cruise market).
- The appearance of gigantism in the industry - the main reason for building increasingly larger ships is the economy of scale and the increase in demand for cruise vacations
- The transformation of large cruise ship in a uniquely deterritorialized destination in a number of senses (deterritorialization of tourist destinations, capital and labor force)
- High value for money
- Successful implementation of marketing strategies.

The appearance of gigantism in the cruise industry was primarily conditioned by economic reasons and the dynamic and continuous growths in demand. More than half of the world active fleet are mega ships (larger than 80.000 gt with more than 2.000 passengers) (Shipping Statistics and Market Review, 2011). Three large corporations dominate the cruise market. They account for 77% of the total number of berths. Two leading global corporations - Carnival Corporation and Royal Caribbean Cruise Lines have 69% of the total lower berths of world cruise ship fleet, followed by Star Cruises with 8.1% (Shipping Statistics and Market Review, 2011). These three multi-brand groups encompass all market segments and operate very modern fleets (average age: 11.4 years) (Shipping Statistics and Market Review, 2011).

According to the Study Report «Tourist facilities in ports, Enhancing sustainable growth of cruise tourism in Europe» (Policy Research Corporation, 2009) the following trends were identified:

1. Shorter cruises – the average length of cruise holidays is becoming shorter
2. More experienced cruisers – an increasing share of cruise tourists are experienced travelers, who have already explored most tourists' hotspots.
3. The emergence of the budget tourist – an important segment that has emerged is the budget tourist, who is typically the counterpart of the classic cruise tourist
4. Increasing ship capacity – larger ships gain from economies of scale as the operating cost per passenger decreases.
5. The emergence of the exploring tourist – a relatively small (though increasing) share of cruise tourists is specifically looking for a personal and unique experience rather than a mass-oriented one.
6. Declining average age - The average age of cruise passengers is declining
7. Emerging markets - As the economies of China and India continue to grow, new markets for attracting cruise tourists to Europe are emerging.
8. Extending the cruise season - Cruises in the EU are continuing to increase in popularity, which provides opportunities for extending the cruise season. This is primarily true of the Mediterranean area owing to the favorable climate conditions there for most of the year
9. Stricter ISPS code - Ports are obliged to follow the ISPS safety code which was developed after the September 2001 attacks on the United States.

The leading cruise region is the Caribbean, followed by the Mediterranean. The cruise tourism in the Mediterranean started its rapid growth in the 1990s. In the period 1993 – 2010 the demand for cruise trips in the Mediterranean increased significantly, from 3.6 million pax/night to 27.69 million pax/night (G. P. Wild and Bermello, Ajamil and Partners Inc., 2002; GP Wild and BREA, 2011). One of the main shortcomings of Mediterranean as a cruising region is seasonality. Cruising season is from March/April to October/November. Some European companies leave their ships in Mediterranean throughout the year and promote the concept of a whole year cruising in the region. One of the indicators of the cruise industry development in Mediterranean is a continued growth in number and capacity of the ships. Because of the increase in demand for Mediterranean cruises, more and more cruising companies are present in the region. Capacity calculated by number of lower berths in 2010 in comparison with 2001 more than doubled (from 85.242 to 190,114 lower berths) (Lloyd's Cruise International, 2002; GP Wild and BREA, 2011). Together with the increasing number of cruise

companies and ships in the Mediterranean, the size of the ships sailing in the region has also increased. Cruise companies, encouraged by the growth of demand from North American markets for the European cruises, development of the European generating markets and the possibility of better usage of large ships' capacities, are placing ships with increased capacities, that used to sail mainly in the Caribbean, in the region.

Cruise tourism brings many benefits to home ports, ports of call and coastal regions. Ship docking in ports for a day or a few hours does not only mean increased traffic in the ports, but also increased travel and expenditure of tourists in the city and region by buying trips, food and drinks, visiting cultural and historical sights etc.

Positive impacts of cruise industry on visited ports are:

- Significant economic impact in port regions, cities and countries
- Positive promotion of ports/cities
- Significant number of jobs generated by the cruise industry
- Cruising is an important vehicle for sampling destination areas to which passengers may return on a land-based vacation

As a result of the European cruise operations the cruise industry generated significant economic impact in Europe. The total economic impacts of the cruise industry in 2010 included the following (GP Wild and BREA, 2011):

- €35.2 billion in total output
- €14.5 billion in direct spending by cruise lines and their passengers and crew,
- 307,526 jobs (full time equivalents), and
- €9.3 billion in employee compensation

Negative impact of cruise industry on visited ports:

- overcrowded ports and tourist attractions that can have negative influences on land based tourism and the quality of life of the local inhabitants
- environmental impact on port regions and on a more general basis on Europe as a whole
- growth has led to capacity issues in ports, surrounding port regions, and tourist attractions

The spontaneous development of cruise tourism in many Mediterranean countries increased the negative effects of cruise tourism, especially in smaller Mediterranean ports of call. Despite the negative impact on the development of sustainable tourism, cruise tourism has an important role in the strategy of tourism development of many Mediterranean countries because of the significant economic impact.

### **3. Cruise Tourism in Dubrovnik**

Development of trade and the arrival of the railway in Dubrovnik, has manifested with a need for building new seaport in Dubrovnik. Port was initially cargo-passenger and is therefore arranged a passenger wharf, and the rest of the port is built as a port for cargo ships with cranes for loading and unloading cargo, as well as the terminal for loading and unloading of railway wagons, which carried freight variety of goods across the former Yugoslavia.

Dubrovnik as a tourist destination because of the quality of tourism resources can be measured with the most important tourist destination. However, the market for maritime cruises requires a much more sophisticated product that includes the functionality and quality of service, and outstanding service capabilities. Functionally-service part of package of services interest is primarily marine companies, and applies to: shipping and travel receptive capacity, port infrastructure and basic travel and additional facilities, the functioning of Port system, the procedure of the handling of the ship and additional services in Port area (supply ships, excursion program, transfers).

Dubrovnik is characterized as a cruising destination traffic contemporary mega cruiser segment, a brief stay of ships and the itineraries of most major Croatian port of destination. Dubrovnik is ranked in order of most frequented destinations included in the itineraries mega ships. It is a type of cruise which is a fundamental feature of the mass, a short stay at the destination, particularly the facilities on board and cruise duration usually three, four and seven days.

Analysis of turnover by segment in 2010 shows that the most important segment of cruising in Dubrovnik is contemporary segment (42.5%). According to the number of calls, most traffic from this segment takes place from April till October. With an equal record of calls of ships that belong to the

segment of the destination-oriented cruises is (17.8%) and in the luxury segment (17.2%). Next is premium segment with a share of 16.3%. At least represented is budget segment with a share of 6.2%.

#### **4. Managing, Advisory and Coordinating Authority - Dubrovnik Cruise Management Center (DCMC)**

Local service organizations involved in tourism development cruising indicate a satisfactory level of organization in terms of maritime, security and administrative functions at the local level. However, effective and rational management of the marine passenger port requires us to review, identify and evaluate all the elements that directly or indirectly affect their functioning. Synergistic effect of these elements will result in many positive effects, among which are the most important: an increase in passenger traffic in Port, increasing the number of passengers on cruises, new jobs and generate additional revenue. The main basis for the management port is a port law as part of the traffic and marine and regulations for the reason that defines the distribution, ownership and management port. For all those reasons should not be omitted regulations, general business conditions and usages of Port during the formation of a model of integrated management of tourism in cruising. In order to achieve close cooperation between Port and all relevant city and county institutions, government institutions and businesses is necessary to form a governing and coordinating body Dubrovnik Cruise Management Centre (DCMC), whose main objective is to align the interests of all interested parties (stakeholders) involved in the development of cruising. As cruise tourism is a very important segment of the tourist attractions of Dubrovnik, which greatly affects the extension of the tourist season and increase revenue from tourism, the creation of management models cruise tourism emphasis should be on the strategic (long term) management and primarily viewed from a marketing standpoint.

The main problem that occurs in design of management and coordination body for the management of cruise tourism is a large variety of stakeholders who participate in certain segments of cruise tourism organizations (state bodies and institutions, the County governing bodies, City of Dubrovnik and its services, Port Authority and Dubrovnik County Port Authority, shipping companies, Tourist Board of Dubrovnik-Neretva County, Dubrovnik Tourist Board, travel agencies, shipping agencies, Dubrovnik County Chamber, Crafts Chamber of Dubrovnik-Neretva County, various NGOs and local population).

The biggest lack of development of tourism in cruising is very low level of organization of the holder and poor coordination of all stakeholders who are actively involved in this type of tourism. Poor organization of all participants with inadequate road infrastructure leading to one of the biggest problems of Dubrovnik, which is traffic congestion. Therefore, City of Dubrovnik started a series of systematic actions necessary to allow the season to provide quality services to tourists, to reduce traffic load and facilitate sustainable tourism development. Since the number of tourists, especially tourists on cruises from year to year increases in order to make them as efficient and better acceptance, reduce traffic load and the preservation of sustainable living in the city since February 2007. works and staff turnover, which consists of representatives from all relevant departments of City of Dubrovnik, the city administration, port authorities, maritime agency, traffic police and Dubrovnik Tourist Board.

In order to improve incentives and promote city of Dubrovnik as tourist destinations for cruises in cooperation with Port of Dubrovnik and Dubrovnik Tourist Board, Cruise office was formed in January 2010. The main tasks of the cruise is to improve passenger services, improvement and standardization of procedures and conditions for their acceptance, connection, and vocational training of members in relation to the tasks they perform. In addition to tracking cruising market and their promotion, the priorities of the Cruise office are marketing activities to specialist media and exhibitions (Seatrade Miami, MedCruise) and standardization of procedures with the acceptance of passengers. The task of the Office is also proposing and promoting better ways of transportation of passengers, the organization of information desks, entertainment programs in the open, offer of the local products, excursions, health and recreation services and the analysis of (dis) satisfaction of passengers (Documentation of Dubrovnik Tourist Board, 2011).

In January of 2010 Mayor of Dubrovnik has established Destination Management Dubrovnik, whose main task is to propose and implement strategic objectives for the development of tourism destination Dubrovnik with specific assignments and deadlines. Destination Management Dubrovnik is still operating in City of Dubrovnik, although it is expected to act at the Dubrovnik Tourist Board,

whose chairman is the Mayor (the Law on tourist offices, NN 152/08), which is financed through membership fees of its members and the corresponding part of the tax. Dubrovnik Tourist Board with the authority given it by a new law in the promotion of Croatian tourism, and assumes responsibility for the management of tourist destination, in which participating carriers and other travel offers for whose development requires cooperation between private and public sectors. Destination Management Dubrovnik has no formal legal force, but has an advisory role in creation of strategic development of destination management and determines the activities that are redirected to the professional bodies that have a legal basis (City of Dubrovnik and the Mayor's Office).

When creating the strategic intent for Port of Dubrovnik (vision, mission, goals and strategies) in the first place should take into account the dynamic, turbulent, complex and volatile external environment (PEST model: political, economic, social and technological environment) that significantly affect the operations of all subjects involved in the development of cruising, and in many cases can act supportive or restrictive. Managerial, advisory and coordinating body DCMC should have a clearly defined strategic intent to their actions directed towards providing quality services to passengers and enable the sustainable development of tourism in cruising.

Since the demand for cruises continue to grow, solving problems of cooperation between all participants in the process of ships and passengers is essential for uninterrupted cruise tourism in Dubrovnik (port authorities, municipal authorities, travel agencies, shipping agents, tourist offices and the police). Therefore, the establishment of DCMC plays a key role in the harmonization of common and individual interests of all parties involved in the development of tourism cruising.

DCMC is possible organizational form based on three models (Ban et al, 2011):

- Managerial, advisory and coordinating body for the city of Dubrovnik (Dubrovnik Destination Management),
- Managerial, advisory and coordinating body at the Dubrovnik Tourist Board (Office of the cruise),
- Managerial, advisory and coordinating body is organized as an association / nonprofit organizations.

In cooperation with Destination Management Dubrovnik and Port Authority of Dubrovnik it is decided that in the organizational structure of *Destination Management Dubrovnik* DCMC will be the organizational unity at the middle level of management and will operate through the Mayor's Office.

Future directions of development of Port of Dubrovnik should be also based on the organization of integrated process control system. Introducing Quality System in 2010 based on ISO 9001 Port Authority has confirmed its readiness, skills and commitment to comply with the highest quality requirements in business as well as a desire for continuous improvement of the quality system by which customer satisfaction and general social interest are the fundamental determinants of business. This has enabled the application of Total Quality Management – TQM, which is the basis for the establishment of integrated quality system. To introduce an integrated management system it is necessary to change organizational structure, look at the strengths and weaknesses, constantly learn, try to improve customer satisfaction and contribute to successful business. This requires an understanding of the processes and resources in the organization and their integration into a single complex system.

Port Authority of Dubrovnik in 2010 started to implement the standardization of business procedures, the work area is divided into several sections within which are precisely described work tasks, powers, duties, standard documents and procedures for handling documents. Most business processes supported through IS Dubrovnik Port Authority, the programming tool F4B which is the implementation of ISO certification laid the foundations for the improvement of business processes based on integrated management of business processes (Information from Port Authority of Dubrovnik, 2010). However, it is no longer possible to talk about TQM, if the quality system is not a system that is a combination of environmental management, safety management system and social responsibility management system. Organizations around the world tend to implement integrated management systems. The most common form of integration of developing TQM - ISO 9001:2000 model consists of an environmental management system in accordance with the requirements of international standard ISO 14001:1996, OHSAS 18001 and the guidelines / instructions of ISO 26000 specifications (Drljača, 2010).

If the analysis of the organization approaches based on a systematic approach to the management system, then an organization is a complex composition of structural elements required for the performance of business processes. These are:

- A strategic document that establishes the commitment of the organization, and materialized in the mission, vision, strategy, policy and management of general and specific goals,
- The organizational structure,
- Business processes,
- Resources,
- Partnership,
- Information,
- Communication.

Organizational system that directs the improvement of business results should emphasize:

- Establishing links between strategic objectives and operational processes,
- Focus on results - the achievement of objectives and business results,
- Action being taken if the goals and expected results are not achieved,
- Creating awareness of the need for continuous improvement,
- The inclusion of a wide circle of people in the use of simple and understandable approach.

## **5. Future Development Directions of Dubrovnik Port Authority - Generic Model of Integrated Management Systems**

Dubrovnik Port Authority took over the duties of the annual business and marketing plans, periodic reporting on business establishments, and the introduction of international accounting standards signing a contract with the European Bank for Reconstruction and Development. These responsibilities mean they need to improve their business through the following elements (Documentation from Port Authority of Dubrovnik, 2010):

- Reorganization of the precise definition of business processes,
- The allocation of tasks and allocation of responsibilities and accountability,
- Development of documentation,
- Reporting system, especially the formation of statements that are a function of monitoring the operations and decision support at the management level.

Because of the daily flow of business processes, there is a need to standardize business procedures, which are approached in a way that the work area is divided into several sections within them. Work tasks are precisely described together with powers, duties, standard documents, and mode of action with documentation. Most business processes supported through IS Dubrovnik Port Authority, which is designed as an integrated system that consists of several modules that cover specific areas of business, and the same full central database that enables data management and operations, access to authorized users, reporting, access to the Internet, archiving. The system comprises the following business areas (Documentation from Port Authority of Dubrovnik, 2010):

- Protocol and the post office,
- Accounting and Finance,
- Concessions,
- Contracts,
- Archive documents,
- Operational - records of arrivals, departures and invoicing,
- Human Resources Department, monitoring the presence of workers in the workplace,
- Log,
- Issuance of cards,
- Planning and monitoring the execution.

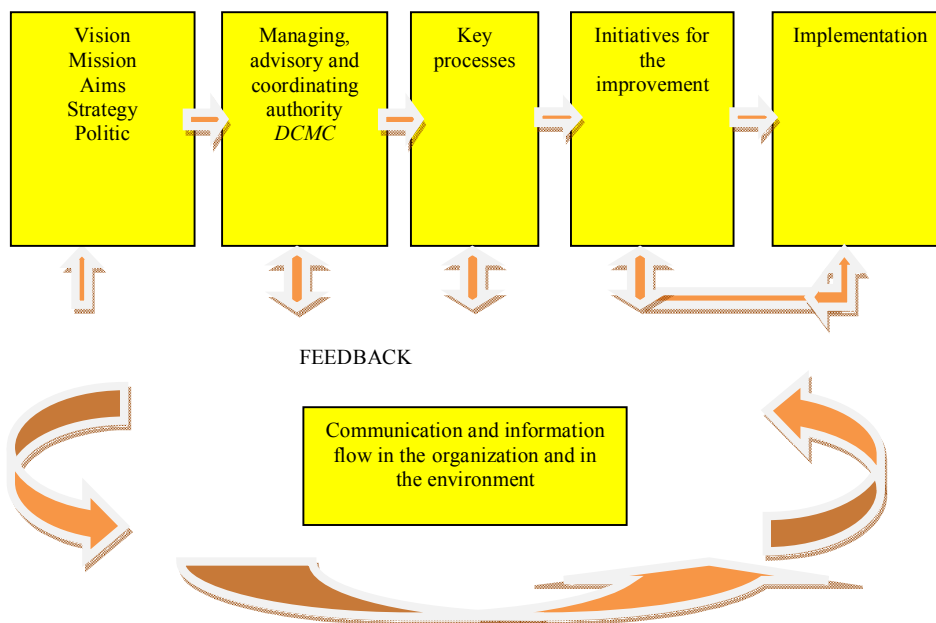
Documentation System provides the ability to protocol, distributing documents to individual users, and archiving of documents in the archives. Users will be through the permission granted powers of access to a particular group of documents, and the ability to quickly search by various criteria. Data entry was organized multifunctional, and once entered data can be used in all subsequent operations, and among the biggest benefits of this organization is the ability to create management information systems. The above system was largely developed in Port of Dubrovnik, which consists of a series of reports for decision support intended for the average user, without requiring specific knowledge, and

provides a simple, more or less detailed insight into all aspects of the business. Tracking the business is organized through a closed whole, which include revenue centres, and support procedures and the production of documents within them, as well as the relationship with the financial aspects of certain activities, so it is possible to monitor reports of the total sequence of activities.

Cruise tourism requires certain prerequisites for effective implementation of integrated management models: formation and foundation of managing and coordinating authority, organizational structure that is process-oriented, highly sophisticated computer support, management processes, actions and results and knowledge about methods (Six Sigma, Benchmarking, Lean, ..) such as tools to implement improvement projects.

Acceptable way of improving work in general can be achieved by applying different management models. In this paper “model of integrated management processes in steps” is the proposed (Figure 1).

**Figure 1. Model of integrated management processes in steps**



Each organization has the characteristics of an open dynamic system, which operates in turbulent business environment. The fundamental purpose of environment analysis is an assessment environment that will be useful to management for immediate response, thereby increasing the chances of success of the company (SWOT analysis). Information and communication is equally important for each step of the model (Buble, 2005, 15-16)

The first step in introducing a model of integrated management processes of Port of Dubrovnik is linked to the strategic management process and it is necessary to begin by defining the strategic plan: vision, mission, goals, strategies and policies in order to obtain a conception of development and positioning of the Organization. Once you determine the long-term plans to develop the next step is to establish DCMC, who is responsible for the implementation of strategic plans through key processes and their components with potential problems and giving advice for improvement in order to end successfully introduce an integrated process management system in Port of Dubrovnik because of the exceptional complexity of port operations, this model is almost the only acceptable solution.

Integrated process management system should be established so that the continuously improving results of the work and reasonably meet the needs of all stakeholders: passengers, tourists, visitors, employees, suppliers, customers, creditors, government, competitors, partners, governmental and non-governmental organizations, trade unions and local community to meet the requirements of ISO 9001, ISO 14000, OHSAS 18001 and the guidelines and instructions of ISO 26000.

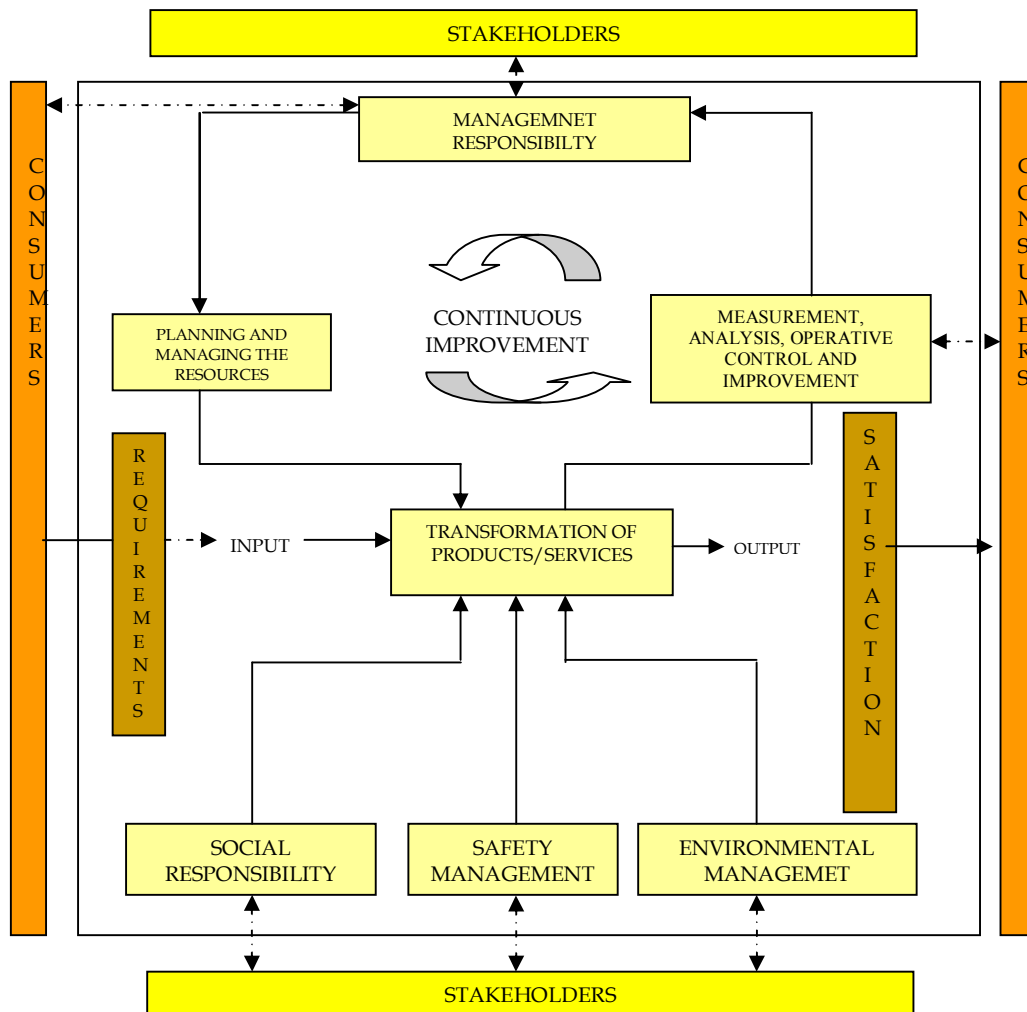
In Figure 2 process approach for determination of workflows and their documentation, as well as the satisfaction of setting the reference standards of integrated process control system is presented.



In relation to this should focus on:

- Management Responsibility,
- The Planning and Resource Management,
- Transformation products / services,
- Measurement, analysis, operational control and improvement,
- Managing social responsibility,
- Environmental management,
- Manage security.

**Figure 2. Generic model of integrated management systems**



Integrated Management System is based on the interrelated processes of the model as a system that contributes to the effectiveness and efficiency of the organization in achieving the set goals. Appropriately designed and implemented management system according to ISO 9001:2000 has a direct impact on business. Construction and application of environmental management system ISO 14000 brings many advantages: a more favorable position in the market, taking into account users' requirements and all stakeholders, establishing better communications with higher and lower structures, improving communication and public relations, reducing the risk of accidents, more favorable loan terms and insurance, obtaining permits easier, more effective cost management, reduce cost of waste management, better working conditions of employees.

The system of health and safety management to OHSAS 18001 specification provides knowledge and manage all possible risks focused on health and greater security, a sign of commitment to sustainable development, continuous improvement and willingness to cope with the challenges of globalization. ISO 26000 does not contain requirements, but only guidelines and instructions on how

to approach the problem of social responsibility in certain areas. This means that according to this standard can not certify. ISO 26000 helps in behavior in a socially responsible manner. In order to qualify for application of these standards it is necessary for the user's own work to consider: content, titles and definitions of basic concepts of social responsibility they face, the environment, trends and characteristics of the environments in which we want to be socially responsible principles and practices relating to social responsibility, integration, implementation and promotion of socially responsible behavior and the area and the consequences of certain measures of socially responsible behavior (<http://www.iso.org/>, accessed 19 January 2011).

Management needs to complete a basic strategy for the integrated management process that should:

- Be in accordance with established vision and mission,
- Constantly improve the effectiveness of Integrated Management System,
- Achieves customer satisfaction,
- Establish a high level of security,
- Refers to an obligation of socially responsible behavior,
- Develop cooperation with the local community about the environment,
- Prevents contamination of the environment and act according to laws and regulations, Provides a framework for setting and evaluating the functioning of Integrated Management Systems,
- Be understandable and accessible to all organizational levels.

Establishment of integrated management processes in Port of Dubrovnik will contribute to the improvement of relations, service and business results. As this port is extremely important link in the whole chain of cruise tourism, it would be very positive impact on the industry - its sustainable development.

## 5. Conclusion

Dubrovnik became unavoidable destination on East Mediterranean cruises and one of the most important ports of call for mega ships. Extremely high growth rates of cruise traffic places Dubrovnik among Mediterranean cruise destinations with the highest growth rate. Development of cruise tourism in Dubrovnik will directly depend on the level and dynamics of solving existing problems, more balanced time schedule of ships and passengers, organization of reception, travel, transfer and sightseeing, as well as formation and functioning of the authority that would manage the cruise tourism in Dubrovnik.

An additional aspect of the business of Port of Dubrovnik is a business cooperation and insistence on devising and implementing policies for sustainable development of cruising in Dubrovnik, as well as the promotion of participation in various international fairs and active membership in international organizations.

This paper proposes creation of the authority that would be setting up basic strategic plan (DCMC) and creation of a generic model of an Integrated Management system as a best solution for the future development directions of Port of Dubrovnik. This would create real prerequisites for the strategic management of sustainable tourism development in Dubrovnik.

## References

- Bagot, M. (1998), *L'implosion de la demande arrivera-t-elle a rejoindre l'explosion de l'offre?*. Les Cahiers Espaces, 56.
- Ban, I. et al. (2011), *Integrirano upravljanje kretanjem brodova i putniak na pomorskim krstarenjima u Dubrovniku*. Department of Economics and business economics, University of Dubrovnik.
- Buble, M. (editor) (2005), *Strateški menadžment*. Sinergija, Zagreb.
- Cartwright, R, Baird, C. (1999), *The Development and Growth of the Cruise Industry*. Oxford. United Kingdom: Butterworth-Heinemann.
- Coulson, B. (2001), The Future of Cruising, in: Lockwood, A. & Medlik, S. (Eds.), *Tourism and Hospitality in the 21st Century* (pp 216-221). Oxford: Butterworth-Heinemann.
- Documentation of Dubrovnik Tourist Board (2010).
- Documentation from Port Authority of Dubrovnik (2010).

- Drljača, M. (2006), Resources as a management structural element, in: 18th Biennial International Congress Tourism & Hospitality Industry 2006, New Trends in Tourism and Hospitality Management, pp.752-763. Opatija: The Faculty of Tourism and Hospitality Management.
- G. P. Wild (International) Limited, Bermello, Ajamil and Partners Inc (2002), *Methodology for MedCruise Port Evaluation & Mediterranean Market Report*.
- G.P. Wild (International) Limited and Business Research & Economic Advisors (BREA) (2011), *Contribution of cruise tourism to the economies of Europe*. London. United Kingdom.
- International Organization for Standardization, (2011), <http://www.iso.org/>
- Institute for Tourism, (2007), *Study report on sustainable development of cruise tourism in Croatia*. Zagreb, Croatia.
- Kasper, H., Van Helsdingen, P., De Vries, W. jr. (1999), *Service Marketing Management, An International Perspective*. New York: John Wiley & Sons, Inc.
- Lloyd's Cruise International (2002), Issue 57. London: Informa Publishing Group.
- Mancini, M. (2000), *Cruising: A guide to the Cruise Line Industry*. New York: Delmar Thomson Learning.
- Middleton, Victor T. C., Clarke, J. (2002), *Marketing in Travel and Tourism*. Oxford: Butterworth-Heinemann.
- Peručić, D. (2010), The importance of cooperative marketing in the development of sustainable cruise tourism in the Mediterranean, in: Leko Šimić, M. (Eds.) *Sustainable development of tourism and agrotourism*. Osijek: Faculty of Economics.
- Policy Research Corporation (2009), *Tourist facilities in ports: Enhancing sustainable growth of cruise tourism in Europe*. Antwerp.
- Shipping Statistics and Market Review. (2011). Bremen: Institute of Shipping Economics and Logistics (ISL).
- World Tourism Organization (2003), *Worldwide Cruise Ship Activity*. 2003. Madrid: Spain.
- World Tourism Organization (2010), *Cruise Tourism, Current Situation and Trends*. Madrid: Spain.