Restructuring proposals for Wye Valley and Forest of Dean Tourism Association

Background
As has been frequently mentioned throughout 2013/14 the Tourism Association cannot continue to operate as it has to date. It has grown to the point where a board of elected members undertaking the great bulk of the administrative and technical tasks, supported by a small number of paid, part time staff can neither cope with the volume of work nor commit sufficient time and attention to developing the Association to suit the needs of the members.

The situation has been exacerbated by the fact that reducing government funding has resulted in the local authorities cutting back on tourism support, so that where previously the Association concentrated almost entirely on marketing within the destination it now has to raise its game and take on promoting the destination nationally and internationally.

The Board of Directors have commissioned a study and report (part funded by CRT) from specialist tourism consultants Blue Sail to consider the options and make recommendations. As part of this process a comprehensive survey of members’ views was undertaken. We have now considered the report, taken advice from our local authorities (particularly FODDC & MCC) and present below our recommendations to the members for taking the Association forward.

Purpose and scope of the Association
The association has, and in our view should continue to have, 4 key functions:

- To be a trade association, enabling member businesses to work together
- To represent the local tourism industry at local and national level
- To promote and raise the profile of Wye Valley and Forest of Dean
- To support members to improve and market their businesses to enhance the quality of the visitor experience in the destination

We have to date fulfilled these functions by:

- Providing the destination’s premier web site - overwhelmingly the most valued Association activity from the members’ survey.
- Producing printed guides, “Attractions” & “Eating Out”, valued by the majority of members
- Supporting FODDC in producing the Visitor Guide, enabling discounted advertising for members. Again valued by the majority of members, tempered by a significant number questioning the continued relevance of printed promotional materials in the context of the internet.
- Providing subsidised training. Valued by a small majority, others believing that we should simply refer members to outside specialists.
- Representing and lobbying on behalf of the Tourism Industry locally and nationally. Strongly valued by members.
- Running meetings to enable members to network and hear presentations on matters of interest supplemented by internal e-newsletters. Generally highly valued by members.
- Running Facebook, Twitter and other social media for the destination, enabling members to pick up feeds for their own activities in this area. Only really started in this season and not featured in the members survey, though reasonably popular judging by usage.
- Public relations and external e-newsletter. Again only undertaken in a structured way this season but clearly valued by members from the support they have given the programme and the results achieved in terms of press coverage and uptake.
Going forward we believe that the Association should continue with all these activities (guided by a strategic destination marketing plan produced as part of the PR project), keeping printed media and training under review, but bidding to take on the production of the Visitor Guide for the 2014/15 season.

**Comparison with other Tourism Associations**

As part of this exercise we have considered other, comparable tourism associations to see how they operate and what lessons we can learn from them. The key finding is that there are many small organisations, providing modest member benefits through the voluntary efforts and also many successful significantly larger organisations providing comprehensive member benefits, including strategic destination marketing, with employed staff.

We are in the uncomfortable transition zone between these norms. We can decide to either shrink back to a smaller organisation “looking after” members through voluntary efforts, or move forward to grow the Association and become a force for the development of tourism in our region.

The members’ survey strongly favoured enhanced services over cutting back, particularly in the context of reducing support from local authorities. We estimate that there are sufficient potential members in our region for us to at least double in size, bringing the Association in line with larger comparable organisations and enabling us to actively attract more visitors to the destination, creating more employment and thus more potential members.

**Structure for growth**

It is necessary to restructure the organisation to address the current problems of overstretched voluntary efforts and lead us forward towards a more professional, employed support organisation.

Numerous options have been considered but Blue Sail and the Board have concluded that the most effective would be to recruit an individual with a clear leadership role, working with the Board to transform the Association into a larger, more professional organisation. Responsibilities will include advising the Board on strategy and marketing and bearing responsibility for the performance and operation of the Association. We propose the job title of Executive Director to reflect the seniority of the role.

It is envisaged that initially the position will be 70% part time role and could be fulfilled by a self-employed freelance or someone seeking only part time employment. Initially there will be a need for relatively undiminished voluntary input from members and continuance of the employed part time support roles to ensure that the Executive Director can fulfil their strategic function and not become bogged down in day to day minutiae.

As the Association grows it will be able to afford a small professional support organisation and while it is envisaged that there will always be a role for voluntary input from members this will reduce to a sustainable level.

**Financial implications**

Obviously engaging a new, employed, senior executive will significantly increase the running costs of the Association. Anticipating the need for such an eventuality over the last several years the Board have accrued prudent levels of reserves to cushion the transition.

The Board have worked closely with Blue Sail developing business models to map the proposed changes.

There are a number of unknowns, not least the degree to which the local authorities will financially assist the Association to enable it to take over their function supporting the tourism industry. Tourism accounts for some 7% of employment in the region and is recognised as an extremely important factor in its prosperity. Whilst diminishing central government support threatens the long term funding for assisting the industry, there is a strong commitment to ensure a safe transfer of the activities to others, for example by offering the production of the Visitor Guide out for outsourcing.

In the longer term additional income to cover additional running costs can only come from one or all of:

- Increased membership fees
- Increased membership numbers
- Commercialisation of services and their sale to members and/or non-members
All the comparable, larger organisations investigated invariably employ all three.

We have made a number of conservative assumptions, particularly that no financial support will be forthcoming from local authorities and that there will be very little change in the current rate of membership growth, and concluded that the Association can continue to operate in surplus with an increase in membership fees of just 50% - eg from £80/a to £120/a.

We have explored options to introduce membership “packages” where bundles of additional benefits (eg enhanced advertising coverage, access to PR, etc.) are available at discounted rates, increasing uptake and overall income, and believe that this is a good way for the Association to operate. It is widely used by all the other comparable organisations.

As has been announced previously the Association is on the brink of the VAT threshold but we do not envisage having to become registered for the next year or two.

The final decisions on membership fees and benefits packages will be made over the next few months as the current unknowns are resolved and in time for the next round of membership renewals in October 2014.

Proposal

The Board will be submitting the following resolution to an EGM of the Association on Tuesday 3rd June.

“That the Association needs to employ measures to enable it to become a more professional organisation less reliant upon voluntary assistance in order to meet the challenges brought about by a reduction in public sector assistance and that members support the Board of Directors in implementing a strategy broadly in line with the recommendations made by Bluesail to achieve this objective.”

The Board commends this report to you and urges you to vote in favour of the resolution.