



II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2008	2009	2010	2011	2012
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	\$ 45,750	_____	_____	_____	_____
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
	* \$ 45,750				
NET FISCAL IMPACT	=====	=====	=====	=====	=====
# ADDITIONAL FTE					
POSITIONS (Cumulative)	- 0-	0---	0---	0---	0-----

Is Item Included In Current Budget?      Yes   X        No.       

Budget Account No.: Fund   1454   Dept   710   U nit   7310   Object   3401    
Reporting Category                   

B.      Recommended Sources of Funds/Summary of Fiscal Impact:  
Funding provided by the 2<sup>nd</sup>, 3<sup>rd</sup>, and 5<sup>th</sup> cent of the local option bed tax.

C.      Department Fiscal Review: *[Signature]*

III. REVIEW COMMENTS

A.      OFMB Fiscal and/or Contract Administration Comments:  
\* Initial funding approved per R2007-2151 for \$38,250; amended April 16, 2008 for \$7,500, bringing total to \$45,750.

*[Signature]* 7/15/08      *[Signature]* 7/17/08  
OFMB *[Signature]*      Contract Dev. and Control  
*[Signature]* 7/14/08 *[Signature]* 7/15/08      *[Signature]* 7/16/08

B.      Approved as to form and Legal Sufficiency:

*[Signature]* 7/15/08  
Assistant County Attorney *[Signature]*

C.      Approved as to Terms and Conditions:

\_\_\_\_\_  
Department Director

This summary is not to be used as a basis for payment.

## **Background and Policy Issues Cont'd**

A new vision statement was developed for the TDC. "Palm Beach County will be a globally recognized destination that visitors want to experience because of its culture, lifestyle and amenities".

The TDC also developed a new mission statement. It is "The TDC and its agencies will lead the promotion of tourism in Palm Beach County by empowering collaborative partnerships, advocating appropriate destination, defining developments and ensuring the steady flow of high value visitors".

The TDC funded agencies and the Palm Beach County Convention Center are already implementing a number of recommendations collaborating on marketing initiatives and leveraging agency funds. They are sharing marketing and even financial resources. The CVB is funding part of the marketing cost for the Cultural Council and the Film and Television Commission in 2009, due to falling bed tax revenues. The CVB marketing department is helping the other agencies with design assistance for their brochures and web sites. The agencies are also included in the CVB lead branding effort so that eventually all funded agencies will market all similar products.

The TDC staff has tightened their financial oversight of the agencies with the addition of a Finance and Audit committee, and additional financial review of invoices in concert with the Clerk and Comptroller's Pre-Audit division.

Appropriate oversight has been implemented through a newly established Finance & Audit Committee of the TDC. All of the agencies now have finance and budget committees. TDC staff have implemented recommendations made by OFMB Management Audit.

2008-2010

PALM BEACH COUNTY

TOURIST DEVELOPMENT COUNCIL

# STRATEGIC PLAN

facilitated by

ZEITGEIST CONSULTING

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## INTRODUCTION

Zeitgeist Consulting was engaged by Palm Beach County in the fall of 2007 to assist the Tourist Development Council to develop a Strategic Plan to drive the program of work of the TDC and its affiliated agencies (Convention & Visitors Bureau, Cultural Council, Film & Television Commission, Sports Commission and the Beaches Division).

In its initial exploratory and fact-finding process, Zeitgeist's Bill Geist interviewed close to 50 key stakeholders from the destination, including County Commissioners and Management, TDC Management and Board Members, Leadership of the TDC's affiliated agencies and other influential voices from the region's hospitality community. The purpose of these interviews was to better understand the existing strengths of the TDC and its agencies and to search for potential enhancements to current processes and opportunities for future collaboration to produce a higher Return-On-Investment (ROI) for Palm Beach County.

Zeitgeist also reviewed organizational and management documentation from the TDC and its affiliated agencies to better understand the existing relationships that are in place and identify opportunities for enhancement.

With this data in hand, Zeitgeist facilitated a day and a half Strategic Planning Retreat on December 13th and 14, 2007 with members of the TDC Board and Management and key Board and Management personnel from the TDC's affiliated agencies.

From this wealth of input, knowledge and vision, we presented our findings, recommendations and draft Strategic Plan for the Palm County TDC at a TDC Board meeting on January 10th 2008. The TDC Board and the CEOs and Chairs of the affiliated agencies were then afforded the opportunity to prioritize the draft Plan's key components. These responses were then utilized to complete the document that is in your hands.

The Strategic Plan follows on the next page. The discussion and recommendations for the Plan can be found in a separate document entitled *Palm Beach County TDC Organizational Analysis and Recommendations*.

We'd like to express our gratitude to Charles Lehmann and the TDC staff for their invaluable assistance in providing background data and scheduling interviews with key stakeholders. We also extend our appreciation to all those that took time to speak with us and participate in the Strategic Planning Retreat.

Bill Geist  
Zeitgeist Consulting  
7 February 2008

## **2008 - 2010 TDC STRATEGIC PLAN**

### **GOAL ONE**

**Enhance Agency Contract Compliance Processes to ensure the highest possible economic impact from Tourist Development Tax Revenues**

#### ***SHORT TERM OBJECTIVES (2008)***

##### ***Objective A***

Work with all TDC Agencies to establish enhanced Productivity and Performance Measures

Suggested Tactics:

- Ask all TDC Agencies to submit the performance measures they believe to be the most appropriate for assessing productivity
- TDC Staff to review and suggest enhancements to Agencies
- TDC Staff and Agencies to agree on the best measures for each
- TDC Board to review, comment and approve measures for future use to establish ROI benchmarks and ongoing productivity monitoring

*Responsibility: TDC Board & Staff*

##### ***Objective B***

Continue to develop streamlined reporting forms and processes to facilitate more accountability and productivity

Suggested Tactics:

- TDC Staff and Agencies to redesign reporting formats with an eye to the information that the TDC Board requires and how it can be communicated in the fewest pages
- Work with TDC Board to find the optimum combination of information and brevity

*Responsibility: TDC Staff and Agencies*

##### ***Objective C***

Develop Monitoring Calendars to streamline the reporting process for all agencies

Suggested Tactic:

- TDC Staff and Agencies to collaborate on and agree to deadlines for all necessary performance reports

*Responsibility: TDC Staff and Agencies*

**Objective D**

Develop Budgeting calendars to enhance Agency planning and TDC Staff and Board review processes

Suggested Tactics:

- Based upon the development of the Monitoring Calendars, each Agency will develop a Year-long Budgeting timeline, identifying dates on which budget documentation needs to be in the hands of TDC Staff
- TDC Staff to review and, if necessary, revise dates in order to insure that the TDC Board has sufficient time in which to review budget recommendations

*Responsibility: TDC Staff and Agencies*

**Objective E**

Serve as a facilitator for all agencies, assisting them with suggestions on effective contract compliance

Suggested Tactics:

- TDC Staff to communicate regularly with Agencies regarding reporting expectations of TDC Board and County Leadership
- TDC Staff to be available to Agencies to assist with compliance issues

*Responsibility: TDC Staff*

## **GOAL TWO**

**Facilitate increased collaboration and joint marketing efforts among TDC agencies and other Economic Development Organizations**

### ***SHORT TERM OBJECTIVES (2008)***

#### ***Objective A***

Create a culture of proactive collaboration through regular joint meetings between TDC agencies

Suggested Tactic:

- Formalize the joint meeting culture that has evolved over the latter half of 2007

*Responsibility: TDC Staff and Agencies*

#### ***Objective B***

Work to ensure Brand Continuity in the messaging of all TDC agencies in order to reinforce a universal image of the Destination

Suggested Tactics:

- TDC Staff and Agencies to collaborate on the CVB's Brand Assessment initiative
- If and when a decision on a resonant Destination Brand is made, arrange for the Board of County Commissioners to review findings and approve
- If and when a decision on a resonant Destination Brand is made, TDC Staff to work with Agencies to encourage utilization of standard images and messaging

*Responsibility: TDC Staff and Agencies*

### ***LONG RANGE OBJECTIVES (2008-10)***

#### ***Objective C***

Identify and recommend unique partnerships to maximize ROI

Suggested Tactics:

- TDC Staff and Agencies to identify and analyze potential partnerships between the agencies, as well as other organizations/businesses, to maximize investments
- Partnership discussions should be a key agenda item in all joint meetings between the Agencies and TDC Staff
- TDC Staff to advise on best partnerships, as appropriate

*Responsibility: TDC Staff and Agencies*



**Objective D**

Coordinate Agency Research Projects to generate a maximum amount of actionable data

Suggested Tactics:

- Agencies to share research needs with each other to determine whether synergies could be realized by combining projects
- TDC Staff to assist in the coordination of joint research projects to maximize budget and staff resources

*Responsibility: TDC Staff and Agencies*

**Objective E**

Facilitate collaborative relationships with PBI, BDB, Office of Economic Development and others, as appropriate, to maximize resources

Suggested Tactics:

- TDC Board to interface with peer Boards of selected organization to suggest partnership opportunities with its Agencies
- TDC Staff to coordinate joint meetings where appropriate

*Responsibility: TDC Board and Staff*

### **GOAL THREE**

**Increase Awareness, Appreciation and Support of the TDC, its affiliated agencies and the County's Tourism Industry**

#### ***SHORT TERM OBJECTIVES (2008)***

##### ***Objective A***

Update the Board of County Commissioners on a more frequent basis regarding the work of the TDC and its agencies

Suggested Tactics:

- TDC Board to interface with the BCC to schedule additional opportunities for TDC and Agency presentations in order to insure that Commissioners are increasingly well versed in the work and impact of the TDC and its Agencies
- TDC Board members to step up on-to-one communication with Commissioners

*Responsibility: TDC Board, TDC Staff and County Administration*

##### ***Objective B***

Regularly communicate the impact of the Tourism Industry in Palm Beach County to the media, business community and residents

Suggested Tactics:

- TDC Staff to develop a series of resonant talking points and presentation materials that tell the story of the TDC's work and Tourism's vital importance to the County's economy and Quality of Life
- TDC Staff to schedule presentations and media visits for select Board members and Staff
- Schedule informational breakfasts with community and business leaders

*Responsibility: TDC Board and Staff*

## ***LONG RANGE OBJECTIVES (2008-10)***

### ***Objective C***

Actively participate in future Economic Summits to represent the future vision of the Tourism Industry in Palm Beach County

Suggested Tactics:

- TDC Staff to stay in continual contact with the Office of Economic Development regarding the planning for the next Economic Summit
- TDC Board and Staff to work with planners of the Summit to ensure that the Tourism Industry is included in the next event

*Responsibility: TDC Board and Staff*

### ***Objective D***

Consider staging a Tourism Industry Summit to encourage enhanced partnerships throughout the County

Suggested Tactics:

- TDC Board and Staff to analyze opportunities to develop a Countywide Tourism Summit in order to prepare for the next Economic Summit
- If appropriate, the TDC Staff to begin working with its Agencies to plan a Summit that brings both traditional and non-traditional tourism business together

*Responsibility: TDC Board and Staff*

## **GOAL FOUR**

### **Advocate for Destination Defining Enhancements**

#### ***LONG RANGE OBJECTIVES (2008-10)***

##### ***Objective A***

Facilitate the development of a Tourism Master Plan for future product development in Palm Beach County

##### ***Suggested Tactics:***

- TDC Staff to work with its Agencies to identify the key development issues for each
- TDC Staff to prepare an outline of development needs for Board review
- Upon achieving general consensus at the Board level, TDC Staff and its Agencies to begin augmenting the draft with rationale, feasibility, potential funding strategies, etc.
- Consider utilizing supporting information gleaned from the Tourism Summit, if developed

*Responsibility: TDC Board and Staff*

##### ***Objective B***

Coordinate destination development advocacy efforts of TDC Agencies

##### ***Suggested Tactics:***

- TDC Agencies to share top destination development needs and plans for advocacy with TDC Staff
- TDC Staff to suggest coordinating strategies for each agency
- TDC Board to actively support approved advocacy plans

*Responsibility: TDC Board and Staff*

##### ***Objective C***

Serve as resource to County municipalities, advising them on development plans and opportunities

##### ***Suggested Tactics:***

- TDC Staff to increase interface with the County's municipalities to keep abreast of development plans
- TDC Staff to suggest further analysis of projects that appear to be duplicative of other municipal or private sector projects that are already in the pipeline
- TDC Board to serve as an active supporter of appropriate projects to the County

*Responsibility: TDC Board and Staff*

## **GOAL FIVE**

### **Increase TDC Agency Competitiveness**

#### ***LONG RANGE OBJECTIVES (2008-10)***

##### ***Objective A***

Analyze opportunities to develop new revenue streams for the TDC agencies

##### ***Suggested Tactics:***

- TDC Staff and Agencies to identify best practices in each of their fields of expertise for funding models that could work in Palm Beach County
- TDC to assist agencies in investigating whether concepts can be implemented within the existing statutes of Florida and Palm Beach County

*Responsibility: TDC Staff and Agencies*

##### ***Objective B***

Build relationships with municipalities to encourage additional investment in the promotion of their communities

##### ***Suggested Tactics:***

- TDC Agencies to identify the quantifiable impact that each has had on individual municipalities
- TDC Staff to assist in developing a case for municipal investment in the agencies
- TDC Board and Staff to develop relationships with the League of Cities
- TDC Staff and Agencies to enhance relationships with Chambers of Commerce and community Service Clubs

*Responsibility: TDC Staff and Agencies*

##### ***Objective C***

Work with other South Florida TDCs to investigate opportunities to secure other government funds for Tourism Development in the region

##### ***Suggested Tactics:***

- TDC Agencies to investigate the availability of Federal and State funds for Tourism Development and Promotion
- TDC Staff to interface with its counterparts in South Florida to determine whether there is mutual interest to approach the region's Congressional Delegation on identified opportunities

*Responsibility: TDC Staff and Agencies*

**PALM BEACH COUNTY  
TOURIST DEVELOPMENT COUNCIL  
ORGANIZATIONAL  
ANALYSIS &  
RECOMMENDATIONS**

performed by

**ZEITGEIST CONSULTING**

[ZeitgeistConsulting.com](http://ZeitgeistConsulting.com)

April 2008

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## **INTRODUCTION**

Zeitgeist Consulting was engaged by Palm Beach County in the fall of 2007 to assist the Tourist Development Council to develop a Strategic Plan to drive the program of work of the TDC and its affiliated agencies (Convention & Visitors Bureau, Cultural Council, Film & Television Commission, Sports Commission and the Beaches Division).

In its initial exploratory and fact-finding process, Zeitgeist's Bill Geist interviewed close to 50 key stakeholders from the destination, including County Commissioners and Management, TDC Management and Board Members, Leadership of the TDC's affiliated agencies and other influential voices from the region's hospitality community. The purpose of these interviews was to better understand the existing strengths of the TDC and its agencies and to search for potential enhancements to current processes and opportunities for future collaboration to produce a higher Return-On-Investment (ROI) for Palm Beach County.

Zeitgeist also reviewed organizational and management documentation from the TDC and its affiliated agencies to better understand the existing relationships that are in place and identify opportunities for enhancement.

With this data in hand, Zeitgeist facilitated a day and a half Strategic Planning Retreat on December 13th and 14, 2007 with members of the TDC Board and Management and key Board and Management personnel from the TDC's affiliated agencies.

On the following pages we present our findings, analysis and recommendations for enhancements to the operations of the TDC. Many of these recommendations ended up being included as Goals and Objectives in the 2008-2010 Palm Beach County TDC Strategic Plan. Other more tactical / short-term recommendations are included here for future TDC Board and Management consideration.

The TDC Strategic Plan has been, in essence, approved at the February 2008 meeting of the Board and now awaits approval by the Board of County Commissioners. This document offers additional recommendations for future consideration by Board and Management.

Bill Geist  
Zeitgeist Consulting  
24 April 2008



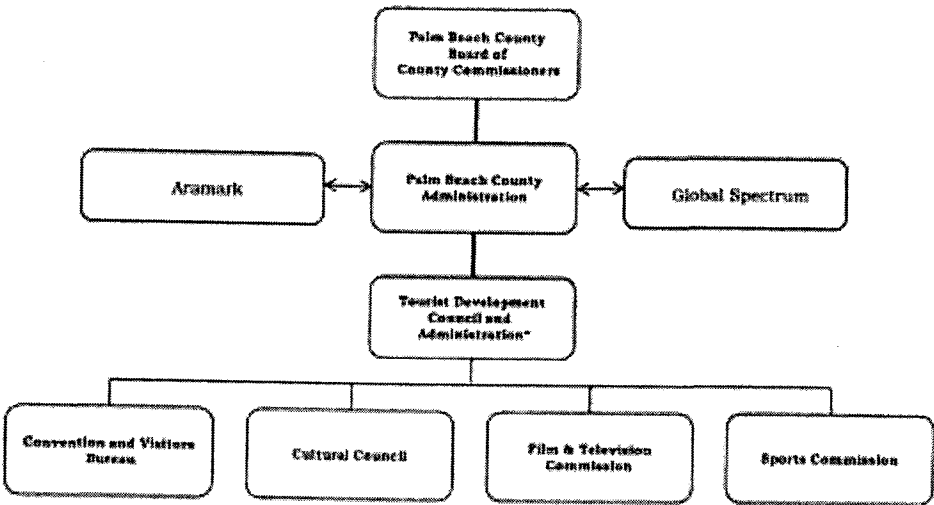
## SITUATIONAL ANALYSIS

The Palm Beach County Tourism Development Council was created by the Palm Beach County Board of County Commissioners in 1981. Enabled through the Local Option Tourist Development Act (Florida Statute 125.0104), the TDC is funded through a portion of the Tourist Development Tax, currently levied at 5% of the cost of a sleeping room at a County Hotel or Inn.

## INTERNAL ISSUES

The TDC is charged with promoting and marketing tourism in Palm Beach County through the Palm Beach County Convention & Visitors Bureau, the Palm Beach County Cultural Council, the Palm Beach County Film & Television Commission, the Palm Beach County Sports Commission and the Beaches and Shores program. The TDC was designed as the umbrella organization that funds, guides and monitors the results of its agencies.

**Palm Beach County Tourist Development Council  
Table of Organization**



Source: Palm Beach County TDC

Many of the stakeholders we interviewed suggested that the organizational flow chart on the previous page has not been adhered to for several years. Instead of serving as Palm Beach County Tourism's "parent company" with five "subsidiaries," one of the divisions (the CVB) had moved into the lead position, subverting the original intent of the TDC. A few of the divisions soon established their own relationships with the County, essentially bypassing the TDC, which should have been the conduit for such discussions and decisions.

With new leadership now in place in three of the five TDC agencies (as well as at the Convention Center), there exists the opportunity to "reset the table" and define how the TDC will evolve. But, this will not be an easy task, as the TDC is viewed by many in the community as nothing more than the agency with oversight responsibilities for the affiliated agencies.

However, with the proactive encouragement of the County, this Strategic Planing process is intended to rebrand the TDC as a vital component of the County's economic future.

## EXTERNAL ISSUES

Nationally, Tourism & Travel has been growing with surprising strength over the past three years, with most destinations erasing the loses they endured in 2002 and 2003. The Travel Industry Association of America (TIA) estimates total U.S. travel expenditures last year would approach \$744 billion, up from \$700 billion for 2006.

The past several years have seen significant changes in travel and hospitality. Beyond the recovery of the airline industry (now running at a whopping passenger load of 86%), hotels around the world have enjoyed a major boom, with high occupancy levels, rising room rates and strong levels of both business and leisure travelers. There has been a tremendous amount of construction of new lodging properties, making up for a lack of construction in the years immediately following 9/11.

After years of enduring increasing gas prices, Americans are finally beginning to push back. According to research from D.K. Shifflet and Travelocity, 2008 will see consumers either travel closer to home or shave a day or two of their leisure trips in order to save money. For international travelers, America has never been more of a bargain due to the present exchange rate.

For the State of Florida, it has been more of a mixed bag. Overall, the state's tourism economy has been growing modestly, despite reports from some

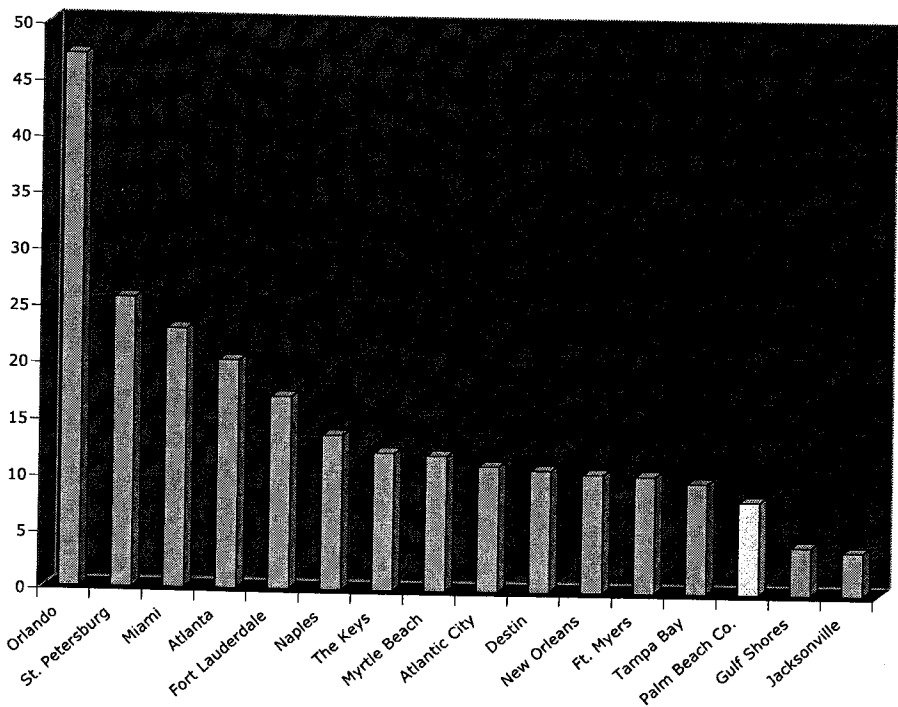
destinations (like Orlando) that 2007 business was off. Locally, Palm Beach County statistics show that occupancy rates have remained fairly static over the past few years.

Among competitive destinations, the Palm Beach County CVB is fairly underfunded for the expectations placed upon it by the County and the industry.

Palm Beach County competes against several destinations in different markets. As a world-class leisure destination, it competes against destinations such as Atlanta, Atlantic City, Orlando, Miami, Fort Lauderdale, Myrtle Beach and New Orleans, to name a few. When it comes to Meetings and Conventions, the list shifts a little, as it does for Sports, Culture and Film.

The bottom line, however, is that, against virtually all of the County's competitive set, the Palm Beach County CVB is at a distinct competitive disadvantage from a raw budget standpoint. Setting aside Las Vegas and its \$200+ million budget, the Palm Beach County CVB has less than 20% of the marketing muscle enjoyed by Orlando, roughly a third of Miami's and substantially less than Fort Lauderdale, Naples and the Florida Keys.

**TOURISM PROMOTION BUDGETS OF COMPETITIVE DESTINATIONS**  
*(numbers are in millions of dollars and exclude Las Vegas)*



Source: Destination Marketing Association International and Zeitgeist Consulting

## **ORGANIZATIONAL VISION & MISSION**

One of the primary deliverables desired by the TDC in the Strategic Planning process was the development of a unified Mission Statement under which the TDC and its affiliated agencies would be able to more effectively operate.

### **VISION STATEMENT**

To develop a compelling Mission Statement, an organization must first have a clear idea of where it is headed...and why it is moving in that direction. A Destinational Vision Statement identifies the ultimate Goal for the Future; the place in which the Destination will reside when all the cards are played perfectly. The subsequent Mission Statement then should clearly outline the steps to which the Organization must commit itself to achieve the Vision. There are hundreds of tactics an Organization could take in its effort to reach its Vision. A Mission Statement keeps the Organization from trying any path by identifying the pre-requisites for any programming decision.

Thus, the Strategic Planning Team focused its preliminary discussions on developing a Vision Statement for the TDC and its agencies.

In those Retreat discussions, the following top-level concepts were discussed:

- The desire to become a nationally recognized leader in Tourism Marketing
- That the TDC Team will be comprised of Professional Tourism Marketers driving tourism to all time record levels
- That the TDC would be a highly respected organization that effectively moves destination development issues forward and is recognized as the authority and coordinated voice on all things Tourism
- That Palm Beach County is known as the best midsize convention destination in Florida

From these general desires for the future, the following draft Vision Statement for the TDC and its agencies was developed for further Board consideration:

***Palm Beach County will be a globally recognized destination  
that visitors want to experience  
because of its culture, lifestyle and amenities.***

## MISSION STATEMENT

Moving to the development of a Mission Statement, the Strategic Planning Team suggested a number of Actions to which the TDC and its agencies must commit if the Vision Statement is to be realized.

- Insure taxes invested in Tourism Promotion and Development generate maximum economic return
- Monitor and report on TDC and agency success through an ROI perspective
- Work with other economic interests in the County
- Contract Compliance
- Coordination, Collaboration and Facilitation with all affiliated agencies
- Encourage partnership with Regional, Local and Private agencies
- Develop strong alliances with Economic Development and BDB
- Develop sound and sustainable Public Tourism Policy
- Target high-value niche markets
- Induces consumers to come
- Serve as a Visionary Board to the Board of County Commissioners
- Empowering each agency to grow their markets, leveraging and maximizing their potential
- Enhance and protect the Palm Beach County brand
- Work to develop the County's Tourism Product
- Engage municipal partners in Destination Marketing & Development
- Increase air lift from Palm Beach International Airport

From these "gotta do" concepts for the present, the following draft Mission Statement for the TDC and its agencies was developed:

***The TDC and its agencies will lead the promotion of Tourism in Palm Beach County by empowering collaborative partnerships, advocating appropriate destination-defining developments and ensuring the steady growth of high-value visitors.***

## THE ROLE OF THE TDC

Tourism Development Councils are a uniquely Florida phenomenon. In most North American Destinations, the Convention & Visitors Bureau, Film Commission, Sports Commission and Cultural Council all maintain direct contracts with the governing body that provides the financial investment. Indeed, many destination marketing industry observers outside of Florida see TDCs as a superfluous layer of bureaucracy.

While that comment was echoed by the occasional stakeholder in our interviews, we believe that the TDC can serve in a much more proactive capacity than it has in the past...and provide more than just oversight services for the County. After all, contract compliance can be handled in a number of different ways without the need to hire professional destination marketers to perform the task. That the TDC enjoys such a staff opens up an endless number of possibilities to enhance the destination and the affiliated agencies' effectiveness.

In our discussions with Stakeholders and in the Strategic Planning Retreat, we heard a number of visionary suggestions for what the TDC of the future could become (in addition to its oversight role):

- A two-way Oversight Agency, insuring contract compliance for the County while assisting the affiliated agencies with complying with the contracts and maximizing cooperative opportunities.
- An expert in developing and analyzing research that could provide a Vision for the future. Instead of just researching the impact of visitors currently coming to Palm Beach County, many suggested that the TDC should research consumer trends, destination awareness, intent to travel, traveler expectations and other future-vision questions to help its affiliated agencies more effectively choose marketing tactics and develop new programming.
- Work with County municipalities to better understand the Tourism Product that is available, identify and advocate for future infrastructure needs and serve as an informational conduit back to the affiliated agencies.
- Identify and help secure new revenue sources for its affiliated agencies.

- Serve as the convener / facilitator for the agencies and the Tourism Industry in order to maximize joint marketing opportunities.
- Be more proactive in attracting new Destination and Attraction Development...most notably the expansion of Palm Beach International Airport. Perform a product assessment and recommend new product based upon consumer research.
- Serve as the Voice of the Tourism Industry, re-instilling faith in the affiliated agencies with the Board of County Commissioners, the Hotel Industry...and between the agencies themselves.
- Work with area schools and colleges to encourage the acceptance of a hospitality training track in academic curriculum.

## RECOMMENDATIONS

For the TDC to evolve into the Destination Leader that the County Commissioners and most community stakeholders envision, it will need to become much more than a contract compliance monitor. However, at its core, that is the function that the TDC must perform to satisfy the County's most basic expectations...and we start there:

**Contract Compliance.** We are impressed by the new contract monitoring forms that TDC Management has developed, outlining each agency's contract expectations, timelines, deadlines and staff responsibilities for the monitoring of each item. These forms should streamline the compliance process for both the TDC and the agencies, something that had been often mentioned previously as cumbersome. And, this will more efficiently address the County's expectation for valid reporting.

**Recommendation:** The TDC and each of its agencies should work together to develop similar Compliance Calendars to streamline the process of reporting progress against the County contracts. While the TDC's monitoring forms are a great start, we would envision the agencies developing even more detailed calendars, adding project start and review dates that would precede the deadlines called for on the TDC forms. By managing to these calendars, management of each agency should never find themselves in a position in which a deadline for a contract deliverable is a surprise. In addition, a Master Calendar of all compliance requirements should be designed for the TDC Board.

**Recommendation:** The TDC also has the opportunity to serve, not only as an oversight body but, as a coach to its agencies, assisting them in compliance and reporting issues. Some of the agency professionals we talked to expressed frustration with the reporting process...not that they were forced to report but that they sometimes didn't understand what was being asked of them. In our experience with DMO's around the country, this is often caused by government and private-sector sales and marketing organizations utilizing different metrics and terms in analyzing productivity.

The TDC is in the best position to understand what the County *needs* to know in its rightful oversight role...and what is superfluous. Thus, we encourage the TDC to work with the agencies to focus each on the key data that needs to be transmitted for review. In this way, precious time now being unproductively wasted on unnecessary reports by the agencies can be re-tasked to marketing the County and developing additional Tourism products.

**Destination Leadership.** One of the most common terms we heard in our discussions throughout the County was the desire that the TDC become more of a "leader."

On the surface, "leadership" could be construed to mean "set the agenda." However, several stakeholders we spoke with defined leadership as establishing a collaborative culture and enabling the affiliated agencies to become even more effective than they presently are.

The latter definition appeared to stem from a concern we heard from several respondents that the TDC Board and Staff were not as informationally immersed in the unique nuances of each of the affiliated agencies as the agencies' own Boards and staff are. Indeed, that each of the agencies exist separate from the others would suggest that each address their markets and missions in uniquely different ways, requiring very different Board leadership. Thus, for the TDC to attempt to *direct* any of the agencies toward a specific set of objectives or markets would appear misguided. It would also usurp the authority of the individual Boards and, in the extreme, render them superfluous.

The TDC, as an agency that exists to make its affiliated agencies more productive, was mentioned by some as being just as important as setting the agenda. Several respondents also saw the opportunity for the TDC to lead a culture shift by encouraging and enabling its agencies to be more proactive in the adoption and implementation of new technologies. Web 2.0 and Social Media strategies were two of the newer marketing strategies that some believed the agencies had been slow to embrace. A more visionary TDC could dedicate itself to investigating new technologies and tactics and recommend adoption of those that offer the greatest ROI to its agencies.



This would permit the agencies to remain focused on their core missions without falling behind the competition.

The TDC's leadership role could also extend into Brand Positioning by working with its agencies to insure that a consistent image is being presented to the travel consumer. While the message will change from niche to niche, a more uniform image will enable the agencies marketing dollars to go further.

Ultimately, there is the concept of "authority"...and just how much authority the TDC has (and should have) over its affiliated agencies. This, once again, calls into play the concept of agenda setting. For, if the TDC begins to exert a more aggressive hand in directing agency marketing or programming, it runs the very real risk of losing the industry-specific knowledge and talent on each of its agency's Boards. At the same time, there *should* be an umbrella organization that can review the Marketing and Business Plans of each of the agencies to identify potential collaborative opportunities that might have been overlooked as well as serve as a reviewer of strategies to insure that an agency hasn't become overly enamored with a set of niche markets or tech tactics that may not be "ready for prime time."

**Recommendation:** When most people refer to "authority," their definition is that of the "Final Authority." We believe the TDC should be the "Initial Authority." Indeed, through this Strategic Planning process, the TDC has developed a Vision for the future and an overarching Statement of Mission to drive programming to that goal. From these two very statements, the TDC has become the Initial Authority. It has established the Goal. Now, it can empower its agencies to collaboratively pursue that Goal.

By making it clear that the TDC (and Palm Beach County) expect the County to be recognized as one of the top beach and cultural destinations in the world, and that it expects collaborative partnerships and ever-increasing visitors, the TDC has established the direction for its agencies. Now, it's up to the agencies to utilize their respective Board and Management strengths and knowledge to design Business and Marketing Plans that will meet these expectations.

As Board Governance expert John Carver explains in *"Boards That Make a Difference,"* the best Boards are those that say to Management, "Go until we say Stop" instead of "Stop until we say Go." In other words, the Destination Leadership Board is one that authorizes its Management to be bold and push the envelope...not sit back and wait to be told what to do. And we believe that, given the leadership talent the TDC possesses in its agencies, it is in the perfect position to lead as the "Initial Authority."

**Recommendation:** In that same Retreat discussion on Vision and Mission, there was general agreement that the TDC should become the “go to” voice of the Tourism & Hospitality Industry for the Board of County Commissioners. The TDC should work to establish itself as the liaison, or conduit, between the business community and the BCC. In this way, the County is benefiting from valuable intelligence on the needs of the business community while the business community benefits from a TDC that assists them in getting their voice heard.

**TDC  
Management  
suggests  
staging an  
Annual  
Workshop with  
the BCC to**

**Recommendation:** Members of the TDC Board recognize that, if they are to be the voice of the industry and advocates for the affiliated agencies, they need to be better versed in what the agencies are doing. As TDC Management redesigns its agency reporting format to be more meaningful, it should create a way for each agency to report monthly on new initiatives, recent successes and nagging issues that block the destination from success. The TDC should then synthesize this data into a highlight document for the TDC Board. This shortened reporting format would also be a great way to keep the Board of County Commissioners and other partner agencies up-to-date with the exciting work of the TDC’s agencies.

**Destination Enhancement.** One of the concerns we heard voiced on a number of occasions was that, while Palm Beach County’s Tourism Assets are considerable and diverse, new product development (with the exception of City Place) has slowed over the past decade. And, while most destinations would kill for just a portion of the product line that Palm Beach County enjoys, destinations that aren’t continually renewing their product line are destinations in decline.

Especially today, when destination development worldwide is both explosive and wildly innovative. Dubai leads the list with the recent development of an indoor snow-skiing hill and their construction of an underwater hotel, a Jurassic Park-like prehistoric theme park and the biggest shopping mall in the world. And it’s not just international development that is hot today. Developers around the United States are falling over each other to develop lifestyle shopping districts, high-end spa resorts, destination restaurants and lavish hotels. The type of destination-defining hotels and developments that was once fairly exclusive to Palm Beach County is now being replicated and further enhanced around the country. No longer can Palm Beach claim exclusive rights to a sophisticated destination image.

In our discussions with area stakeholders there was considerable agreement that somebody should be advocating for and coordinating new product

development in Palm Beach County. In destinations without Tourism Development Councils, that role is increasingly being adopted by Convention & Visitors Bureaus. In those same communities, the role of advocating for sport facility development is being taken up by the Sports Commission. And, in those cities, the Cultural Council lobbies for cultural development.

And, while we would expect that each of the affiliated agencies would continue to advocate for destination development that is specific to their needs, the existence of the TDC offers an interesting opportunity to provide a larger, more coordinated voice to the discussion.

At the Strategic Planning Retreat, we discussed how the Colorado Springs CVB, Economic Development Council, Sports Commission and Chamber of Commerce have forged an alliance that supports each agency's destination development agenda. This support provides a greater level of comfort to the City Council and Mayor, knowing that development initiatives are not the special interests of one agency...but of four agencies that effectively represent the economic and tourism industries of the community.

While the collaboration between the affiliated agencies for which many have longed is beginning to occur, the TDC now has the opportunity to unify the development interests and amplify the voices of its agencies.

We believe that part of the "leadership" that is expected from the TDC is that of advocacy on behalf of the destination. And, that advocacy should focus two key areas: Destination Development and Agency Resources.

**Recommendation:** The TDC Board is in the perfect position to coordinate a Colorado Springs-like voice that clearly communicates that a significant portion of the business and cultural community supports growth in all three areas. For example, if the Sports Commission's research indicates that it could attract an additional 50 tournaments a year with a new indoor/outdoor sports complex, the TDC and the rest of its agencies would all come out in support of the complex.

TDC Management already performs as a receptive support center for developers seeking to create new product in the County, which should continue. We see this new role of public advocacy as being more Board-driven. When agency management advocates for destination development, some can pass those comments off as "s/he's being paid to say that." However, when the public support for a new development comes from a volunteer Board member, the message often finds a more receptive ear.

A possible scenario would include the agencies identifying key destinational needs and presenting these "wish lists" to the TDC Board for review, discussion, further feasibility research (if needed) and, ultimately a vote of support. The combined voice of the TDC and its agencies after a complete review of opportunities and anticipated impacts should provide a compelling level of support for the Board of County Commissioners' consideration.

**TDC  
Management  
plans to  
coordinate its  
agencies  
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needs and**

**Recommendation:** The TDC also has the opportunity to increase its interaction with the municipalities throughout the County to be in better position to support their individual tourism-specific goals. By maintaining these relationships, the TDC would be able to advise community A that community B was already working on a similar project and that a different strategy might be in its best interests. This type of liaison opens the opportunity to increased diversity of product. It also will allow the TDC to alert its affiliated agencies of new product development that some, if not all, could incorporate into their program of work.

**TDC  
Management  
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recommendation  
, while holding  
great future  
potential, is not  
possible at this**

**Recommendation:** Beyond Destination Development, the TDC should also be an advocate for increased resources for all of its agencies. While we understand that a significant portion of the Bed Tax collected by the County is earmarked for infrastructure improvements, Bed Tax is not the only funding source available for investment into economic development activities. As part of its ongoing research activities, the TDC should review how other Destination Marketing Organizations are funded for examples of innovative budget building options...and then articulate that need to the County.

Among the most innovative options in America today are California's Tourism-specific Business Improvement Districts. While Business Improvement Districts are common in Florida and around the country, ones that are focused specifically on funding Destination Marketing have been, until recently, a purely Californian phenomenon. The most recent example of its adoption outside California is in Myrtle Beach SC, where the Tourism BID provided a \$4 million boost to that CVB's budget last year.

Instead of the assessment being levied on all businesses in a district, a Tourism BID assesses only on hotel room nights booked, and the most common assessment is \$1 per night (as was implemented in Myrtle Beach). The revenues are collected by a unit of government and forwarded to a

Board made up of representatives from the businesses being assessed. The BID Board, in turn, decides where it believes the revenues would have the highest ROI, not unlike the decision the TDC is empowered to make. In most cases, the lion's share of the revenue is invested in the CVB, as most hoteliers believe that would be the most effective agency in growing their business.

The beauty of the California model is that it is a self-assessment program... and, unlike most taxes which last forever, it can be rescinded at any time by a vote of those being assessed. Several DMOs are looking into whether the Tourism BID can be extended to other business categories that benefit from Destination Marketing (primarily restaurants), but most believe that the expansion of the pool of businesses that will be voting to enact the BID places a positive vote in jeopardy.

This revenue option is just one of a myriad of potential scenarios for increasing the marketing and destination development resources available to the TDC and its affiliated agencies. And we believe it is imperative that the TDC Agencies move quickly to identify new revenues sources for TDC support.

**Inter-Agency Cooperation and Collaboration.** For many stakeholders, one of the most frustrating aspects of the past few years in Palm Beach County was the extreme disconnect between the TDC's agencies...a disconnect that many believe caused the destination to miss out on opportunities to maximize marketing and sales ROI.

Thankfully, since the leadership shake-up at the CVB, the agencies have begun meeting on a regular basis to update each other on projects in play and potential markets and/or tactics being considered. Leadership of the agencies told us that they are already seeing the benefits of this more collaborative style, identifying co-operative opportunities to increase destination visibility.

One of the most insightful comments of the Strategic Marketing Retreat: "Collaboration leads to Innovation."

**Recommendation:** The TDC should move to formalize this budding culture of collaboration between the agencies by establishing a schedule of agency CEO meetings that would be no less than every other month (once per month would be preferred). This, of course, is not to say that CEOs of select agencies wouldn't also confer on a far more regular basis on specific opportunities and ideas.

**Recommendation:** One of the toughest things to do

**TDC  
Management  
reports that this  
is already being  
done... and that  
it will look for  
ways to further  
refine to include**

for a CEO that attends a series of meetings each day and has an overflowing plate of responsibilities back at the office is for that leader to actually act on the cool ideas that are produced in these meetings. The TDC should monitor progress on the collaborative ideas that are generated in the agency head meetings and, when necessary, offer assistance in the further development or initiation of ideas that appear stalled.

**Recommendation:** The collaboration culture between the agencies should not be restricted to CEOs. The TDC should also assist the agencies in building a collaborative process between sales, service, interactive and marketing management of the agencies. Here too, marketing meetings should be formalized and held no less than quarterly (and more often as necessary) to identify joint opportunities and strategies.

**Recommendation:** There are entities that fall outside of the TDC's sphere of affiliated agencies for which inclusion in existing or separate collaborative councils could result in mutual benefits and higher ROI. The TDC should extend an invitation for more joint discussion with the management of the Convention Center, Palm Beach International Airport, the Office of Economic Development and the Business Development Board. The cross-pollination opportunities are significant and the ongoing non-tourism specific economic development efforts offer great opportunity for convention and meeting sales, sports tournament development, cultural development and Film & Television initiatives.

For instance, if the BDB is targeting bio-tech companies, the CVB could utilize those connections to pursue bio-tech conferences. If the CVB were targeting medical conferences, BDB would be smart to work with the CVB and Convention Center to maximize conference sponsors, attendee lists and trade shows. For any one of BDB's target markets, the events supported by the Sports Commission and Cultural Council make Palm Beach County far more attractive to prospective corporations. And everybody benefits from great beaches and the presence of celebrities and creative class artists from the TV and Film Industry.

**TDC  
Management  
reports that the  
CVB and BDB are**

A CVB in Texas recently assisted their Economic Development Office in landing a corporate headquarters relocation. The rationale? The number of business travelers that will overnight in that destination for training or sales calls is expected to result in over 8,000 Room Nights a year. The more parochial will say Economic Development and Tourism are different initiatives. They are not.

**Recommendation:** Virtually all of the TDC's affiliated agencies possess an ever-increasing need for more and deeper research to both insure that their

efforts are producing a solid ROI as well as better understanding their target customers and emerging market opportunities. In their regular meetings, the agencies should make the discussion of future research interests a priority. We have no doubt that there will be several occasions where multiple agencies could collaborate on the same survey instrument with specific questions asked for each to satisfy their informational needs. This concept would not only increase research knowledge for all agencies but would save money, allowing for additional research that couldn't have been afforded had all the agencies engaged their own studies. In some cases, the budget savings could also be plowed back into additional marketing, sales and development activities. TDC Management should assist in the coordination of these joint studies where possible and practical.

**Allocation of Tax Revenues.** The TDC has the authority, through its marketing plan and budget approval process, to re-allocate funds between its affiliated agencies. While making such shifts on an annual basis would make long-ranging planning for any of the agencies extremely difficult, there were those we spoke to that thought that the TDC should review allocations on an every 3 or 5-year cycle, basing decisions on ROI and an analysis of whether target markets had shifted.

Clearly, any discussion regarding allocation of funds requires preliminary budget development and presentations on budget rationale from each of the affiliated agencies. Without in-depth discussions with each of the agencies to better understand unique market and political conditions and past ROI, the TDC is not in a position to make informed changes to how funds are allocated. Several individuals we spoke with suggested that the current process for developing budgets is somewhat haphazard.

In its role as the Initial Authority, the TDC should design a budgeting process that includes both preliminary discussions with the agencies as well as the final approval of all budgets.

**TDC  
Management  
reports that it is**

**Recommendation:** Using its new contract monitoring forms as a base, the TDC should work with its agencies on developing a budget calendar that would start in a mutually agreed month with a general discussion of intended direction. The first meeting should include Agency and TDC Management discussing future direction and potential collaborative programming.

Once the agencies agree to (or at least are aware of) each other's intended marketing plans, they should meet with the TDC Board for a two-way discussion on the upcoming budget year. This discussion will allow the agencies to share their initial thoughts about the upcoming year...and the

TDC Board to both comment on those ideas as well as offer its own desired directions for agency consideration as each begins to build its marketing plan and budget.

In planning the schedule of when these initial meetings should occur, the TDC should confer with the agencies to insure that enough lead time is provided for all...and that there is enough time built into the process that the TDC Board will be able to review the final budget proposals without feeling rushed.

**Recommendation:** We have no disagreement with the concept that a discussion about whether revenues are being allocated effectively should be done on a 3 or 5-year cycle. But, such a policy must be clearly established as a point-certain on the calendar and understood by all agencies.

Looking to a bigger picture, however, we believe the TDC should aggressively search and advocate for additional funding resources to be *added* to its agencies' budgets, rather than focus on discussions of reallocation. Given the uncompetitive nature of the CVB's budget, reallocation of resources is somewhat akin to rearranging deck chairs on the Titanic. What's needed is a reallocation of how Bed Tax dollars are invested in the County and innovative new funding mechanisms.

**Destination Brand Awareness.** The Palm Beach County CVB is embarking on an assessment that will gauge how effective the current brand platform is in communicating the destination's essence for its target markets. Clearly, the TDC and all the affiliated agencies should be an integral part of the upcoming process, as should the Convention Center, Airport, Office of Economic Development and the BDB.

Far from being an exercise to develop a new logo or tagline, the research envisioned in this project will determine whether, in this rapidly changing competitive climate, the long-term "brand identity" of Palm Beach County still resonates today...both given the destination's attributes (as compared to its competition) as well as with today's consumer.

**Recommendation.** Once the Brand Assessment project is complete and there is agreement on the destination's brand essence and the creative imagery and marketing tools that are designed to elicit brand recall, the TDC should work with all its affiliated agencies to encourage adoption of the tools in their own communications. For, only when consumers see the same look and hear the same message wherever they turn will the brand identity become reality.



## MEASURING PRODUCTIVITY

As noted earlier, the TDC's affiliated agencies are just now beginning to collaborate on a regular basis after years of operating in virtual silos. We believe part of the reason for this former disinclination to work together can be traced to the need for several of the agencies to "prove" their worth to the TDC and the Board of County Commissioners. In a sadly Machiavellian mindset, if one agency could claim more room Nights booked than another, the other agency(ies) would appear less worthy. The desired result, of course, was the wish for a fatter distribution of the Bed Tax receipts by the agency that could prove the greatest worth.

Whether the need for proof was real or imagined, it powered a number of disagreements between several of the agencies over the years. And, when worth is quantified by how many Room Nights are booked by an agency, it's easy to see how such sibling conflicts could arise.

But, it's not just Palm Beach County that is struggling with the concept of measuring productivity. Beyond the battle for "credit," TDC Management realizes that many Destination Marketing Agencies have been utilizing Room Night productivity as their primary measuring stick since the 1970s... and it is no longer enough. Government and Stakeholders are more sophisticated today. Consumers are more savvy. The internet has changed *everything*.

A new set of Performance Measures need to be designed if Destination Marketing Organizations are to be successful in quantifying the economic and social impacts they create. And we believe these measures will be subtly different for each destination.

The Destination Marketing Industry's Trade Association (Destination Marketing Association International) has developed a standardized set of Performance Measurements that are being adopted by Convention & Visitors Bureaus across North America and around the world. We understand that the Palm Beach County CVB has adopted these measures. And, yes, they do include Room Nights as a key measure.

Other key measures include:

- Number of New Group Leads (and associated Room Nights)
- Number of Event and Convention Center Bookings
- Number of Lost Events (and associated Room Nights)

At the end of the day, Destination Marketing Organizations are intermediaries. They put buyers and sellers together. They have little control over either...which is playing out in communities across the country that are seeing hotel occupancies and ADRs rise on a resurgent wave of business travel.

DMOs don't actually book the rooms or the conventions. They *facilitate* the booking of the rooms and conventions. Thus, if the facility's rate is too high, available air service too weak or a sufficient number of hotel rooms are unavailable and the event planner backs away, the DMO has virtually no control. And, if the DMO can't control the product, it becomes difficult to judge the agency on a lack of room night production.

As DMOs don't control the inventory, price, availability, service or product, we believe they should be judged on what they *can* influence. We believe a far more important set of measures is yet to be designed.

**Recommendation:** Each of the TDC's affiliated agencies should be required to develop Performance Measures that address their individual missions and how each of the agency's Boards view success. For some, like the CVB and the Sports Commission, we expect some of the traditional measures will remain...and that's good. Even if we know that Room Nights isn't always an accurate measure of success, the rest of the world thinks it is.

However, in addition, to these measures, we'd like to suggest these additional concepts as thought-starters for the following agencies:

#### Convention & Visitors Bureau

- Consumer Awareness of the Destination
- Intent to Visit the Destination
- Event Planner Awareness of the Destination and its facilities
- Intent to place an event in Palm Beach County
- Conversion of Intent to actual Visit / Booking
- Website Traffic
- Subscriptions to Opt-In Communication (e-news, mobile alerts, etc.)
- Requests for Information
- Increases in Private Sector Membership / Sponsorship

#### Cultural Council

- Visitor ROI of Grants to Cultural Organizations and Artists
- Website Traffic (excluding Palm Beach County IP addresses)
- Subscriptions to Opt-In Communication (e-news, mobile alerts, etc.)
- Requests for Information
- Increases in Private Sector Membership / Sponsorship

#### Film & Television Commission

- Producer Awareness of the Destination
- Intent to Film/Shoot in Palm Beach County in the Destination
- Conversion of Intent to actual Shoot in the Destination
- Impact of the resulting Visibility of Palm Beach County on Leisure and Group Intent to Travel
- Total Revenue for local companies, crews and photographers

#### Sports Commission

- Event Planner Awareness of the Destination
- Intent to place an event in Palm Beach County
- Conversion of Intent to actual Booking
- Website Traffic
- Subscriptions to Opt-In Communication (e-news, mobile alerts, etc.)
- Requests for Information
- Increases in Private Sector Membership / Sponsorship

When the Agency Boards and the TDC Board agree upon which measures are most appropriate, the first year of research will serve as a benchmark for all subsequent years to gauge improvement on each measure. For instance, if national awareness of Palm Beach County as a Convention Destination among professional meeting planners is 25%, the CVB should attempt to drive that awareness up each successive year.

But, a caution: Such qualitative research doesn't come cheap. Each agency and the TDC Board should gauge whether the information gleaned from such research is worth the shift of resources away from sales and marketing activities.

**Recommendation:** In addition to Productivity Measures, the TDC should continue to monitor Industry *Performance* Measures. In addition to the measures it already watches (hotel occupancy and average daily rate, Bed Tax collections, Total Visitor Spending, etc.), the TDC should consider monitoring restaurant, retail, arts and entertainment receipts, new tourism-related bricks-and-mortar development and other measures as identified. While the TDC and its agencies cannot control these Performance Measures, they will serve as an indicator of the health of the County's Tourism economy, providing the agencies with invaluable information.

## **TDC GOVERNANCE & OPERATIONS**

The design of the Tourism Development Council concept contains both strengths and weaknesses. Among its strengths is the opportunity to coordinate the marketing, sales and product development of several Destination Marketing agencies. In most American destinations, such coordination is sadly lacking, costing regions the loss of significant brand awareness and, thus, future revenues.

Through this “umbrella” role, Tourism Development Councils also have the ability to become strong destination advocates. It’s one thing when the CVB or Sports Commission is advocating for new development or additional investment into their programs. It’s something quite more powerful when an entity that represents the collective will of several agencies representing thousands of businesses and residents.

Through this advocacy role, there is another potential strength...that of a buffer between government and DMO. Today’s political arena is an uncertain world in which personal and party agendas often drive misguided actions. That a County empowers an entity like the TDC to monitor its affiliated agencies and recommend actions back for governmental approval provides an additional level of security for the County that the investment it is making in Tourism Promotion and Development is sound.

However, this very strength brings with it the primary weakness of the TDC format. By State Statute, the TDC Board is appointed by the County Commissioners. In addition, the Chairperson of the TDC can designate themselves or another member of the Board of County Commissioners to be the Chair of the TDC. Thus, politics can very easily enter into the equation whenever the TDC or one of its agencies lobbies for a change in contract, funding or public policy.

An example of what can happen when a TDC Board goes against the wishes of the Board of County Commissioners played out last year when the Bay County TDC fired the Panama City CVB CEO. A week later, the Board of County Commissioners replaced every member of the TDC Board. While this is, to be sure, an extreme example, it points out the weakness of any Board of Directors that is completely appointed by government.

The other weakness, as noted earlier, is that the TDC is not the “Final Authority.” While the County rarely exercises its power to disregard the recommendations and requests from the TDC Board, it has the authority to do so.

As part of the Strategic Planning process, we analyzed the governance and operational processes of the TDC. It was often a large part of our conversations with stakeholders and was discussed during the Strategic Planning Retreat. We offer here our recommendations for enhancements in both areas:

## BOARD GOVERNANCE

With so much of the policy governance of the TDC Board dictated by State Statute, there is very little that can be “officially” altered without legislative action in Tallahassee. Thus, our recommendations will be directed toward organizational culture changes that can be affected without amendment to statutes or ordinances. Such culture changes can be accomplished through ex-officio Board positions or procedural agreements between the County and the TDC Board.

The primary governance concern we heard from stakeholders and members of the TDC Board was that State Statutes limit the Board size to 9 members, with only 3 required to be actively employed in the Tourism/Hospitality industry. The argument we heard from several people was that Palm Beach County is far too large and diverse a destination to be effectively represented by 9 people. And, while we are by no means a fan of big Boards, we concur with this concern.

Beyond representing the issues of a diverse hospitality industry, a Board of 9 significantly limits the amount of organizational and destination outreach and advocacy that can be accomplished. Especially with a talented group of volunteer Board members that has their own careers and responsibilities, the time available for Board outreach is already limited. A TDC Board of 15 could do significantly more in terms of advocating for destination enhancements throughout the County.

**Recommendation:** In discussions with the TDC Board, we sensed a reticence to officially expand the size of the Board. At the same time, we heard a willingness to employ Advisory Committees to extend the reach of the TDC to more stakeholders.

Thus, we recommend that the TDC Board create Advisory Committees made up of industry stakeholders to address some of the TDC’s Strategic Goals. In this way, the TDC Board will benefit from additional input and advocacy in the following areas:

- 1) Contract Compliance - No Committee Needed
- 2) Facilitate Increased Collaboration - No Committee Needed
- 3) Increase Awareness and Support of the TDC (Public Affairs Committee made up of TDC Board Members and a couple community PR pros)
- 4) Advocate for Destination Development (Destination Development Committee)
- 5) Increase Agency Competitiveness (Agencies to report individual progress to the TDC Finance Committee)

**Recommendation:** The County should reconsider the language in Section 17-115 of the County Code which *requires* the Chairperson of the Board of County Commissioners (or their designee from the BCC) to be the Chairperson of the TDC. We make this recommendation with absolutely no lack of respect toward the current Chairperson, or any past Commissioner that has served as TDC Chair. However, we believe that the increasingly proactive role that the County expects the TDC to perform will require even more time from its current and future Chairpersons. Given the enormous responsibilities of Commissioners, we believe a non-Commissioner Chairperson would have more time to devote to the TDC and its mission.

We suggest that the County utilize the language found in the State Statutes ("The governing board of the county shall have the option of designating the chair of the council or allowing the council to elect a chair."). This language enables the BCC Chairperson to serve as TDC Chair if s/he desires...but does not mandate that a Commissioner (who may not have the time to invest in the new TDC) must be the Chairperson.

## TDC OPERATIONS

For much of the past ten years, the TDC staff served in more of a support and oversight function than that of the Destination Leader that the County and many in the industry now expect. Thus, we heard lots of suggestions for how to flip the TDC from reactive to proactive.

In our conversations with stakeholders, there was a significant amount of discussion regarding TDC communication (specifically, the lack and/or inefficiency of it). On the “lack” of communication side, members of the Board of County Commissioners voiced concern that they often didn’t know what the TDC was doing, a sentiment we also heard from some of the TDC’s own affiliated agencies. And, some members of the TDC Board expressed frustration with the short lead time with which they often were faced with monthly Board packets.

We’ve reviewed the reports the TDC provides to these stakeholders and know that the information is certainly there, if the packets are being read. So, it isn’t that the TDC isn’t providing the information. It’s that the TDC hasn’t been providing it in a manner that is effectively communicating the message.

For the TDC Board, the solution appears to be a two-step change. First, we heard that the sheer volume of data is off-putting to several members of the Board. A revision of what is reported and in what format appears to be in order. And, as for the timing of Board Packet distribution, a more compact set of reports and documents should lessen the concern regarding the short window of time between receipt and meeting. However, we encourage the TDC staff to attempt to give the Board at least a week between Packet delivery and meeting.

TDC Management has indicated that Packets are occasionally mailed late because it has to wait on data that often comes in days before a Board Meeting. If these are prior month reports that are being included in the packets, we completely understand the frustration on both sides. The Board needs to make a decision whether it needs the freshest, most up-to-date data...or whether it can be reviewing data that is sometimes six weeks old. If the former is the case, the Board should consider moving its meeting dates later in the month.

Some TDC Board Members commented on the monthly meetings as well. Most reported that meetings have become much more engaging over the past year, with more focus on the future than on listening to reports. If this shift is occurring, we applaud it, as it will produce a more informed and engaged Board over time.

An interesting suggestion was made by one of the Retreat participants that industry and trend experts be invited to meetings on a quarterly basis to inspire the Board to future possibilities. Such a regular series of futurists and experts would also be invaluable to agency management. And, taking this a step further, once in Palm Beach County, these speakers could also be engaged to present compelling workshops to the industry. Assuming the presentation would carry an admission fee, such a tactic could be used to cover the cost of top speakers.

**While agreeing with the opportunities this could offer to TDC Board, Agencies and the Industry at large, TDC Management believes it doesn't have the organizational**

Members of the TDC Board also say they look to TDC Management to do more than bring issues to the table. Several we talked to say they'd like Management to take it to the next level and bring suggested solutions. Some noted that, on complex issues, they're not comfortable making decisions without analysis and guidance from TDC staff.

We sensed a fairly uniform consensus from members of the TDC Board that many did not feel they were necessarily well-versed on the way that each of the affiliated agencies identify and pursue their target markets. Nor do they need to be...as that is the role of each of the agency's Boards. What the TDC Board *does* want is to be presented with proposed marketing and business plans from the agencies in order to review, comment and, ultimately approve them.

While the TDC Board has been doing just that, many members suggested that the process is rather haphazard and hurried. The Contract Compliance Form that TDC Management has designed and the agency compliance calendars that we have recommended should go a long way to formalizing the review process, giving the TDC Board more time to analyze the plans and offer recommendations.

However, as this upcoming Fiscal Year's planning season will be the first to benefit from this new format, we believe that FY08 should be a benchmark year for a number of new processes and measurements.

**Recommendation:** In this case, the TDC Board will receive proposed marketing and business plans after TDC staff have reviewed and made their recommendations for change to the individual agencies. During this process, TDC Management may also be able to identify previously unnoticed cooperative opportunities and make those recommendations, as well.



Once TDC Management is satisfied with the efficacy of the agencies' plans, it will make its recommendations to the TDC Board. The Board will then have the opportunity to review the plans, knowing that TDC Management and the agencies have already done "the heavy lifting." The Board can then view the plans at a macro level, approving general strategy and direction.

Once this first year of this process is in the books and the TDC Board begins to see revised reporting on productivity measures, it will be in a much more advantageous position from which to suggest strategic shifts or new niche market concepts *prior* to the initiation of the marketing and business planning cycles begin for FY09. It will be in this way that the TDC becomes the Initial Authority, recommending to the agencies the broad strategic directions it believes are best for the destination. The agencies can then, in turn, develop tactics to address any potential shifts in strategic direction offered by the TDC.

**Recommendation:** TDC Management should work with its Board over the next 4-6 months to determine the level of reporting it needs in order to be informed enough to make key decisions while not being overpowered with paper work. There was a fairly clear consensus that being able to review key reports and proposals in a 2-4 page format each is what is being desired.

One of the documents that the TDC Board most wants to see is a monthly one-page document that confirms that each agency is in compliance with its County Contract and, if not, the reasons for the non-compliance and measures that will be taken to rectify the situation.

Clearly, there will be documents and reports in which more depth is crucial. The TDC should look to place these full reports online so that Board members can access them if more detail is desired.

**Recommendation:** The design of future TDC Board Agendas should continue to reflect the movement towards less reporting and more discussion. And, in designing meeting agendas, TDC Management should strive to eliminate as much of the tactical and administrative items as is possible to allow the Board to focus its attention on the strategic future.