



Fiscal Year 2017 Business Plan

Executive Summary

Prepared for BEDAB

I. Visit Bend's FY2017 Business Plan is designed to achieve five primary objectives:

- a. Maximize the number of tourists visiting Bend
- b. Maximize the amount of money tourists spend with local businesses
- c. Achieve a healthier seasonality for Bend's tourism industry by promoting the shoulder seasons and winter months
- d. Ensure equitable marketing support for all segments of Bend's tourism industry
- e. Ensure the highest levels of accountability, transparency, and professionalism

II. Primary Objectives

- a. Quantifiable
 - i. Achieve an 11% YOY increase in citywide gross lodging revenue
 - ii. Achieve a 3.5 percentage point increase in annualized citywide lodging occupancy
 - iii. Exceed 1.75 million visits to www.visitbend.com
 - iv. Achieve an average of 80% market reach with an average frequency of 4.5x through the winter advertising campaigns in Oregon, Seattle, and Northern California
 - v. Achieve a 90% market reach with a frequency of 5x through the summer and shoulder season advertising campaign in Oregon
 - vi. Distribute \$150,000 of tourism marketing grants through the Bend Cultural Tourism Fund
- b. Other goals and objectives
 - i. Exceed 250,000 followers on Facebook
 - ii. Create a new 90 second destination marketing video
 - iii. Design and produce version 5.0 of the Bend Ale Trail Atlas and mobile application
 - iv. Create a regional brand for our sports commission efforts under the umbrella of the Central Oregon Sports Authority
 - v. Expand distribution of winter mini-guides

III. Five Primary Strategies

- a. Destination brand advertising to drive awareness of the destination, compel the audience to visit, and drive traffic to www.visitbend.com
- b. Court citywide events, conventions, and conferences to Bend during the shoulder seasons and winter months
- c. Diversify tourism offerings (craft beverage attractions, cultural tourism, new recreational assets, new groups)
- d. Public relations to generate positive media attention
- e. Continue emphasis on operating a cutting edge and industry-leading website, digital marketing program, and social media platform

IV. Budget Highlights

- a. Revenue
 - i. VB is projecting FY2017 total revenue to equal \$3,210,759 (+11% YOY)
 - ii. VB is budgeting for a cumulative 11.3% YOY increase in TRT funding for FY2017
 - iii. VB's revenue forecasts are driven from projections of citywide gross lodging revenue, which are driven by several factors:
 - 1. Contracted business
 - 2. Historical trending
 - 3. Available lodging inventory
- b. Cash Flow
 - i. The FY2017 budget allocates over 80% of the sales and marketing budget to winter and shoulder season marketing
 - ii. This creates an inverse seasonal relationship between revenue creation and expense generation. VB's cashflow management model has been adjusted to accrue surplus revenue in Q1 for heavy marketing and associated spending in Q2 and Q3
- c. Personnel Expenses
 - i. Visit Bend's ratio of personnel expenses to revenue has been among the best in the DMO industry since 2007
 - ii. In FY2017, VB's performance in this budgetary element will be even better, with projected total personnel expenses projected to be 21.5% of total revenue.
- d. Geographic Budget Allocations
 - i. VB will continue to spend more money in out of state marketing than in-state marketing
 - ii. California and Washington marketing efforts will represent over half of available marketing funds
- e. Fiscal Management Plan
 - i. Monthly closing of books
 - ii. Monthly public reporting of financials in board meetings, broadcast emails, and on the website
 - iii. Monthly submissions of complete financial reports to City of Bend Finance Department
 - iv. Strict adherence to VB's Financial Policies & Procedures
 - v. Annual independent financial review conducted and reported by Harrigan, Price, & Fronk

V. Other noteworthy items for FY2017

- a. Expanding winter advertising campaign in northern California (TV, radio, digital, print, promotions)
- b. Hosting USA Track & Field Cross Country National Championships (February 2017)
- c. Hosting USA Duathlon National Championships (June)
- d. Four new hotel projects within city limits in various stages of planning and development
- e. Completion of significant renovations planned for the city's largest hotel and convention center (Riverhouse)
- f. Creation of new shoulder season advertising campaign positioning October as a month dedicated to ideas, creativity, and entrepreneurship (BendFilm, Bend Venture Conference, Bend Design Conference, Swivel, etc.)

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