

CAIRNGORMS BUSINESS PARTNERSHIP

Report by Jan Polley

December 2008

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1. This report was commissioned by the Cairngorms Chamber of Commerce in conjunction with representatives of other business organisations (Aviemore & Cairngorms DMO, Royal Deeside & Cairngorms DMO, Glenlivet & Cairngorms, Angus Glens and Blair Atholl & Glenshee) to identify a possible new collaborative business model which
 - a. enables the private sector to take the lead in determining the tourism and economic agenda in the Park, especially when engaging with public bodies, providing one business voice;
 - b. minimises the existing duplication and so cost of services provided by the various private sector membership organisations in the Park area;
 - c. ensures private sector businesses have access to the combined expertise and services of all the business organisations in the Park.
2. The aim is that a collaborative alliance should be able to focus on three core activities –
 - ◆ driving Demand and Prosperity – through effective marketing and promotional activities which will grow demand for products, goods and services;
 - ◆ business and product Development, Building Capacity – supporting businesses to be 'fit for the future' and competitive in today's marketplace;
 - ◆ advocacy – providing a cohesive voice on behalf of business that will influence local, regional and national agendas to support and foster profitable sustainable growth in the area.
3. Discussions have taken place with representatives of the organisations listed above, as well as with their main public sector funders – the Cairngorms National Park Authority, Highlands and Islands Enterprise, Scottish Enterprise, Highland Council and Aberdeenshire Council. Views have also been sought from members of Cairngorms Hostels, Cairngorms Farmers Market and Creative Cairngorms which have already established cross-park collaborative business arrangements.
4. Those discussions identified a range of additional requirements that should be met by any collaborative structure. It should –
 - a) Focus on delivering commercial benefits to business organisations in the Park;
 - b) Maximise economies of scale from working together;
 - c) Avoid creating additional layers of bureaucracy;
 - d) Deliver the outcomes required by public funders;
 - e) Provide clear accountability on what its funding is spent on to both business members and public sector funders;
 - f) Reduce the need for business people and individuals representing each organisation to go to meetings of public bodies, especially the Park Authority, by having one body reflecting everyone's views;
 - g) Realise the marketing benefits of being in the National Park;
 - h) Recognise the fact that some business organisations have boundaries and partnership arrangements which extend outside the Park;
 - i) Ensure the particular needs of businesses in each area of the Park are respected and supported, accepting that they may differ.

Current Situation

5. There are currently a range of membership organisations supporting businesses within the Park. Some have paid staff, some receive support in kind from partner organisations and all

rely on a significant amount of voluntary support from office holders and member businesses. Most of the larger ones benefit from funding from public bodies, either to support running costs or to finance particular projects. A range of public bodies are involved in this covering 4 local authority areas (5 if Highland Perthshire joins the Park).

6. While some of the business organisations have members exclusively based in the Park area others also have some members or key business partners outwith the Park.
7. The current organisations benefit from having strong local ownership and an ability to deliver projects which meet the particular needs of local businesses. They also have strong support from the public bodies in their areas. On the other hand, the limited size of most of the organisations means that
 - ◆ they cannot benefit from economies of scale,
 - ◆ the danger of duplication and reinventing the same wheels is ever present,
 - ◆ there is considerable reliance on the goodwill and expertise of voluntary office bearers which can mean that projects take longer to come to fruition,
 - ◆ the few paid staff generally operate alone needing to turn their hand to everything which is not always an efficient use of their expertise,
 - ◆ there is no overarching marketing framework for the National Park which could help businesses maximise the benefits from the National Park.
8. All of the public bodies are keen for the business organisations in the Park to take a stronger role in issues like product development and support, community planning and economic development more generally. Discussions indicated that they will continue to provide funding, usually for particular projects, but all emphasised the fact that money will be tight over the next few years and they want to see signs that the business organisations are becoming less reliant on their funding. Those public bodies that include areas outside the Park also emphasised that the Park is only a small part of their remit and they do not want its boundaries to create an artificial barrier for economic development.

Need for a Collaborative Model

9. It is clearly a waste of money having a number of business organisations across the Park all doing the same things e.g. going to the same meetings, and reinventing the business support wheel. It also means that no single organisation has the time or expertise to move its agenda on from providing basic services for its members. While a multitude of organisations may be workable in a part of the country with a large population, it is not sustainable in the long term in the Cairngorms. It means that businesses in the area are missing out on the support and expertise that can be provided elsewhere.
10. For the public sector funders, the small size of the business organisations mean that they cannot always deliver the outcomes sought in the timescales required. It is also extremely difficult to see how they can ever acquire the critical mass, both financial and in membership terms, to become financially self standing in the way sought by many in the public sector.
11. Discussions amongst the various business organisations identified a range of activities that could potentially benefit member businesses and provide better value for money for all funders if they were undertaken jointly and collaboratively including
 - ◆ Business training and mentoring
 - ◆ Business and Product development programmes
 - ◆ Customer surveys and other market research
 - ◆ Developing and promoting Park wide marketing plan and messages
 - ◆ Marketing cross Park topics e.g. wildlife

- ◆ Cross marketing opportunities
- ◆ Advocacy/ engaging with public bodies to communicate business messages
- ◆ Purchasing expertise e.g. printing, insurance, legal advice
- ◆ Events management advice/support
- ◆ Intelligence on marketing opportunities
- ◆ Business intelligence
- ◆ Administration systems
- ◆ Benchmarking
- ◆ Web portal
- ◆ Path marking
- ◆ QA encouragement/advice.

12. This lack of critical mass has also meant that the economic voice of business in the Park area has been weakened. All the public bodies with responsibility for economic development in the Park area want to see stronger private sector leadership but this has been slow to develop. The Park Authority in particular has economic as well as environmental and social aims but the economic aspect of its activity has been relatively weak, partly because there has not been a strong joined up business voice or business organisation that the Park Authority can work in partnership with to get things done across the Park as a whole.
13. Connected to that, it is noticeable that while Government Ministers have consistently seen National Parks as offering local businesses a marketing and commercial opportunity, no clear cross-Park marketing framework has yet been developed that would allow businesses to benefit from being in the National Park. While the public sector has undertaken a number of initiatives, including the development of a Cairngorms Brand, there has been very little opportunity to date for the businesses of the Park, especially tourism businesses, to come together under a coordinated marketing framework. The steps that have been taken, including those by Creative Cairngorms, Cairngorms Hostels, Cairngorms Farmers' Market to work together, are showing early benefits. In addition, recent surveys by the Chamber of Commerce and individual tourism member businesses have shown that for some businesses (around one third of them) over half of their customers were influenced by the fact they were in a National Park when deciding to visit. This suggests that there is considerable untapped potential if a stronger marketing framework were developed. A collaborative business organisation should be able address this gap in consultation with the relevant public bodies, thus realising more of the benefits of being in a National Park for local businesses.
14. A collaborative business partnership could also help with one of the other main barriers to marketing the Park – lack of funding. It is clear from discussions with public bodies that only VisitScotland can fund traditional marketing activity and its priority at present is to market Scotland as a whole. Thus while other public bodies can assist with a wide range of projects, they cannot support direct marketing campaigns. An important benefit of a collaborative body could therefore be its ability to pull together sufficient private sector funding to market the area while leveraging public funding to support its other activity.
15. It was clear from discussions however that any collaborative model must not get in the way of 'bottom up' area based marketing opportunities, weaken the local business networks nor undermine the close local partnerships that already exist with business partners, organisations and funders. At different times businesses will choose to use different area 'identities' such as Aberdeenshire, Angus, Aviemore, Cairngorms, Glenlivet, Moray, Royal Deeside, Speyside, Strathdon, Strathspey, Highland or Scottish and the collaborative business partnership should not get in the way of that. Similarly the boundaries used by public sector funders should not inadvertently become a barrier to the economic development of individual businesses.

Cairngorms Business Partnership

16. In the light of the comments received, this report recommends a collaborative structure which

- ◆ builds on existing structures to minimise disruption and allow businesses, especially in the Tourism sector to benefit quickly from the opportunities created by working together,
- ◆ allows everyone to share the administrative expertise available,
- ◆ avoids unnecessary duplication of administrative effort and resource,
- ◆ avoids a new layer of bureaucracy and so extra cost,
- ◆ recognises the importance of local identities and partnerships.

17. It involves bringing together the staff resources of the existing organisations (the DMOs and Chamber of Commerce) which would allow everyone to benefit from their combined expertise and critical mass. Their work would be overseen by a Board of Directors made up of representatives of the various area and sectoral organisations to ensure that they continued to meet the needs of all areas and organisations. Area and sector bodies would be able to choose between joining that Board of Directors and pooling their funding resources in return for combined activities or simply buying services directly from the new organisation on a contract basis. The latter option might suit some of the smaller organisations that simply need occasional administrative support and advice. Those local organisations which deliver projects with assistance in kind from local partners, rather than having their own staff, could continue to do this, perhaps acquiring additional specialist support or advice from the new body if they wanted it.

18. Existing area and sectoral organisations would continue to exist to maintain strong links with their local members and to retain partnerships with local public sector funders. Some of those organisations may choose to continue to have their own Business Plans, linked to the collaborative Plan, showing local activities, funding streams and KPI's but also showing where the activity and funding was undertaken jointly.

19. Annex A offers an indication of what the model would look like. This new collaborative body would be funded by a combination of member organisations in return for agreed services and by funding from public bodies that wished to support specific activity or projects. The services provided and budget received would be clearly set out in Strategy and Business Plans developed by the Board of Directors and agreed with the member bodies and their funders. Irrespective of whether Strategy and Business Plans were drawn up at a local or Cairngorms wide level, it would be important to ensure that they demonstrated clear links between the funding provided and the outcomes achieved – for both public and business member funders. The staff of the collaborative body would continue to deliver all of the activities as before.

20. This structure would be very easy to establish and so could be up and running quickly. The number of activities operated jointly and the number of organisations taking advantage of those opportunities could easily change over time as the arrangements settled down and the advantages of joint working became more obvious. In time some of the individual member organisations may choose to disband and subsume their interests within a single Cairngorms wide body.

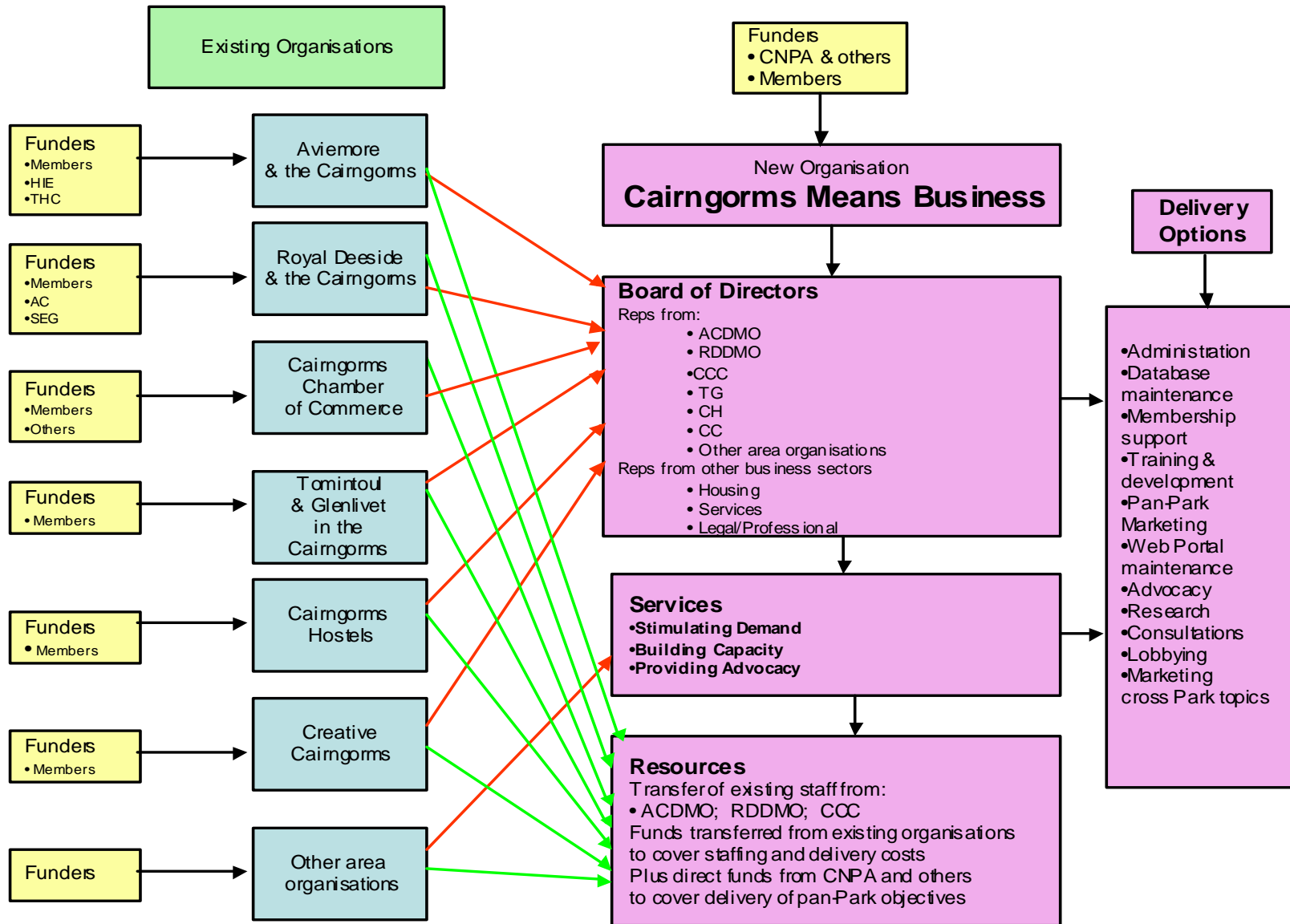
21. An illustrative vision of how the work of the new body might link to the needs of the various public sector funders in the area was drawn up by some of the business interests in the Park and is shown at Annex B.

Conclusion

22. This recommended structure is designed to meet the range of needs described by those consulted during the compilation of this report. In particular, it aims to provide businesses in the Cairngorms with a practical solution which offers

- ◆ a cost effective centre of practical, commercial expertise;
- ◆ a mechanism for working together to ensure that the business voice can take a leading role in determining the economic future of the area;
- ◆ a structure which respects the differing needs of organisations and can adjust as and when the boundaries of the Park change; and
- ◆ an model which allows for coordination and, at the same time, respects the wish of businesses also to work with partners outwith the Park.

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Vision

To provide a world class experience throughout the Cairngorms National Park that will in turn support sustainable economic growth and prosperity whilst safeguarding the unique features this special place.

Ambition

To create an effective partnership (Cairngorms National Park Partnership) between the private and public sectors that will commit to a common agenda of economic and social and environmental sustainability.

What is CNPP

CNPP is a private sector grouping that will deliver in partnership with the public sector the following **three core activities**:

1. **Driving demand and prosperity:** through marketing a promotional activities via local groups will grow demand for products goods and services.
2. **Business Development and building capacity:** A business development programme to support businesses to be sustainable and 'fit for the future' and that are competitive in today's marketplace.
3. **Advocacy:** To provide a cohesive voice on behalf of businesses that will be used to influence local, regional and national agendas that will in turn create a positive legislative landscape that will foster and support profitable and sustainable growth for the area.

CNPP will be a body made up from business groups across the CNP along with supporting public sector funding bodies. The Board will set the strategy and charge an executive team to deliver that strategy through the business plan. The executive team will be responsible for the delivery of the three core objectives. It is envisaged that local business groupings will represent the interests of their respective areas and lead on the delivery of the marketing strategy at a local level.

National	PSN Outcome	Aim 'Why'	PSN Activity 'Leadership'	Business Activity 'Walk the talk'	SE	THC SOA	HIE	CNPA 'Regional link'
Demand Sales	<ul style="list-style-type: none"> • Increase value of tourism by x% by 2015. • Grow year round employment from x at present to y by 2015. • Increases the average spend by visitor by x% per annum by 2015. • Increase number of overnight stays by x% per annum to by 2015. • Increase the number of overnight trips in the first and fourth quarters of each year by x% and y% respectively by end of 2015 • Implement a marketing and promotional strategy • Implement a e-commerce strategy • Produce and distribute visitor printed guides, whats on and Park i • Initiate a customer enquiry review • Achieve target web views and click throughs to businesses 	Maximise sustainable profitable sales along with development of the brand values and product offering	<ul style="list-style-type: none"> • Develop web portal • Lead a business benefit based web and e-commerce strategy • Develop niche marketing group • Deliver a PR Plan • Plan Fam Trips • Gateway sites development • Cross selling • Interpretation/or ientation plan • Promote package & cross selling • Manage event development plan • Year round tourism • Profitable business • Organise events to promote local produce • Promote more local live music 	<ul style="list-style-type: none"> • Align own marketing • Join marketing groups • Support and act the brand • Supply content to website • Support gateway sites • Cross sell on web • Support partnership campaigns • Employ locally • Community Assoc support towards PSN • Stay open out of season • Buy Local produce • Engage in business development programmes • GTBS in your business • Green Shoots • Keep marketing data up to date • Undertake online booking for your business 		<p>1.1 to Grow more local business</p> <p>2.1 High levels of economic activity sustained</p> <p>2.3 More balanced economic growth across the Highlands</p> <p>10.3 Invest in the infrastructure for rural communities</p> <p>11.2 More communities own and manage their assets</p> <p>14 We reduce the local and global environmental impact of our consumption</p>	<p>Increasing the economic impact of identified priority businesses</p> <p>increasing the size of the area's contribution to Scotland's growth</p> <p>To match the GDP growth rate of the small independent EU countries by 2017</p> <p>To raise Scotland's GDP growth rate to the UK level by 2011</p>	<ul style="list-style-type: none"> • Work with partners to promote the National Parks as a key part of Scotland's tourism product • Strengthen awareness of spending on local crafts • Develop stronger links between tourism and transport, land management, food and drink, retail and other key sectors • Ensure communities are represented in tourism planning and are able to generate positive benefits from the tourism industry • Work with industry to provide events and festivals) out with peak season • Promote economic opportunities created by National Park status and ensure expert advice is available in relation to sustainable development • Increase use of environmental management plans and accreditation by businesses • Make information on specific resource protection issues available to managers and users • Increase use of environmental management plans and accreditation by businesses • Strengthen awareness of spending on local crafts • Increase use of environmental management plans and accreditation by businesses

	PSN Outcome	Aim 'Why'	PSN Activity 'Leadership'	Business Activity 'Walk the talk'	SE	THC SOA	HIE	CNPA 'Regional link'
Capacity	<ul style="list-style-type: none"> Work with Stakeholders to establish a programme of Market Research x% per annum increase in visitor satisfaction. x% visitors repeat returners or who will recommend the area to friends and relatives. All participating businesses being part of Visitscotland QA schemes or Codes of Conduct as approved by the PSN. 	Smarter and more profitable businesses	<ul style="list-style-type: none"> Business Barometer International Benchmarking Market Trend analysis Customer attitude surveys Customer journey mapping Future Scenario Planning Events strategy Local Food & Tourism strategy Develop a series of meaningful business development days for local business Develop customer experience programmes Staff training development programmes Promote VS QA Promote GTBS Food grading Business mentoring Develop TIC delivery Improve interpretation Audit signposting Lead segmentation work 	<ul style="list-style-type: none"> Commit to supporting survey programme. Open your business to attend at least two business development days. Commit to a leadership or staff training event Support customer feedback schemes Join VS QA Join GTBS Join EatScotland Join mentoring scheme Commit staff training budgets Look into yield management Work with segmentation issues in mind 	<p><u>Business leadership</u> To provide opportunities for owners and key staff in Scottish tourism businesses to develop their own knowledge and skills. This will be achieved through master classes, conferences, seminars and international visits, providing access to UK and international best practice on key business issues.</p> <p><u>Innovation</u> To support tourism businesses with tools and resources to identify market opportunities work collaboratively and develop and implement new business ideas.</p> <p><u>Destination development</u> To work with industry and local partners to deliver a distinctive and all-round quality visitor experience in our main tourism destinations.</p> <p><u>Product development</u> To support tourism businesses to develop new visitor experiences around key Scottish assets, such as golf, food, whisky, forestry, ancestry and country sports.</p>	<p>1.2 Increased productivity in business with growth potential highlighted in tourism</p> <p>3.1 Increase the number of school leavers in positive and sustained destinations</p> <p>3.2 Increase the number of young persons in training</p> <p>3.3 More people to access learning in their communities</p>	<p>Our priorities for tourism include strengthening business leadership and productivity capabilities, helping businesses of all sizes to be internationally competitive, and assisting world class destination development in key areas to create an excellent overall visitor experience.</p> <p>These priorities require a wide range of development activity, including tourism e-business, management, leadership and workforce development, market intelligence support and aiding effective business collaboration</p> <p>To rank in the top quartile for productivity amongst our key trading partners in the OECD by 2017</p>	<ul style="list-style-type: none"> Support annual tourism industry meeting to share good practice develop and support effective mechanisms for two-way communication with business stakeholders Conduct omnibus tourism enterprise survey Encourage benchmarking of performance to improve quality of customer experience Collate Park-wide information on visitor numbers (vehicle counters, car park usage, visitor attraction numbers and people counters) and regularly disseminate Encourage businesses to collaborate and network through groups such as Creative Cairngorms Develop training and other measures to better support the vocational skills requirements of businesses and residents in the Park Work with industry to provide additional high quality experiences (including events and festivals) out with peak season
Customer Experience, Skills and Quality	<ul style="list-style-type: none"> Coordinate quarterly events to encourage and motivate the business to innovate Deliver three e-commerce workshops per annum Introduction of park wide segmentation work Annual Tourism Conference Pan Park Business Barometer Product development: Mountain biking, walking, wildlife watching... 	Visitor Delight and experience will lead to loyalty to the area and likelihood to return						

TFFC 'National'	PSN Outcome	Aim 'Why'	ACDMO Activity 'Leadership'	Business Activity 'Walk the talk'	SE	THC	HIE	CNPA 'Regional link'
Advocacy	<ul style="list-style-type: none"> Annual Business dinner Be a member of national strategy group 	Create a landscape that supports profitable businesses	<ul style="list-style-type: none"> Transport solutions – internal Transport solutions – external Licensing Red tape 	<ul style="list-style-type: none"> Support surveys and business feedback 				
Sustainable PSN	<ul style="list-style-type: none"> Establish and develop an effective network of specialist groups to help guide the work of the Board Firmly establish the PSN as an accepted Management Organisation within the Business Community in the Destination. Membership target of X Funding and Finance f Secure private sponsorship of £x 	To create a sustainable organisation that can concentrate on: Driving demand Increasing capacity and Advocacy in the best interests of local businesses	<ul style="list-style-type: none"> Membership income Public sector funding Private sector funding Sponsorship Trust worthy organisation Efficient company Staff development programmes 	<ul style="list-style-type: none"> Support PSN initiatives 				<ul style="list-style-type: none"> Explore opportunities for getting a range of people involved in understanding and contributing to enhancement of the special qualities of the Park through visitor payback