



'A PLAN FOR THE INDUSTRY, BY THE INDUSTRY'

MICHIGAN TOURISM STRATEGIC PLAN 2007-2011



MEMBERS OF THE MICHIGAN TOURISM INDUSTRY:

As we approach the end of Michigan's first ever tourism industry strategic planning process, we wish to express our sincere appreciation for your support as we worked to ensure the process truly reflected the needs of our great industry. We worked with Michigan State University's CARRS Tourism Resource Center and Travel Michigan to coordinate regional meetings, document information and other planning initiatives. Michigan's tourism industry representatives rallied to provide the financial support needed to ensure the successful development of this strategic plan. We are sincerely grateful for all this hard work and show of support and coordination.

A great effort was put forth to identify the key challenges facing the industry and develop strategies to address them. We also worked collectively to identify the opportunities for the industry and to capitalize upon those that would strengthen our tourism industry positioning. We also identified the weaknesses of our industry and have built in options for decisively and strategically attacking them. We believe we now have a fresh focus and the future of Michigan's tourism industry is more promising than ever before.

The time has come to pass this plan on to the leadership of the Michigan tourism industry: the Michigan Travel Commission. The Travel Commissioners are dedicated to establishing their leadership and supporting the implementation of this plan. This is an exciting time for Michigan tourism. We know we are facing struggles, but we now have a solid road map to guide our efforts. The Tourism Industry Planning Council, the Plan Coordination Team and the Council Liaisons are proud of what has been accomplished and confident that Michigan tourism has a very bright future.

Thank you for entrusting us with this responsibility. It has truly been a pleasure working on this project and serving our great industry.

:: THE MICHIGAN TOURISM INDUSTRY PLANNING COUNCIL ::

Michigan's tourism industry has always played an important role in the state's economy. It has a proven track record, generating over \$900 million in state tax revenue annually and supporting 200,000 jobs. But since the events of 9/11, our state has struggled to regain its share of the overall tourism market. While there is broad-based recognition of tourism's value to the state's economy, there is also a belief that more can be done to maximize its potential.

This belief has been the driving force behind the Michigan Tourism Strategic Plan initiative. This plan is the result of countless hours of deliberation by hundreds of industry members. It is the first industry-wide effort to use a proactive approach to develop strategies and policies that will help set the stage for future growth of our tourism industry.

The need for an industry development plan was officially recognized in 1945 in the enabling legislation that created the Michigan Travel Bureau and the Michigan Travel Commission. Facilitated by the Tourism Resource Center at Michigan State University and Travel Michigan, and developed 'for the industry, by the industry', we believe this effort is a significant step in addressing the most pressing tourism industry concerns.

The plan's goal is to create a framework for a shared vision with an agenda and strategies for cooperation and partnership that adds value to the entire industry. We believe that this plan, if funded and executed properly, can enhance and advance the industry in many new ways while creating jobs and improving the perception of Michigan. Crafting a strategic plan for the tourism industry that is inclusive, comprehensive and knowledge-driven is not easy, but it is an important, positive step that will enhance tourism's ultimate contribution to the Michigan economy.

This is an important time in Michigan's history. We believe it is also the right time to raise the bar on how tourism is viewed in our state. As the industry's Commission, we are committed to this effort and will do everything possible to further tourism's role in the transformation of Michigan's economy.

Please join us as we embark on a new chapter in Michigan tourism.

:: THE MICHIGAN TRAVEL COMMISSION ::



INTRODUCTION

Tourism in Michigan is a \$17.5 billion industry which employs 200,000 people and contributes to the economies of all 83 Michigan counties. Globally, it is an industry that has experienced significant growth in recent years, and this growth trend is expected to continue into the foreseeable future. Ensuring that Michigan's tourism industry captures its fair share of a growing tourism market is critical not only to the tourism industry in the state, but also to Michigan's overall economy.

Michigan is primarily a regional tourism destination drawing about 70% of its business from Michigan residents and 20% from residents of adjacent states and Ontario. Its reliance on this regional tourism market is problematic both in the near term and the long run. The Michigan economy has been weak for several years and is projected to remain so for some time. Population growth in this region of the U.S. is projected by the U.S. Census Bureau to lag the rest of the country, which poses a long term threat to Michigan's tourism industry. And, it faces stiff competition from other destinations for tourists with ever higher travel experience expectations. Despite these obvious challenges, the future for Michigan's tourism industry need not be bleak. After all, it is engaged in a global growth industry and is endowed with resources superior to those available to many of its competitors.

The premise for this plan 'for the industry, by the industry' is that the industry working together can exert control over its destiny. It is grounded in recent successes registered by the industry working together to pass Post Labor Day School legislation and to increase the state's investment in promotion. Over the past year, many in the industry have worked countless hours to develop this plan, which is both the industry's vision for its future as well as a comprehensive action agenda for achieving that vision.

THE PLANNING PROCESS AND TIMELINE

- :: Michigan Travel Commission endorses plan proposal presented by MSU—September, 2005

- :: Industry leaders endorse plan proposal—November, 2005
- :: Plan Coordination Team (PCT) formed with members from MSU and Travel Michigan—January, 2006
- :: Plan kick off announced at the annual Michigan Tourism Conference—March, 2006
- :: Formation of Planning Council—May, 2006
- :: Planning Council identifies eight issue areas—May, 2006
- :: Issue Work Teams (IWT) formed—May, 2006
- :: Issue Work Teams meet and develop opportunities—Fall, 2006
- :: Seven Listening Sessions held around the state to gather input from 250 industry participants—Fall, 2006
- :: Project website created for informational sharing—Fall, 2006
- :: Full Michigan Tourism Industry Planning Council meets to discuss eight IWT reports—November, 2006
- :: Michigan Tourism Industry Planning Council accepts recommendations—November, 2006
- :: Presentation of draft strategic plan to Michigan Travel Commission—December, 2006
- :: Michigan Travel Commission assumes primary responsibility for implementation of the strategic plan—January, 2007
- :: Michigan Travel Commission presents Tourism Strategic Plan to industry—March, 2007

IMPLEMENTING THE PLAN

Planning is a process which doesn't end with producing the plan. The Michigan Travel Commission has agreed to provide leadership for the planning process going forward which includes implementation of the recommendations contained within the plan. Looking ahead, it is appropriate to provide a quote from Council member Don Clingan who served as an early reviewer to the plan writing team and noted in his comments, "The potential for this strategic plan to have a powerful, positive impact on the future of tourism in Michigan will depend upon leadership. We will need dedicated champions with the ability and the power to make the changes that need to be made."

ABOUT THE PLAN

Individual and group decisions to respond to perceived adversity or opportunity are often made without a complete vision of the desired outcome or precisely how it might be achieved. These are not 'mindless' decisions; rather they arise from a recognized need for action and an assessment of the prospect for successfully addressing the identified need. The decision to take an action generally rests on the 'expectation' that it will result in an outcome perceived as superior to that of taking no action.

The decision to initiate this effort to develop a comprehensive strategic plan for Michigan's tourism industry was made at a time when the industry was facing an extended period of adversity linked to projected long term economic weakness and slow population growth in its prime markets. Developing a strategic plan as a preferred action response to this threat is grounded in several logical considerations including:

- :: There was a history of calls for a plan extending back more than 60 years.
- :: Marshalling resources and collective action was widely recognized as needed to effectively combat the scale of adversity facing the industry.
- :: Recent coordinated industry action has successfully demonstrated the capacity of the industry to control its destiny.
- :: There was little evidence of any industry-wide discussion of a coordinated response to the threats and opportunities it was facing. Hence there was not a vision around which the industry could rally to communicate its needs.

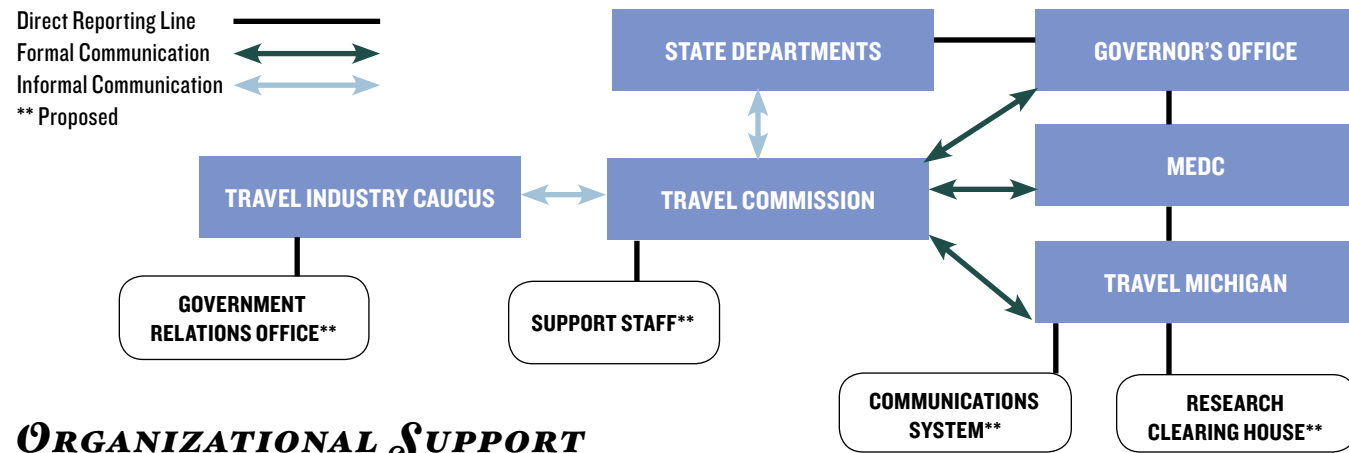
Any strategic planning process requires structure to ensure the end product truly reflects the needs of the organization, has meaning, and can be implemented. However, the decision to begin to develop this plan was not based upon full knowledge of how the effort would be accomplished or what it would or would not include.

An 'industry' plan has challenges not normally encountered by that of an individual company or organization, and thus the process must reflect the preferences of those involved and operate in a way to achieve the best possible outcome given a particular set of circumstances. While the process that was followed adhered to a framework outlined at the beginning of the project, modest adjustments were made in response to input and knowledge gained as the project evolved.

The desired outcome (i.e., what will the plan include), which was not completely envisioned when this project began, can now be more fully articulated. As is evident in this plan, it is not a vehicle for limiting the capacity of individual businesses and organizations to make independent business decisions. Rather, it is a vehicle designed to facilitate addressing mutual problems and opportunities which can be most effectively pursued through collective action.

Finally, it must be realized that regardless of scope, there is no 'perfect plan.' This plan, like all strategic plans, is merely a guide. Like the planning process itself, deviations will and must occur over time. Not all industry stakeholders will agree with all components. However, the plan offers a wide range of options for cooperative action, so everyone will find one or more action items which they can rally around with others that will benefit them and illustrate how the industry, by working together, can achieve great things.





ORGANIZATIONAL SUPPORT

What form of organizational structure will give Michigan a sustainable advantage over its competitors? The essence of the Council's organizational recommendations is depicted in the figure above. It includes both familiar existing entities as well as several that will need to be developed.

OBJECTIVE 1

Develop the leadership and organizational structures needed to grow Michigan to be one of the top five travel destinations in the nation.

RECOMMENDATIONS

- :: Appoint members to the Michigan Travel Commission to ensure that the industry is appropriately represented.
- :: Encourage and support the Michigan Travel Commission in convening an annual joint meeting of all state departments with significant tourism roles to discuss issues and coordinate programs.
- :: Ensure that the leadership role for tourism planning, organizing an annual conference, and linking the public and private sectors of Michigan's tourism industry lies with the Michigan Travel Commission.
- :: Create a communications and research system to support the sustainable development of Michigan's tourism industry under the leadership of Travel Michigan.
- :: Make available the resources to support these expanded roles for the Michigan Travel Commission and Travel Michigan.

OBJECTIVE 2

Develop coordinated, ongoing relationships with the political entities that have the ability to impact Michigan's tourism industry.

RECOMMENDATIONS

- :: Create or authorize an umbrella organization (e.g. Tourism Caucus) to represent the industry in communicating with political entities.
- :: Employ a firm to support the mission of the umbrella organization.
- :: Develop a private sector based funding mechanism to support the umbrella organization's action agenda.

OBJECTIVE 3

Expand the use and effectiveness of collaboration as a tool for achieving the strategic objectives of Michigan's tourism industry.

RECOMMENDATIONS

- :: Establish a 'Collaboration Task Force' to promote collaboration, secure funding, and expand awareness of collaboration opportunities.
- :: Utilize the annual Michigan Tourism Conference to showcase and promote collaboration.
- :: Identify opportunities for non-traditional collaboration.

OBJECTIVE 4

Build an effective industry communications system.

RECOMMENDATIONS

- :: Ensure the system includes subsystems for intra-industry networking/communications, research and outreach to consumers.
- :: Assign responsibility for development and maintenance of the system to Travel Michigan with input from the Michigan Travel Commission.



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PRODUCT DELIVERY SUPPORT

OBJECTIVE 1

Develop a research and technical assistance system to guide private and public sector investments to opportunities that offer the highest rate of return on investment.

RECOMMENDATIONS

- :: Assign Travel Michigan the primary leadership role in creating a research system to support the Michigan tourism industry and engage other organizations to accomplish this mission as needed.
- :: Form a 'Travel Database Group' to assist Travel Michigan in identifying the industry's research needs, obtaining access to data from multiple sources, and disseminating research to the industry.
- :: Ensure technical assistance services are made available to the industry to make effective use of the system to enhance investment decisions.
- :: Ensure the Travel Database Group is proactive in conveying the industry's research needs to prospective funding partner organizations.

OBJECTIVE 2

Increase the level and effectiveness of Michigan's tourism industry's investments in promotion drawing upon research, partnership building, and collaboration.

RECOMMENDATIONS

- :: Develop enhanced collaborative marketing methods.

- :: Develop a strategically balanced paid and earned media approach.
- :: Embrace and support research for selecting target markets, designing advertising campaigns, and determining rate of return on promotion investments.

OBJECTIVE 3

Expand the delivery of positive experiences to Michigan's tourists.

RECOMMENDATIONS

- :: Establish a culture of exceptional customer service.
- :: Make the visitor experience more engaging and memorable.
- :: Enhance access to existing capital to support new product development initiatives.
- :: Create a viable R&D program to support substantive new investments in tourism-related facilities, amenities and infrastructure.
- :: Engage the industry in supporting wise stewardship of resources that attract customers.

OBJECTIVE 4

Expand the delivery of excellent customer services to Michigan's tourists.

RECOMMENDATIONS

- :: Develop a 'front line' staff hospitality certificate program.
- :: Develop an 'owner/manager' hospitality certificate program.

OBJECTIVE

Obtain the necessary financial resources to successfully implement the objectives of this plan in order for Michigan to maximize the economic potential of its tourism industry.

RECOMMENDATIONS

- :: Expand the 'Pure Michigan' advertising campaign with a \$30 million annual General Fund appropriation.
- :: Generate funding needed to implement all objectives in this plan through existing and new funding mechanisms.
- :: Leverage and increase return on existing investments through collaboration, partnerships, and research.

This is an ambitious plan. But many of the challenges and opportunities confronting Michigan's tourism industry are formidable, requiring exceptionally creative and coordinated responses. While some of the recommendations in the plan will be relatively easy to implement and thus should move forward quickly, others are more complex and/or controversial. It is important to invest in solving these challenging problems because when successful, Michigan will distance itself from its competitors, ensure its prominence as a premier tourism destination, and gain a level of competitive advantage which will be sustainable for many years to come.

Working together, the Michigan Travel Commission and Travel Michigan will review each of the objectives and will prioritize them for implementation. Project plans will be established, where appropriate industry work teams will be created and progress and results will be communicated to the Michigan tourism industry on a routine basis. While this document provides a summary version of the key objectives and recommendations resulting from the strategic plan, teams will work on the more detailed objectives identified in the overall planning process. The complete plan source document is available at travelmichigannews.org/tourismlan.htm.

This plan is the culmination of work by more than a hundred individuals who each volunteered many hours to make this project a success.

It is the hope of those involved that this plan will inspire others to commit to help improve the future of Michigan tourism.



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