

DESTINATION DC FY2016

ACTION PLAN

Thursday, September 24, 2015





BUDGET OUTLOOK

FY2016 BUDGET AT A GLANCE

(IN \$000S)	FY2016	FY2015 (F)	% CHANGE
Revenues	\$20,774	\$20,203	2.8%
Expenses	\$20,774	\$19,403	7.0%
Fund Balance	\$0	\$800	N/A
Carry forward amount	\$0	\$400	N/A
Net Fund Balance	\$0	\$400	N/A

- As of September 3, 2015, FY15 forecast indicates that DDC will finish the current fiscal year with a balanced budget.
- A positive fund balance of \$800K or more is expected pending hotel taxes next month (August collection).
- \$400,000 will carry forward to support website development project in FY16. \$400K will be put into the DDC reserve fund.
- During FY16, it is expected to receive a \$1.5M OTA settlement. That is reflected in the above proposed FY16 budget.

MAJOR ASSUMPTIONS AND HIGHLIGHTS FOR FY2016 (REVENUES)

Hotel Tax Receipt projection for FY2016 - 2.6% growth YOY per CFO's most recent revenue projection issued in June 2015 (adopted by DDC) - \$11.4M

The \$3.114M marketing investment from the DC government secured for FY2016

MWAA contribution of \$150K for sales missions to emerging markets for FY2016

The \$300K marketing fund for Air China promotion per agreement (Year 3)

Organization-wide Co-Op opportunity growth of 27.6% YOY

Registration and Housing revenue growth of 6.7% YOY

Membership dues & sponsorship revenue growth of 1.9% YOY

International Convention sales plans for FY2016 - \$570K pending approval of Events DC (\$70K increase from FY2015 forecast)

Additional \$1.5M from OTA settlement to be invested in marketing

Additional \$1.5M IPW budget (will be managed in a separate budget)

MAJOR ASSUMPTIONS AND HIGHLIGHTS FOR FY2016 (EXPENSES)

DDC's overall allocation in marketing/advertising efforts at \$5.8M - \$600K increase from FY2015

Air China marketing fund at \$300K in FY2016 from \$550K in FY2015

CRUSA annual investment of \$400K remains unchanged in FY2016

Increased convention sales trade shows and events - expense increase of \$147K YOY

International Convention Sales - expense increase of \$70K YOY

IT enhancement (Laptop to MS Surface) for all staff and new website support in FY2016 - \$115K

Merit increase of 3% assumed for FY2016 (industry average)

Full year effect of new hires/vacancies from FY2015

\$400K for new Washington.org site build - proposed to be paid out of the reserve fund

REVENUE ANALYSIS

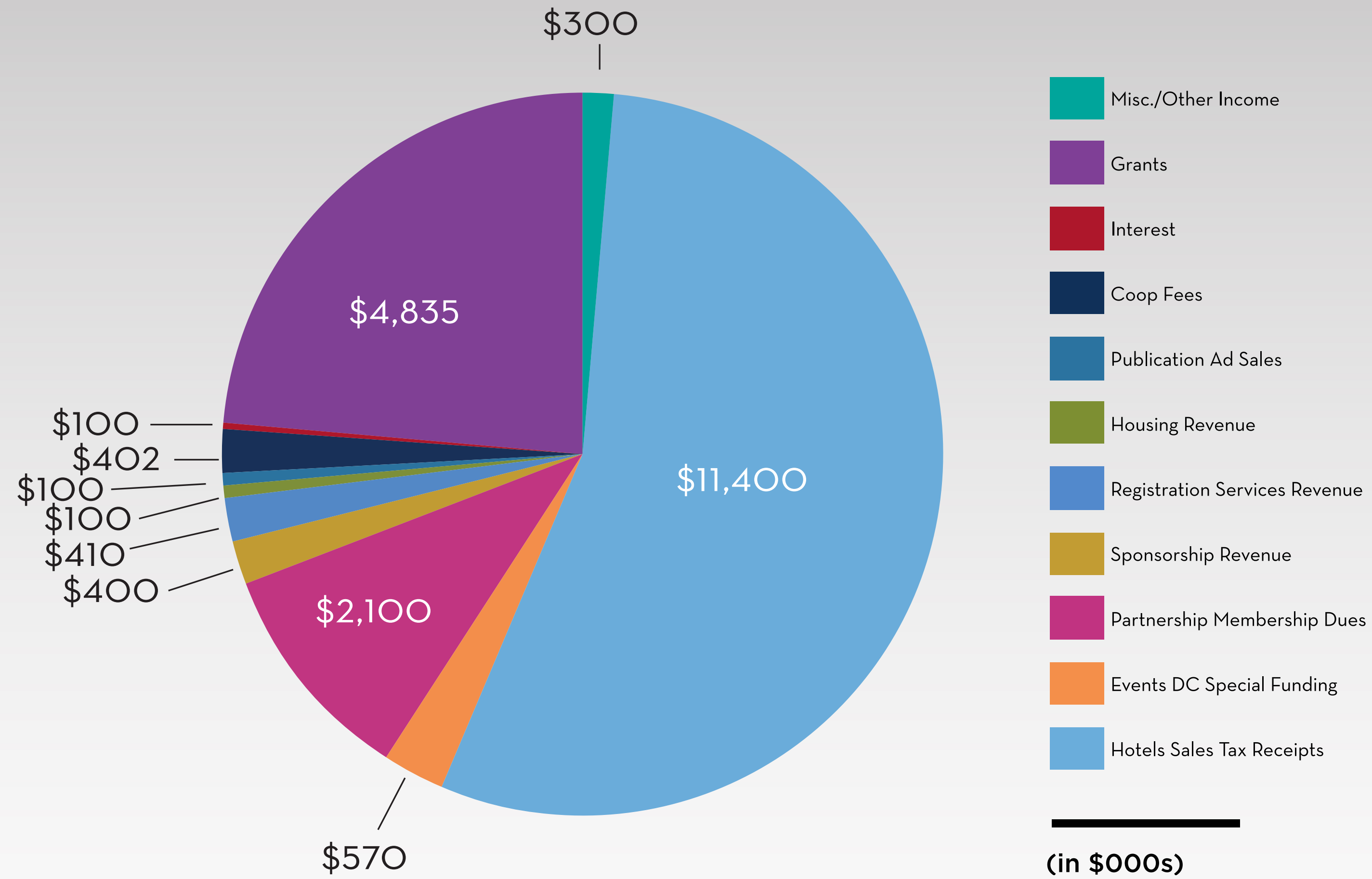
Hotel tax collection is the biggest source of revenue for DDC (55%)

Contributions (additional marketing fund of \$3.114M, \$1.5M OTA settlement and MWAA of \$150K) (23%)

Membership dues and sponsorships (10%)

\$570K proposed to Events DC to support international convention sales effort - pending review/approval

Others include publication ad sales, Co-Ops, online reservation, interest income, and other miscellaneous revenues.

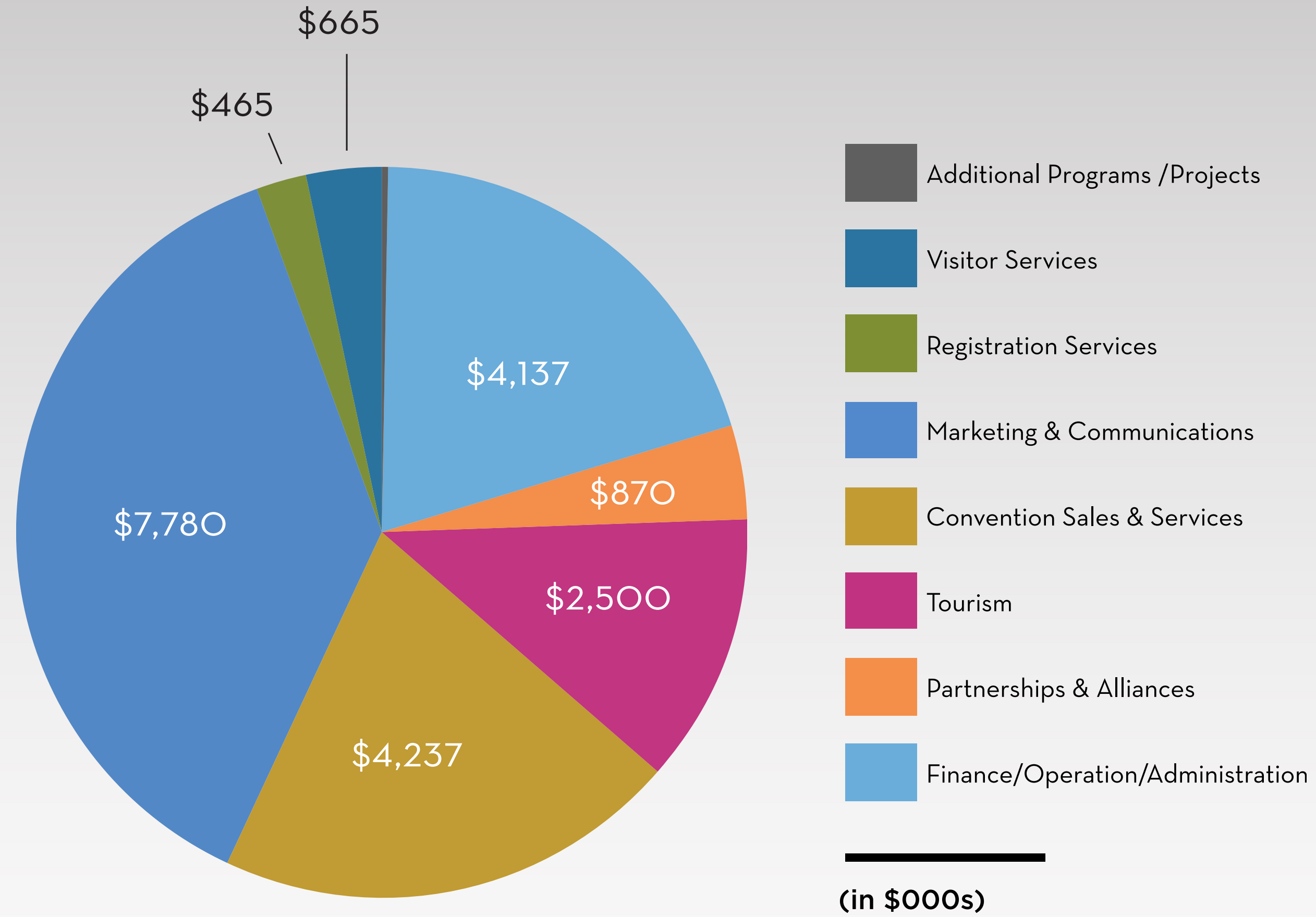


EXPENSE ANALYSIS

Operating departments (Convention Sales/Services, Marketing & Communications, Tourism/Visitor Services, and Partnerships & Alliances) make up 80.1% of the total expense budget

Supporting departments (Finance & Administration/IT/Executive) make up approximately 19.9% of the total expense budget

Every dollar DDC receives/generates, \$.80 is spent on programs and projects related expenses (program expense ratio)





EXECUTIVE OFFICE



PRIORITY	RESPONSIBILITY
Set the priorities and objectives for the organization to fulfill the overall mission of Destination DC and its individual departments	Elliott Ferguson
Support of International efforts both with Convention Sales and Services and Tourism	Elliott Ferguson
Increase advocacy for the travel industry and members we serve	Elliott Ferguson
Tap into additional funding through new revenue generating streams and other funding resources	Elliott Ferguson\Crispus Gordon
Maintain strong relationships with federal agencies and departments who promote travel and tourism to the United States	Elliott Ferguson\Crispus Gordon
Engage and educate federal and local officials about the benefits of the hospitality industry and keeping them abreast of new developments within the industry	Elliott Ferguson\Crispus Gordon
Provide testimony to the City Council on Destination DC's performance, budget and other related hospitality issues	Elliott Ferguson\Crispus Gordon

PRIORITY	RESPONSIBILITY
Continue to work closely with district agency directors to solve issues pertaining to inbound visitors	Elliott Ferguson
Elevate the Washington, DC brand on a national level by serving on federal boards and commissions	Elliott Ferguson
Keep board members engaged by producing Destination DC's monthly board communique, encouraging participation at customer events, and hosting quarterly board events and socials	Crispus Gordon
Work closely with the various boards and commissions on which the CEO sits including but not limited to the U.S. Travel Association and the DC Taxicab Commission	Crispus Gordon
Promote local businesses by regularly meeting and collaborating with community leaders	Elliott Ferguson



TOURISM & VISITOR SERVICES



PRIORITY

RESPONSIBILITY

International Tourism development and marketing strategy of:

- A. Emerging markets: UAE/Australia/India/Brazil in partnership w/MWAA and Brand USA
- B. Mature/Primary markets: France/Germany/UK/China in partnership with Capital Region USA (CRUSA)

Letizia Sirtori/Louis Lu/Theresa Belpulsi

Increase consumer direct promotions in Canada for summer/holiday travel

Lindsay Hill/Theresa Belpulsi

Develop and implement strategy for the new emerging programs to include: medical tourism market and College and University visits

Theresa Belpulsi

Execute consumer marketing and promotions for the domestic/international markets

Theresa Belpulsi

Execute marketing strategy for China in conjunction with Air China/Brand USA

Louis Lu/Theresa Belpulsi

Expand marketing efforts to domestic and international group tour market

Lindsay Hill

Secure premier professional, collegiate and amateur sporting events

Lawrence Hamm

Develop and execute strategy for International Pow Wow 2017

Tourism/Marketing/Convention Sales/Partnerships

Execute marketing strategy for LGBT consumer market

Theresa Belpulsi

PRIORITY

Host key familiarization (FAM) trips/sales mission/sales calls

Expand consumer direct promotional dollars for both international/domestic/Canada

Utilize Capital Region USA (CRUSA) and other neighboring cities on partnership to maintain a strong DC presence in primary and emerging markets (UK, China, Australia, UAE, Germany, France, India and Brazil)

Work with Events DC/collegiate conferences on sports initiative to host future signature events

Develop and execute marketable programming for niche markets: medical tourism and college/university programs to the international visitor

PRIORITY	RESPONSIBILITY
Increase hotel and brochure sales	Kova Blake/Theresa Belpulsi
Increase in-market and out-market brochure distribution	Kova Blake/Theresa Belpulsi
Execute innovative ways for members to reach consumers	Kova Blake/Theresa Belpulsi
Administer programs dependent on support of entire Visitor Services Department	Theresa Belpulsi
Expand the current distribution plan for in-market presence	Visitor Services
Host Ask Me About DC/National Mall initiatives	Visitor Services
Execute strategy and outreach to colleges and universities	Visitor Services
Partner with Guild of Professional Tour Guides, Travelers Aid and Concierge Association	Visitor Services



MARKETING & COMMUNICATIONS



PRIORITY	RESPONSIBILITY
Plan and execute paid media programs and co-ops, including: Winter Holidays, Date Nights DC, Spring, Summer, Cultural/Theater and Convention/Trade	Robin McClain/ DDC Marketing Team
Generate earned media coverage through media relations, inbound media tours and outbound media missions	Danielle Davis
Leverage Destination DC Marketing Assets: <ul style="list-style-type: none"> • Washington.org (website redesign debuts Spring 2016) • Social Media: Facebook (consumer and corporate), Twitter, Instagram, Pinterest, YouTube • Custom-published products (Official Visitors Guide, Event Planning Guide and Maps) • DC Update (Washington Business Journal) • eNewsletters (Consumer; Member; Journalist; Meeting Planner; Tourism) 	Marketing & Communications Team
Create consistent brand messaging and design through publications, e-communications, sales collateral and events	Marquis Perkins
Conduct an end of year ROI Study to determine the effectiveness of marketing efforts	Robin McClain/ Kate Thompson/ Destination Analysts

PRIORITY

\$5.8 Million Marketing Plan

- With \$3.1 million allocation specifically for marketing purposes, the total marketing budget for Fiscal 2016 is \$5.8 million
- An additional \$1.5 million allocation from the OTA settlement is appropriated specifically for marketing purposes and would be used to expand the spring/summer media buys and tracked in the annual ROI study

Domestic Consumer Marketing

- Continue the DC Cool consumer marketing campaign for Fiscal 2016 with new advertising creative debuting in May 2016
- Promotions reflecting DC Cool throughout the year will include: Winter Holidays, Date Nights DC, Spring, Summer and Arts & Culture
- Social media focused marketing initiatives will create user generated content for various media channels
- Candidate media buys: TV, reputable print titles, expanded digital media, and outdoor/transit opportunities
- Google SEO/ SEM marketing

PRIORITY

International Consumer Marketing

- Candidate media buys: Expedia International Sites, British Airways Holidays, Trailfinders, Travel Brands etc.
 - Market focus: Australia/NZ, Canada, UK, Brazil
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Convention/ Trade Marketing

- Destination DC will continue to saturate the convention/ trade media market
 - Luxe DC convention/ trade marketing collateral and program
 - Candidate media buys: PCMA *Convene*, MPI's *One+ Magazine*; *M&C Magazine*; *USAE*
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CONVENTION SALES & SERVICES

PRIORITY	RESPONSIBILITY
Lay citywide foundation for long term future	Carol Motley/Sales Team
Community Site Visit Program	Melissa Riley/Carol Motley
Drive short term initiatives in 2016 and 2018 by focusing efforts on mini-wide and large in house programming	Carol Motley/Sales Team
Capitalize on Washington, DC local events	Carol Motley/Sales Team
Cross-community collaboration to increase efficiencies in sales process	Melissa Riley/Sales Team
Produce market segment research for business cases	Melissa Riley/Sales Team
Promote all cluster segments of the city to build compression	Melissa Riley/Carol Motley/Sales Team

PRIORITY	RESPONSIBILITY
Grow strategic alliances	Larissa Tishevskaya/Clare Hogan
Continue to enrich the International Client Advisory Panel	Larissa Tishevskaya/Clare Hogan
Enhance Ambassador Circle	Larissa Tishevskaya/Clare Hogan
Market Focus: Incentive, corporate and global associations Emerging markets - China & Latin America Core markets - Europe & Canada (UK, Germany, France, Scandinavia)	Larissa Tishevskaya/Clare Hogan

PRIORITY	RESPONSIBILITY
Customer service delivery/satisfaction	Dianna Waldroup
Refresh citywide welcome program	Dianna Waldroup
Increase and diversify revenue for Housing and Registration	Kristen Jacob/Mary Awosika/Dianna Waldroup
Community engagement	Dianna Waldroup
Create Show Your Badge 2.0	Dianna Waldroup



PARTNERSHIPS & ALLIANCES

PRIORITY	RESPONSIBILITY
Retention and account management of existing members	Vicki Joling, Ahmed Ibrahim, New FTE
Acquisition of new members & support	Vicki Joling, Ahmed Ibrahim, Andrea Williams, Dana Hansen
Produce member networking events (Monthly Forum, Business Exchange, Orientation, Eggs with Elliott, Power Chat, Power Hour)	Andrea Williams
Sponsor acquisition and retention	Claire Carlin, Megan Edahl, New FTE
Execute Dining Power/Driving Power	Dana Hansen
Increase funds raised for the American Experience Foundation and array of programming offered	Claire Carlin, Megan Edahl, Andrea Williams
Administer all programs dependent on support of entire DDC Staff	DDC Staff

THANK YOU
