



Promoting Edinburgh as a destination

Investigating the future promotion of Edinburgh as a place to live, invest and visit

Phase 3 report

February 2008

Project: Promoting Edinburgh as a Destination
 Consultation and further development

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NOTE: This report should be read in conjunction with the Phase 1 interim report dated September 2007 and Phase 2 interim report dated December 2007

I REPORT INTRODUCTION

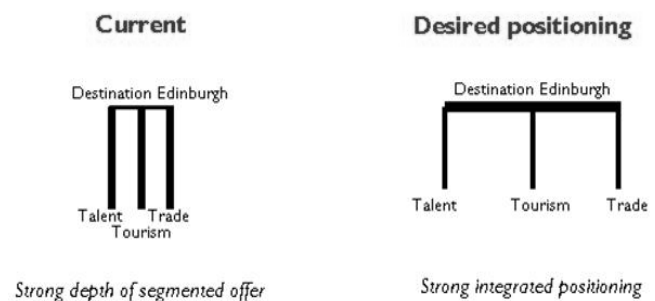
I.1 Background

The project

The purpose of our *Promoting Edinburgh as a Destination* project is to examine the case for an entirely new destination marketing function for the city of Edinburgh. The plan is to deliver a new destination promotion model to realise Edinburgh's ambitions to be a destination of the future across the three target areas of Talent, Tourism and Trade as well as ensuring that Edinburgh fulfils its potential as a capital city, leader and destination for Scotland.

We have taken a three-phase approach to the project:

Phase 1 involved extensive analysis of the current situation, including over 40 interviews with public and private stakeholders, a technical audit of primary organisations and focus groups. We conducted a mapping of organisations which currently promote Edinburgh and examined the links between them as well as the appetite for change in organisational structure. From this, we produced an interim report detailing our analysis.



In promoting Edinburgh as a destination to Talent, Tourism and Trade, the following issues were identified:

- **Fragmented approach:** There is considerable **individual activity** to promote Edinburgh and no shortage of **willingness to co-operate** – the question is whether this activity adds up to the sum of its parts?
- **Clarity of common purpose:** Organisations require a clear statement of roles, remits and objectives to form an integrated proposition.
- **Leadership:** Edinburgh would benefit from a leading individual/organisation to bring people together and speak with one voice.
- **Destination strategy:** Edinburgh has a strong offering but needs to do more to secure its position as a **destination of the future**; it **must take cohesive action now**.
- **Capitalising on assets and cross-selling:** Edinburgh can gain an advantage by cross-selling between the three strands.

Phase 2 was the options phase, we developed three options for a potential marketing function. In order to provide a completely tailor-made solution for Edinburgh, we held focus groups with key stakeholders in the city to “test” the options. Following these focus groups, the options were strengthened by adding a hybrid model, Option 2.6.

Phase 3 involved further consultation and presentations of the project to the City of Edinburgh Council and the Scottish Government, along with other primary organisations. A consensus was reached that the hybrid model, Option 2.6, was the option which best suited Edinburgh's needs.

The options

Phase 2 of the project presented three options for change for a strengthened function to promote Destination Edinburgh. We facilitated two focus groups with private and public stakeholders within the city to "harden" up thinking, to agree choices and ascertain views and opinions on the future marketing and promotion of the city.

The options considered were Option 1, a Leader for the city; Option 2, a Destination Alliance and Option 3, a Destination Bureau. Following an extensive programme of stakeholder consultation, a "hybrid" option was developed which took the concept of a destination alliance but gave it more political and structural clout, in a similar way to a destination bureau. This hybrid was called "Option 2.6".

It was agreed at the Phase 2 Task Group meeting on 23 November 2007 that "Option 2.6", should be further developed and undergo further consultations. Due to the increased scope and stature of the project and widened participation in Task Groups, it was vital to engage with and gain buy-in from senior stakeholders. With this in mind, a revised approach to Phase 3 was agreed with the client group (see Methodology section for more details).

It was widely agreed that the original plan to develop a full business case, plan and action plan would be a jump too far at this stage. Further consultation was required before this so Phase 3 was redefined through a series of consultation meetings.

The purpose of these meetings was to bring the project to the forefront of their agenda, by outlining the prize on offer from a clear destination strategy and resourced function, specifically tasked to attract people to live, work and invest in Edinburgh. We were able to educate these stakeholders on the current progress of the project, options for change and to ascertain their views and opinions on the preferred option. Following this additional layer of testing, it was agreed that Option 2.6 should be taken forward in the next stage of the project.

1.2 Executive summary

We have now reached the end of Phase 3 of the project. This document outlines the conclusions following an extensive period of research, analysis and consultation with stakeholders.

We amassed wide-ranging input into the choice of options for the future destination development and marketing for Edinburgh. It has been agreed that Option 2.6 is the best way forward for the city. It provides the best customer experience, is best placed to provide a definitive strategy and this is achieved with minimal upheaval and disruption.

We have presented a sensitivity analysis for establishing Option 2.6 as a destination function for Edinburgh, including a series of topical questions which need to be addressed when the project is brought forward.

Market analysis

Customer experience should be a central consideration in establishing the new function. As a result, we have taken the information gathered by the Talent, Tourism and Trade task groups and used them to develop an analysis of the target market for Edinburgh across the three areas.

This target market analysis also includes a look at the key competitors for Edinburgh and what the new function can learn from what has been done well elsewhere.

Developed option detail

In light of the focus on Option 2.6, we have fleshed out our assessment of how this function will work in reality. This includes the structure of personnel, management, who will lead the function and who the leader, team directors and staff will report to.

We also describe the responsibilities of the new function in terms of meetings and communication with existing organisations.

Risk analysis

The new function will undoubtedly bring broad changes to how existing organisations already work and communicate with others. As a result, it is important to assess the benefits versus the disadvantages in order to ensure that the new function is a robust model from the beginning.

With this in mind, we have conducted an assessment of the risks and potential rewards of the new marketing function. We have also looked at potentially sensitive issues which may arise and compiled a series of questions which should be decided upon when the fine detail of the function is established.

Recommendations and next steps

We have developed six key recommendations for further activity which address the questions raised in Phase 3 and prepare for the roll-out of Option 2.6. We recommend a timeframe of 12 months from April 2008 to launch in April 2009. The recommendations are as follows:

Recommendation 1: Appoint full-time implementation project manager

Recommendation 2: Further test, validate and modify Option 2.6

Stage 1: Value audit and impact assessment

Stage 2: Customer research

Stage 3: Strategy and structure (including vision creation through stakeholder workshops and roundtable/interviews with a range of destination promotion experts)

Stage 4: 5-year business plan

Recommendation 3: Develop a detailed action plan for transition (including communications plan)

Recommendation 4: Transform Task Group into official steering group

Recommendation 5: Ensure senior level consultation and support

Recommendation 6: Create and implement destination promotion strategy

To include:

Strategic context

The Edinburgh offer

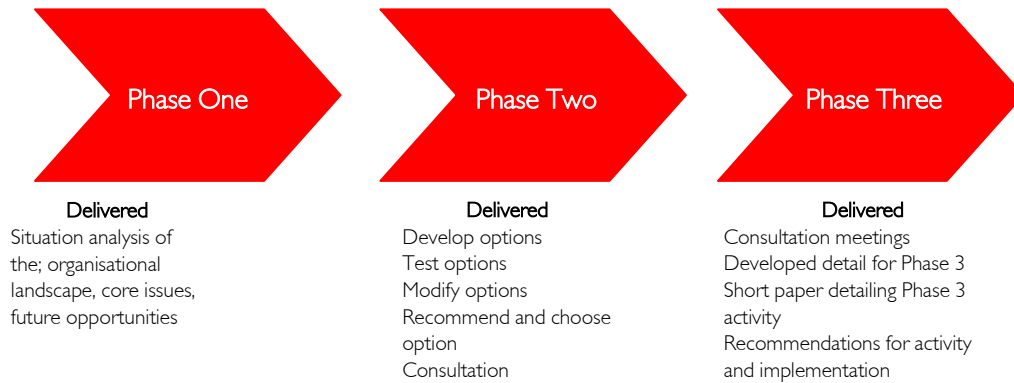
Priorities for action

Performance indicators and sources

Identify target markets and get the input of partners to reach these target markets

1.3 Approach and methodology

We took a three-phase approach to examining the current promotion and developing options for enhancement of the destination development function:



After a series of consultations with primary organisations, core marketing groups and senior stakeholders, Option 2.6 was agreed as the preferred option.

This report presents this option in more detail. It will take into account considerations going forward and recommend next steps.

The revised Phase 3 activity, in light of the altered project, involved:

- A sales/vision presentation that set the bar high in outlining the objectives and vision of the project. The presentation focused on the “prize” potential for Edinburgh and demonstrated the gains to be made from the successful implementation of the preferred option for change and the improvements to the future promotion of Edinburgh as a destination to attract Talent, Tourism and Trade.
- Three high-level consultation meetings with key stakeholders in organisations such as City of Edinburgh Council, Visit Scotland and SDI.
- This document, setting out the vision, key principles for the preferred option and an indication of requirements versus rewards.
- A final report and presentation to the Task Group.

About the report:

Objectives

Due to the scope and pace with which the project has developed, Phase 3 has changed dramatically from the original plan. The objectives of this paper are to:

- Set out the vision and key principles for the preferred option.

- Provide a detailed examination of the chosen option.
- Present the information necessary to assess the benefits of the chosen destination function against costs and resources.
- Address the key questions raised throughout the consultation phase.
- Outline the recommendations for the next steps of activity.

Considerations

Phase 2 of the project was extended beyond the original brief, as it grew in momentum and stature and as a result it was necessary to take the options for change to a higher level within the city and gauge additional feedback. Therefore the following should be taken into consideration:

- This report is not a detailed business or action plan, but it provides further information and recommendations for the next phase of activity.
- The consultation phase and further discussions with the Client Group identified areas of work that need further analysis.
- A new destination function must be customer-centric and therefore outline the destination strategy before a structure can be put in place.
- We need to fully understand the value that organisations within Edinburgh add to the promotion of the city and the additional value that the destination function will add to these initiatives.

2 PHASE 3 FINDINGS

2.1 Consultation and further research

2.1.1 Consultation

Following the development of the options in Phase 2, it was important that the chosen destination function had the support of key stakeholders, decision-makers and influential organisations in Edinburgh. The inception of a new function requires significant resource and support for it to have the necessary functioning and influence. Bearing this in mind, we undertook extensive consultation for Phase 3 to ensure that the option chosen was broadly supported and had input from across the board.

In this section, we outline the consultation process with the City of Edinburgh Council and the Scottish Government, as well as a series of conclusions.

City of Edinburgh Council

The first consultation meeting with City of Edinburgh Council was held on Wednesday 16 January with the following attendees:

- Tom Aitchison (CEC)
- Cllr Jenny Dawe (CEC)
- Cllr Tom Buchanan (CEC)
- Dave Anderson (SEEL)
- Michael Hayman (TCG)
- Rebecca Glaze (TCG)

We presented a summary of the options for Destination Edinburgh and invited an open discussion from all participants. As part of the consultation process, we assessed the level of commitment to a new function from organisations, including the Council.

In addition to commitment and in light of the fact that the Council are undergoing a review of budget, the options were further explored in light of:

- Alternative sources of revenue.
- Value-add both in social and economic terms of the new function to compare to the value of current activities.
- Business planning and strategy formation.
- Timescales.
- Accountability and governance.

During the discussion, a number of considerations were raised. It was agreed that any new marketing function requires clear and unified goals and outcomes in the form of a strategy that covers Talent, Tourism and Trade. Customer experience is paramount, as is clarity in the service agreements with national bodies as well as with the Council and new function itself.

Scottish Government

The second consultation meeting held with the Scottish Government on Tuesday 22 January with the following attendees:

- Jim Mather MSP Enterprise, Energy and Tourism (SE)
- Cllr Tom Buchanan (CEC)
- Graham Birse (ECCE)
- Kenneth Wardrop (CEC)
- Michael Hayman (TCG)

We briefed the Scottish Government on the nature of the work, the progress of the project and the options which we had developed.

Following the discussion, the Minister agreed to chair a meeting of the primary city stakeholders to discuss the future promotion of Edinburgh.

Meeting 3

In order to achieve as broad a consultation as possible, a further meeting could be scheduled in the next stage of the project.

Conclusions

The result of both consultative meetings was that Option 2.6, the hybrid model, is the preferred option at present. This option was considered to best solve the issues currently extant in promoting Edinburgh as a destination:

- Fragmented approach
- Clarity of common purpose
- Leadership
- Destination strategy
- Capitalising on assets and cross-selling



2.1.2 Further research

Building on the “learning from others” research carried out in Phase 2, we have further examined best practice in other destinations. This is primarily to develop the understanding of how the marketing function for Edinburgh can secure private sector funding.

For this examination, we have chosen two examples – the most established city development company and a brand new company. This shows the development of destination functions in “before and after” phases.

- **Creative Sheffield:** This is the UK’s first city development company, and it was officially fully formed on 1 April 2007.
- **Hull Forward:** This is a brand new city development company which is set to grow out of the urban regeneration company Hull Citybuild.

In this section, we will look at how these two city development companies were founded, what organisations were subsumed by the new companies and how they initially secured private sector funding.

The purpose of both organisations was to ally economic growth with physical regeneration. Both were created from existing urban regeneration companies (URCs) and can incorporate other agencies, as at Creative Sheffield which incorporates Sheffield One, investment agency Sheffield First and the Cultural Industries Quarter Agency.

A key to the companies succeeding in working with the private sector has been in attracting top-tier staff with expertise across public and private sector which was gleaned from national and international regeneration experience.

Creative Sheffield

Creative Sheffield was a city development company which was formed from Sheffield One, an urban regeneration company. The process took three years from the original inception discussions through to the launch on 1 April 2007. The management team operated as a unified group for one year prior to the launch.

The advantages of Creative Sheffield are that it is a quasi-independent body which can operate in a way that a city council cannot. The company has the independence and multi-partnership style of a URC, with the added benefit of the full range of tools to achieve the economic transformation of the city.

The agency is accountable to business, government and the city. It has integrated thinking and delivery which provides over-arching strategy for developing Sheffield.

Creative Sheffield has created an economic master plan and a business plan which it is now securing funding for. The plan is for the interim body to become a company that is fully funded from fewer income streams.

How did it secure funding?

Creative Sheffield’s core funding comes from Sheffield City Council, Yorkshire Forward and English Partnerships. It also received a grant from the European Union for start-up. In order to leverage private

sector support, Creative Sheffield brought in a vastly experienced chief executive who had a considerable pedigree in management consultancy, economic development and marketing and communications. The management consulted extensively with the private sector in order to develop the “Invest in Sheffield” arm.

Creative Sheffield repays business investment by being competitive, focused on the bottom line and providing clear decision-making lines through its management.

Hull Forward

The city development company Hull Forward is set to grow out of the urban regeneration company Hull Citybuild and the Chief Executive is a former director of regeneration at OneNorthEast. This chief executive has worked in public and private sectors.

The advantage of HullForward is seen as flexibility – ensuring that its function can encompass all facets of economic regeneration. The focuses are that the Hull area should be sustainable, graduates stay in the city and companies that set up business there remain in the city.

HullForward management have paid particular attention to ensuring that policies are aligned – it has to reflect the regional economic strategy as well as the strategies of the Northern Way and Yorkshire Forward.

How did it secure funding?

HullForward is largely funded by Hull City Council but it retains its position as an independent organisation with key partners in the city, including Hull Citybuild, Yorkshire Forward and English Partnerships, plus other key stakeholders such as local businesses.

HullForward has paid particular attention to opening dialogue with investors from the private sector. In order to make the private sector feel part of the company, they set up a business forum. This forum ensures that businesses have an input into how investment is being handled in the city and involves the private sector in the process.

2.2 Preferred option detail

The chosen option takes the fundamental elements of an alliance between marketing organisations. It adds in elements of a stand-alone organisation to strengthen the powers of the new function. Essentially, the new function will be a forum with its own offices for organisations and individuals which currently exist to promote Edinburgh across Talent, Tourism and Trade to work together with. It will be a focal point of contact for visitors and potential investors with links to relevant businesses in the three areas.

The new strengthened alliance will define the destination strategy in writing for the other organisations. The basis for this will be to promote Edinburgh in accordance with the existing Inspiring Capital brand and general economic development plans for the city.

In this section, we provide an initial description of how the new function will operate, including a business description, how it will be managed and staffed as well as day-to-day operations.

2.2.1 Business description

Vision

Edinburgh: A must-visit vibrant, authentic,
inspiring destination of the future – a capital city
for Scotland.

Mission statement

To drive specific benefits aimed at the reputational enhancement of Edinburgh, to negotiate effective working relationships with partner organisations and to galvanise by bringing together a team of the city's best talents.

Objectives

Objective 1: Dedicated marketing and promotion function

The first objective is to provide the city of Edinburgh with a dedicated function for marketing and promotion. This function will drive the image of the city, nationally and to visitors and potential investors, as well as promoting the Inspiring Capital brand so that it becomes universally synonymous with Edinburgh. It will also provide the horizontal overlay required to link up the activity between the vertical strengths across Talent, Tourism and Trade.

Objective 2: Local, national, and international perceptions

The new marketing function must become the central focus for perceptions of Edinburgh across the target areas of Talent, Tourism and Trade. This will cover local and Scottish perceptions as well as potential international investors and leisure visitors.

Objective 3: Destination promotion strategy

While the new marketing function will have its own responsibility for setting out a destination promotion strategy. It must operate in the context of the over-arching economic development plans for the city of Edinburgh as a whole. The marketing and promotion function for Edinburgh should strive to be a driving aspect for the overall economic development of the city.

Objective 4: Shared promotion of Edinburgh and catalyst for public-private partnership

A central objective of the new function is to harness the strength that currently exists in promoting the city. There is some overlap of functions and strategy and the new function should concentrate the efforts of key people and organisations. It should also be a forum where the public and private sectors can work in partnership for promoting the city and drive private sector involvement and ownership. The function should also identify synergies between organisations and prevent overlaps.

Objective 5: A customer-focused "one-stop shop"

The new function should have its customers at the forefront of its strategy. A major objective is for the new function to assume the role of a "one-stop shop". Customers in Talent, Tourism and Trade should have all requirements catered for and should not feel the need to go elsewhere.

Core activities

Lead marketing partnership

The main activity of the marketing function is to be the lead marketing partnership for Edinburgh. This will require leading a significant number of existing organisations through a shared vision and destination promotion strategy for the city. The new function will be both customer-facing and a catalyst for partnerships between organisations. It will be staffed using experts from existing organisations and supported by Scottish Enterprise¹ and the City of Edinburgh Council.

The purpose of the function is to achieve a positive shift in perceptions of the city's image and reputation. This function will cater for the three audiences of Talent, Tourism and Trade.

Destination promotion strategy

At the establishment of the new marketing function, a new over-arching strategy for promoting the city of Edinburgh will be developed. This strategy will sit above the workings of existing organisations, which will follow the central objectives and aims of the new function.

Ambassador

The new function will have a charismatic leader who will drive the promotion efforts. The leader will act as a personal ambassador to a wide network of individuals and organisations in order to raise Edinburgh's profile, while the function itself is seen as the "place to go" for visitors, investors, media, etc.

¹ Scottish Enterprise Edinburgh and Lothian will become Scottish Enterprise on 1 April with an East Region.

Point of contact

A major issue with the *status quo* is that organisations have no structure for inter-communication and no meeting point to discuss objectives and shared aims. The new function would be the hub for existing organisations and provide a common forum for working together.

Enhancing existing assets

As there is significant overlap in the functioning of promotion efforts in Edinburgh as it stands, assets and resources are not being used to the fullest potential. The new function would be a streamlined alliance with a clearly defined strategy. This would independently assess the existing assets in the city and ensure that they are fulfilling their potential.

City champion

In addition to the ambassadorial role, the new function would champion the city of Edinburgh at every available opportunity. It would establish a presence for Destination Edinburgh at trade fairs for Talent, Tourism and Trade as well as with opinion formers and influencers across the three fields.

Intelligence gathering

The success of the function will be measured against key performance indicators in all three of Talent, Tourism and Trade. The function itself will be the source of intelligence on these indicators through consumer research, visitor satisfaction surveys and business opinion surveys. Thus, the function will also be a central source for how Edinburgh is performing in the global destination stakes.



1.2.2 Market analysis

The importance of the customer cannot be underestimated in establishing the new marketing function. The people who will actually use the function must be at the centre of any strategy. In this section, we examine who the markets are who Edinburgh will be promoted to in terms of Talent, Tourism and Trade. Each section outlines a brief synopsis of which marketing efforts for Edinburgh are aimed at as well as a description of key competitors and what can be learned from them.

Cross-selling

Although we have outlined the target markets for the separate fields of Talent, Tourism and Trade, the new marketing function must work to cross-sell the assets of the city. So for example, the tourism arm must endeavour to sell the advantages of residing in Edinburgh to talented people and the business advantages of investing in the city to business tourists. Universities and other centres for talent can also work in the areas of tourism and trade.

The new marketing function should make it easier to cross-sell assets of the city by plugging any gaps which currently exist.

Talent

Target market

Edinburgh's audiences in terms of Talent are a diverse range of people who are attracted to the variety and strength of the employment opportunities in the city. The city has a strong reputation in the key sectors of Life Sciences and Financial Services. Creative individuals are drawn to the city as a result of its festivals and buoyant creative industries sector.

As an example of cross-selling, the tourism market provides opportunities for young and talented individuals to establish themselves in Edinburgh, particularly in junior management.

The main factor in attracting talented individuals is the job itself, particularly financial rewards and what the impact on a career path will be. Edinburgh must show that it can offer both long-term opportunities and valuable experience. In addition to the principal factors, talented individuals seek a culturally rich community with access to leisure pursuits, good housing, civic pride and collaborative opportunities. For life science research, a large factor is the prestige of the institution, usually a university.

Competitors and learning from others

The US is a major competitor for Edinburgh, with the associated attractors of high salaries and good research environments.

Unsurprisingly, London is seen as a vibrant and thriving city for business entrepreneurs, particularly those involved in financial services.

Tourism

Target market

Edinburgh accounts for 25% of all tourism expenditure in Scotland, and 46% of all trips from overseas visitors include Edinburgh. It has a healthy business and conference visitor rate.

Consumer research conducted by VisitScotland shows that today's travellers want customised and flexible travel, special interest holidays, authentic experiences and value for money. This research indicates a general trend toward destinations within three hours of travel time so the primary target market will be from the UK and Western Europe.

The key international markets for Edinburgh are USA, Germany, Canada, Ireland, Australia, France, Italy, Spain, Sweden, Netherlands, Norway, Belgium and Switzerland. This consumer research also showed that 65% of UK visitors, as well as 27% of international visitors, were repeat visitors.

Competitors and learning from others

In terms of tourism, Edinburgh's stakeholders have chosen several destinations which they see as direct or indirect competitors:

- Barcelona
- London
- Singapore
- Copenhagen
- Manchester
- Sydney
- Dubai
- New York
- Vienna
- Leeds
- Rotterdam

In addition, Melbourne is considered to be the "world's events city" and Montreal is seen as a "festival city" which is looking to create and develop a cluster of festivals. These two cities are big investors in the promotion of their festivals and events as a means of enhancing their reputations. The success of this promotion would provide a useful benchmark for Edinburgh to determine whether or not it has been successful.

Trade

Target market

The target markets who Edinburgh should be promoting Trade to are specific decision makers who can drive investment in the city on behalf of their companies. They would include intermediaries and professional services who influence and shape relocation or investment decisions. They would also be commercial developers and real estate companies who provide the infrastructure for Edinburgh's growth and expansion so that the city can accommodate new businesses and investment.

Companies which are already established in Edinburgh which have the ambition and capacity to further grow also require the support of a trade marketing function. The target market also includes smaller companies who can be identified as businesses which will grow and prosper in the environment provided by Edinburgh.

In addition to directly targeting decision makers and companies themselves, Trade in Edinburgh can also be promoted to academics, researchers, consultants and business journalists with an interest in benchmarking the world's leading cities for trade. This policy can raise the profile of the city and develop its reputation as a quality city to do business in.

Competitors and learning from others

In terms of Trade, there are a number of global cities which are considered to be direct or indirect competitors for Edinburgh and which may provide inspiration for how Edinburgh itself can succeed in promoting itself as a trade destination.

- Stockholm – a clean, confident and successful city.
- Amsterdam – enterprising, innovative and organised.
- Barcelona – taking a seamless, collaborative approach to promotion.
- Dublin – a successful English-speaking alternative to London.
- Manchester – exemplar for city branding and marketing strategy, with a dynamic leadership.
- London – established reputation as a global business destination.
- Vancouver – contemporary image, multi-cultural magnet, cross-selling of assets.

2.2.3 Management

In this section we detail the management of the new marketing function. It outlines the structure and management of the new function as well as the job specification for the management personnel.

These are the leader, who will drive the strategy and promotion efforts, an executive board to whom the leader will report and team directors for Talent, Tourism and Trade.

Structure

The concept of the new marketing function is that it will follow the essential structure of a marketing alliance (such as the PEMB in Barcelona), drawing on the Talent, Tourism and Trade networks, effective public and private sector collaboration and senior level buy-in, but have the budget, dedicated resource and “mandate to act” of a dedicated marketing bureau such as the one in Glasgow.

The destination strategy for leisure tourism would be contracted out to VisitScotland as that organisation is best placed to drive leisure tourism for the city. The level of working on leisure tourism would be defined in the strategy. There would be service agreements with national organisations to assist with the specific promotion of Edinburgh. This would draw on already-existing expertise.

Leader: The leader of the marketing function will be a private sector CEO – an experienced business leader with a clear understanding of destination marketing and strategy development. It would help the function enormously if the leader had a high-profile as a charismatic character that could influence key stakeholders.

The role of this leader would be to be the destination voice focused on spreading the word of Edinburgh, driving the destination strategy, developing relationships with key figures and galvanising people so that existing organisations work closer together. The leader would take part in activities such as international speaker platforms, focused national, regional and international media relations and developing relationships with key figures in Edinburgh and cities internationally. For relations with stakeholders, the new leader would be the focal point and first port of call for providing information to internal and external stakeholders.

Profile:

- Private sector (CEO level - not to be constrained by the current talent pool in Edinburgh)
- Experienced business leader with a clear understanding of destination marketing and strategy development
- Personable, assertive, charismatic and well-respected with a high-profile

Resource required: 1 full time (+ 1 administration support)

Executive Board: The executive board for the new marketing function would be made up of the primary public organisations involved in promoting Edinburgh as well as CEO and upper management representatives from the private sector. The board could also include external advisors, following the example of Howard Bernstein from Manchester being a non-executive director of Creative Sheffield.

The role of the executive board would be to assume responsibility for the effective implementation of the promotional activities, driving efficiencies and identifying gaps in activity. The board would also create a structure of accountability and provide muscle to move the strategy from aims to reality.

Profile:

- Primary public organisations and key representatives from private sector (CEO and upper senior management level)
- Outward looking -Consider high profile non-executive participation to bring best practice findings from other cities and environments (e.g. Sir Howard Bernstein is a non-executive director of Creative Sheffield.).

Resource required: 8 part-time (2% of time)

Team directors: The new marketing function would have a team director for each of Talent, Tourism and Trade. Each team director would support the leader and work with alliance members to spearhead activity and drive the delivery of the destination promotion strategy. The tourism team director would be responsible for business tourism and events only, as leisure tourism services would be “purchased” on contract from VisitScotland.

The team director would be taken from the primary organisations from the public sector and would be of senior management level. An effective network of contacts for the specific areas of Talent, Tourism and Trade would be key for the position.

Profile:

- Public sector (Senior manager level within primary organisations)
- Knowledge of the Edinburgh landscape and an effective network of contacts within their specific area of Talent, Tourism or Trade
- Clear understanding of destination marketing and strategy development

Resource required: 3 full-time

2.2.4 Operations

In support of the management there will also be members of the new function, up to 10 operational staff and a team which will be seconded from existing primary organisations.

Structure

Members: The new marketing function would have up to 25 part-time members who would support each of the Talent, Tourism and Trade strands. The members would come from both the public and private sectors and would cover a range of skills from each organisation, everything from education to retail.

These members would be the frontline workers of the marketing function who would implement the destination promotion strategy on the ground.

Profile:

- Public and private sector (senior / project / middle manager level from range of organisation i.e. education to retail)
- Understanding of the Edinburgh landscape and ability to implement destination promotion strategy

Resource required: Up to 25 part-time members supporting each of the strands

Operational staff: The marketing function would have an operational staff of up to 10 full-time employees. This staff would assist in the delivery of the destination promotion strategy, supporting the members and the team heads.

The staff would mostly fulfil the customer-orientated role, ensuring that phones and emails are answered and customers have all of the information on Edinburgh in an easily accessible format.

Profile:

- Private sector individuals with relevant expertise and contacts in Talent, Tourism, Trade, the Inspiring Capital brand, financial accounts and other functions required to run the organisation effectively
- Understanding of the Edinburgh landscape and ability to implement destination promotion strategy

Resource required: Up to 10 full-time staff

Seconded team: In order to deal with the problem of overlap of functions within primary and secondary organisations, the new marketing function would have a seconded team of individuals with relevant expertise and a network of contacts across Talent, Tourism and Trade. If possible, some private sector team members could also be seconded to ensure private sector involvement.



This team would provide focussed direction and delivery of the destination promotion strategy – “plugging” the gaps, finding inefficiencies and assess the quick wins. Ideally, there would be full integration with the current remit of seconded team members.

Profile:

- Public sector (senior / project / middle manager level from primary organisations)
- Individuals with relevant expertise and contacts in Talent, Tourism, Trade and the Inspiring Capital brand (number of current team seconded to be considered)
- Integration with current remit

Resource required: 5 full time

Responsibilities and processes

In addition to defining a strategy, the new function will need to outline how it will function day-to-day, particularly in relation to existing organisations. This will ensure that it hits the ground running and provides a targeted, focused service.

The considerations for these operations are:

Meetings

- The Leader will have key relationships and meeting regularly with the team directors and is ultimately responsible to the Executive board.
- The leader and executive board should meet every two months.
- The team directors and operational staff will meet regularly with working alliance members and report back.

Review

- The Executive board will be responsible for reviewing and monitoring key performance indicators. It will have sufficient authority and power to deal with issues arising including funding, resource and organisational structure. The board would also be responsible for monitoring contractual relationships and working relationships with organisations/departments that come under its control.
- The seconded team will still work for their respective organisations and regularly feedback. They will report into the team directors.

Further processes

- The team directors will work closely together to add value to each others' remits, ensure consistency of messaging, tactical approach and drive deliverables through.
- The operational staff will support the team directors and leader as well as providing the day-to-day operation of the function. The staff will have a range of expertise across Talent, Tourism and Trade and will work in a matrix structure *i.e.* team directors can create handpicked teams bespoke to individual projects, thereby ensuring integration of the three stands.
- The operational staff will include experts in public relations and finance.
- The team directors will interact with Talent, Tourism and Trade representatives across the city to ensure a coherent and consistent messaging structure for the city and raise funding for specific projects.
- The team must have its own independence. An issue with Inspiring Capital was that it was seen as too close to the Council – the new function must endeavour to avoid this pitfall.

2.2.5 Risk evaluation

The new marketing function has many potential benefits for continuing Edinburgh's success as a destination. It is important to take note of risks and rewards before the function is established to ensure that these benefits outweigh any negative aspects. We have outlined the major risks and rewards below attendant to the new function.

Risks

- Establishing the marketing function with full time team would require some political upheaval.
- Existing organisations will be affected with the possible need for restructuring in order to avoid overlaps.
- The new function would need close co-operation from all stakeholders in order to be effective.
- May not have enough power to "get things done".
- The new function may be seen as additional bureaucracy, and unnecessary with the existing organisations.

Rewards

- A clear and unified approach to promoting the city achieved with limited disruption.
- The new function would be more efficient and streamlined than the existing structure with multiple organisations.
- Achieve synergies and more efficient working and using innovative ways to protect and maximise budgets.
- May enhance and protect current relationships with key national agencies.
- Improve the functioning of the current marketing organisations, leading to a more effective approach.

Sensitivity analysis

The first two phases of the Destination Edinburgh project identified the issue that there is significant overlap in the functions between existing organisations who promote Edinburgh. In order to create a unified approach, these functions must be integrated under the aegis of the new marketing function.

To do this, there may be some upheaval in terms of positions in existing organisations. The new marketing function will also require five members of staff to be seconded.

The leader may present a sensitivity issue in that the new leader must have full support from all organisations and stakeholders in order



to establish the position and ensure that the most is being made out of the new marketing function.

The new marketing function must ensure that it fits in with the overall economic development strategy for Edinburgh. It should be seen as a supportive role for other projects as well as providing leadership for promoting Talent, Tourism and Trade.

The relationships and service agreements with national organisations could also be a sensitive issue. These must be carefully managed in order to avoid discrepancies in external relationships.

The Inspiring Capital brand has taken up a significant amount of time and resource. It is important that the new marketing function supports and promotes the existing work that has gone into developing the brand.

Working with other organisations

The new marketing function has to streamline the marketing function for Edinburgh and provide a means for existing organisations to communicate with each other and work together. This will be achieved by:

- **Seconded staff** from primary organisations: These seconded staff would keep their offices in their respective organisations. They would now be points of contact for the new marketing function. This is made easier by the fact that they are accessible to staff members in their own organisations.
- **Regular meetings and updates:** it is important that the new function has a centre for meetings and that the meeting schedule is adhered to. This will facilitate sharing of information and closer co-operation.
- **Destination promotion strategy:** All organisations should have a hand in writing the destination strategy. It should be in accordance with the principles of existing bodies and other plans for Edinburgh. At the same time, it should be the leading vision and strategy. It is important that this strategy has as broad a sign-off as possible so that organisations are fully supportive of the new function.
- **Contractual relationships:** The new function will contract out leisure tourism to VisitScotland in a purchasing arrangement. This is because VisitScotland are best placed in terms of resources and experience to provide the best leisure tourism promotion for Edinburgh. These contractual relationships should be carefully handled so that there is no conflict of interest and the management of projects is made explicit. Similar contracts can be put in place with national organisations such as Scottish Development International when the Executive Board decide that this is the most efficient means of procuring the services.

2.2.6 Financial

Funding and other resource

The new marketing function requires core funding to establish itself and an operational budget for continuing projects.

Before establishing a budget for the function, the principal funders for it need to be identified and confirmed. The organisations likely to fund would include:

- Private Sector organisations
- City of Edinburgh Council
- Government funding and grants

There is also the potential for a private membership scheme whereby private sector companies would pay a membership fee for direct involvement with the function. An example would be a hotel paying membership in order to get links on the function website for reservations.

Once the funding has been established, the costs of start-up and running need to be defined in order to produce a working budget and financial plan.

The potential costs involved with establishing the function would include:

Establishing the function

- Legal and professional fees
- Insurance
- Sub-contracts
- Marketing and communications budget

Human resources

- Executive searches
- Hiring new staff
- Salaries and bonuses

Office function

- Office space
- Business fixtures and equipment

Communications

- Website
- Media Relations

[NOTE: Scale of resourcing to be influenced by best-practice in similar city promotion organisations]

3. Core questions to address

Following our consultation and analysis, we have identified a series of key issues pertaining to the establishment of the new function and noted core questions which will need to be answered at the beginning of the project.

Staff changes

- How would negative feeling of staff toward the upheaval be addressed?
- What would the best way to be open about plans, funding and job descriptions be?
- How would changes for staff be minimised?

Political upheaval

- How can political support for the new function be maximised?
- What is the communications strategy for promoting the benefits to stakeholders and the general public?
- How would an open and transparent approach be ensured?

Leadership

- The leader and directors require a very specific skill set, how do we ensure the most suitable people are found and employed to do the job?
- How will the decision on a leader best be made?
- What considerations need to be taken account of?
- What is the pool from which the leader will be chosen?

Overall economic development

- How will the new function best ensure that it fits in with the overall strategy for Edinburgh?

National bodies

- How will the relationships with national organisations be managed?
- What are the essential elements of the service agreements between organisations?
- How would the new function engage with VisitScotland and Scottish Enterprise in their new organisational structures?

Inspiring Capital

- What is the best way to ensure that the foundation work in establishing the Inspiring Capital brand is taken advantage of?

Governance

- How will the principle funder retain control of the function while ensuring its independence?
- What say will the funding organisations have in the running of the new function?

Private sector support

- How will the new function work to gain private sector support?
- How will communications work with the private sector?

Legal status of function

- What will the legal status of the function be – a company or informal alliance?
- Who will manage the funding and potential membership fees?
- How will the function respond to legal issues?

Cross-selling

- How will the new marketing function ensure that the gaps are plugged in terms of cross-selling?
- How will the new function sit in terms of the current environment and working with other organisations?

4. Recommendations and next steps

This section presents our recommendations for effectively addressing the questions posed and the challenges identified throughout Phases 1 to 3.

The following recommendations are all centred on the implementation of a destination function and the preferred model for the destination function is based on option 2.6.

To ensure the initial momentum and buy-in is maintained and compounded, we suggest these actions are implemented over a 12 month period from April 2008 to launch in April 2009. Launch in April 2009 will be to external audiences; internally however we suggest completion of the following recommendations by January 2009.

[NOTE: Recommended start date agreed with Client Group]

Recommendation 1: Appoint full-time implementation project manager

In order to keep the implementation schedule on track, drive it to completion and assist in securing buy-in from key public and private sector organisations we recommend the appointment of a full-time “on the ground” project manager.

It is recommended the project manager is appointed from the primary public sector organisations on a seconded basis for the 12 month implementation period. This project manager will report to the chair of the Task Group (and senior manager depending on existing role).

The manager would conduct the implementation of the model and be a point of reference for stakeholders within the city. The future success of the model, Option 2.6, lies with buy-in and support from the private sector, and the right project manager would go a long way to achieving this.

Recommendation 2: Further test, validate and modify Option 2.6

We recommend four key stages of activity to strengthen and build out in the detail the model for the proposed destination function, to be undertaken in the following order over nine months from April 2008 to January 2009:

Stage 1: Value audit and impact assessment

In order to assess the need and willingness to co-operate going forward, we recommend a further assessment of the internal organisations likely to be involved in the development and implementation of the destination function is conducted. This is to:

- Determine the value each individual and their organisation adds to the current promotional activity of the city through a comprehensive audit

- Assess the impact the destination function would have on their role and organisation

Interviews: We recommend intensive interviews with a number of relevant individuals (ranging from finance directors to CEOs) in primary private and public organisations are held. This is to assess specific details around desire and commitment to the preferred model as well as value added to current promotional activity. It would also address more specific areas on the customer experience and target market.

Socio and economic impact: This information could then be used to assess both the social and economic impact of the preferred option on all key players tasked with attracting more Talent, Tourism and Trade to the city.

This value and impact assessment will also identify which organisations, associations and bodies are currently contributing to the success of Edinburgh as a destination and where rationalisations can take place.

Stage 2: Customer research *(to be undertaken concurrently with Stage 1: Value assessment)*

To ensure a fully customer centric model, we recommend commissioning additional consumer research. This will increase of knowledge of the ultimate customer, in terms of who the function should be reaching across the three strands of Talent, Tourism and Trade.

Although there are a number of customer research pieces currently both in circulation and to be published this year there are still gaps in information.

The questions posed in a survey commissioned would reflect the need to link up the activities between the three strands and various customer “touch points” across Talent, Tourism and Trade. Each “touch point” has individual messages promoting Edinburgh causing a cluttered and confusing landscape to the customer.

Stage 3: Strategy and structure

Refined structure and strategy: Stage 3 would use the information gathered in Stages 1 and 2 to further develop, refine and consolidate the option 2.6 model.

It will highlight priorities and key aspects of importance in the model producing a complete structure and strategy for the destination function.

The strategy will provide an outline structure for the destination function, detailing who will be involved and painting a picture of the ultimate customer for Talent, Tourism and Trade.

Interview destination experts: We recommend roundtable/interviews with a range of destination promotion experts to gain first-hand views and opinions on the most successful structures for city s promotion.

Vision workshops: It will be necessary to agree the overall vision at this stage, prior to the development of the business plan. With this in mind we recommend a series of vision creation workshops with public and private stakeholders. This will also provide opportunity to further engage stakeholders and update on the implementation process.

Stage 4: 5-year business plan

The business plan and budget will be structured as follows:

- **Vision and goals** – announces clearly and succinctly to your staff, stakeholders and customers what the destination function will do. Producing and announcing the function's visions and goals is an excellent process for focusing attention on the priorities and customer service
- **Strategic objectives** – ambitious yet achievable objectives of what the new function must achieve. Objectives will be SMART – specific, measurable, achievable, realistic and timely
- **Description of the market** – define the target audiences across the three strands of Talent, Tourism and Trade.
- **Analysis of the competition** – a greater understanding of the function's customer will provide the basis for analysis of competitor cities and their approach to reach the defined audience
- **Management structure** – identification of the individuals to be directly involved, the structure and key skills of both the management team and staff
- **Operations** – outline of the logistical operations of the function, including day to day staffing and resourcing
- **Risk evaluation** – identification of the key risks involved with the creation of the function and how those risks should be managed
- **Review process** – setting targets and how they are reviews
- **Financials** – translation of above information into numbers and provide a detailed breakdown of the budgetary requirements and allocation. The budget will be formed on real not estimated costs

Review process: The business plan and budget will be continuously reviewed in light of the business environment and the performance of the new destination function. It will be necessary to hold formal reviews on a quarterly basis to evaluate the function's success in promoting Edinburgh as a place to live, work and invest.

Balanced scorecard: A balanced scorecard is a tool that can be used to assess whether the new destination function will meet its objectives in terms of vision and strategy. By focusing not only on financial outcomes, but also the human issues, the completion of a balanced scorecard could be used as a final step to:

- Drive strategy executive
- Clarify strategy and make it operational

It involves the analysis of the impact of achieving objectives from a financial perspective; a customer perspective; an internal perspective and learning and growth perspective. This process will allow critical success factors and performance measures to be identified.

Recommendation 3: Develop a detailed action plan for transition (including communications plan)

Following the completion of the 5-year business plan a fully accountable action plan should be developed with a list of actions and assigned to each individual. It should also take account of the responsibilities for each person and bear in mind that a lot of work will be about change management in terms of closing the existing functions in the city. The plan will establish the following:

- **Priority activities** – with the creation of a new organisation it is vital to outline the priorities going forward, as the implementation is likely to involve a phased approach
- **Roles and responsibilities** – building on from the business plan it will outline specific roles for individuals and the associated responsibilities. This will include job specifications
- **Transition mechanism** – the introduction of the function will follow a phased approach to ease the transition period and the approach will be laid out step by step
- **Timescale** – it will include a detailed critical path of activity to ensure the implementation remains on track
- **Review process** – as with every phase of this project, we will ensure that a comprehensive review process is set in place to measure and evaluate the success of the function and provide a platform for a rolling review and continual refinements where necessary
- **Review process** – The marketing and communication around the implementation would also be carefully planned including a detailed timeline of launch

Recommendation 4: Transform Task Group into official steering group

At present there is a Task Group of 22 representatives from a range of key organisations. We recommend this Task Group is continued and meets every 2-3 months. This will ensure that the vision, objectives and activities of the new function undergo a process of continual review and refinement. The project manager would report directly into the Chair of the Task Group (currently Dave Anderson). The entire Task Group would also provide a 'sounding board' for the project manager.

Regular contact with the Task Group will be crucial to guarantee buy-in to the goals of the new destination function and establish the foundations to secure its future success.

Recommendation 5: Ensure senior-level consultation and support

Consultation with key stakeholders is vital to the successful implementation and transition of the new destination function. We recommend the following consultations should take place (subject to change and additions):

CEC and Scottish Government: Following the previous consultation phase, senior officials within CEC and the Scottish Government must be kept up to date with progress of the project and the development of the business case and action plan.

Following the phase 3 consultation meeting Jim Mather agreed to chair a stakeholder meeting, although we recommend he is approached for the original workshop group meeting (see below) he should also be approached to chair further strategic dialogue opportunities between key stakeholders.

Original workshop group (from May 15th 2007): The original task group was set up at this workshop session, it is important this group is revisited and project progress reported back. At the Phase 3 consultation meeting, Jim Mather, MSP agreed to chair a future meeting with stakeholders, we recommend Jim Mather chairs this meeting.

Chief Executives of primary organisations: As in Phases 1 and 2 the CEOs should continue to be updated and consulted throughout implementation and transition.

Recommendation 6: Create and implement destination promotion strategy

It was determined in Phase 2 and validated in Phase 3 that a formal destination promotion strategy is paramount to ensure a coherent and holistic plan across Talent, Tourism and Trade. It was also identified that the Inspiring Capital brand should be utilised as the main tool for communicating the strategy.

We recommend a destination promotion strategy for the city of Edinburgh is created that includes:

- Strategic context
 - Vision
 - Targets
 - Objectives
 - Target markets (based on consumer research conducted in stage 2 of recommendation 1)
- The Edinburgh offer
 - Key products and experiences in the key areas of Talent, Tourism and Trade
 - Services
 - Gap analysis
- Priorities for action
- Performance indicators and sources
- Identify target markets and get the input of partners to best reach these target markets

The strategy should be ready for implementation in January 2009. It should go under review every year and be adapted and refined where possible.

Recommendation 1: Appoint full-time implementation project manager manger

Recommendation 2: Further test, validate and modify option 2.6

Recommendation 3: Develop a detailed action plan for transition (including communications plan)

Recommendation 4: Transform Task Group into official steering group

Recommendation 5: Ensure senior level consultation and support

Recommendation 6: Create and implement destination promotion strategy (including key performance indicators)