



VIRGINIA TOURISM AUTHORITY
D/B/A Virginia Tourism Corporation

OPERATING PLAN

FOR THE YEAR ENDING JUNE 30, 2006

Virginia *is for Lovers* 

**VIRGINIA TOURISM AUTHORITY
2005-2006 OPERATING PLAN**

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I. INTRODUCTION

The Virginia Tourism Authority is a political subdivision of the Commonwealth of Virginia, authorized to do business as the "Virginia Tourism Corporation" (VTC) and was created on July 1, 1999. The VTC has a Board of Directors comprised of 15 members, including the Secretary of Commerce and Trade, the Secretary of Finance, the Secretary of Natural Resources and twelve members appointed by the Governor and confirmed by the General Assembly. The Governor designates the Chairman of the Board and the Board elects one member as the Vice-Chairman. The Executive Director of the VTC is appointed by the Governor, and reports to the Board of Directors and serves as the Board's ex-officio secretary-treasurer.

The VTC is headquartered in Richmond. In addition, the VTC operates ten state welcome centers located strategically around the state and the Capitol Bell Tower in Richmond to provide information to persons traveling in Virginia.

This operating plan provides basic information for understanding the priorities the VTC plans to accomplish, how it will achieve its objectives and the resources committed to those efforts.



II. MISSION

The Virginia Tourism Authority, doing business as the Virginia Tourism Corporation, serves the broader interests of the economy of Virginia by supporting, maintaining and expanding the Commonwealth's domestic and international travel market and motion picture production, thereby generating increased visitor expenditures, tax revenues and employment. The Corporation develops and implements programs beneficial to Virginia travel-related and motion picture production-related businesses and/or consumers that no industry component or organization would be expected to carry out on its own.

MISSION STATEMENT: To provide economic benefit to the Commonwealth through the support and stimulation of Virginia's tourism and motion picture industries.

More People, Staying Longer, Spending More Money

VISION STATEMENT: To foster a spirit of partnership within Virginia's tourism and motion picture industries towards the development and implementation of innovative and effective programs and initiatives that will grow the industry and increase economic impact and jobs, resulting in more business for localities, companies and attractions of all sizes.

VALUES STATEMENT: The VTC is a high-performing, independent entity composed of dedicated professionals committed to the following ideals:

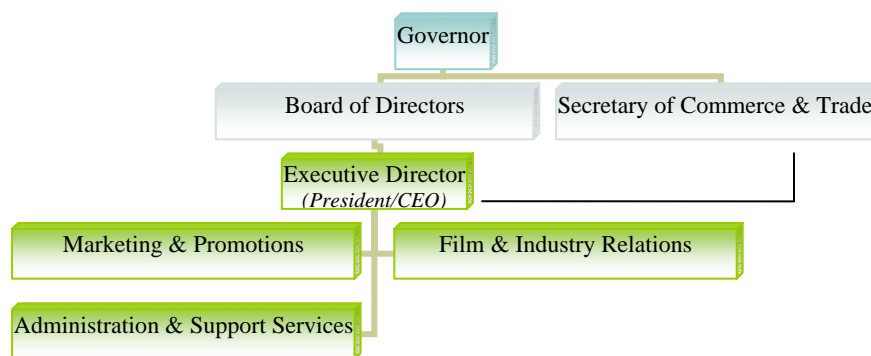
- Accountability
- Exceptional Service
- Innovative Ideas



III. ORGANIZATIONAL STRUCTURE

The VTC has three programmatic areas to manage the activities of the agency. The responsibilities for management of these areas are vested with three Vice-Presidents.

- 1) Administration and Support Services
- 2) Marketing and Promotions
- 3) Film & Industry Relations





IV. PERFORMANCE MEASURES

The VTC has established quantifiable performance objectives to document its effectiveness in achieving the stated agency goal. The objectives that will be used to assess the agency's effectiveness through fiscal year 2008 are:

- Increase consumer inquiries by 10% annually thus creating awareness of Virginia's tourism product bringing more leisure travelers to the Commonwealth.
- Leverage partnership advertising funds 2 to 1 through private sector partnership marketing programs to increase market penetration with limited resources.
- Increase convention and meeting bookings in Virginia by 5% annually bringing more business travelers to the Commonwealth.
- Increase reservation assistance provided at state Welcome Centers by 5% annually thus closing the sale for the lodging sector.
- Increase film shooting days in Virginia by 5% annually providing economic benefit and jobs for the state and its localities.

V. GOALS, OBJECTIVES AND STRATEGIES

VTC's priority goals and objectives identified below were used to develop the financial plans of each of the operational areas of the Corporation.

GOAL 1: STRENGTHEN AWARENESS OF THE VIRGINIA BRAND.

Objective: Increase awareness and understanding of the brand to in-state markets, North American markets and International markets.

Strategies:

- Position Virginia as a premier destination for leisure and business travel in the market place.
- Educate the industry on Virginia branding and its consistent usage in publications, ads, promotions, etc., to note the importance of keeping the same theme and look throughout all promotions statewide.
- Increase consumer awareness and understanding of the brand.
- Increase Virginia's brand awareness among tour wholesalers and retailers worldwide, leading to increased packaging and visitation.
- Use effective public relations programs to strengthen the brand to influence journalists and constituent groups to generate media placements.



- Promote the state as a fun and friendly vacation destination to friends and family.
- Provide consumer-friendly, comprehensive, timely, and accurate information about the Virginia brand to influence visitors to extend their stay in the Commonwealth.
- Use timely and compelling research in development of programs to increase consumer awareness.

GOAL 2: *DEVELOP AND EXECUTE COLLABORATIVE STATEWIDE MARKETING PROGRAMS.*

Objective 1: Strengthen and increase partnerships each year that benefit the tourism industry.

Strategy: Assist the Virginia travel-industry partners and local, state, and federal agencies in their tourism efforts through counsel, education and incorporation of their specific tourism attributes into media tours and other communications tools.

Objective 2: Access new funding and leverage advertising, marketing and public relations resources by partnering with tourism organizations, other nonprofit entities, private industry, and government.

Strategies:

- Provide professional development opportunities and individual consulting to Destination Marketing Organizations, individual attractions, destinations and event organizers, and other travel-related and film-related organizations and individuals.
- Leverage funds using public and private marketing partnership programs.
- Provide targeted and cost effective programs to maximize tourism marketing in a consistent and comprehensive manner.

GOAL 3: *EDUCATE ELECTED OFFICIALS AND KEY OPINION LEADERS ON THE ECONOMIC IMPORTANCE OF TOURISM AND ENCOURAGE INVESTMENT IN THE INDUSTRY.*

Objective 1: Foster strong working relationships with elected officials and key opinion leaders to gain support and growth for Virginia's tourism industry.

Strategies:

- Cultivate and maintain a strong working relationship with elected officials and key opinion leaders to foster support and growth for Virginia's tourism and motion picture industries.



- Lead the travel industry in the development of statewide effort to gain support and recognition of the substantial economic impact tourism generates for the Commonwealth.
- Maximize public and private-sector investment in tourism development and marketing.

GOAL 4: ADVANCE THE USE OF TECHNOLOGY IN TOURISM MARKETING.

Objective: Use progressive electronic marketing programs to increase Virginia's tourism.

Strategies:

- Maximize the use of the Internet as a management and marketing tool.
- Educate tourism industry partners and members to take full advantage of the effectiveness of the internet as a marketing tool.
- Continually update the VTC web sites for effectiveness.
- Examine the use of electronic tourism information methods to provide travelers in order to encourage visiting and staying in Virginia.

GOAL 5: EXPAND HOSPITALITY WORKFORCE TRAINING.

Objective 1: Support the Virginia travel industry in the development and implementation of programs to train the hospitality workforce to ensure a positive visitor experience and increase visitor length of stay.

Strategies:

- In collaboration with the Virginia travel industry, educate the travel & tourism professionals and management staff for an expanding role in Virginia's Tourism Economy.
- Provide visitors at the state's Welcome Centers, reservation services to encourage extended visitor stays.

Objective 2: Support educational institutions' efforts to develop and expand hospitality and marketing programs.

Strategies:

- List and provide ongoing updates for professional and management training opportunities in newsletters and on the www.vatc.org website.
- Provide tourism training and education programs through such venues as orientation sessions, Governor's Conference on Travel and Tourism and seminars.



GOAL 6: IMPROVE INFRASTRUCTURE THAT SUPPORTS TOURISM.

Objective 1: Work with federal, state and local entities to improve and expand the state's visitor information and service facilities and tourism product.

Strategies:

- Provide collaboration and assistance to the Virginia Department of Transportation in planning and building state-of-the-art Welcome Centers and Rest Areas to enhance the Commonwealth's first impression on visitors in a safe and pleasant atmosphere.
- Consistently liaise with all federal and state agencies and congressional offices to maximize public participation in promoting Virginia as a premier travel destination.

Objective 2: Encourage multi-modal enhancements to Virginia's transportation systems to meet the needs of the traveling public.

Strategies:

- Provide support to organizations engaged in the development of highway enhancements, corridor development, expanded rail service and bicycle travel.
- Team with Virginia Department of Rail & Public Transportation to provide effective rail infrastructure to support tourism.
- Support Rails to Trails development.

GOAL 7: SUPPORT EXISTING TOURISM PRODUCTS OF ALL SIZES, INCLUDING HIGH REVENUE GENERATING DESTINATIONS, AND SUPPORT THE DEVELOPMENT OF NEW TOURISM PRODUCT.

Objective: Support the enhancement, expansion and development of new and existing tourism products, events and services.

Strategies:

- Assist localities in the development of marketing partnerships and regional structures to stimulate the development and growth of tourism products and services.
- Work with the agencies owning and/or managing lands in Virginia to encourage new product development and enhancements to existing products for visitor attraction and enjoyment.
- Advocate increased public participation in tourism development at federal, state and local levels.



GOAL 8: *PROMOTE VIRGINIA'S EXISTING AND EXPANDING MEETING AND CONVENTION FACILITIES.*

Objective: Work with local and regional entities to increase meetings and conventions business and associated tax benefits.

Strategies:

- Develop and implement a national and regional advertising campaign to meeting planners and executives in the association, corporate and high-technology markets
- Develop, implement and maintain a proactive meetings and conventions sales effort that incorporates Internet sales, e-mail campaign and marketing components to increase awareness of Virginia's meeting and convention facilities, which generates leads and bookings.
- Develop and implement a plan to increase length of stay for pre- or post-convention delegates.
- Support the Governor's initiative (EO6) to bring convention and meeting business to the Commonwealth.

GOAL 9: *INCREASE THE ECONOMIC IMPACT OF THE FILM AND VIDEO INDUSTRY THROUGHOUT THE COMMONWEALTH.*

Objective 1: Attract film, video and multi-media production to Virginia.

Strategies:

- Create and implement a marketing strategy that includes sales calls, trade shows, film-related events, marketing missions, advertising, public relations and personal contact with key decision makers.
- Increase incentive dollars to bring filmmakers to Virginia.

Objective 2: Grow the in-state film, video and multi-media industry.

Strategy: Develop new or expand existing initiatives designed to grow Virginia's indigenous industry.

GOAL 10: *PROVIDE LEADERSHIP, MANAGEMENT AND DIRECTION FOR THE VTC.*

Objective 1: Provide consistent planning, budgeting, procurement and reporting processes for VTC.

Strategies:



- Provide the VTC Board of Directors, Secretary of Commerce and Trade and Governor with the tools and resources needed to work effectively with VTC on achieving the goal of increasing traveler visitation providing economic benefits to the Commonwealth.
- Direct and evaluate the effectiveness of VTC and Virginia Film Office programs.
- Support the Commonwealth's initiative to grow business done with small, woman-owned and minority business enterprises.
- Support the Commonwealth's initiative to use electronic procurement processes through the eVA procurement program.

Objective 2: Identify and implement revenue-generating programs to provide an annual increase in revenue for VTC.

Strategies:

- License and manage a revenue-generating program to produce and sell VIFL logo and trademark products.
- Develop and manage a program of user fees.
- Develop and promote an e-commerce program to generate funding in support of VTC's marketing and promotion programs.
- Secure additional resources from public and not-for-profit sources to support VTC programs.



VI. FY2006 OPERATING FINANCIAL PLAN

**VIRGINIA TOURISM AUTHORITY
D/B/A Virginia Tourism Corporation
Operating Financial Plan Summary
For The Year Ending June 30, 2006**

	Funds	Employment
Funds Source		
COV General Funds	\$14,130,098	44
VDOT Transfers	1,000,000	20
V400 Jamestown 2007 Funding	1,000,000	
Interest on Deposits	55,000	
Brochure and Ad Panel Fees	361,000	
Other Revenues	180,750	
Total Funds Source	\$16,726,848	64
Program Expenditures		
Administration & Support Services	\$ 817,101	6
Marketing & Promotions	10,462,235	25
Customer Service & Industry Relations	2,789,431	28
Virginia Film Office	1,598,081	5
Pass-Through Payments	1,060,000	
Total Expenditures	\$16,726,848	64

Note: The VTC also employs 39 part-time individuals not reflected in the above employment levels. The VTC also uses the services of interns averaging 16 per year contributing approximately 2,180 hours of service.



VII. ADMINISTRATION & SUPPORT SERVICES

Administration & Support Services provides oversight through the Board of Directors and the President/CEO. This area provides administrative support functions such as Board relations, governmental relations, financial reporting, budget development, accounting, procurement and human resources. This section also provides oversight for revenue generating activities in support of the limited resources of the VTC.

Operating Financial Plan For The Year Ending June 30, 2006

	Funds	Employment
Funds Source		
COV General Funds	762,101	6
Other Revenues	55,000	
Total Funds Source	\$817,101	6
Expenditures		
Salaries, Benefits and Taxes	\$535,697	6
Wages	17,634	
Advertising and Promotion	3,150	
Delivery Services	1,800	
Travel	35,380	
Printing	16,093	
Telecommunications	7,150	
Personnel Development	29,445	
Professional Contract Services	21,000	
Repairs and Maintenance	15,260	
Other Contract Services	11,750	
Supplies and Materials	12,700	
Insurance	53,005	
Lease and installment Payments	19,750	
Fixed Asset Payments	37,287	
Total Expenditures	\$817,101	6

Summary of positions supporting this division:

- 1 President/CEO (Executive Director)
- 1 Executive Administrative Assistant
- 1 Administrative Assistant/Receptionist
- 1 Vice-President of Administration & Finance
- 1 Procurement & Contracts Officer
- 1 Fiscal Technician
- 1 Part-time employee for special projects



VIII. MARKETING AND PROMOTIONS

The marketing and promotions section is responsible for planning, implementing and evaluating VTC's advertising, graphics, public relations, sales and Internet marketing and research activities.

Advertising: The multi-million dollar advertising program develops and promotes the Virginia brand through the use of media including print, broadcast and outdoor and web-based venues. The media plan targets frequent travelers within markets that provide the highest potential number of visitors to Virginia.

Public Relations: Public relations efforts stimulate Virginia's economy by creating promotional communications tools and editorial coverage designed to motivate travelers to visit, stay longer and see more of Virginia's travel appeals. Public relations also provides the VTC with visibility in niche publications to promote special and unique product to Virginia.

Sales: VTC's direct sales efforts, including trade shows, sales missions and site inspection tours, are designed to increase visitation and economic impact from domestic and selected international markets. Key buyer segments targeted through the sales effort include tour operators, travel agents and meeting planners.

Research: The research section of the division provides a wide range of tourism-related data analysis and data gathering, including domestic and international visitor profiles, domestic and international market share, the economic impact of tourism on the state and localities, and the VTC's advertising and marketing campaigns. The research program provides detailed and timely information for those in the Commonwealth who are interested in the area of tourism development and for the VTC to assess internally the return on investment of its programs.

Electronic Marketing: This section manages VTC's two websites, targeting consumers and Virginia's travel industry. It manages VTC's internet communication technologies and develops web-based business initiatives and partnerships. Electronic Marketing regularly educates the industry on the use of internet technology and the benefits of full participation within VTC's consumer website.

Graphics: The graphics section provides graphic development and production services for VTC and the Virginia Economic Development Partnership. The VTC's library of photography, film, videography and electronic graphic files is managed by the Graphics section.



Summary of positions supporting this division:

1 Vice-President of Strategy & Marketing	1 Director of Electronic Marketing
1 Marketing Budget Analyst	1 Electronic Marketing Specialist
1 Senior Marketing Assistant	1 Electronic Events Coordinator
1 Director of Advertising	1 Electronic Marketing Assistant
1 Advertising Marketing Manager	1 Electronic Marketing Strategist & Programmer
1 Editorial & Publications Manager	1 Meetings & Conventions Manager
1 Director of Public Relations	1 International Marketing Manager
1 International Public Relations Manager	1 North America Marketing Manager
1 National Public Relations Manager	1 Director of Research
1 Public Relations Coordinator	
1 Administrative Assistant	
1 Director of Sales	
1 Graphic Design Manager	
2 Graphic Designers	
1 Multi-Media Specialist	

Note: This section uses the services of interns averaging three (3) per year contributing approximately 400 hours of service.



MARKETING & PROMOTIONS
Operating Financial Plan
For The Year Ending June 30, 2006

	Funds	Employment
Funds Source		
COV General Funds	\$ 9,292,085	25
V400 Jamestown 2007 Funds *	1,000,000	
Participation & Service Fees	117,200	
Other Revenues	52,950	
Total Funds Source	\$10,462,235	25
Expenditures		
Salaries, Benefits and Taxes	\$1,834,552	25
Advertising and Promotion *	6,866,802	
Electronic Marketing	238,630	
Delivery Services	18,275	
Travel	169,050	
Printing	20,305	
Telecommunications	34,300	
Personnel Development	83,866	
Professional Services	1,080,984	
Repairs and Maintenance	500	
Other Contract Services	50,900	
Supplies and Materials	60,560	
Fixed Asset Payments	3,511	
Total Expenditures	\$10,462,235	25

* Includes special Appropriation of V400 Jamestown 2007 license plate fees of approximately \$1,000,000 as defined in Chapter 951, Item 255 F. 2.



IX. CUSTOMER SERVICE & INDUSTRY RELATIONS

This unit establishes overall strategies for sound industry relations, expansion of professional development opportunities and superior customer service, thus maximizing tourist expenditures through consistent improvement of the tourism infrastructure, distribution systems and industry communications. This unit manages programs aimed at providing superior customer service, establishing continuing education opportunities for the industry, evaluating and improving customer fulfillment programs, cultivating community outreach, and assisting the industry in business development and expansion with a goal of repeat visitation.

This section works cooperatively with VDOT in the operations of the state's Welcome Centers and Rest Areas to promote and encourage the traveler to visit Virginia.

This unit will serve as a resource for the industry and VTC in seeking and securing grants to supplement marketing and product development programs. It works closely with Virginia's counties, cities, municipalities and attractions to identify grant opportunities and ways of extending limited resources to market the Commonwealth's tourism product.

Summary of positions supporting this division:

- 1 Director of Customer Service & Industry Relations
- 1 Administrative Staff Assistant
- 1 Asst. Director of Industry Relations
- 1 Customer Service & Industry Relations Manager
- 2 Mail & Distribution Support Positions
- 11 Welcome Center & Bell Tower Visitor Services Managers
- 11 Tourism Counselors at Welcome Centers & Bell Tower

Note: This division also employs 37 part-time travel counselors at the Welcome Centers and the Capitol Bell Tower. This section also uses the services of an intern contributing approximately 100 hours of service.



CUSTOMER SERVICE & INDUSTRY RELATIONS
Operating Financial Plan
For The Year Ending June 30, 2006

	Funds	Employment
Funds Source		
COV General Funds	\$1,417,831	8
VDOT Transfer	1,000,000	20
Brochure and Ad Panel Fees	361,000	0
Other Revenue	10,600	0
Total Funds Source	\$2,789,431	28
Expenditures		
Salaries, Benefits and Taxes	\$1,455,343	28
Wages	231,119	
Advertising and Promotion	27,325	
Delivery Services	603,098	
Travel	36,359	
Printing	1,660	
Telecommunications	90,017	
Personnel Development	8,401	
Professional Services	236,296	
Repairs and Maintenance	3,150	
Other Contract Services	11,696	
Supplies and Materials	40,867	
Lease and installment Payments	38,100	
Fixed Asset Payments	6,000	
Total Expenditures	\$2,789,431	28



X. VIRGINIA FILM OFFICE

The Virginia Film Office is committed to attracting film and video production to Virginia and supporting the indigenous production industry, with an ultimate goal of bringing economic and employment benefits to the Commonwealth. Film, video and multi-media production is a growth industry worldwide and in Virginia, and the economic benefits to the state have grown significantly. The Virginia Film Office pursues its goals through the creation and implementation of aggressive marketing and development programs.

Summary of positions supporting this division:

- 1 Vice-President of Film & Industry Relations
- 1 Assistant Director
- 1 Administrative Staff Assistant
- 2 Film Promotions Managers

Note: This section uses the services of interns averaging three per year contributing approximately 1,680 hours of service.



**VIRGINIA FILM OFFICE
Operating Financial Plan
For The Year Ending June 30, 2006**

	Funds	Employment
Funds Source		
COV General Funds	\$1,598,081	5
Expenditures		
Salaries, Benefits and Taxes	\$ 430,323	5
Wages	30,435	
Advertising and Promotion	168,359	
Delivery Services	14,000	
Travel	33,864	
Printing	31,000	
Telecommunications	7,300	
Personnel Development	6,000	
Professional Services	45,500	
Repairs and Maintenance	6,000	
Other Contract Services *	809,800	
Supplies and Materials	10,000	
Lease and installment Payments	500	
Fixed Assets Payments	5,000	
Total Expenditures	\$1,598,081	5

* Other Contract Services includes an Appropriation of \$800,000 for an incentive fund for the purpose of attracting history-themed theatrical or television productions to Virginia.



XI. PASS-THROUGH PAYMENTS

Below is a list of legislated pass-through funding included within the financial plan of the Virginia Tourism Authority.

	Funds
Funds Source	
COV General Funds	\$ 1,060,000
Expenditures	
African American Heritage Trails-VFH	\$ 100,000
Tredegar National Civil War Center	225,000
Coalfield Tourism Authority *	25,000
Virginia Association of Broadcasters – See Virginia First Program	250,000
Outdoor Advertisers Association – See Virginia First Program *	110,000
Virginia Travel Guide for the Disabled	100,000
Virginia Economic Development Partnership – Motor Sports Support Business Development	250,000
Total Expenditures	\$1,060,000

* **Note:** Additional funds totaling \$100,000 were not provided for these pass-through items. Funds for these programs were reallocated from other areas of the Authority: \$25,000 for the Coalfield Tourism Authority from administration and \$75,000 for the Outdoor Advertisers Association from advertising and promotion funds.