



DESTINATION  
BRITISH COLUMBIA™

# **2018/19 – 2020/21 SERVICE PLAN**

**February 2018**



**BRITISH  
COLUMBIA**

---

For more information on the Destination BC contact:

12th Floor, 510 Burrard Street

Vancouver, B.C. V6C 3A8

Phone: (604) 660-2861

Fax: (604) 660-3383

Email: [ContactTourism@DestinationBC.ca](mailto:ContactTourism@DestinationBC.ca)

or visit our website at

[www.DestinationBC.ca](http://www.DestinationBC.ca)

## Board Chair Accountability Statement



The 2018/19 - 2020/21 Destination BC Service Plan was prepared under the Board's direction in accordance with the *Budget Transparency and Accountability Act*. The plan is consistent with government's strategic priorities and fiscal plan. The Board is accountable for the contents of the plan, including what has been included in the plan and how it has been reported. The Board is responsible for the validity and reliability of the information included in the plan.

All significant assumptions, policy decisions, events and identified risks, as of January 29, 2018 have been considered in preparing the plan. The performance measures presented are consistent with the *Budget Transparency and Accountability Act*, Destination British Columbia's (Destination BC) mandate and goals and focus on aspects critical to the organization's performance. The targets in this plan have been determined based on an assessment of Destination BC's operating environment, forecast conditions, risk assessment and past performance.

A handwritten signature in black ink, appearing to read 'Andrea', followed by a long horizontal line extending to the right.

Andrea Shaw  
Board Chair

**Table of Contents**

Board Chair Accountability Statement ..... 3

Strategic Direction and Alignment with Government Priorities..... 5

Operating Environment..... 7

Performance Plan ..... 7

Financial Plan..... 17

    Summary Financial Outlook..... 17

    Key Forecast Assumptions, Risks and Sensitivities ..... 18

    Management’s Perspective on the Financial Outlook ..... 18

Appendix A: Hyperlinks to Additional Information..... 19

    Corporate Governance ..... 19

    Organizational Overview ..... 19

## Strategic Direction and Alignment with Government Priorities

Tourism is a critical sector within B.C.'s economy. In 2016, the tourism industry generated \$17.0 billion in revenue, an increase of 7.9 per cent from 2015. In addition, tourism contributed \$7.9 billion to provincial GDP and employed over 133,100 people. The tourism industry also generates social and cultural benefits for all British Columbians by supporting the viability of community amenities and increasing international exposure to our heritage, education system, trade opportunities and immigration prospects. For more information on tourism industry performance and data sources, please see the [Industry Performance](#) section of Destination BC's corporate website.

The tourism sector is comprised of thousands of businesses hosting millions of consumers, some of whom only visit once, while others visit many times. Destination BC plays a critical role in maximizing long-term industry growth by providing a unifying and consistent brand and marketing strategy for the province. The marketing strategy motivates travellers from around the world to visit and encourages British Columbia's residents to explore every region of B.C. Destination BC also provides leadership for the expansion and strengthening of British Columbia's tourism products and experiences. Coordination, collaboration and alignment between Destination BC, all levels of government and industry is needed to fully realize the potential of B.C.'s tourism industry and the rural communities that depend on it.

Destination BC was established on November 2, 2012 under the [British Columbia Business Corporations Act](#) as the province's tourism marketing organization. The [Destination BC Corp. Act](#), which was passed with unanimous consent by the British Columbia Legislature in March 2013, continued Destination BC as a Provincial Crown corporation. Destination BC began operations on April 1, 2013 with the transfer of staff, assets and programs from the Tourism Division of the former Ministry of Jobs, Tourism and Skills Training. With advice from the tourism industry, including through the Tourism Marketing Committee, Destination BC developed its first three-year corporate strategy and marketing plan in early 2014. The plan led to a significant refocus and restructure of the organization, enhanced international marketing, rural and business development programs and drove increases in collaboration and alignment within the tourism sector. During that period, tourism business operators' approval of Destination BC's activities improved significantly, from 6.09 in 2014, to 7.27 (out of 10) in 2017<sup>1</sup>. Destination BC's second three year strategy, again developed with industry engagement and support, was released on March 31, 2017.

Destination BC embraces government's commitment to true and lasting reconciliation with Indigenous peoples of British Columbia, and will incorporate the United Nations Declaration on the Rights of Indigenous Peoples (see Priority 5 in the 2018/19 Mandate Letter) and the Calls to Action of the Truth and Reconciliation Commission in the context of Destination BC's programs and services. Destination BC's [2017/18-2019/20 Corporate Strategy](#), related Global Marketing and Destination Development Strategies and the revitalized *Super, Natural British Columbia*<sup>®</sup> brand all align with Destination BC's mandate, as articulated in the *Destination BC Corp. Act*.

---

<sup>1</sup> Tourism business operators strata only. Approval by other strata is higher and has also risen since 2014. See Destination BC's [Annual Stakeholder Satisfaction Survey Report](#) for more details.

Destination BC is committed to working with the Minister to achieve the following specific priorities outlined in the [2018/19 Mandate Letter](#):

- Support the Minister of Jobs, Trade and Technology (JTT) and the Minister of State for Trade to deliver on government’s commitment to represent British Columbia’s tourism sector on trade missions;
- Champion tourism as a job creator by working in partnership with industry and training organizations to deliver innovative marketing and industry development programs;
- Drive strategic alignment of marketing and data technologies across tourism organizations and businesses in all regions of B.C. to advance marketing capabilities and strengthen B.C.’s brand in the global marketplace;
- Ensure alignment with emerging government programs and priorities by continuing the delivery of innovative programs, including Destination Development, Industry Training and Visitor Services, that expand tourism marketing efforts, foster remarkable experiences and guide industry development to maintain B.C.’s competitive advantage as a preferred destination; and
- In keeping with the Truth and Reconciliation Commission’s Calls-to-Action and the United Nations Declaration of the Rights of Indigenous Peoples, Destination BC will foster alignment with the Aboriginal Tourism Association of BC (AtBC) to build and implement a robust Indigenous tourism strategy, supported by the Indigenous Tourism Association of Canada and Destination Canada, to lead the country in the sustainable development of culturally rich Indigenous tourism experiences.

Destination BC is aligned with the Government’s key priorities:

Government Priorities	Destination BC Aligns with These Priorities By:
Delivering the services people count on	<ul style="list-style-type: none"> <li>• Assisting tourism businesses to meet and exceed guest needs and expectations. (Objective 2.1)</li> <li>• Creating a Powerful Marketing Network. (Goal 3)</li> </ul>
A strong, sustainable economy	<ul style="list-style-type: none"> <li>• Facilitating growth of Overnight Visitor Expenditures. (Goal 1)</li> <li>• Collaborating with stakeholders, partners and communities to align and focus on collective efforts. (Objective 3.1)</li> <li>• Creating and implementing a provincial destination development strategy by working across government with regional and community organizations, and tourism business operators. (Objective 3.2)</li> </ul>

## Operating Environment

The Economic Forecast Council (EFC) expects B.C.'s real GDP to grow by 2.5 per cent in 2018 and 2.2 per cent in 2019. Meanwhile for Canada, the EFC projects national real GDP growth of 2.2 per cent in 2018 and 1.8 per cent in 2019. As such, B.C.'s economic growth is expected to outperform Canada's in the coming years. Downside risks to B.C.'s economic outlook include US trade policy uncertainty and ongoing economic challenges in Asia and Europe.

Tourism industry growth is a key indicator of the success of the province's tourism sector and Destination BC's activities. However, from year to year, many factors may affect the tourism industry's performance. Looking forward, in 2018/19, these factors may include the lingering impacts of the floods and wildfires that dramatically affected the Cariboo Chilcotin Coast, Kootenay Rockies and Thompson Okanagan tourism regions during the spring and summer of 2017, potential fluctuations in the value of the Canadian dollar, changes in the price of oil, uncertainty about the Chinese economy, the potential impact of Brexit on the British and European economies and travel patterns, any disruptions in traveller access and any weather or other emergency events that may occur during the year. Destination BC tracks such factors and adjusts its strategy to capitalize on opportunities and manage risks as they occur.

In 2017/18, Destination BC made further organizational changes to increase its capacity in digital marketing and destination development, and shift management of visitor services in Golden to Tourism Golden, in Osoyoos to Destination Osoyoos and in Merritt to the City of Merritt. In 2018/19, Destination BC will continue to review its activities to ensure that taxpayers' dollars are spent to maximize impact and cost-efficiency.

## Performance Plan

This Service Plan outlines Destination BC's goals for the 2018/19 to 2020/21 fiscal years and the strategies to achieve them. The goals, objectives, strategies, performance measures and targets are reflective of Destination BC's mandate and the input of Destination BC's [Tourism Marketing Committee](#), which provides advice to the organization on marketing matters. More details on the goals, objectives and strategies can be found in Destination BC's [2017/18-2019/20 Corporate Strategy](#) and related Global Marketing and Destination Development Strategies.

The Corporation's goals and strategies are designed to support the industry to generate economic and social benefits for all British Columbians, and are derived from the three pillars of Destination BC's 2017/18 – 2019/20 Corporate Strategy:

- 1. Build a Powerful Marketing<sup>2</sup> Network:** The nature of tourism marketing and global competition has changed dramatically in recent years. To compete and win, British Columbia's tourism sectors and operators must be sophisticated marketers using advanced marketing technology, which can best be achieved by working together. By driving the

---

<sup>2</sup> The term 'marketing' is used in the broad sense, including destination and product development as well as distribution and advertising and promotion.

strategic alignment of over 100 tourism organizations and nearly 19,000 tourism businesses in British Columbia, the wealth of skills, knowledge and resources of the industry are coming together to collectively achieve much more by working as a collaborative network, rather than in isolation. Strategic alignment is being driven by the creation of a shared vision through a provincial destination development framework and regional destination development plans, sophisticated marketing partnerships, a brand platform and tools available to all partners, shared research and consumer insights, data management and analysis platforms, as well as other means.

2. Foster **Remarkable Experiences**: Destination BC assists tourism businesses and governments at all levels to strengthen British Columbia's long-term tourism competitiveness through destination development strategies and planning. In addition, Destination BC helps tourism operators and communities provide remarkable experiences to their visitors by offering businesses enhanced professional development, learning tools and resources and by supporting communities that provide visitor information services through innovative online channels which complement visitor centres. Visitors who have remarkable experiences in British Columbia are much more likely to return for future visits and to recommend B.C. through their social networks, becoming effective advocates and marketers for the province, which drives tourism industry growth, creating new jobs and businesses.
3. Engage our **Collective People Power**: The long-term success of Destination BC in fulfilling its mandate depends on attracting, retaining and cultivating a diverse workforce of talented and engaged employees. Destination BC strives to continually enhance the capabilities of its team to provide leadership to the tourism industry through a highly engaged workforce that is collaborative, insights driven, results focused and courageous. By cultivating strategic alignment among tourism stakeholders and providing partners with access to powerful marketing tools, Destination BC is elevating the collective power of people across the industry so that British Columbia can compete more effectively in the global marketplace.

## **Goal 1: Growth of Overnight Visitor Expenditures**

To increase industry revenue, British Columbia needs to attract a growing number of high yield visitors. Destination BC's marketing strategy is designed to attract more of these visitors, generating revenue for British Columbian businesses and employment for British Columbia's residents.

### **Objective 1.1: Our B.C. travel content captivates travellers and creates emotional urgency to visit British Columbia.**

#### **Key Strategies:**

- Provide captivating travel content through online and offline channels that will inspire potential visitors to British Columbia.
- Promote travel within British Columbia to residents with a particular focus on the shoulder season and encouraging travel to all areas of the province.
- Respond to changing market conditions locally and globally (e.g. air routes, visa requirements, natural disasters, competition, etc.).



Performance Measures	2016/17 Actual	2017/18 Forecast	2018/19 Target	2019/20 Target	2020/21 Target
1.1a Consumption of B.C. travel content promoted by Destination BC <sup>1</sup>	NA	15 M	Maintain	Maintain	Maintain
1.1b B.C. tourism industry revenue <sup>2</sup>	\$17.0 B	+5.0%	+5.0%	+5.0%	+5.0%

<sup>1</sup> Data Source: Numbers aggregated by Destination BC based on reporting from diverse sources including Destination BC, its digital marketing agencies and marketing partners.

<sup>2</sup> Data Source: BC Stats. – measured on a calendar year basis.

## Objective 1.2: Our work amplifies traveler advocacy for British Columbia.

### Key Strategies:

- Cultivate a community of brand advocates for British Columbia to recommend travel to B.C. through their networks.
- Forge new relationships with both tourism and non-tourism partners to increase awareness and distribution of the [Explore BC](#) message promoting travel within the province by B.C. residents.

Performance Measure	2016/17 Actual	2017/18 Forecast	2018/19 Target	2019/20 Target	2020/21 Target
1.2a #ExploreBC uses by Destination BC’s brand advocates in the global social media community <sup>1</sup>	2.5 M	4.0 M	5.0 M	6.25 M	7.8 M

<sup>1</sup> Data Source: Numbers reported by Destination BC using third party tracking tool.

## Objective 1.3: Increase direct and indirect leads to tourism businesses.

### Key Strategies:

- Facilitate purchases, once interest is captured, by connecting visitors directly or indirectly through third parties, to B.C.’s tourism products and services, thus generating leads for British Columbia’s tourism businesses.
- Drive tourism sector marketing innovation to help create well-paying jobs in every region of the province.

Performance Measure	2016/17 Actual	2017/18 Forecast	2018/19 Target	2019/20 Target	2020/21 Target
1.3a Number of customer leads for industry generated (directly or indirectly) by Destination BC through digital marketing activities <sup>1</sup>	850,000 (Baseline Year)	1.0 M	1.25 M	1.55 M	1.94 M

<sup>1</sup> Data Source: Numbers aggregated by Destination BC based on reporting from diverse sources including Destination BC, its digital marketing agencies and marketing partners.

### Linking Performance Measures to Objectives:

1.1a The consumption of, and engagement with, content promoted by Destination BC measures our success in captivating potential visitors, which increases their sense of urgency to visit British Columbia and hence visitor volume and expenditure.

1.1b Tourism revenue measures the money received by businesses, individuals and governments due to tourism activities. It reflects increases in visitor expenditures which is our overall Goal 1 and indicator of all related objectives.

1.2a The use of #ExploreBC by Destination BC's social media brand advocates measures our success in encouraging or influencing them to advocate for British Columbia as a destination to visit among their family, friends and colleagues, hence increasing visitation. This measure indicates the use of #ExploreBC when consumers post or share content on social media. The use of #ExploreBC indicates an active level of engagement and advocacy of our content across multiple social media channels.

1.3a The number of leads for industry through Destination BC's digital marketing activities measures our success in generating leads for tourism businesses, online travel agencies and the travel trade, enabling them to translate those leads into bookings.

### **Discussion:**

Three performance measures were included under Goal 1 in Destination BC's previous Service Plan. For this Service Plan, two of those measures have been retired: 'Serious intent to visit B.C. from key North American markets' and 'B.C.'s share of those with serious intent to visit Canada from key overseas markets'. To replace these, four new performance measures have been added: 'Consumption of B.C. travel content promoted by Destination BC', 'B.C. tourism industry revenue', '#ExploreBC uses by Destination BC's brand advocates in the global social media community' and 'Number of customer leads for industry (direct or indirect) generated (direct or indirect) by Destination BC through digital marketing activities'.

Our new measures 1.1a, 1.2a and 1.3a are more closely aligned to our *Corporate Strategy and Global Marketing Strategy*, specifically, the marketing pillars in the strategies are: Captivate, Advocate, Generate. These new measures are intended to better reflect Destination BC's performance against these pillars. The new measure 1.1b serves as an overall indicator for the growth of the tourism sector.

## **Goal 2: Remarkable Guest Experiences**

Assist industry to deliver a world-class guest experience and secure the highest Net Promoter Score® in North America for British Columbia.

### **Objective 2.1: Our work assists tourism businesses to meet and exceed guest needs and expectations.**

#### **Key Strategies:**

- Deliver the Remarkable Experiences Program in regions across the province including rural communities that are diversifying, growing and strengthening their economies.
- Work collaboratively with Visitor Services Network members, community stakeholders, local businesses, and Government partners to create more contemporary, innovative, and authentic approaches to meeting guests' information needs as they travel throughout the province.

- Encourage communities to continue to adopt visitor services with enhanced accessibility and promote the hiring of persons with disabilities into the tourism sector.

Performance Measures	2016/17 Actual	2017/18 Forecast	2018/19 Target	2019/20 Target	2020/21 Target
2.1a Visitor satisfaction with visitor information services <sup>1</sup>	90.4%	NA	Maintain or Improve	NA	Maintain or Improve
2.1b Competitive ranking of British Columbia's Net Promoter Score <sup>2</sup>	Ranked #1 in 2 of 5 key North American markets	Maintain or Improve	Maintain or Improve	Maintain or Improve	Maintain or Improve

<sup>1</sup> Data Source: Destination BC's Visitor Satisfaction with Visitor Services Information Study (conducted by independent third party research firm). Visitor satisfaction with visitor services is measured every second year.

<sup>2</sup> Data Source: Destination BC's Key Performance Indicator Study (conducted by independent third party research firm). [Net Promoter Score®](#) measures the likelihood of visitors to recommend B.C. to their friends or family.

### Linking Performance Measures to Objectives:

2.1a Visitor satisfaction with visitor information services measures the success of the Visitor Services Network members in assisting visitors to have memorable trips in British Columbia.

2.1b British Columbia's ranking by key North American markets measures our success, relative to competing destinations, in assisting tourism businesses to create remarkable on-the-ground experiences for their guests in today's fiercely competitive global tourism market.

### Discussion:

Destination BC has replaced its 'Net Promoter Score of visitors to British Columbia' performance measure with 'Competitive ranking of British Columbia's Net Promoter Score' to improve alignment with its corporate goal: to be the 'most highly recommended destination in North America'. In addition, the 'competitive ranking' measure is more reflective of long term performance against our goal than the absolute Net Promoter Score value. The 2016/17 'Actual' result is from Destination British Columbia's annual Key North American Markets Survey. Key North American competitor markets include B.C., Alberta, Ontario, Washington and California. The target of 'Maintain or Improve' is appropriate because shifting perceptions (i.e. how likely people are to recommend B.C. as a travel destination versus other competing destinations) is a lengthy process and can be hindered, in the short term, by factors beyond a marketing organization's control such as weather, price, etc. Through a long term commitment to marketing and destination development efforts, Destination BC will be able to, over time, improve B.C.'s competitive status.

### Goal 3: A Powerful Marketing<sup>3</sup> Network

Collaborate with stakeholders, partners and communities to align and focus collective efforts, amplify British Columbia's marketing message in a competitive global marketplace and use public and private resources more strategically for destination development

#### Objective 3.1: Collaborate with stakeholders, partners and communities to align and focus on collective efforts.

##### Key Strategies:

- Continue Destination BC's Co-Operative Marketing Partnerships Program to effectively leverage public and private funds, enhance the Corporation's marketing capacity and drive greater alignment and coordination across each of British Columbia's six tourism regions.
- Examine the Province's funding support for tourism across British Columbia's regions, including service contracts with regional destination marketing organizations.
- Work with B.C.'s Indigenous cultural tourism sector by providing stable and predictable support for the Aboriginal Tourism Association of BC (AtBC) to build and implement a robust Indigenous tourism strategy that aligns with other organizations in the provincial and national tourism ecosystem, to increase revenues and jobs and the number of market-ready Indigenous tourism businesses.
- Work with and support B.C.'s creative industries by exploring options with Creative BC to capitalize on B.C.'s vibrant creative sector to grow tourism visitation and revenue.

Performance Measure	2016/17 Actual	2017/18 Forecast	2018/19 Target	2019/20 Target	2020/21 Target
3.1a Tourism businesses' satisfaction with Destination BC programs and services <sup>1</sup>	7.27	Improve	Improve	Improve	Improve

<sup>1</sup> Data Source: Destination BC's Annual Stakeholder Survey (conducted by independent third party research firm).

Tourism businesses comprise one of the six strata whose satisfaction is tracked through the corporate stakeholder survey. Scores of the other strata are reported elsewhere and used to inform corporate planning and program evaluation.

#### Objective 3.2: We will create and implement a provincial destination development strategy by working across government with regional and community organizations, and tourism business operators.

##### Key Strategies:

- Oversee, through the Provincial Destination Development strategy, the implementation of destination development strategies across the province that will enhance tourism experiences, businesses and jobs in British Columbia, and elevate British Columbia's competitiveness as a destination for travel and investment.

<sup>3</sup> The term 'marketing' is used in the broad sense, including destination and product development as well as distribution and advertising and promotion.

Performance Measure	2016/17 Actual	2017/18 Forecast	2018/19 Target	2019/20 Target	2020/21 Target
3.2a Progress on developing and implementing a provincial destination development strategy <sup>1</sup>	8 planning area destination development processes initiated and 4 destination development processes completed.  Preliminary identification of provincial destination development priorities.	Phase 2 destination development strategies completed.  Provincial destination development priorities updated.	Provincial destination development strategy implemented.  Implementation measures TBD	Implementation measures TBD	TBD

<sup>1</sup> Data Source: Destination BC’s program area.

**Linking Performance Measures to Objectives:**

3.1a Destination BC’s annual corporate stakeholder survey enables us to measure our success in terms of stakeholder satisfaction with Destination BC’s programs and services, while strengthening communications and relationships with key industry stakeholders, and cross-government partners.

3.2a The progress on developing and implementing a provincial destination development strategy measures our success in our ability to work across government with regional and community organizations, and tourism business operators.

**Discussion:**

With regard to performance measure 3.2a for fiscal years 2018/19, 2019/20 and 2020/21, specific provincial implementation measures need to flow out and align with the vision, goals and priorities of the provincial destination development strategy, which is currently under development and will be completed by end of 2018. The resulting implementation measures are intended to measure both (a) implementation milestones and strategy achievements (completion of key priority initiatives or projects) as well as (b) quantifiable performance measures to assess success in achieving strategic objectives and provincial destination development goals. For example, increasing B.C.’s long-term demand and competitiveness as a destination and amplifying the benefits of tourism throughout British Columbia.

## Goal 4: Business Efficiency

Conduct our business efficiently and improve productivity in a changing environment.

**Objective 4.1: We conduct our business efficiently to ensure cost effective provision of support services that meet evolving business requirements.**

### Key Strategies:

- Lower support services costs to increase the funds available for tourism marketing.
- Make programs, systems and knowledge more accessible, user-friendly and shareable for tourism stakeholders, while simplifying application processes and accountability reports to make it easy to do business with us.

Performance Measure	2016/17 Actual	2017/18 Forecast	2018/19 Target	2019/20 Target	2020/21 Target
4.1a Percentage of Destination BC funds allocated to support services <sup>1</sup>	7.3%	<10%	<10%	<10%	<10%

<sup>1</sup>Data Source: Destination BC's Annual Financial Statements (Corporate Services expenditures).

**Objective 4.2: We demonstrate business productivity to achieve and be accountable for improvement in industry's ability to compete globally.**

### Key Strategies:

- Demonstrate achievement of key program outcomes, including supporting tourism marketing and industry development activities that improve industry's ability to compete globally.

Performance Measures	2016/17 Actual	2017/18 Forecast	2018/19 Target	2019/20 Target	2020/21 Target
4.2a Number of customer leads for industry generated (directly or indirectly) by Destination BC through digital marketing activities <sup>1</sup>	850,000 (Baseline Year)	1.0 M	1.25 M	1.55 M	1.94 M
4.2b Size of Destination BC's global social media community of brand advocates <sup>2</sup>	999,782	1.1 M	1.3 M	1.6 M	1.9 M
4.2c Number of communities and sectors participating in Destination BC's application-based co-op marketing program, including the number of participating communities outside Metro Vancouver, Victoria and Whistler <sup>3</sup>	120 (total participants) 100 (number of regional participants) (Baseline Year)	Maintain or Improve	Maintain or Improve	Maintain or Improve	Maintain or Improve
4.2d Net Promoter Score of organizations participating in Remarkable Experiences Program <sup>4</sup>	34.2 (Max. 100)	51.2	Maintain or Improve	Maintain or Improve	Maintain or Improve

<sup>1</sup> Data Source: Numbers aggregated by Destination BC based on reporting from diverse sources including Destination BC, its digital marketing agencies and marketing partners.

<sup>2</sup> Data Source: Numbers reported by Destination BC using a third party tracking tool.

<sup>3</sup> Data Source: Destination BC's program area (public documents) verifiable by participants.

<sup>4</sup> Data Source: Destination BC's Remarkable Experiences Program Overall Evaluation Study.

### **Linking Performance Measures to Objectives:**

4.1a The percentage of funds allocated to support services measures our ability to ensure we are cost effective in meeting our business requirements while improving our ability to compete in the global tourism market by dedicating more funds to tourism marketing.

4.2a The number of leads generated for industry through Destination BC's digital marketing activities is a key program outcome that measures our success in creating opportunities for tourism businesses, online travel agencies and the travel trade to increase revenue by converting those leads into bookings.

4.2b The size of Destination BC's global social media community is a key measure of the success of programs designed to encourage people to advocate for British Columbia as a travel destination to their family, friends and colleagues. This measure indicates the number of followers of all Destination BC's social media channels (currently including YouTube, Facebook, Instagram, Twitter, Pinterest, Weibo, WeChat).

4.2c The level of participation in Destination BC's application-based co-op marketing program measures our success in encouraging the collaboration and alignment of marketing of community Destination Management Organizations across British Columbia.

4.2d The score of program participants in the Remarkable Experiences Program is a key measure of the success of the program in assisting tourism businesses in their efforts to deliver outstanding guest experiences.

### **Discussion:**

Destination BC is forecasting meeting its 2017/18 percentage of funds allocated to support services target of <10%. We have included our 2016/17 Actual to demonstrate our previous score. Likewise, future targets are set to maintain a score of <10% in this area.

Objective 4.2 relates to growing the tourism industry through business efficiency in key tourism marketing and industry development activities while achieving the Ministerial Directive around Destination BC's performance based funding, which was introduced in Budget 2017. The targets for measures 4.2a and 4.2d were adjusted for 2018/19 relative to the targets specified in the Directive for 2017/18. The target for measure 4.2a has been reduced slightly as business projections have been adjusted from 1.3 to 1.25 (as reported in the Directive) as a result of learning during the implementation of new programs. The target for measure 4.2d was adjusted due to the dramatic increase from the 2016/17 Actual of 34.2 to 51.2 (from the previous Service Plan) as a result of the favourable response of program participants to the changes made to the program. With this large increase in the Net Promoter Score, the program has exceeded the original three-year target of 49.2 and has reached a strong steady-state long-term target for participant satisfaction. Accordingly, the performance targets have been modified to 'Maintain or Improve'.

## Goal 5: Our People

Build a collaborative, insight-driven, results-focused team.

### Objective 5.1: We attract, retain and develop highly skilled and engaged people.

#### Key Strategies:

- Maintain the annual evaluation of employee satisfaction and engagement to assist the Board of Directors and senior management in identifying opportunities to build employee engagement, continue talent development by providing employees with ongoing learning opportunities, increase our capacity to innovate, strengthen our ability to compete for top talent and uphold our commitment to diversity and inclusion to maintain a stable and thriving workplace.

Performance Measure	2016/17 Actual	2017/18 Forecast	2018/19 Target	2019/20 Target	2020/21 Target
5.1a Employee engagement <sup>1</sup>	4.12 (out of 5)	4.20	4.25	Maintain or Improve	Maintain or Improve

<sup>1</sup> Data Source: Destination BC's Annual Employee Engagement Survey (conducted by independent third party research firm).

#### Linking Performance Measures to Objectives:

5.1a Destination BC's annual employee engagement survey enables us to measure our success in attracting, retaining and developing highly skilled and engaged people as we strive to enhance the collective capabilities of the people in our industry and in our organization.

#### Discussion:

Destination BC is forecasting meeting its 2017/18 employee engagement target of 4.20. We have included our 2016/17 Actual to demonstrate improved engagement scores year over year. Likewise, future targets are set to maintain or improve scores in this area.



## Financial Plan

### Summary Financial Outlook

(\$m) or (\$000)	2017/18 Forecast	2018/19 Budget	2019/20 Budget	2020/21 Budget
<b>Total Revenue</b>				
<b>Government Transfers</b> <sup>1, 2</sup>	51.978	51,518	51,559	51,559
<b>Deferred Government Contributions</b>	0.760	0.760	0.109	0.0
<b>Other Revenue</b>	0.422	0.362	0.362	0.362
<b>Total Revenue</b>	<b>53.160</b>	<b>52.640</b>	<b>52.030</b>	<b>51.921</b>
<b>Total Expenses</b>				
<b>Marketing</b>	31.746	31.767	31.738	31.738
<b>Destination &amp; Industry Development</b>	14.376	13.551	13.551	13.551
<b>Strategy, Research &amp; Communications</b>	2.308	2.540	2.540	2.540
<b>Corporate Services</b>	3.970	3.982	3.982	3.982
<b>Amortization</b>	0.760	0.800	0.219	0.110
<b>Total Expenses</b>	<b>53.160</b>	<b>52.640</b>	<b>52.030</b>	<b>51.921</b>
<b>Net Income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Liabilities</b>	<b>5.541</b>	<b>4.781</b>	<b>4.672</b>	<b>4.672</b>
<b>Accumulated Surpluses/Retained Earnings</b>	<b>0.561</b>	<b>0.561</b>	<b>0.561</b>	<b>0.561</b>
<b>Capital Expenditures</b>	<b>1.065</b>	<b>0.422</b>	<b>TBD</b>	<b>TBD</b>
<b>Dividends/Other Transfers</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>

<sup>1</sup> Footnote: Government transfers include an increase of \$509,000 effective 2018/19 in addition to increments received for bargaining unit employee wage increases (2017/18: \$90,000, 2018/19: \$93,000, 2019/20: \$134,000). The 2017/18 Forecast includes \$1,062,000 for the Tourism Events Program.

<sup>2</sup> Footnote: On March 29, 2017 a Ministerial Directive was issued to Destination BC pertaining to a performance based funding model for Destination BC. Subject to meeting performance targets, Government transfers to Destination BC could increase by approximately \$500,000 a year for 2018/19 and 2019/20 and up to \$1M in 2020/21. Performance based increases have not been included in the Summary Financial Outlook.

## **Key Forecast Assumptions, Risks and Sensitivities**

Revenue and Expense forecasts for 2018/19-2020/21 include conservative estimates of Other Revenue. Destination BC will manage any fluctuations by implementing sound financial management practices that help ensure government-funded program spending remains affordable and flexible within Destination BC's business planning. There have been no changes in assumptions from the 2017/18-2019/20 Service Plan. There are no substantive forecast risks to Destination BC's financial plan.

## **Management's Perspective on the Financial Outlook**

Destination BC is primarily funded through Provincial government appropriations. With an increase in government transfers of \$593,000 in 2017/18, Provincial funding is expected to remain consistent over the next three years, as identified in the 2018/19-2020/21 Summary Financial Outlook, thus limiting financial risks to Destination BC. As described in this Service Plan, Destination BC allocates this funding to programs that deliver on its mandate. Destination BC generates a small (less than one per cent of total budget) amount of revenue through cost recovery training programs provided to the tourism industry. Any variation from forecast training program revenue will be managed within the program.

Destination BC is subject to significant financial pressures from the effects of increasing costs of digital marketing world-wide and the depreciation of the Canadian dollar on the cost of marketing in the United States and other international markets. Destination BC works to mitigate these pressures by investing in continual improvement of workforce productivity, developing innovative new marketing partnerships and ensuring efficient cost-effective program delivery. If performance based funding measures are achieved and base funding increases, the incremental resources will be applied to marketing and destination management programs.

## **Appendix A: Hyperlinks to Additional Information**

### **Corporate Governance**

Destination BC is governed by a Board of Directors that is responsible to the Minister of Tourism, Arts and Culture for the implementation of government direction. The Board's direction is implemented by management, which carries out the day-to-day operations of Destination BC under the supervision of the Chief Executive Officer. For more information on Corporate Governance, please see the [Leadership](#) section of Destination BC's corporate website.

### **Organizational Overview**

For an overview of Destination BC, please see Destination BC's [Organizational Overview](#).