



Michigan Tourism Strategic Plan

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Why is a plan needed?

Economists generally agree that Michigan is in the midst of a major structural change – largely related to the downsizing of the automobile industry. This change is also a threat to economies across Michigan’s primary tourism markets (Ontario, Ohio, Indiana, and Illinois). Coupled with relatively slow population growth across the state and region, low occupancy rates, declining rank in industry expenditures and promotion among other states, and a weak public understanding of the industry’s economic potential; it is clear that Michigan’s tourism industry will need to adapt to varying significant changes if it is to recover momentum and lay a foundation for future growth.

What is this plan all about and how is it different from other plans?

The focus of this plan is broader than any that most of us have ever experienced through associations with businesses or organizations. Its scope is state- and industry-wide. It is the kind of plan that Michigan’s tourism industry would develop were it a single corporation rather than the diverse collection of businesses, government agencies, and other organizations that it is. We could refer to the plan as “Michigan Tourism, Inc.’s” plan. The guiding question in developing the plan thusly is: What’s best for “Michigan Tourism, Inc.”?

What then is this plan for Michigan Tourism, Inc.? It is two things: First, it is a vision statement by the industry which includes what it sees as important to meet its current and future challenges and opportunities. The vision elements in the plan are unlikely to be tied to fully developed strategies to implement them in a short, specified time period. Rather, they are likely to be long term goals which will require more discussion, research, and industry input to fully mature and become actionable strategies. Second, the plan will present priority and actionable elements that can be implemented in the short run.

How is the “tourism industry” defined?

We are using “tourism” to encapsulate the wide array of businesses, organizations and service sectors that support and serve the traveling public (e.g. lodging, food service, retail, entertainment, transportation, information, etc.). We are also including organizations that draw a significant amount of their business from direct traveler service providers (e.g., banks, wholesalers, insurance, advertising, construction, etc.). Confirming “tourism” as the best descriptor for this “industry”, or identifying a preferred alternative, will be an issue addressed early in the planning process.

What are the broad goals of the plan?

- To create a comprehensive industry plan that will help the industry take actions that enhance product development, industry profitability, and public support
- To build a sustainable industry leadership structure for implementation and action

What industry issues might the plan address?

The plan would address the need to create:

- an **empowered organization** to set goals, allocate resources, and evaluate plans and programs,
- a **funding mechanism** to support marketing, product development, research, etc.,
- a **product development strategy** that advances tourism as a state economic development priority to include appropriate new investment initiatives,
- a **human resource development strategy** that includes training and leadership development,
- a **research program** focused on marketing, product development and evaluation and
- a **political agenda setting strategy**.

What are the benefits?

The existence of a strategic plan representing the industry's interests, vision and needs will allow industry stakeholders to:

- better understand the industry's future,
- discover shared strategic issues that the industry can resolve together,
- develop an agenda for cooperation and partnership,
- implement strategies that promote and enhance the entire industry,
- develop a sound public policy to support the industry,

- create a shared “brand” that signals unique value for industry customers,
- market “whole” experiences for Michigan customers that individual firms alone cannot, and
- create a supporting infrastructure to enhance the industry and its products over time.

Who will lead the planning effort?

The effort is being led by a 75 member Tourism Industry Planning Council Michigan and facilitated by a team at Michigan State University and Travel Michigan. The MSU/Travel Michigan team is being led by Dr. Don Holecek and Dr. Chris Peterson. The Council, consisting of representatives from across the industry, not only serves as a “sounding board” for the MSU/Travel Michigan planning team leaders/facilitators but are also directly involved in identifying not only the critical issues facing the industry but also ways to overcome barriers or capitalize on opportunities that exist.

Why is MSU involved? Why wasn't the project put out for competitive bids? Wouldn't a prominent, nationally known consulting firm have had more experience in developing such a plan?

This is not a new issue, but it continues to surface and, quite importantly, is a relevant concern to some elements of the plan being developed. MSU became involved in this effort primarily because it is Michigan's land grant university whose mission is in part to respond to Michigan needs. In this case, there was a clear need and no viable alternative. MSU has an extensive history of supporting strategic planning efforts in both the public and private sectors. It is also able to draw upon knowledge about Michigan's tourism industry accumulated over more than 20 years of relevant industry research. And, along with partner Travel Michigan, it was willing to contribute more than half of the financial resources required to support the project. In addition, since there was no pool of known resources available, to expect that a private sector firm would be willing to engage in a project of this scope without resources in hand, and the only way payment would be made is by fundraising efforts, is simply unreasonable.

It is critical to recognize that this is not the “MSU” plan or the “Travel Michigan” plan; rather MSU and Travel Michigan are supporting and facilitating the planning process for the industry. This is the “Industry's” plan.

Going forward, different circumstances will exist around various recommended projects and tasks that emerge from the planning process. For some of these projects/tasks, it may be obvious that they are best suited to being addressed by a state agency such as Travel Michigan or by a qualified private supplier organization. Some may be best addressed through a competitive bidding process to identify the most qualified and cost-effective supplier, while others may be best addressed by MSU or another Michigan academic organization. Who is selected to perform any given project/task should be based upon who is best qualified to address it at a competitive cost. In other words, supplier selection should be based on who offers the highest return for the public or private dollars available to invest.

Who / What organization is the “client” for this statewide tourism industry development plan?

This is a logical question to ask since we are conditioned by experience to expect a clear product service provider and client / customer relationship to be evident. But, this project is different and requires one to “think outside the box” to understand the relationship envisioned for this project. In fact, understanding and accepting this relationship is essential to the ultimate

success of the project. We have described this as a “plan for the industry developed by the industry.” Hence, the industry is both the client and service provider for this project. The MSU-Travel Michigan planning team’s role in the project is to facilitate the process and to communicate progress and outputs to the industry. Clearly engaging the total industry in all aspects of the planning process isn’t practical given the large number of people that this would involve. Therefore an industry council, representative of the larger industry, will be formed to work closely with the MSU-Travel Michigan planning team.

What roles and responsibilities will the industry Council assume?

The industry council will be active throughout the plan development process through moving the plan forward for action. The specific roles and responsibilities initially envisioned for it are listed below, but these are subject to change as the project evolves.

- Review and refine the proposed planning process.
- Participate in an intensive visioning session to focus the planning effort on industry priorities.
- Serve as members of focus area work teams to develop components of the plan.
- Review and refine the initial integrated draft plan.
- Approve the final version of the draft plan and assist in presenting it to the industry at an industry summit.
- Initiate actions necessary to begin to implement the plan.

What is the timeline for the planning process?

Once funding has been established, the project will cover a 12 month period of time.

Months 1 - 3

- Preliminary project research report on tourism in Michigan
- Initiate communications strategy
- Identify and convene the Industry Planning Council
- Identify Issue Work Teams
- Hold an industry mapping session
- Review and refine planning process

Months 4 - 5

- Regional stakeholder listening sessions and issues identification
- Design/deploy online survey
- Convene Issue Work Teams

Months 6 - 10

- Issue Work Team reports
- Create initial draft of plan and move it through a cycle of revision and refinement
- Submit plan for review and endorsement by Industry Planning Council

Months 11 - 12

- Plan presented at Statewide Tourism Industry Summit
- Plan modification, review, and adopt by Industry Planning Council
- Identify and create permanent industry leadership structure and funding
- Initiate priority actions

How much will it cost to develop the plan?

The full cost of the twelve month project is about \$400,000. About half of this amount will be contributed by MSU and Travel Michigan in the form of reassigned regular faculty and staff. The remaining \$200,000 must be raised to cover operating expenses (e.g., labor, communications, travel, research, listening sessions, and an industry summit).

The planning process is addressing too many issues. We don't have the capacity to address them all at the same time. We should limit the focus to a few priority issues.

Answer: As noted above, the plan is both a vision statement as well as a set of actionable items. While there certainly is an immediate need for action, it is also important to consider the big picture over the long run. The results of the efforts of the Issue Work Teams can be expected to identify what elements in the overall plan have enough "traction" to move ahead in the short run and those which will require "more work" before they are actionable. To use a sports analogy, the outcome expected is an overall "game plan" with a set of "plays," which in combination is designed to create "wins" for the Michigan tourism industry over "a long season."

It's all about money and how to get it!

Answer: There is no doubt that funding will be the most challenging mission confronting the Council. This challenge is especially onerous given the financial stresses on the state's and tourism industry's stakeholders' budgets. Like the plan itself, the funding component within the plan can be expected to be part vision and part actionable strategy.

While it is important to consider all potential funding sources and to produce a target level of funding to support all of the issues identified by the Council, it is critical to recognize that an immediate response to all funding needs that are identified cannot be expected. It will take time to meet these targets. Varying amounts of time will be required to:

- Identify probable funding sources,
- Prepare a rationale for funding, and
- Organize the industry to effectively pursue funding.

Funding becomes an even more complex issue when one considers the varied nature of funding needs and sources of potential funds. It is probable that some will require one-time funding while most will require funding on a continual basis. Some sources may provide funds over multiple years while others will require annual renewal and the on-going attention of industry advocates. And, in some cases, it will probably be necessary to move toward the funding target in a series of steps with future allocations hinging on positive evaluations of past investments.

Given enough time, it may be possible to develop an overall strategy which is less complex and which produces a steadier stream of funds than appears to be feasible in the near term. But, until such a strategy emerges, funding for the elements of the plan must be obtained based upon the opportunities that are currently available.

How can I to get involved?

Initial efforts will be focused on raising sufficient resources to complete the funding package. Once funding is in place, there will be a need for members of industry to participate at various levels throughout the planning process. If you are interested in becoming a sponsor, or volunteering to be involved with one of the work team efforts, please visit tourismpian.msu.edu for current information.