



Sail Training International

*... the international voice of sail training
... changing young people's lives*



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TALL SHIPS RACES INTERNATIONAL LIMITED

EVENT STRATEGIC PLAN

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INTRODUCTION

The Tall Ships Races and, more recently, Tall Ship Regattas comprise the major activity undertaken by Sail Training International (STI, the Charity) through its wholly-owned trading subsidiary Tall Ships Races International Ltd (TSRIL).

These Tall Ships events are the principal way in which the Charity delivers its charitable purpose of helping young people to develop life skills and foster greater international friendship and understanding. Also, the financial surplus arising from these Tall Ship events provides the main source of funding that enables the Charity to undertake its broader charitable activities supporting the global sail training community.

The market in which the Tall Ships operate has changed a great deal since STI took over running the Tall Ship Races in 2003. Meanwhile the changes in the format of the Tall Ships Races themselves have been modest. The introduction of Tall Ship Regattas, now a regular element of what we do, has been new and as such a lot has been learned both in terms of what has worked well and what has not.

The changes in the market are significant for our events. Young people have many and different choices in how they spend their free time. Social Media amongst other things has changed the way that young people communicate and the basis on which they make decisions. Changes in the economic, social and political environment impact the Tall Ship vessel operators and our host civic authorities. They too all have many choices on what they do to satisfy their own stakeholders.

All of this is adding up to an environment in which we see more and more competitive alternatives for the trainees, the ships, the cities and host ports. To remain competitive and relevant we need to make some changes to our events. This event strategy describes the initial changes we will make and what we will do thereafter to continually strive to improve our events going forward.

MISSION STATEMENT

Together with our partners we plan and deliver the best Tall Ships Races and Regattas around the world. Our Tall Ship events provide life-enhancing experiences for young people and promote international friendship and understanding. As the commercial arm of Sail Training International we seek to generate a financial surplus to fund the Charity's broader activities in support of the global sail training community.

OVERALL OBJECTIVES

Our objectives are set by the Charity and we seek to support its objectives through running our events.

1. Develop and deliver high quality Tall Ship Races and Regattas that support the charitable mission of STI and deliver:
 - An increase in the number of trainees, year on year, that take part in our events. The initial target should be in excess of 3,000 trainees aged under 25 with a focus on those that have had fewer opportunities
 - An improved quality experience for trainees during our events
 - An experience to promote international friendship and understanding

2. Deliver a financial surplus that can be gifted to our parent charity STI. The surplus should be, as a minimum, sufficient to the fund the base operating costs of the Charity.

In addition, there are two enabling objectives:

3. Maintain a highly motivated and highly capable team of employees and volunteers.

4. Maintain excellent relations with all our stakeholder groups, to understand their needs and to deliver higher value to each group through our events.

STAKEHOLDERS

| <u>Owners</u> | <u>Customers and Beneficiaries</u> | <u>Other Stakeholders</u> |
|---|---|--|
| STI (i.e. the Charity its Members - NSTOs and trustees) | Civic Authorities Vessel Operators Sponsors Trainees Public | Employees Volunteers Youth Council Ships Council Port Advisory Group Booking agents Naval attaches Maritime authorities Blue Flag Politicians Youth organisations Educational researchers |

Primary stakeholders are in **Blue**

EVENTS

We currently have two types of events: The Tall Ships Races and Tall Ship Regattas. The annual Tall Ships Race has been and will continue to be our major event each year.

Over the last few years we have typically run one or two smaller Tall Ship Regattas per year with mixed success. We plan to reduce the number of Regattas to one per annum.

Within this pattern of events we will place **a major focus over the coming years to identify and implement changes by which each of our events can be improved for the benefit of all our stakeholders especially young trainees.**

We plan to do this in a way that is responsive to the changes in the competitive market we face and whilst being measured and realistic in terms of the limited resources we have and our ability to absorb the changes.

Tall Ships Races

There is strong support from all our stakeholder groups, including trainees, cities, vessels, NSTOs, employees, and volunteers for The Tall Ships Races and its values. We have events contracted up to 4 years in advance. We will continue to organise this event annually and, where possible, contract 5 (and not 4) host ports to maximise the number of trainees and the international impact during the summer vacation period and optimise the income received. We will seek to increase the number of bidding ports to allow us to contract 5 ports.

Tall Ship Regattas

We will continue to organise Regattas subject to their meeting certain criteria. They should:

- Deliver against our charitable mission of providing sail training opportunities for young people and / or promoting international friendship and understanding;
- Be attractive to the particular host cities; delivering a sufficient number of participating Tall Ships and trainees;
- Generate a worthwhile net surplus for the Charity due to income from sponsorship or other sources.
- Extend the global reach of the Charity

To ensure we deliver at the level of quality and with the impact we desire, we will plan to organise only one regatta per year that generates a high net financial surplus. Each regatta will be designed to make it as attractive as possible to ships, ports and trainees. In most cases we anticipate that a high value sponsor will be necessary for a Regatta to be undertaken. Other forms of income generation including ticketing systems will be assessed, and where deemed feasible, trialled at Regattas. Such alternative models will enable us to look beyond European sea areas to organise regattas. Where we run events outside of

Europe, they will be integrated with other activities of the Charity to maximise the benefit for sail training in the region.

MARKET and COMPETITION

The markets that we compete in are:

- Port cities, to host our events
- Sail training ships, to take part in our events
- Sponsors, to provide an additional income stream
- Trainees, to go on the ships
- General public, to attend our events (in preference to other competing festivals and major gatherings)

Our strategy is to increase the demand for our events amongst these groups by increasing their appeal through improving the event and its marketing.

A competitor analysis will be carried out to determine more specifically at a next level of detail who our competitors are for each of these key markets. From that we will determine how we can improve our offering to each and how we can increase participation levels of ports, ships trainees.

RESOURCES

The strategy takes account of the resources that are available to the organisation to implement it. Whilst the existing resources, both human and financial, are capable of delivering the strategy, we recognise that the staff resource is limited and therefore the rate of change implementation needs to reflect this, as does the adherence to doing fewer regattas.

Human Resources

The current level of paid staff resource is eleven people, of whom some are part time or have other responsibilities for the Charity. This equates to eight full-time equivalents involved in TSRIL management and event delivery.

The knowledge and experience of the staff are critical to the successful delivery of the strategy. To ensure that this continues into the future, a succession plan will be put in place for the key members of the team. We will continue to strive to offer our employees a good work environment where high job satisfaction leads to staff retention in the key positions.

The staff team is augmented by a cadre of volunteers at director, event delivery and advisory levels. A skills audit and recruitment plan will be put in place to ensure that we

continue to attract high calibre volunteers to work as part of our team. This will also include a succession plan for key positions.

At director level, a skills matrix will be maintained to ensure that the board is adequately resourced to perform its role of governance, decision making and oversight in respect of the operation of the company and the events it organises. Diversity will also be sought when recruiting new directors. The tenure of directors, with the exception of the CEO, will be three years which can be renewed for further periods of three years. Directors are required to attend a minimum of 50% of meetings each year. Other than the CEO, all the directors are part-time volunteers: each of whom bring relevant valuable skills and experience to the Board.

Financial

Our accounting strategy has historically been to gift aid any surplus generated to the Charity. The impact of this is to leave TSRIL with no reserves. This strategy will be reviewed to consider if TSRIL should build up modest reserves over a period of time. If this strategy is adopted it will result in TSRIL paying tax on the level of retained profits.

The contractual model that we have for host ports includes advanced payments from host cities which generates a positive cash flow and bank balance.

Our financial resources are significantly impacted by sponsorship income and we will seek to increase both the number of sponsors and the overall value. Typically, we only generate a surplus for an event when the port income is supplemented with additional sponsorship income.

KEY ACTIVITIES / TASKS

We will undertake the following tasks and where feasible Key Performance Indicators (KPIs) will be set:

- Successfully deliver a Tall Ships Race in western Europe annually
 - The purpose will be to promote sail training and international friendship.
 - It will be delivered by the current staffing and volunteer levels
 - We will implement a paperless data management system for ships and ports
 - We will encourage host ports to organise international events as part of the cultural port programme
 - We will present a prize in each port for the most international crew.
 - The prime factors for success will be recruitment of host ports and ship participation.
 - We will involve local education establishments in our events through dedicated invites to teachers and school parties via the host ports, also ensuring that civic authorities involve local youth services.

- We will develop a system to collect trainee data which will be trialled to provide key data for research and marketing and which can be shared with stakeholders. (Ships, NSTOs and sponsors).
- We will encourage ports to hire ships to provide sail training demonstrations and participation exercises.
- We will improve collaboration between ports to recruit ships and implement the timeline produced by PAG.
- Successfully deliver one regatta per annum that is sponsored or has another income stream other than host port fees.
 - The purpose will be to extend the geographical market for sail training and to generate a surplus.
 - It will be delivered by the current resource with potential additional contracted resource in the commercial area.
 - The prime measures of success will be the recruitment of sponsors and /or developing a new business model such as 'pay to enter'.
 - Where additional income is generated from a new business model a percentage of the income will be used for the ultimate benefit of ships taking part in the event through sail training-based schemes.
- Conceive and contract future Tall Ship Races and Regattas
 - The purpose will be to meet the financial objective of creating a surplus to gift aid to the Charity whilst also meeting the other objectives set by the Charity.
 - A large part of the delivery of the task will be marketing based and include surveying key stakeholder and customer groups.
 - The prime measure of success will be the number of ports bidding to host our events and the level of income achieved.
 - The importance of providing trainees and income for ships will be emphasised in marketing to Host Ports and in contracts.
 - A 'Ships Event Manual' will be created. It will include:
 - Free facilities available in ports
 - How to maximise the value of taking part in a TSRIL event
 - How to access bursary funding
 - Deck hire best practice
- Seek to recruit additional sponsors
 - The purpose will be to increase the value of sponsorship income and to reduce our financial exposure by attracting more sponsors.
 - A marketing plan will set out the delivery which will include assessing and defining the values of our events in order to present an attractive product to potential sponsors.
 - Success will be measured in terms of interest from sponsors and sponsorship income contracted.

- Improve the appeal and value of our events to all participants and stakeholders
- The purpose will be to enhance the quality of the product offered to ports, ships, trainees, sponsors and the public.
- This will be delivered by surveying the stakeholder groups on a measurable and comparative basis.
- Success will mean an upward trend of scores across all groups.
- Establish and implement a marketing plan for each of the target markets (Cities, vessel operators, sponsors, trainees)
 - The purpose will be to set our clear marketing objectives such that we remain in touch with all our key markets and offer them a valued product with sail training at its core.
 - This will be delivered by our internal marketing department with the aid of external research where required. This will include a focus on telling the ships and trainees stories including fund raising, especially through social media and generating a practical toolkit for stakeholders to use in presenting to youth groups to recruit trainees.
 - A library of marketing collateral will be built upon and made available to host ports, vessel operators, NSTOs and the Youth Council.
 - Marketing plans will consistently include a focus on sail training
 - Success will be measured by a range of statistics including the number of ports bidding by sea area / ships entering by sea area and the occupancy percentage of ships taking part in our events.

SCOPE FOR CHANGE

The extent to which we can change events depends upon where are in the planning process.

The most immediate events are well defined and contracted and our focus is now on delivering them. Scope to change these events is relatively limited. Specifically:

- TSR 2019 / 2020 / 2021
- SCF Far East Regatta 2020

The second category are those that are in the early shaping stage where our scope of change is greater but still limited:

- TSR 2022

The final category is those events that are not yet defined and as a result where we have more scope to do things differently:

- TSR 2023 +

- Regattas 2021 +

Therefore, our first opportunity to make a significant change to how we organise our events is the, as yet, undefined Regatta in 2021.

Even where events are contracted and well defined (Category 1 above) we can and will aim to improve the quality of the event for trainees, ships, host cities and sponsors. At the same time we will be gathering input on how events in Categories 2 and 3 can be improved to better meet our objectives.

Over the coming years we will seek to make improvements to our upcoming events that will benefit each of our stakeholder groups as follows:

- 1 **Better for trainees** In TSR 2019, we will improve the trainee experience.
- 2 **Better for ships** In TSR 2020, we will implement improvements to ship recruitment process to secure a good fleet.
- 3 **Better for sponsors** In TSR 2021, we will leverage the sponsor involvement to maximise benefit to SCF and STI /TSRIL.
- 4 **Better for ports** In TSR 2022, we will improve the value offered to the host ports.

Appendix 1 lists some of the areas we will address over the next few years to make our events: Better for Trainees, Better for the Ships, Better for the Host ports and Civic Authorities, Better for our Sponsors, Better for the NSTOs, and Better for our Employees.

MONITORING and EVALUATION (PROCESS CHANGE)

We will survey our key stakeholder groups to monitor our performance and seek feedback so that we may improve the quality of our products and deliver them more efficiently. (See Appendix 2 KPI's)

- Host port feedback and surveys
- In Event Trainee experience surveys
- Vessel operator feedback
- Consultation with vessel operators prior to contracting events, especially regattas.
- KPIs will be established for each event. This will include target satisfaction scores from stakeholders, number of ships participating, number of young trainees taking part, the percentage of berths filled during events and where possible the

proportion of disadvantaged young people. In addition, the numbers of spectators/visitors to host ports and the economic impact for cities will be included.

REVIEW and FUTURE DEVELOPMENTS

The strategy will initially be for a five-year period. It will be reviewed annually and amended as deemed appropriate. As part of the review, the strategy will be extended by a year such that it always covers the next five years.

Key analysis of the business environment will also be undertaken on a regular basis. This will include carrying out SWOT and PEST analysis.

SUMMARY

We will seek to gather more information and views from our key stakeholders and use them to continually improve our events. We will organise fewer events (TSR and one regatta per annum) and use our limited resources to implement changes to improve them and make them “Better for each of our stakeholders”.

Appendix 1

Better for our key stakeholders – areas of focus

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|---|---|
| <p>“BETTER FOR TRAINEES” To improve the trainee experience we will:</p> <ul style="list-style-type: none"> • Improve the trainee ‘journey’ with better and more timely information • Launch targeted, consistent and powerful story telling with relevant messaging hierarchy for 15-25-year old trainees • Improve range of in-port activities • Segment the ships (to support ship selection and via trainee needs analysis) | <ul style="list-style-type: none"> • Encourage international friendship through planned programme initiatives • Provide a cultural programme which is reflective of what young people want to do • Work with ports/ ships to bundle diverse packages • Introduce environmental elements on board and in port. |
| <p>“BETTER FOR SHIPS” To improve ship recruitment process and secure a good fleet, we will:</p> <ul style="list-style-type: none"> • Support ship income generation via trainees, decks and sponsorship • Adapt our approach to race-course planning to increase ship opportunities • Adopt a collaborative partnership approach with increased communications • Encourage and activate benchmark sail training programmes | <ul style="list-style-type: none"> • Reposition charitable objectives of understanding and friendship to ensure they become a fundamental element of trainee experience. • Introduce a digital platform for ship entry and information exchange. |
| <p>“BETTER FOR PORTS” To improve the value of the offer to host ports, we will:</p> <ul style="list-style-type: none"> • Improve marketing and communications plans for both existing ports and new ports • Simplify and standardise the bidding process to ensure ease of use • Manage and support ship recruitment • Recruit a minimum of 15 Class A Ships for Tall Ship Races and 5 for regattas • Review Host Port Contracts | <ul style="list-style-type: none"> • Validate post-event Economic Impact studies and Port Surveys • Create a resource database and dashboard for ports • Feature and commission compelling and relevant content during conference and host port seminars • Adopt a two way exchange approach with ports benefiting from PAG recommendations |

| | |
|---|--|
| <p>“BETTER FOR SPONSORS” To ensure that our sponsorship strategy is mutually beneficial, we will:</p> <ul style="list-style-type: none"> • Improve country/geographical location targeting for potential sponsors • Ensure demographics are robust and included in data capture and analysis • Identify clear and consistent brand values within STI/TSR and align with sponsor(s) | <ul style="list-style-type: none"> • Repeat event location to maximise long-term benefit to sponsor(s) • Engage a partnership approach with Host Ports to maximise Sponsor exposure • Create effective and dedicated marketing plans for sponsors |
| <p>“BETTER FOR EMPLOYEES” To maintain a highly motivated and capable team of employees, we will</p> <ul style="list-style-type: none"> • Reduce team travel time • Establish succession planning | <ul style="list-style-type: none"> • Maintain a good working environment • Attract high-calibre volunteers • Improve internal communications |
| <p>“BETTER FOR NSTOs”</p> <p>For NSTOs hosting an event, we will</p> <ul style="list-style-type: none"> • Involve local education establishments in our events through dedicated invites to teachers and school parties via the host ports. • Target Youth services via civic authorities • Encourage ports to hire ships to provide sail training demonstrations and participation exercises. | <p>For other NSTOs, we will:</p> <ul style="list-style-type: none"> • Reach more NSTO countries by venturing into new sea areas • Include a focus on sail training in marketing plans • Open up more sea areas through our new business model. |
| <p>“BETTER FOR SAIL TRAINING INTERNATIONAL” To improve the organisational efficiency and positive staff experience for Sail Training International, we will:</p> <ul style="list-style-type: none"> • Deliver sail training opportunities and/or promote international friendship and understanding • Generate a worthwhile net surplus • Extend global reach | <ul style="list-style-type: none"> • Increase the international element in activities in ports • Leave a sail training legacy in host ports |

Appendix 2

Key Performance Indicators

EVENTS

- Achieve more than 30 nationalities taking part in our events
- Ensure a minimum of 15 Class A ships in each host port for TSR events and five for Regatta host ports
- For TSR events, attract bids from a minimum of seven host ports per event from which five will be selected.
- Increase the number of sail training opportunities (berths available) created by The Tall Ships Races to more than 6,000 per annum
- Ensure the minimum number of young trainees taking part in events is 3,000
- Aim for a response rate to the trainee satisfaction survey of 75% or better. The survey will be carried out in each event port with the aim to collect at least 500 responses per annum. The scoring system will be on a 1-6 basis across five qualitative questions including:
 - Quality of the experience
 - Recommend to a friend
 - Likelihood that the trainee would do it again
 - Did the trainee feel that they benefited from the experience?
 - Does the trainee consider they are disadvantaged?
- Aim for a ship satisfaction survey response rate of 75% or better from those ships taking part in our events. Scoring system will be on a 1-6 basis across five qualitative questions including:
 - Organisation and event management
 - In-port experience
 - Experience of the race
 - Income generation
 - Trainees (% filled)
 - Deck rental
 - Likelihood to participate again
- Aim for a port satisfaction survey response rate of 75% or better from those Ports taking part in our events. Scoring system will be on a 1-6 basis across 5 qualitative questions including:
 - STI Management
 - Value of event
 - Desire to host the event again
- Aim for a sponsor satisfaction survey (including port sponsors) response rate of 75% or better from those sponsors of our events. Scoring system, where practical, will be on a 1-6 basis for qualitative questions including:

- Did the event meet sponsor objectives?
- Would they sponsor a Tall Ships event in the future?
- What changes could be made to improve its value to sponsors?
- **Aim for an NSTO satisfaction survey** response rate of 75% or better from those NSTOs with a host port in their country. Scoring system will be on a 1-6 basis across 5 qualitative questions including:
 - Communication with STI event team
 - Inclusion in the event
 - Opportunity to promote sail training
 - Relationship with the host port.

INCOME GENERATION

- Contract an event with a new business model.
- Secure significant sponsorship funding (across the group).

MARKETING

- Establish and implement a marketing plan for each of the target markets
 - Host ports
 - Increase the number of ports bidding
 - Increase the number of trainees in bid proposals
 - Ships
 - Increase the number of ships entering by sea area
 - Trainees
 - Meet or exceed our target of 90% plus occupancy for ships taking part in our events.
 - Sponsors
 - Meet or improve on our target of a minimum of five enquiries per annum from potential sponsors.