

Halifax Convention Centre

2019/20 Business Plan

Approved by Board of Directors March 13, 2019

Pending HRM approval

Contents

Message from the CEO & Chair	2
Mission, Vision & Mandate	3
Planning Context	4
Strategic Priorities & Activities	5
Core Outcomes & Measures	7
Economic Impact & Budget Context	8
Economic Impact Summary	8
Operating Budget Summary	9

Message from CEO & Chair

Having successfully completed the first full year of operations for the Halifax Convention Centre last year, we continue to move forward with a commitment to deliver memorable experiences to our guests and our community. With an emphasis on attracting national and international events, and growing new markets, we will ensure that the Halifax Convention Centre plays a role in creating a vibrant community and strong economy.

This coming year, we will continue to learn about our new operation and implement the systems and standards that will help to stabilize our delivery model in this new, more complex facility. This includes successfully hosting events to national and international standards and earning the industry recognition that will be a point of pride and confidence for our team, our customers and our province.

As our business and operations grow, so too does our team. We will continue to invest in an organizational culture that drives engagement and retention and enables us to achieve our overall strategic vision. We will align our teams around our core values and reinforce the power of service excellence.

Working together with our shareholders, the Province of Nova Scotia and Halifax Regional Municipality, we will support provincial and municipal objectives while reinforcing pride in the value of the Halifax Convention Centre for Nova Scotia.

Yours truly,



Carrie Cussons,
President & CEO



Justin McDonough,
Chair, Events East Board of Directors

Mission, Vision & Mandate

WHO WE ARE

Events East Group is a special purpose government agency that manages and operates the Halifax Convention Centre, Scotiabank Centre and Ticket Atlantic.

We are known for attracting and hosting the best events in the region through our commitment to event excellence. Our facilities allow us to attract new visitors and opportunities to Nova Scotia, connecting us to the world.

We were created as part of a government partnership between the Province of Nova Scotia and Halifax Regional Municipality (HRM) and we work in collaboration with them to manage our business in a responsible and transparent manner.

MISSION

We connect the world to Nova Scotia by creating memorable event experiences.

VISION

Our people and our community make us the favoured event destination for our guests.

MANDATE

We were created in 2014 through the *Halifax Convention Centre Act* to operate, maintain and manage the activities of the Halifax Convention Centre in a manner that will promote and develop economic development, tourism and industry in the Province generally, and the Municipality.

In April 2017, our mandate expanded to include the continued management and operations of Scotiabank Centre and Ticket Atlantic.

Planning Context

This business plan is presented for the management and operations of the Halifax Convention Centre. We pride ourselves on being an economic and community driver for Halifax and Nova Scotia through attracting and hosting meetings, conferences and conventions, with an emphasis on attracting national and international event activity. Blending the most experienced team with the largest, most flexible event space in Atlantic Canada, we help to create unique events.

The new Halifax Convention Centre opened in January 2018. Having completed our first full year of operations, our focus in 2019-20 will be to continue the successful delivery of national and international convention events while emphasizing the stabilization of our operations. This year, we will apply the learnings from our first year and continue with initiatives that align our services to customer expectations.

A renewed long-term sales and marketing strategy will be implemented this year, with a focus on building the national corporate market while maintaining critical national association business. Activating in new markets is a key component of our business growth strategy.

Following a high volume of resource planning and recruitment to reflect the increased scope and complexity of our operations, there will be an enhanced focus on ensuring our internal engagement and people strategies support employee retention and growth. In the lead up to our opening and first year, community engagement and strategic partnerships were a foundation of our success. We will continue to work closely with key industry partners and our community to ensure the impact of the Halifax Convention Centre continues to instill community confidence and pride.

Our strategic priorities are rooted in the following focus areas, which align with the organization's long-term strategy:



GUEST EXPERIENCE

Treat all of our guests to a unique experience.



COMMUNITY CONNECTION

Partner with our community to co-create a memorable guest experience.



BUSINESS GROWTH

Drive incremental business by leveraging our relationships and facilities.



TALENT AND CULTURE

Create an authentic guest-focused culture.



ACCOUNTABILITY AND SUSTAINED PERFORMANCE

Demonstrate we are well-run and governed.

Strategic Priorities & Activities

GUEST EXPERIENCE

With a customer-centric culture, we will continue to ensure our efforts focus on delivering great experiences that respond to industry trends and customer expectations. This includes ensuring we continue to refine and evolve our service delivery standards to meet international industry expectations and demonstrate that we are responsive to customer needs. This year, we will seek AIPC (International Association of Convention Centres) accreditation, which is an industry-specific program that recognizes convention centre management and measures performance in key areas.

Actions:

- Successful delivery of national and international conventions.
- Continued implementation of guest experience solutions, with an emphasis on leveraging technology and systems that support event management and delivery.
- Full implementation of customer feedback program focused on planners and delegates.
- Plan for achievement of AIPC international industry accreditation.

COMMUNITY CONNECTION

The Halifax Convention Centre has created many opportunities for new partnerships and community engagement that have leveraged our events and showcased Nova Scotia to visiting delegates. During our first year, several new programs were implemented that highlight unique Nova Scotia experiences and ensure visiting delegates are exposed to all that Nova Scotia has to offer. Our Local Program and Delegate Welcome Program focus on providing visiting delegates with an authentic Nova Scotia welcome while at the same time providing them with access to information and opportunities to explore the province. Working with key industry partners and organizations, including Tourism Nova Scotia, the Tourism Industry Association of Nova Scotia, Discover Halifax, Taste of Nova Scotia, Downtown Halifax Business Commission and the Halifax Stanfield International Airport, we will continue to focus on these programs and opportunities in the coming year.

Actions:

- Continue the delivery of the Delegate Welcome Program, satellite Visitor Services Centre and the Local Program – showcasing our province and all it has to offer.
- Proactively profile the events we host and highlight the value of the Halifax Convention Centre to reinforce community pride.

BUSINESS GROWTH

Sales and marketing efforts will continue to focus on long-term targets, with an emphasis on national and international event attraction from association and corporate markets and meeting our market projections. With the facility now open and fully operational, our strategy will evolve to identify and activate new prospects, while at the same time, maintaining our strong base of national association business. We will maintain strong brand awareness through strategic customer engagements and activations as well as digital strategies, including our website and social media channels. Supporting province-wide efforts in areas of comparative advantage for Nova Scotia, including the oceans sector, we will work with key partners to identify prospective conference activity that will profile Nova Scotia's reputation and expertise.

Actions:

- Implement redeveloped long-term sales and marketing strategy to achieve market projections for the Halifax Convention Centre. This includes:
 - Full implementation of corporate market sales plan.
 - Development of ocean sector strategy to support national and international event attraction.
 - Continued alignment with key partners to maximize sales and marketing efforts.

TALENT & CULTURE

Over the past year, our team has grown significantly in response to the increased scope and complexity of our operations. A focus on people is integral to the delivery of our long-term strategy. Having completed a full assessment of our human resources structure and approach in 2018-19, emphasis this year will be on strategies and approaches that allow us to grow and retain an engaged workforce. We will focus on creating a culture aligned with our overall vision and values.

Actions:

- Enhance our onboarding, training and internal engagement programs to respond to the needs of variable (hourly) employees.
- Measure employee feedback through the implementation of an employee engagement survey.
- Implement phase one of an employee recognition program.
- Ensure human resources tools support managers in fostering a high performance culture.

ACCOUNTABILITY & SUSTAINED PERFORMANCE

Under the oversight of our two shareholders, the Province of Nova Scotia and HRM, we will continue to work in partnership to ensure we operate in a responsible, transparent manner to deliver benefits to Nova Scotians while maintaining public and stakeholder confidence. This will include ensuring alignment with our long-term vision, delivery against our key targets, including economic impact, and meeting legislated requirements.

Actions:

- Approval and roll-out of long-term strategy.
- Establish baseline metrics to support measurement of long-term strategy.
- Development of a framework for core social responsibility initiatives, with an emphasis on accessibility.

Core Outcomes & Measures

While our overall strategic plan and priorities guide our activities, we will monitor and measure our performance in 2019-20 in the following areas:

CORE ACCOUNTABILITY MEASURES		
Strategic Priority	Measure	2019-20 Target
Business Growth	Total direct spending and economic benefit	Through the conventions and events we host at the Halifax Convention Centre, generate annual direct spending of approximately \$55M.
Business Growth	National and international events and attendees booked for the Halifax Convention Centre	Cumulative total of 140 national and international events for the first three years of operations booked by year end with over 76,000 delegates.
Guest Experience	Planner and delegate feedback	Operationalize enhanced feedback program to measure performance against key experience drivers for our guests, including establishing baseline measure.
Guest Experience	AIPC certification	Submission of required documentation to achieve AIPC certification.
Talent & Culture	Employee feedback	Complete employee engagement survey and achieve an average employee engagement score of approximately 80% for core employees.
Accountability & Sustained Performance	Financial performance	Meet approved budget targets.

Economic Impact & Budget Context

2018-19 was the first full year of operations of the Halifax Convention Centre. The volume and variety of events hosted yielded extensive learnings about our operations, the complexity of hosting larger events and the resources required to ensure successful delivery. From a financial perspective, the 2019-20 budget reflects these learnings, with a focus on continuous improvement and stabilization, which includes improved efficiency through the utilization of technology and resources and streamlined operational standards.

The Halifax Convention Centre is mandated to attract and host events that create economic and community benefits for Nova Scotia. As such, our overall business success is reflected in not only the mix of events and number of attendees, but through the economic impact generated. Economic impact measures the benefit of new money being spent in the Nova Scotia economy as a result of the events we host. We measure economic impact on an annual basis by compiling attendee, exhibitor and event planner direct spending by event category. Estimated total direct expenditures for 2019-20 generated by the Halifax Convention Centre are \$55 million.

Operations of the Halifax Convention Centre for 2019-20 are expected to be break-even, prior to building costs.

Revenues are derived from event organizers who rent the facility and purchase food and beverage for their

events within the Centre. In addition, net commissions from ancillary services, primarily from audio visual, technology and convention services, are included in revenues.

Expenses are comprised of direct and allocated costs including but not limited to cost of sales, salaries and wages associated with attracting, supporting and delivering events. Conventions are highly dependent on variable (hourly) staff to ensure success. The variable staff ratios used to estimate event operating expenses are consistent with forecasted 2018-19 ratios. The salary budget now includes a conversion of critical event-related hourly roles to salaried status to ensure a stable service delivery team, a change that occurred through the first year of operations.

The Halifax Convention Centre building operating costs, which represent the lease operating costs and property taxes, are estimated to be \$5.0 million. Building operating costs have not yet normalized and will be monitored and updated routinely throughout the year. We continue to work actively with Argyle Developments to ensure clarity of expectations and processes.

In order to increase utilization of technology and resources to improve efficiency, there is a planned capital investment of \$150,000. A primary focus will be the addition of tools to the existing event management system to support trade show delivery and event planner integration.

Economic Impact Summary

	Target 2019-20	Forecast 2018-19	Target 2018-19
Total Events	140	160	100
Total Attendees	95,000	100,000	75,000
Total Direct Expenditures	\$55 million	\$60 million	\$56 million

Note 1: Scotiabank Centre events, attendance and resulting impacts are not included in this summary. Combined direct expenditures resulting from events hosted in both Scotiabank Centre and the Halifax Convention Centre for 2019-20 are projected to be approximately \$95 million.

Operating Budget Summary

(For the year ended March 31)

	Budget 2019-20 (\$)	Forecast 2018-19 (\$)	Estimate 2018-19 (\$)
Revenues	11,385,000	12,217,500	11,127,100
Expenses			
Event Operations	6,391,000	6,803,800	6,573,300
Salaries and Benefits	3,587,100	3,221,000	2,953,000
General Operations	1,300,900	1,581,900	1,445,000
Rent – Corporate Offices	<u>106,000</u>	<u>177,000</u>	<u>222,300</u>
Total Expenses	11,385,000	11,783,700	11,193,600
Smallwares Grant Expenses	-	421,300	-
Operating Gain/(loss) Before Building Costs	\$0	\$12,500	(66,500)
Building Operating Costs	3,183,800	3,155,800	2,973,000
Property Taxes	<u>1,826,200</u>	<u>1,804,700</u>	<u>1,071,500</u>
Total Building Operating Costs	5,010,000	4,960,500	4,044,500
Operating Loss Before Depreciation	(5,010,000)	(4,948,000)	(4,111,000)
Depreciation	<u>380,000</u>	<u>380,000</u>	<u>484,100</u>
Estimated Shareholder Investment	<u>5,390,000</u>	<u>5,328,000</u>	<u>4,595,100</u>
Investment Required from Shareholder – HRM	2,695,000	2,664,000	2,297,550
Investment Required from Shareholder – PNS	2,580,000	2,514,000	2,055,500

Note 1: The 2019-20 estimate reflects operations of the Halifax Convention Centre.

Note 2: Revenues and expenses for Scotiabank Centre are not reflected in this budget. The Scotiabank Centre is a facility owned by HRM and operated by Events East under an operating agreement. All operating income or losses generated accrue to HRM, and all capital improvements are funded by the municipality.

Note 3: Halifax Convention Centre building operating costs reflect lease operating costs of the building. The lease cost itself is the responsibility of the Province of Nova Scotia and is not reflected in this budget.

Note 4: The investment is shared between the two Shareholders: Province of Nova Scotia and HRM. The calculation of the annual investment varies by each Shareholder due to their different approaches to capital funding. However, over the years their investments are equal.

Note 5: Property taxes are calculated pursuant to the MOU between the Province of Nova Scotia and HRM.