

# 2016/2017 FDFA Strategic Review of Annual Convention Process Outline



## PREMISE

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The Frontier Duty Free Association requires a strategic review of all components of its historical long standing Annual Convention to reflect the current changing business landscape for both its operator/owner members and the supplier membership. An analysis of the current convention, its structure, benefits, timelines, pricing, location, etc. vs. what would be optimal for the members in order to accomplish better business practices.

As part of this proposed process, the FDFA will follow the Playing to Win framework to understand “what is the right strategic solution?”. This process should be executed in a collaborative and structured manner in order for the board and its members to decide effectively on future changes that is consensus based.

## KEY TIMELINES AND PROCESS FOR DECISIONS

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- Strategic Convention Review – 6 Month Timeline
- Present to Operators in November – a high level overview of the convention review, key components of review and next steps
- Present to the FDFA Board final analysis and recommendation at end of January via Board Strategic Meeting
- Present via webinar to Operators in February/March 2017 final recommendations

## REVIEW AND PROCESS KEY COMPONENTS

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1. Review and Analysis of Current FDFA Convention Metrics and High Level Convention Logistics
  - a. Metrics: Approx. supplier delegates by categories, number of operators, buyers, airport members, special guests
  - b. Potential survey and/or analysis to understand which suppliers are most frequently met with by buyers. Are these meetings similar in nature? Can certain buyers meet at once with key suppliers for time purposes and efficiencies?
  - c. Review of Distribution Houses – (Beler, Distribution Fontaine). Review of historical involvement in FDFA Conventions, sponsorships, meeting timelines. If not participating in future, what economic impact does this have on the FDFA, how much time does this allow for other meetings.
  - d. Review and analysis of key categories that the FDFA buyers would like to focus on?

## KEY AREAS FOR CONSIDERATION

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- Trade Floor: Review of historical trade floor, benefits and challenges with current trade floor. What are ideal new or existing suppliers for the trade floor. Should the trade floor duration be reduced? i.e. 2 days. Should this entire component be re-considered for future?
- Liquor Boards: A growing number of liquor boards are asking to join the FDFA and participate in convention to meet with liquor suppliers and buyers to discuss annual distribution changes, pricing, etc. This year alone, we have had interest from LCBO, Manitoba Liquor board and B.C. Liquor Board. Could this be an opportunity for all liquor boards to attend, and encourage a group buyers meeting at the show?
- Summit - Amalgamation of Summit via Convention: Review of current Summit and possible amalgamation of summit/key note retail speakers for i.e. one day attached to the convention. Costs, Potential retail speakers i.e. assortment planning, ecommerce, etc.
- Service Providers: Should the FDFA consider as a revenue generator allowing top 2 or 3 service providers who are interested in presenting to the operators on topics chosen by the FDFA and charge them for the presentation? i.e. credit card companies, marketing companies, POS systems – or do we consider this a benefit for operators. Should service providers be offered complimentary booth registration on the trade floor to meet with operators and/or suppliers?

## SPONSORSHIP REVIEW

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Given that the FDFA Convention sponsorship reflects the largest revenue component for the convention, a review of current processes, revenue and alternative solutions is required.

### CHALLENGES:

- Are suppliers limiting individual store promotions/marketing as a result of sponsoring the convention?
- What benefits are the suppliers achieving from sponsorship and are they valued by the sponsor?
- Are we missing other sponsorship opportunities that other associations or industries have adopted – a competitive review required.

### OPPORTUNITIES:

- Review of historical sponsoring companies, monies spent, benefits achieved.
- Assess what is important to potential sponsors in terms of reporting and measuring their investments. What is their objective?
- Given certain categories such as tobacco and liquor make up a large portion of sponsorships, is there an opportunity to increase membership and/or convention registrations in a nominal manner to replace funds received from sponsorships
- Review of potentially providing opportunities for special networking sponsorship events or product launches that create long standing agreements, with the assurance that sponsorship agreements are not in contradiction with store partnerships.

## OTHER CONSIDERATIONS:

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- Review of current airport store participation
- Is there an opportunity to increase airport participation for further revenue generation?
- Is there opportunity or benefit inviting other non-duty free retail buyers? i.e. retail stores in airports
- Hotel and Image: Does the FDFA want to increase the image of the FDFA convention via the hotel venue bookings, location and time of the year in which has historically been set for a mid-November timeline.
- Should the FDFA re-visit the idea of an all trade floor show – similar to IAADFS? This would open up more venue options, i.e. using convention centers.