

Thank you, Quincy.

Minister Hayden, Members of the Board, tourism partners...

Last year, I opened my report to you with the observation that we had come a long way in the previous twelve months since I first stood on this stage.

That was just the first step on our journey.

And this past year, Travel Alberta has taken even larger strides and made greater progress to becoming a strategy-led, market driven and industry supported organization.

And it's been a journey of a thousand miles.

Best Conference gets better



2009



2010

So today, I want to talk about... Where we were... Where we are and where we are going.

In that theme, I want to celebrate this annual conference, named the best meeting in Canada for the past two consecutive years.

Thank you ALL for making this event the benchmark tourism industry gathering in Canada.



Sold Out !!!

With the highest registration in the 11 years we've been holding this event, the strong line up of speakers, and our new brand that is about to be revealed, this year's Travel Alberta Industry Conference promises to be the best yet!

Just like you, we are on a journey of continuous improvement.



24 months ago we were an organization in transition.

We had just integrated Travel Alberta International and Travel Alberta Government Secretariat.

And 12 months later Travel Alberta Regional joined us.

Although we were a long way from the organization we are today, we successfully brought those 3 separate entities together as one team, integrated the cultures and were able to do this seamlessly without impacting our support to you.

And along the way we were able to move the yardsticks down the field, and get a few important things done.

Wins

- Customer segmentation – EQ
- Zero based budgeting model – MIM/RIM
- CTC based return on investment tool
- Focus on brand and strategy
- De-centralized budgeting – Business Unit Accountability
- Robust strategic plan
- Performance based culture
- Team member engagement 30% increase
- New bench strength
- Web platform sunset
- Integration of TAI, TAS & Parcom
- Successful negotiation of AUPE Collective Agreement
- Edmonton office opening
- Rethink Alberta
- AHLA 2010 Annual Member Satisfaction Survey (3rd consecutive annual increase)
- 3 Amigos Pilot Program
- Canada's West Joint Marketing: UK, Germany, Japan
- Shared Representation: India, Canada's West

There were a couple of challenges though.

Business Principles

Rule 1: Maximize cash marketing spending

Rule 2: Hold the line on overhead and look for operating efficiencies

Rule 3: Size and scale the business for sustainability

We also laid down 3 rules that would become our Guiding Principles on how we were going to operate Travel Alberta going forward:

Rule 1: Maximize cash marketing spending.

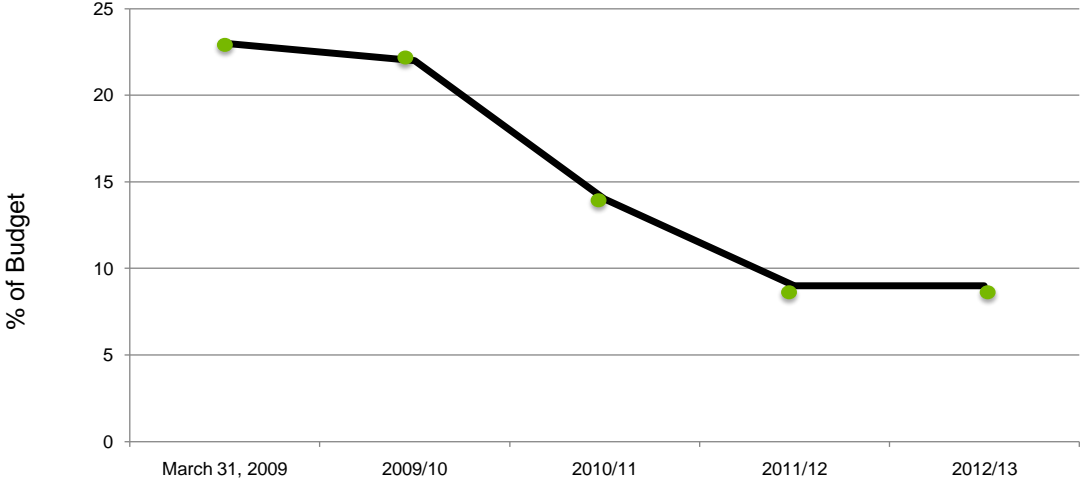
Rule 2: Hold the line on overhead and look for operating efficiencies.

Rule 3: Size and scale the business for sustainability.

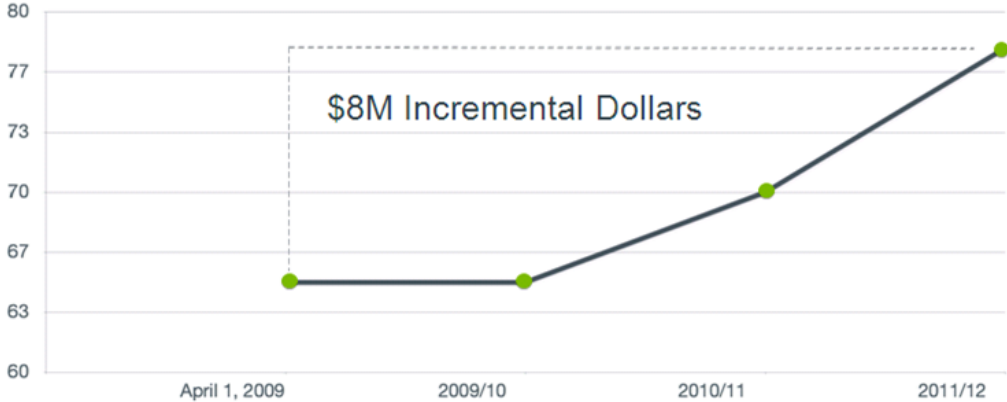
In short, we will run our business the same way you run yours.

So what was the end result of all this in operational terms?

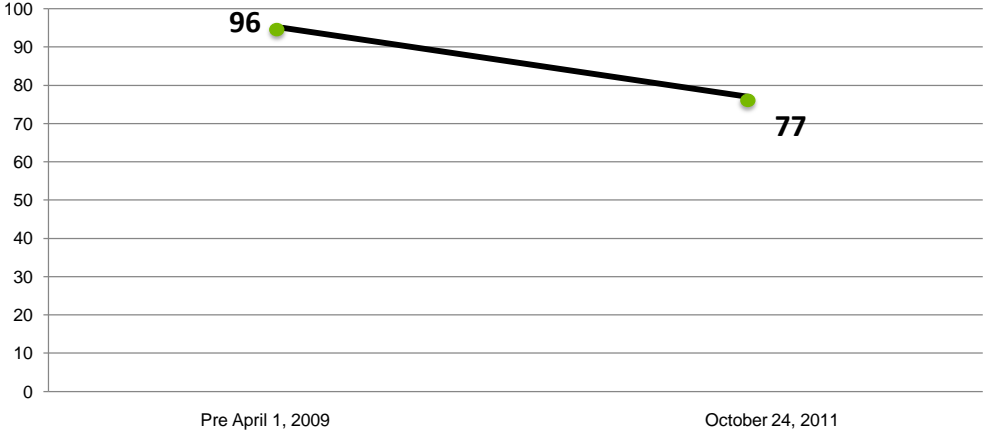
Numbers – General and Administrative



Marketing Spend



Full Time Team Members





During this journey, our strategy has been very consistent.

Our first year began with a business strategy that featured seven key initiatives.

And our performance against the objectives are reported in our second annual report that each of you received in your delegate bag.



As we picked up speed this past year, our strategy became more focused.

So where are we today?

And how are we doing after six months into our fiscal year?

I am pleased to say, despite the continuing global economic challenges; we are on track to meet the bulk of our objectives this year.

How Are We Doing?

* Tourism Visits (same day and overnight)		* Tourism Expenditures				
Target 2011: 23,467,000		Target 2011: \$5,620 million				
CORPORATE SCORECARD	Fiscal 2011-12 Objective		Results		Year to Date Status	
	Full Year Objective	Year to Date Objective	Year to Date Results	Updates as of Sep 2011		
BRING BRAND TO LIFE	Consumers in select target markets aware of Alberta as a vacation destination (Unaided)	2%	2%	3.1%	3.1%	157%
	Industry Partners agreeing with brand positioning/promise	70%	N/A	N/A	N/A	N/A
	Annual visits to TravelAlberta.com	2.8 million	1,400,000	1,081,486	58,948	77%
	Unpaid Media Value	\$200 million	\$100,000,000	\$53,089,710	\$13,534,917	53%
STAKEHOLDER ENGAGEMENT	Co-operative marketing support (Partner: Travel Alberta investments)	1 : 1	1 : 1	1.08 : 1	1.08 : 1	108%
	Client satisfaction with Travel Alberta	65%	N/A	N/A	N/A	N/A
	Industry participation in learning opportunities	2,300	1,150	1,865	495	162%

Our balanced scorecard measures 14 key outputs and we are largely ahead of everyone of our targets.

Our client satisfaction and team engagement scores will be available next quarter.

But there are a couple of yellow flags...

How Are We Doing?

CORPORATE SCORECARD	Fiscal 2011-12 Objective		Results		Year to Date Status	
	Full Year Objective	Year to Date Objective	Year to Date Results	Updates as of Sep 2011		
CUSTOMER INTIMACY	New consumers who opt into email database	10,000	5,000	2,639	255	53%
	Total social media followers/fans (<i>Starting at a base of 21,393</i>)	34,000	27,697	39,755	2,790	291%
DEFEND & GROW THE BUSINESS	Referrals to partner sites from TravelAlberta.com, social media platforms and campaigns	75,000	37,500	139,498	1,248	372%
	Campaign return on investment conversion: Canada and United States	10:1	10:1	45:1 Canada 26:1 California	45:1 Canada 26:1 California	260%
	Potential room nights generated by meetings and conventions leads	75,000	37,500	56,503	10,405	151%
ORGANIZATIONAL EXCELLENCE	Operating cost efficiencies (4% reduction)	\$878,480	\$439,240	\$349,595	\$54,881	80%
	Team Member Engagement Index	64%	N/A	N/A	N/A	N/A

* Industry Performance Indicator calendar year 2011 - Source: Tourism, Parks and Recreation

Our website and consumer database growth numbers. - the two are connected.

It's no secret that our online performance has not mirrored the marketing success of our other initiatives.

That's why we made it a corporate priority last year to develop and launch a best in class website.

The first phase, a new industry website, launched this weekend.

Industry.TravelAlberta.com



Industry.TravelAlberta.com is all about how you access the world through our consumer channels.

In the past, we haven't made this process very easy. It is now a simple one step process.

You will have full control over what consumers see about you and how they see it.

And through this process, you will now be able to put offers and packages on our website free of charge.

This gives you exposure to over 3,000,000 annual website visits!

TravelAlberta.com



Next month, we will re-launch a brand new consumer website that will align to our new brand and become our primary call to action. This is our external face to visitors and will be a quantum leap from the one we use today.

This is the critical link that is so important to Travel Alberta's mission. To grow revenues with compelling invitations to experience Alberta.

If you don't put more heads in beds, hips through turnstiles, and customers in seats, Travel Alberta marketing will not have been successful.

Our role in the customer path to purchase is to get consumers to your place of business and get out of the way so you can close the sale.

Growing tourism revenues has always been the core of our strategy and the single deliverable that creates wealth for you and for this province.

And there are some good indicators that Alberta tourism revenues are indeed growing this year.

**Tourism Sector Performance Monitor
Provincial Edition**

2011 Half-Year Review

The Conference Board of Canada
Insights You Can Count On



HIGHLIGHTS

The Tourism Sector Performance Monitor presents a semi-annual review of the performance of Canada's tourism sector. The review is based on a series of tourism measures collected and analyzed by CTRI to generate an overall indication of how various tourism industries have performed at the provincial and city level.

The following table is a summary of the performance of the tourism sector in each Canadian province, in the first half of 2011. The figures represent the estimated year-over-year growth or decline of tourism revenues generated by domestic and international tourism demand, as well as tourism revenues derived from non-tourism activity, such as residents eating at a local restaurant.

Tourism Revenues:

	Canadian Tourists (A)	Non-Resident Tourists (B)	Tourists Overall (C)=(A+B)	*Domestic Tourism Only (part of A)	* Domestic and Inbound Tourism (part of C)	Non-Tourists Overall ¹ (D)	Tourism Sector Overall ¹ (E)=(C+D)
NL	3.8%	-9.6%	1.9%	3.1%	1.2%	4.9%	3.8%
PEI	11.7%	-5.1%	6.2%	11.6%	6.1%	0.5%	2.8%
NS	6.6%	-2.8%	4.5%	5.9%	3.8%	1.0%	2.5%
NB	4.5%	-4.3%	2.8%	4.2%	2.6%	1.0%	1.5%
QC	12.2%	9.0%	11.6%	7.0%	7.6%	4.1%	6.7%
ON	9.8%	8.3%	9.4%	5.5%	6.5%	3.6%	5.6%
MB	6.3%	0.0%	5.7%	6.1%	5.4%	0.2%	2.5%
SK	3.4%	9.6%	3.8%	2.9%	3.4%	3.5%	3.6%
AB	10.8%	-3.0%	8.1%	10.3%	7.4%	4.1%	5.4%
BC	3.6%	-5.9%	0.6%	0.0%	-2.3%	1.0%	0.8%
CANADA	8.8%	3.3%	7.5%	5.5%	4.9%	3.2%	4.8%

Sources: The Conference Board of Canada calculations are based primarily on Statistics Canada data (National Tourism Indicators, industry revenues, prices and employment) but also include other available data sources.

¹ Revenues from non-tourists exclude vehicle fuel and vehicle repairs and parts.

The Conference Board of Canada January to June 2011 analysis of provincial tourism revenue this year, ranks Alberta only behind Ontario and Quebec in terms of performance.

Total estimated revenue growth was 5.4%.

What's Our Progress?

	2009-10 Tourism Levy	2010-11 Tourism Levy	2011-12 Tourism Levy	% Change Vs Last year
April	\$5,154,139	\$5,125,111	\$4,373,000	85%
May	3,929,077	3,767,257	5,399,000	143%
June	5,532,171	5,505,825	6,224,000	113%
July	6,022,357	5,713,288	5,124,000	89%
August	4,993,674	5,130,000	7,799,000	152%
September	7,084,077	7,855,000	7,716,000	98%
October	6,365,506	5,222,000		
November	4,030,322	5,544,000		
December	5,705,608	6,521,000		
January	3,308,011	3,339,000		
February	3,572,468	3,624,000		
March	5,622,273	7,023,000		
YTD (Apr-Sep)	\$32,715,494	\$33,096,481	\$36,635,000	111%
Full Year	\$61,319,682	\$64,369,481		

But one of the clearest indicators of tourism performance for me is the Tourism Levy receipts that fuel Travel Alberta's marketing.

We just received the April through September 2011 numbers.

Tourism Levy in the province is up 11% over the first six months of 2010.



+ 3,530,000

That's \$3.5 million of revenue lift that we didn't have last year.

That \$3.5 million will be invested in marketing programs that will drive more customers to your doorsteps.

So we are on the right track.

We are managing this business smarter, doing more with less and paying attention to the bottom line just like you are in the private sector.



You shouldn't be surprised that our business strategy for 2012-15 looks pretty familiar. It's even more focused, with the original seven strategic initiatives now pared down to four. You will note that customer intimacy has been removed from our top tier of strategies, because Explorer Quotient segmentation is now part of Travel Alberta's DNA.

Speaking directly to our customer has become the foundation for bringing our brand to life. This ensures every marketing dollar we spend generates Return On Investment.

EQ is also fundamental to all our programs in all our domestic and international markets. One Team. One brand. One strategy. One primary customer - youthfully spirited adventurers.

Since 2009, Engaging Industry Stakeholders has also been a core strategy. You'll note this coming year that initiative will evolve to Mobilize Industry.

Our goal is to mobilize and arm you with the tools – like a compelling brand, co-operative funding and greater access to our consumer channels and campaigns. We'll make it easier to access co-op funds and give you the resources to become more successful...



...and go to market as One Team..... TEAM ALBERTA!

With competition growing every year and our dollar at historically high valuations, we need to become better aligned for our tourism message to resonate. That's why we are consolidating co-op marketing under Travel Alberta next year and boosting funding by at least a million dollars when the program is fully in place. Regions will not see any reduction in funding allocations and those decisions will continue to be made locally.

Indeed, we are bolstering our regional bench strength and presence. With TDR managers joining our Industry relations team in 2012, there will be even more resources at your disposal to help you grow your business.

More funding, more learning opportunities means more marketing and more sales for you.

Lastly, we've spent a lot of time nurturing the organization and bringing ourselves into fighting shape. A strong Travel Alberta team that operates as an extension of you is crucial to bringing more visitors here.

So how will we know we're making a difference and reaching our targets?

Balanced Scorecard 2012-15

KEY MEASURABLE OUTPUTS	2012-13	2013-14	2014-15
Tourism Revenues*	\$5,788 million (2012)	\$5,978 million (2013)	\$6,190 million (2014)
Province Visits (same day and overnight)*	24,053,000 (2012)	24,986,000 (2013)	25,803,000 (2014)
Cost efficiencies of operating budget (Doable Work)	\$700,000	\$500,000	\$300,000
Employee Engagement Index	67%	70%	72%
Aided destination awareness in long-haul North American markets	ON 20% OC 23%	25% 25%	30% 28%
Unpaid Media Value	\$250 million	\$275 million	\$300 million
Percentage of industry clients who agree that the brand helps them meet business needs.	50%	60%	70%
Referrals to partner sites from TravelAlberta.com, social media platforms and campaigns	200,000	225,000	250,000

* Industry Performance Indicator - Source: Tourism, Parks and Recreation

This is our balanced scorecard for 2012 - 15 and is a beacon to our team.

We have pretty aggressive targets for this upcoming year.

Aided destination awareness is a barometer of how well our new brand is performing.

We must increase this number in order to ensure travelling to Alberta is high on visitor's consideration lists.

More media will be persuaded to tell our stories to even bigger audiences.

Driving return on investment and seizing every available opportunity means that your cash register rings.

And you've told us that the most important thing we can do for you is deliver prospects and sales leads to your business.

Balanced Scorecard 2012-15

KEY MEASURABLE OUTPUTS	2012-13	2013-14	2014-15
Regional Campaign ROI conversion	AB 35:1 BC 12:1	37:1 14:1	40:1 16:1
Potential room nights generated by MC&IT Leads	90,000	100,000	105,000
Travel Trade Campaign ROI conversion	15:1	15:1	15:1
Partner investment leverages Travel Alberta funding support for co-operative marketing opportunities (Partner: Travel Alberta)	1:1	1:1	1:1
Overall client satisfaction with Travel Alberta	67%	70%	72%
Industry partners participating in learning opportunities	3,000	3,300	3,700

We are also expecting a minimum return of \$35 for every dollar we invest in our largest market, Alberta.

We are looking for at least a 12 to 1 return from campaigns in British Columbia.

Our international travel trade relationships will be expected to return \$15 for every dollar we invest.

And more than 90,000 room night leads will be delivered to our partners in the very important Meetings and Conventions market.

Being accountable for these numbers is ingrained in our culture - from corporate scorecard through to individual performance plans of every Travel Alberta team member.

Meeting these objectives will continue to be the foundation of all team member performance criteria.

We are committed to achieving these targets.

Dialogue with Travel Alberta

Today: 3:45 – 4:45 p.m.

Alberta Room

Hotel – M2 Level



Before I finish, please feel free to join Quincy and me in the Alberta Room at 3:45 for a Dialogue with Travel Alberta.

We're hoping this will be a timely opportunity for two-way conversation and answers to questions you may have.

Open Houses

Calgary	Nov 1
Banff	Nov 2
Jasper	Nov 3
Edmonton	Nov 4
Grande Prairie	Nov 8
Slave Lake	Nov 9
Whitecourt	Nov 10
Pincher Creek	Nov 15
Lethbridge	Nov 16
Medicine Hat	Nov 17
Drumheller	Nov 18
Lac La Biche	Nov 22
Vermilion	Nov 23
Camrose	Nov 24
Red Deer	Nov 25

If you can't join us there, or find us during the rest of the conference, please come to one of 15 Open Houses we are hosting next month around the province.

Please register online at the industry site –
www.Industry.TravelAlberta.com/OpenHouses

Email

Bruce.Okabe@TravelAlberta.com

And if you still can't get answers to your questions, just email me at the address on the screen.



We are now on the most important journey in the history of tourism in Alberta.

The creation of a compelling promise to visitors....

What will you experience when you arrive here?

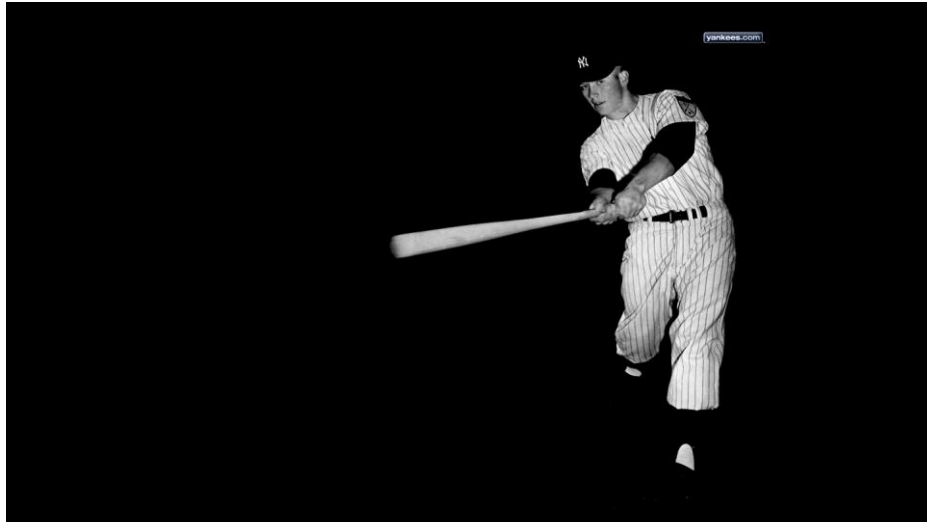
What are the memories you'll take home when you leave?

Why Alberta? - Why Now?

Marketing without a compelling brand is like walking into a street fight with one arm tied behind your back.

That is about to change in the next few minutes.

Slide 27



How many of you follow baseball? I'm an avid baseball fan and along with Mac Makenny, probably one of a few who can name the starting line-up of the 1963 Yankees.

This is Mickey Mantle.

Baseball is the example I'll use to illustrate the relationship between Travel Alberta, the new brand, you as our tourism partner and our potential visitor.

Travel Alberta, and the new brand, will function as the first 3 batters in the line-up. Our job will simply be to get runners on base, advance them and put them in scoring position.

Your job as industry is to be the cleanup hitter - number 4 on the roster - the person with the big arms and big batting average. Your job is to bring the big bat, swing for the fence and clear the bases.. In other words, close the sale.

This new brand will put runners on base for you.

Finally, I want you to think about two things when we reveal the brand.



Visitor

First - the brand is not about us, and how wonderful our reflection is when we see ourselves in the mirror.

It is all about how to elevate ourselves from the thousands of tourism messages that bombard visitors daily.

We need to make a potential visitor STOP – and THINK - hey how about Alberta?

If we can get them to do that, we are well down the path of getting them closer to booking.

Emotion

And the last word is EMOTION. Please burn this word into your mind when we show you the new Alberta Tourism brand video and photography.

If we can provide a compelling intersection point between Visitor and Emotion, we'll be that much closer to turning lookers into bookers.

Remember that travel is consumed not in the mind but in the heart. Not logically, but emotionally.

That's how I travel. That is how you travel. This is how our visitors travel.

And those are the customer buttons we are going to push as the foundation to our new brand.

It is a brand that will work for people from far away and for people who live right down the street.

And it is our collective tourism brand, not just Travel Alberta's.

Please join us on this exciting journey...

Slide 30



For more information on Travel Alberta and Alberta's new tourism brand, visit www.industry.travelalberta.com