

**Joint Legislative Committee on Performance
Evaluation and Expenditure Review (PEER)**

Report to
the Mississippi Legislature



Opportunities for the Mississippi Fair Commission: A Blueprint for the Future

The Commissioner of Agriculture and Commerce, acting in his capacity as chair of the Mississippi Fair Commission, requested that PEER review the commission's management of state-owned facilities and offer a strategy for strengthening those facilities' revenue-producing capabilities. He noted that the environment in which the Fair Commission attempts to attract events has become more competitive within the last decade, with similar types of facilities that are newer and equipped with more advanced technology. In making his request, the Commissioner also noted that the Fair Commission is a 100% special fund agency--i. e., it generates its own funding and receives no general funds from the Legislature for day-to-day operations.

The Fair Commission's assets include five major revenue-producing facilities that generate revenue primarily through rental fees and concession sales. The remaining facilities are support facilities necessary to produce events at the major facilities as well as support the State Fair and Dixie National Rodeo. While the Mississippi Fair Commission routinely hosts events that support its statutory mission, the majority of the revenue-producing events held on the fairgrounds complex do not directly support its statutory mission. The commission primarily relies on repeat business from promoters and its controls over contractual employees are insufficient to safeguard its revenues.

For fiscal years 2007 through 2009, the Fair Commission had event-days on which the commission's facilities were not in use--i. e., residual capacity--and additional events could have been scheduled. When filling its residual capacity, the Fair Commission should endeavor to schedule events with the highest profitability potential.

PEER provides a strategy in the report that includes suggested actions that the Fair Commission could take to advance its mission, improve its internal controls, and improve its data collection for asset utilization. Four key actions that PEER proposes to increase utilization and maximization of assets are: develop a comprehensive strategic plan, develop a marketing plan and designate a marketing director, improve the quality of financial information, and consider additional revenue-producing opportunities. The report also identifies specific revenue-producing opportunities for the commission's consideration.

PEER: The Mississippi Legislature's Oversight Agency

The Mississippi Legislature created the Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER Committee) by statute in 1973. A joint committee, the PEER Committee is composed of seven members of the House of Representatives appointed by the Speaker and seven members of the Senate appointed by the Lieutenant Governor. Appointments are made for four-year terms, with one Senator and one Representative appointed from each of the U. S. Congressional Districts and three at-large members appointed from each house. Committee officers are elected by the membership, with officers alternating annually between the two houses. All Committee actions by statute require a majority vote of four Representatives and four Senators voting in the affirmative.

Mississippi's constitution gives the Legislature broad power to conduct examinations and investigations. PEER is authorized by law to review any public entity, including contractors supported in whole or in part by public funds, and to address any issues that may require legislative action. PEER has statutory access to all state and local records and has subpoena power to compel testimony or the production of documents.

PEER provides a variety of services to the Legislature, including program evaluations, economy and efficiency reviews, financial audits, limited scope evaluations, fiscal notes, special investigations, briefings to individual legislators, testimony, and other governmental research and assistance. The Committee identifies inefficiency or ineffectiveness or a failure to accomplish legislative objectives, and makes recommendations for redefinition, redirection, redistribution and/or restructuring of Mississippi government. As directed by and subject to the prior approval of the PEER Committee, the Committee's professional staff executes audit and evaluation projects obtaining information and developing options for consideration by the Committee. The PEER Committee releases reports to the Legislature, Governor, Lieutenant Governor, and the agency examined.

The Committee assigns top priority to written requests from individual legislators and legislative committees. The Committee also considers PEER staff proposals and written requests from state officials and others.

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The Mississippi Legislature

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November 10, 2009

Honorable Haley Barbour, Governor
Honorable Phil Bryant, Lieutenant Governor
Honorable Billy McCoy, Speaker of the House
Members of the Mississippi State Legislature

On November 10, 2009, the PEER Committee authorized release of the report entitled **Opportunities for the Mississippi Fair Commission: A Blueprint for the Future.**

A handwritten signature in cursive script that reads "Harvey Moss". The signature is written in black ink and is positioned above a horizontal line.

Representative Harvey Moss, Chair

This report does not recommend increased funding or additional staff.

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Opportunities for the Mississippi Fair Commission: A Blueprint for the Future

Executive Summary

Introduction

MISS. CODE ANN. § 69-5-1 (1972) created the Mississippi Fair Commission “in order to promote agricultural and industrial development in Mississippi and to encourage the farmers to grow better livestock and agricultural products.” MISS. CODE ANN. § 69-5-3 (1972) enumerates the powers and duties of the Mississippi Fair Commission, specifically the power to hold an agricultural and industrial exposition—i. e., State Fair—annually and other events from time to time for the promotion of Mississippi agriculture and industry.

Problem Statement

Dr. Lester Spell, Commissioner of Agriculture and Commerce, acting in his capacity as chair of the Mississippi Fair Commission, requested that the PEER Committee review the commission’s management of state-owned facilities and offer a strategy for strengthening those facilities’ revenue-producing capabilities.

In making his request to the PEER Committee, Commissioner Spell noted that the Fair Commission is a 100% special fund agency—i. e., it generates its own funding and receives no general funds from the Legislature for day-to-day operations. Over the years, the majority of the commission’s funding has been generated by revenues from the Mississippi State Fair and, to a lesser extent, the Dixie National Livestock Show and Rodeo. Commissioner Spell explained that in carrying out its primary statutory mission—promotion of agricultural and industrial development—the commission sponsors mission-related events, such as youth 4-H activities and animal shows, that produce limited or no revenues for the commission’s operations. Therefore, the commission has historically rented its facilities to promoters and sponsors for events that are not directly within the commission’s statutory mission, but produce much-needed revenues for commission operations. A goal of the commission has been to schedule events that produce revenues in excess

of direct expenses in order to subsidize the commission's less profitable events.

Commissioner Spell also stated that the environment in which the Fair Commission attempts to attract events has become more competitive within the last decade. Similar types of facilities that are newer and equipped with more advanced technology now exist in Jackson (e. g., the Jackson Convention Center that opened in 2009) and in other parts of the state (e. g., facilities on the Gulf Coast, in Tunica, in Tupelo, and in Philadelphia). The commission's Coliseum and Trade Mart facilities, which are forty-seven and thirty-five years old, respectively, may now be less attractive to promoters and event sponsors. Given the age of these facilities and increased competition, Commissioner Spell sought the PEER Committee's assistance in determining how the Fair Commission could maximize its resources to remain financially viable and continue to carry out its statutory mission.

Scope and Purpose

In considering Commissioner Spell's concerns, PEER sought to answer the following questions:

- What assets does the Mississippi Fair Commission control and what are their revenue-producing capabilities?
- How does the Mississippi Fair Commission currently utilize, market, and manage its assets to support its statutory mission?
- Are the Mississippi Fair Commission's assets being underutilized?
- What actions could the Mississippi Fair Commission take to increase utilization and maximization of its assets?

Conclusions

What assets does the Mississippi Fair Commission control and what are their revenue-producing capabilities?

The Fair Commission's assets include five major revenue-producing facilities that generate revenue primarily through rental fees and concession sales. The remaining facilities are support facilities necessary to produce events at the major facilities as well as support the State Fair and Dixie National Rodeo.

The Mississippi Fair Commission has twenty-seven permanent facilities located on the Mississippi State Fairgrounds Complex. Of the facilities located on the Mississippi State Fairgrounds Complex, five produce revenue to help support operations of the Mississippi Fair

Commission: the Mississippi Coliseum, the Trade Mart, the Kirk Fordice Equine Center, the Agriculture Building, and the Industrial Building. The Fair Commission also utilizes the asphalt parking lot of the fairgrounds complex to generate revenue from events, primarily the midway for the annual State Fair and in recent years a crawfish boil and concert.

Although fees from promoters or organizations generate a portion of the Fair Commission's operational revenues, the other twenty-two facilities located on the Mississippi State Fairgrounds Complex have limited revenue-producing capability.

How does the Mississippi Fair Commission currently utilize, market, and manage its assets to support its statutory mission?

While the Mississippi Fair Commission routinely hosts events that support its statutory mission, the majority of the revenue-producing events held on the fairgrounds complex do not directly support its statutory mission. The commission primarily relies on repeat business from promoters and its controls over contractual employees are insufficient to safeguard its revenues.

The four major events hosted by the Fair Commission (State Fair, Dixie National Rodeo, National Barrel Horse Association Youth World, and Appaloosa Horse Club National and Youth World Championship Show) advance its statutory mission. In FY 2009, these four events generated approximately sixty-six percent of the commission's total annual revenues. The majority of events held on the fairgrounds complex during FY 2009 were revenue-producing events that did not directly support the Fair Commission's statutory mission, but provided revenues for the commission's operations.

The Mississippi Fair Commission's current marketing strategy primarily relies on repeat business from promoters and sponsors. The commission's basic approach to marketing is that the "fairgrounds sells itself," meaning that the commission relies heavily on promoters and sponsors to book events instead of the commission aggressively targeting events and promoters that will be financially beneficial or mission-related.

Regarding the safeguarding of its revenues, PEER found that although the commission's internal controls are designed to ensure proper segregation of duties and define roles and responsibilities of the commission's staff, PEER has concerns regarding controls for the oversight of contractual employees who collect revenue from commission events.

Are the Mississippi Fair Commission's assets being underutilized?

For fiscal years 2007 through 2009, the Fair Commission had event-days on which the commission's facilities were not in use--i. e., residual capacity--and additional events could have been scheduled. When filling its residual capacity, the Fair Commission should endeavor to schedule events with the highest profitability potential.

Because the Fair Commission's major revenue-producing facilities were booked for approximately half of the available event-days during fiscal years 2007 through 2009, the commission had the capacity to schedule additional events and produce revenues.

While PEER knows of no specific criteria regarding facility utilization (because venues have different markets and product mixes), experts in facility management state that 90% or higher utilization of facilities in municipalities, particularly rural areas, would be considered a high rate of use. Other facility management experts suggest that a facility utilization rate of approximately 200 annual event-days would be reasonable goal for facility managers to achieve.

What actions could the Mississippi Fair Commission take to increase utilization and maximization of its assets?

To increase utilization and maximization of its assets, the Fair Commission could develop a comprehensive strategic plan, develop a marketing plan and designate a marketing director, improve the quality of its financial information, and consider additional revenue-producing opportunities.

The following gives more information on these proposed actions.

- *Develop a comprehensive strategic plan*--The Mississippi Fair Commission complies with state law by including a strategic plan as part of its annual budget request. Given Commissioner Spell's concerns, the Fair Commission's current strategic plan does not contain the additional elements and substance needed to address the commission's current and future operations. A comprehensive strategic planning model incorporates short-term, mid-range, and long-term goals; a plan for rational allocation of available resources; and a clearly defined system for monitoring agency progress.
- *Develop a marketing plan and designate a marketing director*--Because the Fair Commission is a 100% special fund agency and must produce sufficient revenue to fund its operations, the commission should develop a marketing plan. The Fair Commission should designate a staff member to serve as its marketing director to market

commission facilities and attract community and corporate involvement.

- *Improve the quality of financial information--* Although the Fair Commission maintains its accounting records in a manner that meets the requirements of the Statewide Automated Accounting System, in order to maximize the profitability of the commission's facilities and events, the commission should structure its records to capture additional revenue and expense information.
- *Consider additional revenue-producing opportunities--*As part of this review, PEER determined the following potential revenue-producing options for the Fair Commission to consider:
 - expand the use of its website as a marketing tool and revenue producer;
 - produce additional revenue by allowing corporations and others to have naming rights to its facilities;
 - recruit companies or groups to purchase hospitality tents during the State Fair;
 - study the financial feasibility of allowing alcohol sales at additional events and clarify its policy regarding the conditions under which alcohol sales may be permitted; and,
 - negotiate with public and other entities for financial support and develop partnerships for marketing and expertise.

Pages 29 through 40 of the report provide more details on these revenue-producing options.

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Opportunities for the Mississippi Fair Commission: A Blueprint for the Future

Introduction

Authority

PEER conducted this review pursuant to the authority granted by MISS. CODE ANN. Section 5-3-57 et seq. (1972).

Problem Statement

Dr. Lester Spell, Commissioner of Agriculture and Commerce, acting in his capacity as chair of the Mississippi Fair Commission (MFC or Fair Commission), requested that the PEER Committee review the commission's management of state-owned facilities and offer a strategy for strengthening those facilities' revenue-producing capabilities.

In making his request to the PEER Committee, Commissioner Spell noted that the Fair Commission is a 100% special fund agency--i. e., it generates its own funding and receives no general funds from the Legislature for day-to-day operations. Over the years, the majority of the commission's funding has been generated by revenues from the Mississippi State Fair and, to a lesser extent, the Dixie National Livestock Show and Rodeo. Commissioner Spell explained that in carrying out its primary statutory mission—promotion of agricultural and industrial development—the commission sponsors mission-related events, such as youth 4-H activities and animal shows, that produce limited or no revenues for the commission's operations. Therefore, the commission has historically rented its facilities to promoters and sponsors for events that are not directly within the commission's statutory mission, but produce much needed revenues for commission operations. A goal of the commission has been to schedule events that produce revenues in excess of direct expenses in order to subsidize the commission's less profitable events.

Commissioner Spell also stated that the environment in which the Fair Commission attempts to attract events has become more competitive within the last decade. Similar types of facilities that are newer and equipped with more advanced technology now exist in Jackson (e. g., the Jackson Convention Center that opened in 2009) and in other parts of the state (e. g., facilities on the Gulf Coast, in Tunica, in Tupelo, and in Philadelphia). The commission's Coliseum and Trade Mart facilities, which are forty-seven and thirty-five years old, respectively, may now be less attractive to promoters and event sponsors. Given the age of these facilities and increased competition, Commissioner Spell sought the PEER Committee's assistance in determining how the Fair Commission could maximize its resources to remain financially viable and continue to carry out its statutory mission.

Scope and Purpose

In considering Commissioner Spell's concerns, PEER sought to answer the following questions:

- What assets does the Mississippi Fair Commission control and what are their revenue-producing capabilities?
- How does the Mississippi Fair Commission currently utilize, market, and manage its assets to support its statutory mission?
- Are the Mississippi Fair Commission's assets being underutilized?
- What actions could the Mississippi Fair Commission take to increase utilization and maximization of its assets?

Method

In conducting this review, PEER:

- reviewed relevant state laws and regulations as well as Mississippi Fair Commission policies and procedures;
- interviewed commission members and staff;
- surveyed managers of facilities in Mississippi and other states with operations similar to those of the Mississippi Fair Commission;
- interviewed promoters of events held at facilities of the Mississippi Fair Commission; and,

- analyzed the commission’s marketing efforts, events database, and financial information.

Description of the Mississippi Fair Commission

Mission of the Mississippi Fair Commission

MISS. CODE ANN. § 69-5-1 (1972) created the Mississippi Fair Commission “in order to promote agricultural and industrial development in Mississippi and to encourage the farmers to grow better livestock and agricultural products.” MISS. CODE ANN. § 69-5-3 (1972) enumerates the powers and duties of the Mississippi Fair Commission, specifically the power to hold an agricultural and industrial exposition—i. e., State Fair—annually and other events from time to time for the promotion of Mississippi agriculture and industry.

Composition of the Mississippi Fair Commission

To manage and control the staff and resources of the entity, MISS. CODE ANN. Section 69-5-1 (1972) also established a seven-member commission named by the Governor consisting of the following: Commissioner of Agriculture and Commerce (chair); director of the Mississippi Extension Service; president of the Mississippi Livestock Association; director of the state Department of Education’s Office of Vocational and Technical Education; representative of the Mississippi Association of Fairs; representative of the Agricultural and Industrial Board (now known as the Mississippi Development Authority); and representative of the City Commission (now known as the City Council) of Jackson, Mississippi. All commission members serve four-year terms without salary compensation.

As of August 1, 2009, the Mississippi Fair Commission consisted of the following individuals:

- Dr. Lester Spell, Commissioner of Agriculture and Commerce (Chair);
- Dr. Melissa Mixon, Mississippi State University Vice President for the Division of Agriculture, Forestry, and Veterinary Medicine;
- Larry DeMuth, President of the Mississippi Livestock Council;
- Mike Mulvihill, Vocational and Technical Education Director for the Mississippi Department of Education;

- Paul Smith, a businessman and Governor's appointee representing the (now defunct) Mississippi Association of Fairs;
- Gray Swoope, Executive Director of the Mississippi Development Authority; and,
- Honorable Harvey Johnson, Jr., Mayor, City of Jackson.

Staffing of the Mississippi Fair Commission

For FY 2009, the Legislature authorized fourteen full-time and forty-two part-time positions for the Mississippi Fair Commission. The commission's authorized positions were allocated as follows:

- Administrative office: nine full-time positions;
- Grounds maintenance: three full-time and fourteen part-time positions;
- Trade Mart: one full-time and eight part-time positions;
- Coliseum: one full-time and twelve part-time positions; and,
- Equine Center: eight part-time positions

The commission contracts with private vendors to provide services such as ticket sales, concessions, garbage disposal, and lawn maintenance. Also, the commission contracts with individuals to perform tasks such as selling or collecting admission tickets, collecting camper or recreational vehicle fees, and selling wood shavings/chips for horse and livestock stalls during the State Fair, Dixie National Rodeo, and other events held on commission grounds. The commission also contracts with the Hinds County Sheriff's Department to provide security during major events held at the fairgrounds complex.

Chapter 1: What assets does the Mississippi Fair Commission control and what are their revenue-producing capabilities?

The Fair Commission's assets include five major revenue-producing facilities that generate revenue primarily through rental fees and concession sales. The remaining facilities are support facilities necessary to produce events at the major facilities as well as support the State Fair and Dixie National Rodeo.

Facilities

The Mississippi Fair Commission has twenty-seven permanent facilities located on the Mississippi State Fairgrounds Complex.

The Mississippi Fair Commission has responsibility for property known as the Mississippi State Fairgrounds Complex. The Mississippi State Fairgrounds Complex consists of twenty-seven permanent facilities located on 105 acres in downtown Jackson. (See Exhibit 1, page 6, for a map of the complex.) The primary facilities located on the complex include the Mississippi Coliseum, Trade Mart, Kirk Fordice Equine Center, Agricultural Building, and Industrial Building. The remaining facilities include livestock barns and buildings, a judging arena, comfort stations, and other support facilities.

Of the facilities located on the Mississippi State Fairgrounds Complex, five produce revenue to help support operations of the Mississippi Fair Commission.

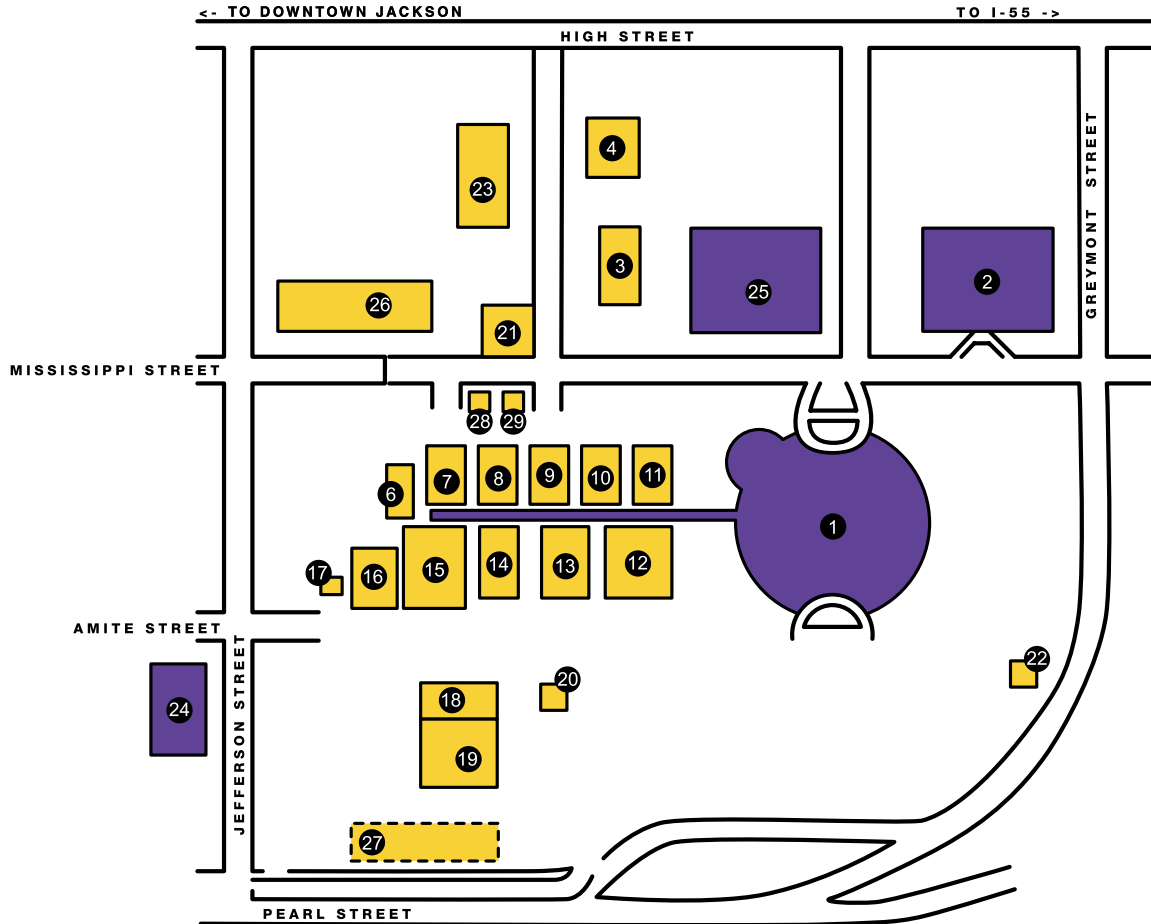
The Mississippi Fair Commission has five primary revenue-generating facilities located on the fairgrounds complex. These facilities are described below.

- *Mississippi Coliseum:* Constructed in 1962, the Mississippi Coliseum is an enclosed all-season arena with 6,500 permanent seats and 3,500 temporary seats. The coliseum provides team and individual dressing rooms, three meeting rooms, a press room, and a ticket office. In addition, the coliseum houses the administrative offices of the Mississippi Fair Commission. Promoters have used the coliseum to sponsor concert, rodeo, wrestling, monster truck, circus, ice show, and basketball events.

Exhibit 1: Mississippi Fairgrounds Complex Map

Mississippi Fair Complex

INCLUDING THE MISSISSIPPI COLISEUM, STATE FAIR GROUNDS &
MISSISSIPPI DEPARTMENT OF AGRICULTURE AND COMMERCE OFFICE



BUILDING KEY

01 Mississippi Coliseum	11 Corral (Multi-Use)	20 Comfort Station
02 Trademart	12 Livestock Barn	21 MS Street Armory
03 Multi-Purpose	13 Livestock Barn	22 Midway Comfort Station
04 Horse Barn	14 Judging Arena	23 HorseBarn (Steel Bldg)
06 Children's Barnyard	15 Livestock Barn (Dairy)	24 MDAC Main Office
07 Hog Barn	16 Livestock Barn (Milk Parlor & Dairy)	25 Kirk Fordice Equine Center
08 Sheep Barn	17 Cane Mill	26 Maintenance Dept.
09 Horse Barn	18 Agriculture Building	27 Campground
10 Horse Barn	19 Industrial Building	28 Propane Tank
		29 M & D Barn

SOURCE: Mississippi Fair Commission Website.

- *Trade Mart*: Constructed in 1975, the Trade Mart is a 67,140 square-foot multi-purpose facility that can be utilized as a large exhibit hall for trade shows, banquets, conventions, and special events. The west bay of the Trade Mart can be divided into eleven separate meeting rooms, while the main convention hall can be divided into two separate meeting halls. Promoters have used the Trade Mart for dinners; banquets; dances; gun, clothing and antique shows; trade shows; and, conferences.
- *Kirk Fordice Equine Center*: Constructed in 1996, the Equine Center is an open air, temperature controlled arena with a 260' by 120' dirt floor and chair-back seating for 2,500 spectators. Promoters have used the Equine Center for an array of horse events, with the facility also occasionally being used for rodeos, motocross, and archery events.
- *Agricultural Building*: Constructed in 1957, the Agricultural Building is a 19,502 square-foot facility. The Agricultural Building has heating and fans but no air conditioning. The building has an open floor space arrangement that may accommodate temporary seating or exhibit displays. Promoters have used the Agricultural Building for dog training, bird, and motorcycle shows as well as antique and general merchandise sales shows.
- *Industrial Building*: Also constructed in 1957, the Industrial Building, located adjacent to the Agricultural Building, is identical in design and square footage to the Agricultural Building. The Industrial Building also has heating and fans but no air conditioning. During the past three fiscal years, promoters have used the Industrial Building to host an annual Christmas tree sale.

In addition to the facilities described above, the Mississippi Fair Commission utilizes the asphalt parking lot of the fairgrounds complex to generate revenue from events, primarily the midway for the annual State Fair and in recent years a crawfish boil and concert.

Revenue-Producing Capabilities

Although fees from promoters or organizations generate a portion of the Fair Commission's operational revenues, the majority of the facilities located on the Mississippi State Fairgrounds Complex have limited revenue-producing capability.

Fees from promoters or organizations generate a portion of the Fair Commission's operational revenues.

To generate a portion of its revenues for its operations, MFC requires promoters or organizations to pay fees to rent the commission's facilities, as shown in Exhibit 2, below.

Exhibit 2: Rental Rates for MFC Facilities

Facility	Rental Rate
Mississippi Coliseum	\$2,500/day or 12% of gross ticket sales, whichever is greater, after 3% entertainment taxes
Trade Mart	\$1,200/day for one bay; \$2,000/day for two bays; \$2,700/day for three bays
Kirk Fordice Equine Center	\$1,200/day
Agricultural Building	\$400/day
Industrial Building	\$400/day

SOURCE: Mississippi Fair Commission records.

In addition to the daily or event rental rates listed in Exhibit 2, MFC also charges other fees, such as those for chair, table, stage, sound, and equipment rental as well as for security services.

The Fair Commission also receives 32% of the total gross food and beverage concession sales from events held in its facilities. The concession contractor retains 58% of the total gross food and beverage concession sales. The concession contractor is then required to designate the remaining 10% of the total gross food and beverage concession sales to make capital improvements to the fairgrounds' food preparation areas, kitchens, and concessions areas. (The concession contractor must spend the entirety of the 10% for capital improvements every six months, with no monies being carried over to a later date.) The Fair Commission and the concession contractor split

equally the total gross sales of all novelty items. For catered meals, the Fair Commission receives 12% of the gross revenue while the contractor retains 88%.

The majority of the facilities located on the Mississippi State Fairgrounds Complex have limited revenue-producing capability.

With the exception of its five major facilities, the majority of the Fair Commission's facilities located on the Mississippi State Fairgrounds complex are support facilities. For example, the complex includes eleven barn facilities designed to hold hogs, sheep, horses, and livestock during events held on the complex. Because these facilities exist primarily to support events held on the complex, the Fair Commission has not established daily or event building rental fees for the facilities such as those charged for the major facilities. Therefore, their revenue-producing capability is limited.

The Fair Commission has established a \$10 per day fee for stalls located primarily in the horse barns. However, promoters are not always required to pay the stall fee because the Fair Commission may have waived such fees when the commission negotiated the contract for a particular event with a promoter. For some events that utilize the horse and livestock barns, the Fair Commission sells wood shavings and feed, for which the commission receives a percentage of the sales.

The Agricultural and Industrial buildings also have limited revenue-producing potential. These buildings are more than fifty years old and have no air conditioning. They can be marketed only to those events that basically just require an open space. To make the buildings financially viable, the commission would need to invest considerable resources to modernize them.

Chapter 2: How does the Mississippi Fair Commission currently utilize, market, and manage its assets to support its statutory mission?

While the Mississippi Fair Commission routinely hosts events that support its statutory mission, the majority of the revenue-producing events held on the fairgrounds complex do not directly support its statutory mission. The commission primarily relies on repeat business from promoters and its controls over contractual employees are insufficient to safeguard its revenues.

Utilization of Fairgrounds Facilities

Mission-Related Events¹

The four major events hosted by the Fair Commission advance its statutory mission and, in FY 2009, generated approximately sixty-six percent of its total annual revenues.

The Fair Commission presently hosts the following four major annual events² that support its legislatively mandated mission of agricultural and industrial development:

- *Mississippi State Fair:* The State Fair occurs annually in October and lasts twelve event-days.³ For FY 2009, the State Fair generated approximately \$2.7 million, or 49% of the Fair Commission's total revenue for the fiscal year. The State Fair includes agricultural and industrial demonstrations and livestock exhibitions and judging, as well as 4-H sponsored events and competition.
- *Dixie National Rodeo:* The Dixie National Rodeo occurs in late January and early February and lasts

¹ In this report, PEER refers to *mission-related* events as those events that directly relate to the MFC's mission as defined in MISS. CODE ANN. Section 69-5-1 (1972): "to promote agricultural and industrial development in Mississippi and to encourage the farmers to grow better livestock and agricultural products." PEER considers *non mission-related* events to be those do not bear directly on advancing the MFC's statutory mission. PEER does not intend this designation to imply that these events are necessarily inappropriate for the Fair Commission to host.

² PEER defines *major event* as any event that is large enough to prevent other events from occurring on the fairgrounds at the same time.

³PEER defines an *event-day* as a day on which an actual event occurs at the respective facility, exclusive of set-up days, if any.

thirty event-days. For FY 2009, the Dixie National Rodeo generated approximately \$961,000, or 17% of the Fair Commission's total revenue for the fiscal year. The Dixie National Rodeo also includes agricultural and industrial demonstrations and livestock exhibitions and judging, as well as 4-H sponsored events and competition.

- *National Barrel Horse Association Youth World:* The National Barrel Horse Association (NBHA) Youth World occurs in July and lasts ten event-days. The Fairgrounds Complex has hosted the NBHA event since 2000, with a one-year renewal option on the current contract. The national sponsors of the NBHA Youth World will competitively bid the event again in 2010.
- *Appaloosa Horse Club National and Youth World Championship Show:* The Appaloosa Horse Club National and Youth World Championship Show occurs in late June and early July and lasts fourteen event-days. In 2008, the Fair Commission commenced a three-year contract for this event with two one-year renewal options. A site selection committee for the national sponsoring organization will determine a site for future shows.

The Fair Commission also utilizes its facilities to host smaller-scale events that advance the Fair Commission's mission, most prevalent of which are the 4-H State Horse Show and the Mississippi High School Rodeo. Most other livestock-related events at the fairgrounds take place during the course of the State Fair and the Dixie National Rodeo. By sponsoring these types of events, the Fair Commission promotes development of Mississippi agriculture.

Opportunity: The Fair Commission could further advance the industrial aspect of its mission by seeking to host events supporting Mississippi industry, such as shipbuilding, defense contracting, furniture industry, and automotive manufacturing.

Non Mission-Related Events

The majority of events held on the fairgrounds complex during FY 2009 were revenue-producing events that did not directly support the Fair Commission's statutory mission, but provided revenues for the commission's operations.

As shown in Exhibit 3, page 12, 103 of 139 events (74%) held on the fairgrounds complex during FY 2009 were events that did not directly support the Fair Commission's statutory mission. However, they produced revenues for

the Fair Commission's operations. For example, the Coliseum and Trade Mart generated approximately \$186,630 and \$214,445, respectively, in rental fees during FY 2009. (Because the Fair Commission does not compile financial information by facility or cost center, it is not possible to calculate total revenues generated by the Coliseum or Trade Mart. See pages 26 through 29 for further discussion of this issue.)

The Equine Center, which primarily hosts horse shows, is the only major facility that hosts a majority of mission-related events.

Exhibit 3: Mission-Related Events Versus Non Mission-Related Events at the Major MFC Facilities, FY 2009

Major Facilities	Mission-Related Events During FY 2009		Non Mission-Related Events During 2009		Total Number of Events
	Number	Percentage	Number	Percentage	
Mississippi Coliseum	3	8%	33	92%	36
Trade Mart	11	16%	57	84%	68
Kirk Fordice Equine Center	22	92%	2	8%	24
Agricultural Building	0	0%	6	100%	6
Industrial Building	0	0%	1	100%	1
General Grounds (Parking Lot)	0	0%	4	100%	4
Total	36¹	26%¹	103	74%	139¹

¹These totals do not include the four major events, all four of which are mission-related. Major events are defined as any event that is large enough to prevent other events from occurring on the fairgrounds at the same time. The four major events are the State Fair, the Dixie National Rodeo, the National Barrel Horse Association (NBHA) Youth World, and the Appaloosa Horse Club (APHC) Nationals and Youth World Championship Show.

SOURCE: Mississippi Fair Commission's Events Management Database.

Marketing of Fairgrounds Facilities

The Mississippi Fair Commission's current marketing strategy primarily relies on repeat business from promoters and sponsors.

Presently, the Fair Commission does not have a formal marketing plan (see page 24) or a designated marketing director (see page 25) to promote its facilities or events. The commission primarily relies on its Deputy Director to book events for the fairgrounds complex and its website to

provide information to potential promoters and sponsors (see page 30). In addition to its website, the commission provides information to promoters and sponsors through a marketing packet. However, the packet contains out-of-date information because it does not provide a description or floor plan of the Equine Center. The marketing packet also does not include information on rental rates or potential configurations for the commission's various facilities.

According to Fair Commission staff, the commission's basic approach to marketing is that the "fairgrounds sells itself." This approach leads to a heavy reliance on promoters and sponsors contacting the Fair Commission to book events instead of the commission aggressively targeting events and promoters that will be financially beneficial or mission-related. As a result, a significant number of events held in the Fair Commission facilities are "repeat" business.

Utilizing the Fair Commission's Events Management Database for FY 2007 to FY 2009, PEER reviewed the Fair Commission's major facilities and major events to determine the number of repeat events. As illustrated in Exhibit 4, page 14, at least 65% of the commission's 206 events during the period were repeat business.

Management of Revenue-Producing Capabilities

Because the Fair Commission lacks adequate controls over contractual employees who collect revenues for commission events, the Fair Commission's ability to ensure that all revenues are collected is inhibited.

PEER reviewed the commission's financial management system relating to internal operations such as purchase requisitions, purchase orders, professional service contracts, and bank statements. PEER found that the commission's internal controls are designed to ensure proper segregation of duties and define roles and responsibilities of the commission's staff. However, PEER has concerns regarding controls for the oversight of contractual employees who collect revenue from commission events.

The Fair Commission hires contractual employees to collect revenue from events such as the State Fair and Dixie National Rodeo. These contractual employees also collect fees from recreational vehicle parking and camping in connection with other events. The contractual employees are responsible for collecting, processing, and reporting revenue to the Fair Commission without direct supervision from the commission employees. Although PEER is not implying current or past contractual

Exhibit 4: Event Repetition for the Major MFC Facilities, FY 2007 to FY 2009

Major Facilities	Number of Distinct Events Held Between FY 2007 and FY 2009	Number of Distinct Events that Occurred During Multiple Fiscal Years	Repeat Events as a Percentage of All Distinct Events
Mississippi Coliseum	62	32	52%
Trade Mart	94	68	72%
Kirk Fordice Equine Center	32	22	69%
Agricultural Building	10	7	70%
Industrial Building	1	1	100%
General Grounds (Parking Lot)	7	4	57%
Total	206 ¹	134 ¹	65% ¹

¹These totals do not include the four major events, all four of which occurred during multiple fiscal years. Major events are defined as any event that is large enough to prevent other events from occurring on the fairgrounds at the same time. The four major events are the State Fair, the Dixie National Rodeo, the National Barrel Horse Association (NBHA) Youth World, and the Appaloosa Horse Club (APHC) Nationals and Youth World Championship Show.

NOTE: A *distinct event* is defined as any event that occurred in at least one of the following fiscal years: FY 2007, FY 2008, and FY 2009. For example, the Mississippi High School Athletic Association (MHSAA) State Basketball Tournament occurred during all three years, but is only listed as one distinct event.

SOURCE: Mississippi Fair Commission's Events Management Database.

employees have committed any fraudulent acts, the commission's current procedures could allow fraudulent acts to occur without detection.

Because admission receipts from the State Fair represent the commission's largest single source of revenue (approximately \$2.7 million in FY 2009), PEER examined these procedures and will use them as an example to illustrate the need for additional controls over revenue collected by contractual employees.

For the 2008 State Fair, the commission employed eighteen contractual workers to collect and process parking and admission fees. The eighteen workers were categorized as follows:

- one overall gate manager;
- ten individual gate supervisors;
- one accounting room supervisor; and,
- six accounting room workers.

Each gate supervisor is responsible for overseeing admissions at a single gate during the twelve days of the State Fair. The accounting room issues tickets to gate supervisors to sell admission to the State Fair. Gate supervisors are responsible for managing gate crew volunteers from civic organizations and overseeing the sale of admission tickets.

Receipts from all gates are sent to a secured accounting room where workers reconcile money received from each gate to the number of tickets issued to the gate. Each day during the State Fair, the accounting room issues a report to the Fair Commission that recaps the daily admission figures and revenue, overage or shortages from ticket sales, and a comparison to the previous year's totals on the same day of the fair.

All of the above functions occur without any direct supervision from or the presence of any Fair Commission employee. PEER notes that although contractual employees operate under self-imposed controls regarding the distribution of tickets and the collection and counting of ticket sales, these controls result from a historical sense of performing tasks the same way each year rather than a formal set of internal controls. In fact, the commission does not have written policies and procedures for the distribution of tickets, collection of revenue, or accounting for the revenue from State Fair ticket sales.

The Fair Commission also has not implemented other safeguards such as proper bonding of the contractual employees who handle these ticket sales. The accounting room manager is bonded for only \$25,000, which is an amount too low considering the amount of revenue generated by State Fair ticket sales. The Fair Commission also does not require other contractual workers involved with the State Fair ticket sales to be bonded. Although this example is for the State Fair, the same principles and concepts for proper oversight by the commission's employees should apply to all revenue-generating sources.

Opportunity: A set of formal, written policies and procedures for the collection of revenue from all sources and an appropriate level of involvement and supervision from the Fair Commission's employees should be an integral part of an internal control system designed to ensure that all revenue due to the commission is collected and reported.

Chapter 3: Are the Mississippi Fair Commission's assets being underutilized?

For fiscal years 2007 through 2009, the Fair Commission had event-days on which the commission's facilities were not in use--i. e., residual capacity--and additional events could have been scheduled. When filling its residual capacity, the Fair Commission should endeavor to schedule events with the highest profitability potential.

Utilization Rates for Facilities

Because the Fair Commission's major revenue-producing facilities were booked for approximately half of the available event-days during fiscal years 2007 through 2009, the commission had the capacity to schedule additional events and produce revenues.

For it to be financially viable, the Fair Commission must utilize its major assets to generate revenues. Because these facilities generate revenues by charging promoters and event leaders rental fees for the right to host events at these facilities, the more days the Fair Commission books events at each of its facilities, the more the commission generates in rental revenues (in addition to other revenue opportunities such as concessions sales and camping fees).

PEER reviewed the events held in the Fair Commission's facilities during fiscal years 2007 through 2009 to determine the facilities' utilization rates. Specifically, PEER analyzed the number of event-days during which each of the commission's revenue-producing facilities were booked by promoters or event sponsors during a fiscal year--i. e., 365 calendar days. Exhibit 5, page 18, provides the utilization rates of the commission's revenue-producing facilities during fiscal years 2007 through 2009.

As shown in Exhibit 5, utilization rates for the commission's major revenue-producing facilities vary, with the Trade Mart having been booked for approximately half of available event days and the Coliseum and Equine Center having been booked slightly less than half of the available event days.

While PEER knows of no specific criteria regarding facility utilization (because venues have different markets and product mixes), experts in facility management state that 90% or higher utilization of facilities in municipalities,

Exhibit 5: Utilization Rates for the Fair Commission’s Revenue-Producing Facilities, FY 2007 to FY 2009

Facility	FY 2007		FY 2008		FY 2009	
	Event-Days	Utilization Rate	Event-Days	Utilization Rate	Event-Days	Utilization Rate
<i>Major Revenue-Producing Facilities</i>						
Mississippi Coliseum	129	35%	134	37%	146	40%
Trade Mart	184	50%	189	52%	193	53%
Kirk Fordice Equine Center	112	31%	170	47%	167	46%
Subtotal	425	39%	493	43%	506	46%
<i>Other Revenue-Producing Facilities</i>						
Agricultural Building	64	18%	81	22%	77	21%
Industrial Building	74	20%	96	26%	91	25%
General Grounds (Parking Lot)	59	16%	72	20%	73	20%
Subtotal	197	18%	249	23%	241	22%

NOTES:

- PEER defines an *event-day* as a day on which an actual event occurs at the respective facility, exclusive of set-up days, if any.
- For FY 2008 and FY 2009, for each of the facilities listed in the exhibit, PEER included total event days associated with the State Fair (twelve event-days); Dixie National Rodeo (thirty-one event-days); the NBHA Youth World (ten event-days), and the APHC Nationals and Youth World Championship Show (fourteen event-days), since these events involve the entire fairground complex and prevent the Fair Commission from hosting other events during those days. FY 2007 does not include fourteen event-days for the APHC Nationals and Youth World Championship Show because the event was not held at the fairgrounds during FY 2007.

SOURCE: Mississippi Fair Commission records.

particularly in rural areas, would be considered a high rate of use. Such a utilization rate could be difficult to achieve because residual event-days could be in short time configurations or less desirable days for promoters or sponsors—e. g., Sundays, late Saturday nights. Other facility management experts suggest that a facility utilization rate of approximately 200 annual event-days would be a reasonable goal for facility managers to achieve.

Despite the lack of firm utilization rate criteria, Exhibit 5, page 18, shows that the Fair Commission has residual capacity that could be used to book events. As a result, the commission is not currently maximizing the potential rental value of its facilities.

Profitability of the Events Booked

When attempting to book events to fill its residual event-day capacity, the Fair Commission would benefit by booking events with the highest profitability potential.

As stated previously in this report, the Fair Commission has a responsibility to host events that meet its statutory mission while generating sufficient revenues to fund its day-to-day operations. Given that many events associated with the commission's statutory mission—i. e., agricultural and industrial development—have limited revenue-producing capability, it is important that the commission book events that have the highest potential to generate revenues.

Opportunity: While the utilization rate only takes into account the ability of the Fair Commission to host events at each of its facilities on a 365-day basis, an event maximization formula takes into account that all events are not created equal. Because the operating profit (revenues minus expenses) for one event could be higher than another event, the goal of the Fair Commission should be to maximize its operating profit per event by targeting its marketing efforts toward recruiting more profitable events to replace the less profitable events, thus increasing the Fair Commission's operating profit per event.

However, as previously discussed on pages 12 and 13, the Fair Commission has relied heavily on repeat events instead of continually pursuing potentially more profitable events. Also, as discussed later on pages 26 through 29, the Fair Commission's accounting system is not structured to track revenues and expenses by cost center, thus making it difficult to determine the profitability of each cost center. Also, while the Fair Commission keeps track of revenues by individual event, it does not track expenses by individual event nor does it develop the operating profit by day for a particular event.

If the Fair Commission tracked operating profit per event, per event-day for each facility, the commission could develop marketing strategies to pursue aggressively those events with higher operating profits per event day to replace less successful events. However, because the Fair Commission does not track operating profit in this way, it is difficult to determine whether the MFC is maximizing its facilities.

Chapter 4: What actions could the Mississippi Fair Commission take to increase utilization and maximization of its assets?

PEER determined four key actions the Fair Commission could take to increase utilization and maximization of its assets:

- develop a comprehensive strategic plan;
- develop a marketing plan and designate a marketing director;
- improve the quality of its financial information; and,
- consider additional revenue-producing opportunities.

Develop a Comprehensive Strategic Plan

The Mississippi Fair Commission complies with state law by including a strategic plan as part of its annual budget request. However, the commission's strategic plan should address the short-term operational and long-term strategic issues in a comprehensive manner.

Fair Commission's Strategic Planning Process

The Fair Commission has complied with the statutory requirements for a five-year strategic plan.

MISS. CODE ANN. Section 27-103-129 (1972) requires that annual budget requests to the Legislature include a five-year strategic plan with the following:

- a comprehensive mission statement;
- performance effectiveness objectives for each program of the agency for each of the five years covered by the plan;
- a description of significant external factors which may affect the projected levels of performance;
- a description of the agency's internal management system utilized to evaluate its performance achievements in relationship to the targeted performance levels; and,
- an evaluation by the agency of the agency's performance achievements in relationship to the targeted performance levels for the two preceding

fiscal years for which accounting records have been finalized.

As required by state law, the Fair Commission prepares a five-year plan for submission with its annual budget request. With the exception of an evaluation of the agency's performance achievements for the two preceding fiscal years, the commission's current strategic plan complies with statutory requirements. The primary focus of the commission's strategic plan is the construction, renovation, or expansion of facilities, such as horse barns, exhibit buildings, maintenance shops, high-rise parking, and lighting. The plan also highlights the need for additional revenue to support the commission's events and activities.

Why a Comprehensive Strategic Plan?

A comprehensive strategic planning model incorporates short-term, mid-range, and long-term goals; a plan for rational allocation of available resources; and a clearly defined system for monitoring agency progress.

Generally, strategic planning should define a set of priorities that allows for the plan to be adjusted according to changing needs and resources. A comprehensive strategic plan should be flexible and responsive enough to be adapted to unexpected crises, new opportunities, or changes in available resources. The plan should outline a clear process to reach the agency's goals, not just contain goals with no means proposed to achieve them. Goals included in the plan should be not only achievable but also measurable and time-sensitive. Ideally, it would have short-term, mid-range, and long-term outlooks with corresponding goals for each.

An agency's planning process should be a key element in keeping management in touch with the agency's overall strengths, weaknesses, opportunities, and threats, not only at the program level, but also with regard to its position regarding its overall responsibilities. Keeping these strategic elements in mind, agency officials would have the basis for developing a set of priorities across the universe of agency responsibility. By thinking and planning strategically, decision makers would be in a position to establish program goals that, while measurable and time sensitive, would be flexible enough to adapt to the unforeseen. The ultimate goal for an agency's strategic planning process would be a plan for the rational allocation of available resources and a clearly defined system for monitoring agency progress.

Many models of strategic planning have been proposed. Nearly all comprehensive strategic plans include some form of the following elements:

- the mission and vision of the entity;
- the entity's values (i. e., the principles, standards, or beliefs that the entity considers important and that represent it);
- a formal method of analyzing and monitoring the entity's internal and external environment;
- description of core competencies (i. e., organizational skills, processes, or systems that are vital to achieving the entity's mission);
- strategic goals and objectives for the entity;
- strategies with defined action/task plans for achieving the stated goals and objectives; and,
- critical success factors and performance indicators with which to measure achievement toward goals and objectives.

Appendix A, page 43, provides a handbook on the basic steps in the process of developing a comprehensive strategic plan.

How the Fair Commission's Strategic Plan Could Be Improved

Given Commissioner Spell's concerns, the Fair Commission's current strategic plan does not contain the additional elements and substance needed to address the commission's current and future operations.

As stated on page 1, Commissioner Lester Spell requested a PEER Committee review because of his concerns regarding the operations of the Mississippi Fair Commission. Specifically, Commissioner Spell noted that the environment in which the Fair Commission attempts to attract events has become more competitive and facilities that are newer and equipped with more advanced technology now exist in Jackson and in other parts of the state. Given Commissioner Spell's concerns, the Fair Commission's current strategic plan does not contain the elements and substance needed to address the commission's current and future operations.

Opportunity: To become a stronger tool, the Fair Commission should add the following elements of a formal, comprehensive plan to its current strategic plan:

- vision statement;
- statement of values;
- formal method of analyzing the internal and external environment (beyond a listing of applicable laws pertaining to the Fair Commission);
- defined goals and objectives with corresponding performance measures;
- identified critical success factors.

The Fair Commission could also add a stakeholder analysis, a market analysis, a product analysis, a human resource/management analysis, or a financial/feasibility/cost benefit analysis to improve its current strategic plan. (See Appendix A, page 43, for a discussion of these components.)

The following are examples of how the lack of a well-defined comprehensive strategic plan has affected the Fair Commission:

- While Fair Commission members and staff know intuitively that they operate in a competitive environment, they have not formally analyzed and monitored their internal and external environment. For example, the Fair Commission has not analyzed its environment to identify “competitors”—i. e., facilities that attract events that might possibly consider renting commission facilities. As a result, the Fair Commission has not designed objectives and strategies to compete effectively with those facilities.
- Because the commission’s current strategic plan has no defined objectives or strategies, the commission and staff have no action/task plans to guide their work in marketing facilities and procuring revenue-producing events. Instead, the Fair Commission must rely primarily on replying to periodic inquiries of promoters and relying on repeat business from promoters who routinely use Fair Commission facilities. As a result, the Fair Commission has not maximized the facilities’ revenue-producing capabilities by aggressively marketing its facilities, but instead by reacting to whatever events come to it.

Develop a Marketing Plan and Designate a Marketing Director

The Fair Commission should develop a marketing plan to maximize its facilities' revenue-producing capabilities and designate a staff member as marketing director to market these facilities and attract community and corporate involvement.

Why a Marketing Plan?

Because the Fair Commission is a 100% special fund agency and must produce sufficient revenue to fund its operations, the commission should develop a marketing plan.

According to *Marketing in the Public Sector, a Roadmap for Improved Performance* by Philip Kotler and Nancy Lee,⁴ one of the fields that has been most overlooked and misunderstood by public sector personnel is marketing. The authors contend that marketing's central concern is producing outcomes that the target market values. Public agencies can benefit from bringing a more conscious marketing approach and mindset to their mission, problem solving, and outcomes.

Opportunity: Because the Mississippi Fair Commission is a 100% special fund agency and must generate sufficient revenue to remain financially viable while carrying out its mission, the Fair Commission should develop a marketing plan to maximize the revenue-producing capabilities of its facilities. Such a plan should be based on the Fair Commission's mission, product mix, consumer demand, entertainment and event suppliers, and competition base.

Kotler and Lee contend that the development of a marketing plan requires a systematic process that "begins with analyzing the current situation and environment, moves on to establishing marketing objectives and goals, identifying target audiences, determining a desired positioning, and designing a marketing strategy mix, and then wraps up with developing evaluation, budget, and implementation plans." Appendix B, page 57, outlines the components of a typical marketing plan.

The authors state that development of a formal marketing plan can result in the following benefits by:

- assisting the public entity in meeting its performance goals--e. g., increasing revenues from certain activities;
- allowing staff of the public entity as well as the general public to realize that the activities included in the marketing plan are based on strategic thinking;

⁴Kotler, Philip and Nancy Lee, *Marketing in the Public Sector* (New Jersey: Wharton School Publishing, 2007), 282.

- allowing staff of the public entity as well as the general public to understand why specific target audiences were selected and how such selections represent an efficient and effective use of resources;
- illustrating how anticipated costs could produce a positive return on investment; and,
- allowing staff of the public entity to understand that marketing is more than advertising.

Other similar facilities located in Mississippi, such as the BancorpSouth Arena in Tupelo, have developed and adhered to marketing plans that have allowed them to succeed in attracting revenue-producing events on a regular basis. The commission's efforts to develop a marketing plan would be impacted by the availability of financial and profitability information (see pages 26 through 29).

Why a Marketing Director?

The Fair Commission should designate a staff member to serve as its marketing director to market commission facilities and attract community and corporate involvement.

Presently, the Fair Commission lacks a single staff member designated to function as a marketing director to market its facilities and attract community and corporate involvement. Instead, the Fair Commission relies on its Deputy Director to serve as its booking agent for events (among his other responsibilities, such as managing facility supervisors and serving as the emergency management coordinator, safety/loss control officer, and security coordinator) while assigning responsibility for recruiting vendors for the State Fair and Dixie National Rodeo to the commission's Business Services Director (among her other responsibilities, such as performing all accounts receivable, payroll, and personnel functions for the commission). As a result, the basic marketing strategy of the Fair Commission and its staff has been that "the fairground sells itself." While this approach may have sufficed in earlier years, this strategy would most likely not succeed in the future due to increased competition from other facilities and venues and changes in the entertainment industry.

Opportunity: For the Fair Commission to maximize its facilities and revenue options, the commission should market and sell the benefits of its facilities to promoters, corporate sponsors, and consumers. An effective marketing director could spearhead the effort to develop the marketing plan and perform the market analysis necessary to sell the Fair Commission facilities and the opportunities they provide. The commission should analyze the present responsibilities of its staff and determine how such responsibilities could be re-allocated among the staff so that one person could work full-time marketing the commission's facilities. For the future, the commission should consult with the State Personnel Board to ensure that the job position designated as marketing director includes the requisite knowledge, skills, and abilities to perform the job.

Improve the Quality of Financial Information

Although the Fair Commission maintains its accounting records in a manner that meets the requirements of the Statewide Automated Accounting System, in order to maximize the profitability of the commission's facilities and events, the commission should structure its records to capture additional revenue and expense information.

Although the Fair Commission maintains its financial records in the proper manner for recording information into the Statewide Automated Accounting System (SAAS), the commission's records lack sufficient detail to determine the profitability of its facilities and events and maximize such profitability.

The Fair Commission's operating income ranged from an operating profit of \$366,000 in FY 2006 to an operating loss of \$814,000 in FY 2008. However, the commission is unable to determine operating revenues and operating expenses by facility or event because it does not capture the financial details necessary to do so.

PEER originally intended to analyze the profitability of each of the Fair Commission's major facilities (Coliseum, Trade Mart, Equine Center) and major events (State Fair and Dixie National Rodeo) as a measure of the commission's effectiveness in managing the state's assets. However, the lack of detailed financial information by facility or event prevented PEER from performing such analysis (see the following subsection).

PEER chose an alternative analysis of reviewing the profitability of the Fair Commission as a whole by

reviewing the *Mississippi Comprehensive Annual Financial Report* (CAFR) for fiscal years 2004 through 2008. The CAFR is the official annual financial report of Mississippi state government and presents information such as balance sheets, statements of revenues, expenditures, and changes in fund balances. According to the CAFR, from FY 2004 to FY 2008, the Fair Commission had the following operating income or loss:

- \$30,000 operating profit in FY 2004;
- \$94,000 operating loss in FY 2005;
- \$366,000 operating profit in FY 2006;
- \$91,000 operating loss in FY 2007; and,
- \$814,000 operating loss in FY 2008.

The Fair Commission's operating expenses ranged from \$4,712,000 in FY 2005 to \$6,328,000 in FY 2008. The Fair Commission's operating revenues ranged from \$4,618,000 in FY 2005 to \$5,720,000 in FY 2007. However, the CAFR does not break down operating revenues and operating expenses by major venue or event. Although one can determine the overall profit or loss associated with the Fair Commission, the CAFR cannot be used to determine whether a particular venue or event is profitable.

Although they meet the requirements for the Statewide Automated Accounting System, the commission's accounting records do not provide detailed revenue and expense information by facility and event.

The Fair Commission maintains its accounting records in accordance with the requirements for the Statewide Automated Accounting System, which is the state's financial management system and includes both accounting and budgeting functions. However, the Fair Commission does not account for revenues and expenses by facility or major event in sufficient detail to provide the commission with necessary financial performance data to develop strategies to maximize each facility and event.

During the course of fieldwork and analysis, PEER attempted to develop revenue statements for major venues and events, but was unable to determine the actual revenue and expenditures associated with each venue or event. While the financial information for such analysis is present in the commission's records, the information is scattered and buried throughout the commission's financial system in the form of raw data (i. e., invoices, contracts, receipts). Without detailed financial information, it is not possible to determine whether one facility or event is subsidizing or being subsidized by other facilities and events. As a result, PEER could not determine the financial success of the facilities or events.

The commission uses a single revenue code to identify all revenue associated with the state fair. Revenue from the admissions, parking, vendor fees, concert ticket sales, and the contract with the midway entertainment vendor is recorded in the one revenue code instead of accounting for them separately by using sub-revenue codes. As a result, the commission is unable to determine accurately the original source of its revenue (admissions fees versus vendor fees) and the effect of decisions that would impact revenue, such as an increase in concert ticket prices or vendor fees.

The commission also uses a single revenue code to capture facility rental, equipment rental, concession revenue, and parking revenue from the Coliseum, Trade Mart, and Equine Center. Although, the commission knows the total amount of revenue generated, it cannot easily determine the amount of revenue generated by an individual facility or event. As a result, the commission cannot effectively gauge the effect of decisions impacting revenue-generating activities such as facility rental or equipment rental.

PEER notes that the Dixie National Rodeo has a unique budget with its own expense codes and four distinct revenue codes, which does provide a more detailed picture of revenue and expenses for that particular event. However, even revenue and expenses captured in a unique budget do not offer sufficient detail to measure the impact of decisions regarding sub-categories in budgetary revenue and codes. For example, the commission cannot determine how much revenue is received from stall rentals, which is a sub-category of one of the four distinct revenue codes, and would not be able to measure the impact of increasing stall rental fees.

The inability to measure the profitability of a facility or event impairs the commission's ability to leverage fully the profitability of the state's assets at the fairground complex. The use of sub-revenue and sub-expense codes would strengthen the commission's ability to measure the impact of decisions regarding revenues and expenses.

The Fair Commission staff could fully utilize the capabilities of the Statewide Automated Accounting System in order to provide adequate financial detail to allow the commission to manage the fairgrounds complex effectively.

Through the Statewide Automated Accounting System (SAAS), the Fair Commission could establish organizational codes for each of the major venues (cost centers) and major events (subsidiary ventures). Using SAAS, the Fair Commission could then review the revenue source code tables to determine the appropriate revenue source code for each of the major venues' or major events' revenue sources (e. g., concessions, ticket sales, facilities rental fees). If any additional revenue source codes are needed,

the Department of Finance and Administration's Office of Fiscal Management and Office of the Mississippi Management and Reporting System (MMRS) could assist the commission in establishing such codes.

Then, using SAAS, the Fair Commission could also establish sub-revenue source codes (where applicable) for each of the major venues' or major events' revenue sub-sources (for example, food sales versus beverage sales versus alcohol sales versus merchandise sales). If additional breakdown is needed, the Fair Commission could establish activity codes. Expenses by cost center (organizational code) could be handled in a similar manner.

Under this system, each cost center or subsidiary venture should have its own operating expenses and own operating revenues. As a result, each cost center or subsidiary venture should have its own financial statements detailing the respective cost center's or subsidiary venture's operating revenues and operating expenses and its respective bottom-line operating income or loss.

Opportunity: By fully utilizing the capabilities of the Statewide Automated Accounting System, the Fair Commission could determine the source of revenues, the disbursement of funds, and the profitability of venues and events. Such information would enhance the commission's ability to manage revenue and expenses, negotiate contracts, and seek new events because the commission would know what expenses it would incur and what revenues it would require in return. The DFA Office of Fiscal Management and MMRS could assist the Fair Commission with its efforts to utilize fully the capabilities of SAAS.

Consider Additional Revenue-Producing Opportunities

The Fair Commission could consider creative ways to produce additional revenue.

As part of the review, PEER determined the following potential revenue-producing options for the Fair Commission to consider:

- expand the use of its website as a marketing tool and revenue producer;
- produce additional revenue by allowing corporations and others to have naming rights to its facilities;
- recruit companies or groups to purchase hospitality tents during the State Fair;

- study the financial feasibility of allowing alcohol sales at additional events and clarify its policy regarding the conditions under which alcohol sales may be permitted; and,
- negotiate with public and other entities for financial support and develop partnerships for marketing and expertise.

The Mississippi Fair Commission could better utilize its website as a marketing tool and revenue producer.

Like most Mississippi state agencies, the Mississippi Fair Commission has created a website (www.msfair.net) to provide information to the public regarding its operations. The content of the commission's website presently consists of the following:

- list of upcoming events through August 2010 including the date of the event, name and facility location of the event, and contact information of the sponsor/promoter of the event;
- names of Mississippi Fair Commission members;
- brief description of the Fair Commission's booking policy;
- description of nineteen of the Fair Commission's twenty-seven facilities (excluding information about the Coliseum and Trade Mart facilities);
- map of the fairgrounds complex;
- listing of forms, guidelines, and applications for vendors who desire to participate in the State Fair;
- driving directions to the fairgrounds complex; and,
- website link to Ticketmaster, a vendor that sells tickets to events held at the fairgrounds complex.

Although the Fair Commission's website provides the public, promoters, and sponsors with basic information about the commission and its facilities, the website lacks utility as a marketing tool. For example, the present website does not provide promoters or sponsors with a description of the floor plan and potential configurations of the Coliseum and Trade Mart, the primary facilities offered for rental. Rather than analyzing information on the Fair Commission's website and being able to make an informed decision regarding the rental of the commission's facilities for an event, a promoter or sponsor would be required to contact commission staff directly and obtain additional information for making such a decision. The website also does not contain event photographs or virtual tours of Fair Commission facilities to allow promoters and sponsors to view the various physical aspects of the facilities.

With regard to marketing of events, the Fair Commission's website does not "announce" upcoming events, but simply adds events to its calendar as they are booked by promoters or sponsors. The website also has limited information about the purchase of tickets, only including a link to Ticketmaster, although tickets for most events may be purchased at the box office located on the fairgrounds complex. With regard to its revenue-producing potential, the Fair Commission's website does not include paid advertisements.

Unlike Tupelo's BancorpSouth Arena and other states such as North Carolina, the Fair Commission does not utilize its website or other internet-related media opportunities to connect to the public. For example, the BancorpSouth Arena has a photo gallery of past events and an interactive listing of upcoming events with links for further descriptions of the events as well as to purchase tickets. The BancorpSouth Arena website also has a seating chart. The "Venue Info" section includes pages for the BancorpSouth Arena's meeting facilities (including a link to potential caterers), technical specifications, history, and policies. The "Area Info" section includes pages for area overview, restaurants, the Tupelo Convention and Visitors Bureau, the City of Tupelo, and the Community Development Foundation (the local economic and community development organization for Tupelo/Lee County).

In terms of additional internet-related media opportunities, examples include the following:

- *BancorpSouth Arena*: The BancorpSouth Arena has a blog page written by the Director of the BancorpSouth Arena. The BancorpSouth Arena also has "Area Connection" for those interested to sign up and receive newsletters and other information about events at the BancorpSouth Arena. The BancorpSouth Arena also has a Facebook page with event photos, links, discussion topics, and a listing of upcoming events.
- *Mississippi Coast Coliseum*: The Mississippi Coast Coliseum utilizes Twitter, Facebook, and MySpace while also offering free membership to the Mississippi Coast Coliseum VIP Club, an e-mail list for delivering news and announcements, discount opportunities, and "first in line" opportunities to purchase tickets to events.
- *North Carolina State Fair*: The North Carolina Department of Agriculture and Consumer Services' North Carolina State Fair website has links to the North Carolina State Fair on YouTube, Twitter, Facebook, MySpace, Flickr, and the Deep Fried State Fair Blog.

- *Wisconsin State Fair*: The Wisconsin State Fair uses Facebook and Twitter as well as e-mail and text messaging alerts.

By not pursuing similar internet-related media opportunities such as Facebook, YouTube, and Twitter, the Fair Commission is forgoing additional, low-cost avenues for marketing the fairgrounds and the State Fair as well as other upcoming events and activities to the public and promoters.

From a revenue-producing standpoint, the Fair Commission's website, unlike many similar venues, does not include sponsorship advertisements. For example:

- *BancorpSouth Arena*: Tupelo's BancorpSouth Arena has a rotating advertiser icon displaying the logos of Coca-Cola, Lane Home Furnishings, Coldwell Banker, and The Mall at Barnes Crossing with active links to their respective sites.
- *Mississippi Coast Coliseum*: The Mississippi Coast Coliseum's website's homepage has logo links for Pepsi, Budweiser, BancorpSouth, MillerCoors, and Hard Rock Casino.
- *Florida State Fair Authority*: The Florida State Fair Authority, which operates under the direction of the Florida Department of Agriculture and Consumer Services, has advertisements on its website, such as Pepsi and Ford.
- *North Carolina State Fair*: The North Carolina Department of Agriculture and Consumer Services' North Carolina State Fair advertises its corporate sponsorship program on its website as well as the opportunities the North Carolina State Fair provides to companies to meet their marketing needs with year-round and/or event facilities.
- *Non-State Affiliated State Fairs*: Other non-state affiliated state fairs such as the Louisiana State Fair (Shreveport), the Tennessee State Fair (Nashville), and the Arkansas State Fair (Little Rock) have corporate advertisements on their websites as well.

By not selling corporate advertisements on its website, the Fair Commission is not pursuing a potential revenue source, which results in less money to invest back into facilities, entertainment, and other needs.

Opportunity: The Fair Commission should improve its website by providing sufficient information to allow promoters and sponsors to obtain basic information concerning the commission and its facilities. At a minimum, the website should include floor plans and potential configurations, event photographs or virtual tours, and announcements of upcoming events. To generate additional revenue, the commission should consider including paid advertisements on its website. The commission should also pursue internet-related media opportunities such as Facebook, YouTube, and Twitter to market its facilities and promote events and activities to the public and promoters.

The Mississippi Fair Commission could produce additional revenue by allowing corporations and others to have naming rights to its various facilities.

Unlike other entertainment events, the Fair Commission does not have corporate sponsors for its facilities. However, the State Fair and Dixie National Rodeo do receive corporate sponsorship revenue. The State Fair generated \$62,700 in 2006; \$37,000 in 2007; and \$29,000 in 2008 in additional sponsorship revenue. For the 2007 to 2009 Dixie National Rodeo, the producer, under the contract, guaranteed at least \$80,000 in sponsorship sales with no more than 15% of sponsorship sales going to the sponsorship salesman and the remainder being split equally between the Fair Commission and the promoter.

MISS. CODE ANN. Section 69-5-3 (6) (1972) allows “a commercial, charitable or governmental entity to use, publish and advertise such entity’s name in connection with the Mississippi Coliseum, the State Fair or the Dixie National Livestock Show and Rodeo in return for a monetary consideration paid to the commission.” Funds received from such entities are to be used for capital improvements to the fairgrounds, except for 15% of such funds, which are to be remitted to the Livestock Shows Fund. The section prohibits the commission from entering into agreements with vendors whose products are illegal for participation in or use by persons eighteen years of age and under.

The City of Tupelo-owned BancorpSouth Arena signed a \$250,000 per year, twelve-year agreement with BancorpSouth for the arena’s naming rights. \$250,000 is approximately 10% of the BancorpSouth Arena’s \$2.5 million annual budget. Other facilities have corporate sponsors such as Trustmark Park in Pearl, Mississippi; the Verizon Arena in Little Rock, Arkansas; the future TD

Ameritrade Park in Omaha, Nebraska; and the FedEx Forum and AutoZone Park in Memphis, Tennessee.

Opportunity: If the Fair Commission procured corporate sponsorship for its facilities, the value of the sponsorship would be based on what was included in the sponsorship package. This would be based on which facility or combination of facilities were being sponsored; whether these sponsorships included the State Fair or Dixie National Rodeo; whether these sponsorships included sales or service rights agreements; and, the amount and location of signage, among other factors and sponsorship package considerations.

The Fair Commission could recruit companies or groups to purchase hospitality tents during the State Fair to produce additional revenue.

In the past, the Fair Commission has recruited businesses-- e. g., Comcast and Budweiser--to sponsor certain entertainment events at the State Fair such as Circus Maximus and concerts on the Budweiser main stage. However, unlike other entertainment events such as professional golf tournaments and race events, the Fair Commission has not recruited businesses or organizations to purchase private hospitality tents for the purpose of entertaining business associates, clients, employees, and friends during the State Fair and other events held on the fairgrounds complex.

Corporate or organizational hospitality tents (such as the ones described at the Wisconsin State Fair or the U. S. Open below) provide the same amenities as a typical hospitality tent (typically food, beverages, entertainment, and comforts from the outside environment) but are sold to corporations or organizations for a set fee (plus catered food, beverage, and entertainment costs) instead of to individuals. Corporations or other organizations could then use these hospitality tents to market the corporation or organization to potential clients or the general public or entertain employees.

Examples of other entities that have utilized hospitality tents to generate additional revenue include the following:

- *Wisconsin State Fair.* The 2009 Wisconsin State Fair presented by U. S. Cellular was host to Saz's State Fair Hospitality Village. Saz's Hospitality Village offered businesses and organizations hospitality tent rental in one of two time slots. As part of the hospitality tent rental, the business or organization could order from a customizable catering package, received discounted admission tickets, grandstand entertainment ticket packages, and exclusive cocktail and full service beverage bars.

- *The U. S. Golf Association:* The U. S. Golf Association sold forty-three corporate hospitality tents to the 2009 U. S. Open at Bethpage State Park in New York. In 2002, when the U.S. Open was held previously at Bethpage State Park, seventy-eight companies purchased tents. For the 2009 U. S. Open, hospitality packages ranged from \$32,500 for a table for twelve inside a pavilion, to \$230,000 for a 40-foot-by-40-foot chalet, which included furnishings, air conditioning, and seating for eighty guests.
- *Watkins Glen Raceway:* Watkins Glen Raceway, home to IndyCar and NASCAR events, offered fans a \$50 per person ticket “to escape the sun in the shaded hospitality tent while they enjoyed an all-you-can-eat continental breakfast and a buffet-style picnic lunch while offering unlimited Pepsi products, Budweiser beer and Aquafina bottled water” throughout the day. The hospitality tent also included question and answer sessions with two of IndyCar’s top drivers.

Opportunity: Corporations or other organizations could pay the Fair Commission fees to provide hospitality tents during the State Fair. The corporations or organizations could then use these hospitality tents to market the corporation or organization to potential clients or the general public or entertain employees. This would be an additional opportunity to attract corporate and community involvement in the Mississippi State Fair while also providing an additional revenue source.

The Fair Commission could consider allowing the sale of alcohol during privately sponsored events for adult audiences in order to increase the potential for booking more events and producing additional revenue.

Although there are no statutory prohibitions against such, on July 1, 1999, the Mississippi Fair Commission adopted a policy statement that said, in part, that the commission has a long-standing policy of prohibiting sales of alcoholic beverages during events held within the Coliseum. The commission’s staff have stated that the Fair Commission had chosen not to allow sales of alcohol because of the commission’s desire to maintain a family atmosphere on the fairgrounds complex.

Despite the commission’s “long-standing policy,” on June 25, 2003, the Fair Commission adopted a policy stating that “alcohol cannot be sold on grounds unless it is a ticked [sic] event or by invitation only.” For many years, the commission’s practice had been to allow alcohol sales in two beer tents during the annual State Fair. Also, within the past four years, the commission has allowed a

promoter to sponsor a crawfish boil and concert on the fairgrounds complex, with the event being sponsored in part by a beer company and involving alcohol sales.

The conflict between the commission's 1999 and 2003 policies, as well as the commission's practice of allowing alcohol sales at selected events, has created a marketing dilemma for commission staff and event promoters. There is a lack of clarity as to what types of events at which the commission may allow such sales on the fairgrounds complex—i. e., both a concert and a family-oriented circus are ticketed events during which a promoter may possibly be allowed to sell alcohol. At a minimum, the commission must develop a rational strategy regarding alcohol sales and inform potential promoters as to the commission's position regarding such sales.

Promoters or sponsors interviewed by PEER reported that the Fair Commission's prohibition against alcohol sales has precluded them from booking events in commission facilities or obtaining financial support events for some events. For example, one promoter stated that it is difficult to attract concerts and other events contracted through Live Nation and AEG Live—two large national concert promotion companies—due primarily to the Fair Commission's prohibition of alcohol sales. The promoter gave an example of at least two country artists who recently chose not to perform in Fair Commission facilities, but scheduled concerts at a facility in Tupelo, Mississippi, which allows alcohol sales during events. Promoters also state that they are forgoing potential financial support for their events held in Fair Commission facilities due to the commission's prohibition against alcohol sales. Corporate sponsors such as beer companies will pay promoters an underwriting fee in exchange for title sponsorship and other branding opportunities, including signage. A promoter who recently sponsored an event in Fair Commission facilities stated that his event did not receive \$10,000 in financial support from a national beer company due to the commission's prohibition against alcohol sales. Also, a Mississippi organization recently petitioned the Fair Commission requesting permission to sell alcohol during its annual event at the Trade Mart so that the organization could receive financial support for the event from a Jackson-based beer distribution company.

In-state and out-of-state events similar to those of the Fair Commission allow alcohol sales during events at their facilities:

- Tupelo's BancorpSouth Arena permits alcohol sales.
- The Mississippi Coast Coliseum permits alcohol sales. The Director of the Mississippi Coast

Coliseum stated that “beer sales is one of the strongest bargaining chips [he has] with promoters.”

- The City of Memphis is permitting alcohol sales at Liberty Bowl Memorial Stadium for University of Memphis football games for the first time this year. The Liberty Bowl had originally only allowed beer sales at the Southern Heritage Classic and the AutoZone Liberty Bowl.
- The state-run Georgia National Fairgrounds has a liquor license but does not permit alcohol sales at state-hosted events such as the Georgia National Fair, the Georgia National Junior Livestock Show, or Georgia National Rodeo. However, private entities hosting events at the Georgia National Fairgrounds such as concert promoters are permitted to have alcohol sales, if they so choose to do so.
- The Tennessee State Fair, which is run by the City of Nashville, allows alcohol sales at grandstand events but does not allow alcohol to leave the grandstand area.
- The state-run Garrett Coliseum and Alabama Agricultural Center in Montgomery, Alabama, permits alcohol sales if the promoter chooses to have such. (The State of Alabama does not operate a state fair.)

While it would be difficult to estimate the financial benefit to be gained by the Fair Commission should the commission allow alcohol sales within its facilities, it is reasonable to assume that the commission could realize some financial benefit. For example, Tupelo’s BancorpSouth Arena had three concert events take place during the last twelve months that would not have taken place in Jackson strictly because of the Fair Commission’s ban on alcohol sales. Alone, these three Tupelo concert events generated a profit for the BancorpSouth Arena of approximately \$100,000 to \$150,000. The BancorpSouth Arena generates \$300,000 to \$400,000 annually in concessions sales with typically one-third coming from alcohol sales. A City of Memphis official said the sale of beer for the first time at University of Memphis home football games at the Liberty Bowl this season was projected to net the City of Memphis \$200,000 from six home football games.

Opportunity: Using existing resources, the Fair Commission should direct its staff to study the financial feasibility of allowing the sale of alcoholic beverages at additional events and activities at the fairgrounds complex. Should the commission choose to expand the list of events at which alcohol may be sold, such policy could limit sales to privately sponsored events designed to attract adult audiences—i. e., alcohol sales could be explicitly prohibited at family-oriented events. Regardless of whether the commission chooses to expand the list of events at which alcohol may be sold, the commission should clarify its policy regarding alcohol sales to ensure that the policy clearly states the conditions under which alcohol sales may or may not be permitted and document such in formal, written form.

The Fair Commission could partner with entities such as the Mississippi Development Authority, City of Jackson, Hinds County, the Jackson Convention and Tourism Bureau, or Jackson Chamber of Commerce for financial and marketing support of the commission's operations.

As stated on page 1, the Mississippi Fair Commission is a state agency responsible for generating its own revenues, which generally consist of funds generated by the State Fair and rental fees. Although the fairgrounds complex is located in the City of Jackson and Hinds County and those entities receive economic benefit from events held at the fairgrounds, primarily in the form of sales tax revenues, neither entity provides direct financial support to the commission. In contrast, the City of Tupelo provides \$275,000 annually to the BancorpSouth Arena, a city-owned facility, for its operations. This contribution represents approximately 10% of the arena's total annual revenue. City officials in Tupelo justify the investment in the arena based on their belief that the city generates revenues for the city from sales tax collections and property taxes from the businesses created, in part, due to the existence of the BancorpSouth Arena.

With regard to the success of the Fair Commission in booking events and the financial needs of such events, two event sponsors stated that the financial incentives that they received for hosting events at commission facilities factored into their final selection decisions. Representatives of both the Appaloosa Horse Club National and Youth World Championship Show and the National Barrel Horse Association Youth World emphasized the importance of the overall financial package they are offered, which included rental rates as well as sponsorship packages from the Mississippi Development Authority (MDA) and the Jackson Convention and Visitors Bureau (JCVB). Reportedly, contributions from the MDA and JCVB were strengths in landing the

horse shows for the Fair Commission. However, the lack of or reductions of such sponsorships, as well as competition from other host cities, may factor into future site selection decisions by the organizations. Representatives of the National Barrel Horse Association Youth World stated that its initial financial support from the Jackson Convention and Visitors Bureau was \$40,000 but has since been reduced to \$25,000 within the recent past and could possibly be reduced further in the future as the bureau focuses on recruiting other events to Jackson.

Opportunity: To strengthen its financial position, the Fair Commission, working through its members representing the Mississippi Development Authority and City of Jackson, could negotiate with the state, the city, and county to receive direct financial support from those entities for commission operations.

Opportunity: The Fair Commission could also establish mutually beneficial partnerships with applicable governmental entities (the Mississippi Development Authority, City of Jackson, and Hinds County) or local economic development and tourism entities (the Jackson Convention and Tourism Bureau and the Jackson Chamber of Commerce) for marketing support of the commission's operations.

Examples of potential partnerships for marketing and expertise include:

- *Mississippi Development Authority:* While funding limitations might prevent the Mississippi Development Authority from offering financial support to the Fair Commission in terms of underwriting events, the Mississippi Development Authority could provide the Fair Commission with consulting advice and assistance from a marketing and tourism perspective. The Fair Commission could also request assistance from the Mississippi Development Authority in recruiting national events (e. g., Appaloosa Horse Club National and Youth World Championship Show and the National Barrel Horse Association Youth World), and in years when funding is available, underwriting sponsorships.
- *Jackson Convention and Visitors Bureau:* The Fair Commission should market itself to the Jackson Convention and Visitors Bureau. The Fair Commission not only provides one of the major sources of entertainment to the people of the Jackson metropolitan area, the Fair Commission also brings in trade shows, multi-week horse shows, and conferences that bring the Jackson and the metro area increased hotel revenue, fuel sales, and restaurant sales. In return, the Jackson Convention and Visitors Bureau

could assist the Fair Commission by providing underwriting fees to bring major national events to Jackson and the Fair Commission--fees the metro area and Jackson would make up from the increased business generated by these events.

- *Downtown Partners:* The Fair Commission could work with the Downtown Jackson Partners to promote restaurants, hotels, and other events going on in downtown Jackson. For example, the Fair Commission and the Downtown Jackson Partners could work with local downtown restaurants to develop dinner and entertainment packages.

Opportunities for the Future

Since construction of the coliseum facility in 1962, the Fair Commission has endeavored to use the facility, as well as others constructed since that time, to fulfill its statutory mission of promoting agricultural and industrial development. Historically, the commission has been faced with the challenge of hosting and promoting events that advance its statutory mission while scheduling non-mission-related events to generate much-needed revenues for commission operations.

As stated in the introduction of this report, Commissioner Lester Spell recognizes that the Fair Commission operates in an ever-changing competitive environment that requires the commission and its staff to re-examine its approach to marketing and maximizing the use of commission facilities. This report illustrates that the commission has facilities that, while not as modern or technologically advanced as some other in-state and out-of-state facilities, have the potential to be utilized more frequently than they are at present. Also, the commission has opportunities to market its facilities more aggressively in an effort to maximize its profitability potential.

To help the Fair Commission in achieving its goals, this report provides a strategy for the Fair Commission's future that includes suggestions in five broad categories:

- schedule additional events to advance its mission;
- improve internal controls;
- improve data collection for asset utilization;
- increase utilization and maximization of assets; and,
- create additional revenue-producing opportunities.

Exhibit 6, page 42, recaps the opportunities within this suggested strategy.

Exhibit 6: Suggested Strategy for the Future of the Fair Commission

Actions the Fair Commission Could Take to Advance Its Mission

- Incorporate events representing additional segments of Mississippi industry (e.g., the shipbuilding or defense contracting industries) (see page 11)

Actions the Fair Commission Could Take to Improve Its Internal Controls

- Develop formal, written policies and procedures for the collection of revenue from all sources (see page 16)

Actions the Fair Commission Could Take to Increase Utilization and Maximization of Its Assets:

- Explore marketing efforts to schedule events to reduce residual capacity of its facilities (see page 19)
- Develop a comprehensive strategic plan (see page 23)
- Develop a marketing plan (see page 24)
- Designate a marketing director to market the commission's facilities and attract community and corporate involvement (see page 26)
- Utilize fully the components of the Statewide Automated Accounting System (SAAS) in order to provide additional financial detail (see page 29)

Actions the Fair Commission Could Take to Create Additional Revenue-Producing Opportunities

- Develop the website as a marketing tool and revenue producer (see page 33)
- Pursue corporations to sponsor the commission's facilities (e. g., naming rights) (see page 34)
- Recruit companies or organizations to purchase hospitality tents during the State Fair (see page 35)
- Study the financial feasibility of allowing alcohol sales at additional events and clarify the policy regarding the conditions under which alcohol sales may or may not be permitted (see page 38)
- Partner with entities such as the City of Jackson, Mississippi Development Authority, and the Jackson Convention and Tourism Bureau for financial and/or marketing support of the commission's operations (see page 39)

SOURCE: PEER analysis.

Appendix A: A Handbook on Strategic Planning

Strategic planning's purpose is to not only define who the agency is, but to also provide a road map guiding the agency toward its planned future. The goal of strategic planning is to integrate all aspects of the agency's activities into a mutually supportive system.

Strategic planning is important because it defines who the agency is, where the agency currently is, what the agency has to work with, where the agency is going, and how the agency is going to get where it plans on going, both in the short term and the long term.

Strategic planning could have a major impact on:

- the Fair Commission's decisions regarding facilities, especially in terms of making decisions regarding the need to renovate, repair, or demolish existing facilities and whether new facilities need to be built;
- the Fair Commission's ability to adapt to the ever-changing entertainment and promotional environment; and,
- the Fair Commission's ability to identify and define critical success measures.

What are Strategic Management and Strategic Planning?

Strategic management is applied by leaders to align an organization's direction with that organization's aims. Strategic planning, the major tool of strategic management, is where a firm develops long-term goals for itself and then develops an action plan designed to achieve those goals.

What is Strategic Management?

Strategic management is the ongoing process of ensuring a competitively superior fit between the organization and its ever-changing environment. Strategic management of public organizations often poses the "what" and "how" questions to managers. The "what" question concerns content. What does a strategy look like and how can organizational leaders use it to effect change in their organizations? The "how" question concerns the process. How can organizational leaders create a strategy that can then be used by their organizations? Leaders use strategic management to align an organization's direction with the organization's aims. This alignment takes place when needed changes in clients or customers, services, procedures, policies, and the like are devised and put into practice.

What is a Strategic Plan?

A strategic plan is a document that lays out an organization's vision, mission statement, critical success factors, core competencies, values, goals, strategies and actions for objectives (i. e., a means by which to achieve the organization's mission, vision, and goals), prioritized implementation schedule, and reliable measures in which to determine the success of the organization in achieving its goals.

However, to be able to develop a strategic plan, an organization must first determine who it is and what its purpose is. For example, the Fair Commission was created "in order to promote agricultural and industrial development in Mississippi and to encourage the farmers to grow better livestock and agricultural products." The Fair Commission is also tasked with operating the State Fair and the facilities located on the Mississippi State Fairgrounds Complex.

Why is Strategic Planning Important?

Why is strategic planning important? In *Management*, Robert Kreitner quotes then-Exxon Company U.S.A. Compensation Manager Douglas Gehrman on the following eight reasons for planning:

- increases chances of success by focusing on results, not activities;
- forces analytical thinking and evaluation of alternatives, thus improving decisions;
- establishes a framework for decisionmaking consistent with top management's objectives;
- orients people to action instead of reaction;
- modifies style from day-to-day managing to future-focused managing;
- helps avoid crisis management and provides decisionmaking flexibility;
- provides a basic for measuring organizational and individual performance; and,
- increases employee involvement and improves communication.

Core Concepts of Strategic Planning

For a strategic plan to be successful, the plan must cover the entire organization; the plan must have a time frame in which to measure success and progress; and the plan must have a defined mission and vision in which to establish the agency's purpose and standards for success.

A United, Consolidated Strategic Plan

The goal of strategic planning is to integrate all aspects of the agency's activities into a mutually supportive system. As a result, agencies should develop a single agency-wide strategic plan.

Since the state of Mississippi has no explicit guidelines for strategic planning efforts within the state beyond those issued by the Legislative Budget Office (see page 20), PEER reviewed multiple tools for developing a strategic planning manual. For overarching guidelines and best practices recommendations and analytical tools, PEER turned to the federal level's Office of Management and Budget (OMB) under the U. S. Executive Office of the President.

According to the Office of Management and Budget, "a strategic plan must cover the major functions and operations of the agency [it was created for]." The OMB also states that agencies "should submit a single agency-wide plan," although OMB does state that "an agency with widely disparate functions [is able] to prepare several strategic plans for its major components or programs."

Time Frame for Strategic Plans

Strategic planning over a specified period provides a road map for the agency's financial and building decisions, both short-term and long-term.

According to the Office Of Management and Budget, "a strategic plan [should] cover a minimum of six years," but could be for a longer period, especially if it contains a project completion goal that is ten years into the future.

The Foundation for Community Association Research cites John B. Cox's "Professional Practices in Association Management" in recommending that strategic plans cover "a three- to five-year period." The foundation also recommends that a strategic plan "be a living document that has a one-year drop off and a new year added so that [the strategic plan] always covers the same time period." This also would allow for goals that have been achieved to be removed from the plan, current goals to be updated as to their success or future growth, and new goals to be added. Subsequent changes in creation of objectives and

action plans should follow adjustments or additions of goals.

Mission and Vision

For an organization to be successful, it must know who it is and what its purpose is. An organization must also lay out an image of success in which to define and plan for its future.

To be able to develop a strategic plan, an organization must first determine who it is, what its purpose is, and where it wants to be in the future. Informally, answers to these questions combine to form the organization's mission and vision statements. Formally speaking, an organization's mission statement defines its social justification for existence and defines where the agency is going. An organization's vision statement then provides a shared mental image describing what the organization should look like once it has successfully implemented its strategies and achieved its potential. However, in order to develop strategies, an organization must fully understand the following:

- Who are they as an organization?
- What does the organization do?
- How does the organization currently do things?
- How does the organization stand within its external environment?
- What are the organization's internal strengths and weaknesses?
- What opportunities are available for the organization to pursue?
- What threats are there for the organization to minimize/avoid?
- What are the organization's options for moving forward?

To answer these questions, the organization must develop research to gather information about the above questions so that the organization can develop strategies to achieve its mission and vision based on the factors affecting the organization.

Research and Analysis

The research and analysis stage is the backbone of strategic planning. By completing the research and analysis stage, the organization will fully understand its internal workings, along with the external environmental factors that affect the organization. Armed with such information, the organization will be able to develop strategies capable of achieving the organization's mission and vision.

For an organization to develop a successful comprehensive strategic plan, it is vital that the organization learn about what it is and the factors affecting the organization. Most organizations are great at some things, average in other areas of the organization, and less than average in other parts of the organization. Through research and analysis, the organization will be able to define both the internal and external factors affecting the organization, as well as the organization's strengths and weaknesses. Nine types of analysis often used in strategic planning are:

- stakeholder analysis;
- environmental analysis (external and internal);
- market analysis;
- product analysis;
- service delivery structure analysis;
- organization systems and process analysis;
- human resource/management analysis;
- corporate governance analysis; and,
- financial/feasibility/cost benefit analysis.

Stakeholder Analysis

According to Bryson, an organization should complete at least the first few steps of a stakeholder analysis before developing a mission statement. A stakeholder is defined as "any person, group, or organization that can place a claim on an organization's attention, resources, or output or is affected by that output." According to Bryson, "attention to stakeholder concerns is crucial" because "the key to success for public and non-profit organizations is the satisfaction of key stakeholders."

The first few steps in a stakeholder analysis require the strategic planning team to identify who the organization's stakeholders are, what their criteria are for judging the organization's performance (i. e., what is their stake in the organization or its output), and how well the organization performs according to those criteria from the stakeholder

point of view. Once completed, a stakeholder analysis should “clarify whether the organization needs to have different missions and perhaps different strategies for different stakeholders and whether it should seek to have its mandates changed.”

Environmental Analysis

An organization should conduct an environmental analysis (scan and assessment) in order to consider conditions and trends in both the external and internal environments of the organization that may impact the future success of the organization. The results of the environmental analysis are then assessed to identify the opportunities and threats presented by factors in the external environment and the strengths and challenges presented by factors in the organization’s internal environment. The assessment of an organization’s strengths, weaknesses (challenges), opportunities, and threats is called a SWOT analysis.

External Environmental Analysis

Monitoring an organization’s external environment should identify all opportunities for and threats against the organization from outside the control of the organization. Opportunities and threats tend to pertain to the future rather than the present and can be discovered by monitoring a variety of demographic, political, economic, social, technological, educational, environmental, and physical environmental forces and trends. Attention to opportunities and threats, along with a stakeholder analysis, can be used to identify an organization’s critical success factors. “Success factors are the things an organization must do or the criteria it must meet in order to be successful in relating to its external environment.”

Internal Environmental Analysis

Monitoring an organization’s internal environment should identify all strengths and weaknesses inside the control of the organization. Strengths and weaknesses focus on the present organization and can be discovered by monitoring an organization’s resources (inputs), present strategy (process), and performance (outputs).

Market Analysis

The goal of a market analysis is to determine the attractiveness of a market and to understand its evolving opportunities and threats as they relate to the strengths and weaknesses of the firm. David A. Aaker (professor emeritus at the University of California at Berkeley’s Haas

School of Business) outlined the following dimensions of a market analysis:

- market size (current and future);
- market growth rate;
- market profitability;
- industry cost structure;
- distribution channels;
- market trends; and,
- key success factors.

Although the listed dimensions are primarily associated with business, these could also be applied in a governmental setting. In the case of the Mississippi Fair Commission, the following types of questions could be incorporated into a market analysis: What is the demographic market in which the Fair Commission exists and how does the demographic market affect the Fair Commission's ability to book events? What are the typical operating costs and revenues of various events and how do the Fair Commission's operating costs and revenues compare? Which entertainment markets are growing versus which markets are shrinking? How do any changes in the entertainment market affect the Fair Commission's product offerings and facility needs? How is success defined in the markets in which the Fair Commission competes?

Product Analysis

The purpose of a product analysis is to identify an organization's product's key strengths and weaknesses as they relate to market opportunities and threats defined during the environmental analysis section of the strategic plan. A product analysis would then provide for developing strategies to address each of the organization's product's strengths and weaknesses by building on product strengths and correcting/minimizing product weaknesses. Budgetary and fiscal constraints must be factored in.

Product analysis and planning should be considered across the following stages:

- current situation;
- key product and market issues;
- key strategies; and,
- performance measures and targets.

For the Mississippi Fair Commission, products come in the form of events, such as the Mississippi State Fair and the

Dixie National Rodeo, and facilities. Customer service is also a major aspect of an entertainment venue's product line. In terms of the general public, an entertainment venue must determine what forms of entertainment are currently available or may be available.

Service Delivery Structure Analysis

The purpose of the service delivery structure analysis segment of the strategic plan is to develop a plan for delivery of agency services. The service delivery structure analysis should provide a background to current activities and then identify and develop key strategies to address the strengths, weaknesses, and gaps in the agency's service capacities. Budgetary and fiscal constraints must be factored in. Key issues such as location, facility size, and staffing requirements are typically identified following an evaluation of key production and delivery performance drivers.

For the Mississippi Fair Commission, the service delivery structure analysis should determine whether the Fair Commission has sufficient personnel and facilities in place to be able to deliver both customer service and quality events.

Organization Systems and Process Analysis

The purpose of the organization systems and process analysis of the strategic plan is to develop strategies to address the key issues (strengths, weaknesses, and gaps) within the organization's systems and processes that drive organizational performance. Performance reviews to improve internal organization systems and processes typically include an assessment of the following areas: quality management, risk management, regulatory compliance, information management and security, financial management, employee performance and morale, stakeholder relationships, board and management performance, future planning and ongoing innovation, performance improvement across the organization (including performance indicators and targets), and management of the environmental and social impacts of the organization's operations.

One of the major stumbling blocks to measuring an organization's strengths and weaknesses is the lack of performance indicators and performance analysis capable of detecting and presenting problems both for the organization and its wide variety of stakeholders. "An absence of performance information may also create--or harden--major organizational conflicts" because "without performance criteria and information, there is no way to evaluate the relative effectiveness of alternative strategies,

resource allocations, organizational designs, and distribution of power.”

Human Resource/Management Analysis

Since the service delivery structure analysis segment of strategic planning should provide new service delivery projections and targets for the agency, current organizational structures and human resource capabilities may require improvement to meet increasing agency demands. The organizational and management analysis segment should include an analysis of the current situation and growth projections for the agency to identify key organizational and human resource issues that must be addressed if these growth projections are to be realized. Strategies with key performance measures and targets to address these key organizational and human resource issues should be developed. Areas to be addressed, both the current situation and the future, typically include:

- organizational chart;
- management team and their resumés;
- staffing requirements;
- job descriptions and work design for management and staff;
- performance standards, measurements, and feedback;
- management and staff training and development;
- recruitment and induction;
- encouraging innovation across the agency;
- providing leadership and building morale;
- occupational health and safety;
- industrial relations;
- wages; and,
- other relevant human resource issues.

Corporate Governance Analysis

Areas of corporate governance typically include agency structures, agency constitution, board of directors (size and composition), duties and responsibilities of the board, board performance, board advisors, and shareholder agreements.

Financial/Feasibility/Cost Benefit Analysis

The first purpose of the financial analysis segment of the strategic plan is to develop a set of financials for the duration of the plan based on the strategies and plans formulated in previous sections, calculated costs, and revenue projected. These financials should include cash flows, balance sheets, investment requirements, and key financial performance indicators and related performance targets.

Every organization, including the Fair Commission, has numerous strategies it wants to pursue, but not all of them are feasible and/or cost-effective considering we all operate in an environment with limited resources. As a result, before strategies should be pursued, an organization should conduct a feasibility analysis and a cost-benefit analysis for each proposed strategy/plan. A feasibility study is “an inquiry to determine what can be achieved given certain specified resources and constraints.” A cost-benefit analysis is a “branch of operations research that aids in evaluating the implications of alternative courses of action” (e. g., strategy, location choices, equipment choices, product choices). A cost-benefit analysis not only allows an organization to determine cost and projected benefit (both economic and social), but also to be able to assign priority to different strategic objectives based on the cost-benefit analysis combined with a short-term and long-term needs assessment.

The second purpose of the financial analysis segment of the strategic plan is to address the application of investment/grant funds by linking all prior planning and, at minimum, address the following:

- What will be the total investment requirement across the duration of this plan--when and how much?
- Which investors will be involved; how much will they provide and when will they provide it?
- How will the funds be used at each round of investment?
- What will the capital structure and ownership be after each round of investment?

Other Elements of a Strategic Plan

Other elements of a strategic plan include organizational values, critical success factors, core competencies, goals and objectives, strategies with defined action/task plans, and performance indicators.

Organizational Values (Culture)

As noted in this report, organizational values define the culture of each organization. These values are an organization's essential, lasting values that should not be compromised or short-changed for expediency, financial reasons, or for other values that have been identified as important, but would not be considered "essential" to providing service and client care.

Critical Success Factors

Critical success factors are the factors/conditions that must exist in order for an organization to achieve its goals. Critical success indicators (operational objectives) are measures, or gauges, of progress toward achieving desired levels of performance in terms of critical success factors.

Core Competencies

Core competencies are the organizational skills that are vital in achieving an organization's mission. Core competencies are a set of unique internal skills, processes, and systems that provide competitive advantage in the market. Three important criteria an organization could use in trying to identify core competencies are:

- Does the activity provide unique or valued potential access to the market?
- Does the activity add value to the real or perceived perspective of customer benefits?
- Is it difficult for competition to imitate the activity?

Goals and Objectives

The purpose of establishing strategic goals is to provide a clear and well-marked pathway for achieving the aim (purpose) of the strategic plan. To establish clear, concise, action-oriented goals, the goals should be specific, measurable, action-oriented, affordable, achievable, and time-bound. To ensure the strategic plan has a sharp focus, the number of key goals should be limited.

After each goal has been clearly formulated, a set of supporting objectives and strategies should be developed. Objectives define the best pathway for achieving each goal. Objectives should also meet the criteria listed above (e. g., specific, measurable).

Strategies with Defined Action/Task Plans

Strategies define the pathway for achieving each objective. According to Bryson, a strategy is defined “as a pattern of purposes, policies, programs, actions, decisions, or resource allocations that define what an organization is, what it does, and why it does it. Strategies can vary by level, by function, and by time frame.”

Bryson notes that an effective strategy must meet the following criteria. First, a strategy must be technically workable, politically acceptable to key stakeholders, and fit the organization’s philosophy and core values. Second, a strategy should be ethical, moral, and legal, and it should further the organizational pursuit of the common good. A strategy must address the strategic issue it was supposed to address. Strategies, as well, should meet the standards for goals and objectives listed above (e. g., specific, measurable).

The action/task plan then allocates people and resources to completing the tasks required for each strategy to be successful. Action plans should address the following questions: “What work is to be completed (actions steps), who is responsible for getting the work completed, how will the work be completed (operational details if necessary), when will the work be completed, what resources are needed, and how will success be measured.” Also, vital budget and resource considerations should be integrated into the overall strategic plan to ensure all planned actions are feasible.

Strategies with defined action/task plans are the outlined means to which an agency plans to achieve its goals and objectives and to a greater extent, the agency’s mission and vision of success. Strategies with defined action/task plans incorporate all the information a department learns about its agency through its different levels of analysis to be able to maximize the department’s core competencies, internal strengths, and external opportunities and minimize the department’s internal weakness and external threats.

Performance Indicators

Performance indicators with defined targets are meant to serve as a guideline to measure the success of agency strategies. Thus one of the major stumbling blocks to measuring an organization’s strengths and weaknesses is the lack of performance indicators and performance analysis capable of detecting and presenting problems both for the organization and its stakeholders. As noted in *Strategic Planning for Public and Nonprofit Organizations*, without performance criteria and

information, it is difficult for an organization to evaluate the relative effectiveness of alternative strategies, resource allocations, organizational designs, and distribution of power.

Checklist for an Effective Strategic Plan

The following checklist could be helpful in ensuring a useful strategic plan:

- Does the organization's strategic plan have a defined set of priorities that allows for the strategic plan to be adjusted according to changing needs and resources?
- Does the organization's strategic plan include goals that are not only achievable but also measurable and time-sensitive?
- Is the organization's strategic plan flexible and responsive enough to be able to adapt to unforeseen detours such as unexpected crisis, new opportunities, or changes in available resources?
- Does the organization's strategic plan focus on the most important things the agency is trying to accomplish by being simple and concise, yet thorough?
- Is everything in the organization's strategic plan not only capable of being accomplished but also needed to be accomplished?
- Does the organization's strategic plan outline a clear process to reach the agency's intended goals and does not just contain goals with no means to achieve them?
- Does the organization's strategic plan stay in the present by being reviewed and updated yearly, but still covers a longer time frame?
- Does the organization's strategic plan have a short-term, mid-range, and long-term outlook with corresponding goals for each?

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Appendix B: Core Components of a Successful Marketing Plan

To market the Fair Commission's facilities effectively in a competitive environment and to maximize the revenues generated, the commission should address the following components of a successful marketing plan.

1. Situation Analysis
 - Background information and plan purpose
 - SWOT Analysis: Strengths, Weaknesses, Opportunities, and Threats
 - Competition: Direct and Indirect
 - Past or similar efforts: activities, results, and lessons learned
2. Marketing Objectives and Goals
 - Objectives (e. g., increase in utilization of services, participation levels, product sales, behavior change, compliance levels, market share, customer satisfaction, customer loyalty)
 - Goals: Intended results that are quantifiable, measurable, and specific
3. Target Audience
 - Profile: demographics, geographics, behaviors, psychographics, size, readiness to buy
 - Perceived barriers and benefits to marketing objectives
4. Positioning
 - How you want the program or agency to be seen by target audiences
5. Marketing Mix: Strategies to Influence Target Audience
 - Product: physical goods, services, events, people, places, agency, ideas
 - Components: core, actual and augmented
 - Price: monetary costs (fees) plus the monetary and nonmonetary incentives and disincentives
 - Place: how, when, and where programs, products, and services can be accessed
 - Promotion: key messages, messengers, and communication channels
6. Evaluation Plan
 - Purpose and audience for evaluation
 - What will be measured: output, outcome, and impact measures
 - How they will be measured
 - When they will be measured
7. Budget
 - Costs for implementing marketing plan
 - Any anticipated incremental revenues or cost savings
8. Implementation Plan
 - Who will do what, when

SOURCE: Kotler, Philip and Nancy Lee, *Marketing in the Public Sector* (New Jersey: Wharton School Publishing, 2007), 282.



STATE OF MISSISSIPPI
DEPARTMENT OF AGRICULTURE AND COMMERCE
LESTER SPELL, JR., D.V.M.
COMMISSIONER

October 27, 2009

Dr. Max Arinder
Mississippi PEER Committee
501 N West St
Jackson, MS 39201-1020



Dear Max:

It has been my pleasure to work with your team of James Barber and Matthew Holmes in the review of the operations of the Mississippi Fair Commission (MFC). Their professional insight into MFC's operations is on-point and provides us not only with a much needed assessment of the operations at this time but provides us a road map to follow in maintaining and insuring the competitiveness of the Fair Commission as it carries out its responsibilities.

When I asked for your assistance in this endeavor earlier this year, I recognized that assets alone would be insufficient to addressing and growing future demand. Vision coupled with implementation of sound planning would be essential. Your team's report has not only confirmed that, but it has gone a step farther. By suggesting opportunities that too often can go unrecognized by those closest to the situation, the PEER Committee has made us more aware as to how we can continue to better serve the people of Mississippi.

You have suggested to us actions which we can take and are already taking, including the enhancement of our marketing efforts. You have suggested a framework for analyzing our present capacity relative to future opportunities. We take your report seriously and will endeavor to concretely implement your recommendations in every sense possible. I know that when your revisit the Mississippi Fairgrounds in the next few years, you will find that the Mississippi Fair Commission has taken your recommendations to heart.

Sincerely,

Lester Spell, Jr., D.V.M.
Commissioner of Agriculture and Commerce
Fair Commission Board Chairman

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