



UNITED STATES TRAVEL AND TOURISM ADVISORY BOARD

December 12, 2013

The Honorable Penny Pritzker
U.S. Department of Commerce
1401 Constitution Avenue, NW
Washington, DC 20230

Dear Secretary Pritzker:

On behalf of the United States Travel and Tourism Advisory Board, we are pleased to present recommendations from the Business Climate Subcommittee. Specifically, there is an opportunity for the Department of Commerce (Commerce) to support the Small Business Administration's (SBA) outreach to small businesses in the travel and tourism industry.

While there are many reasons to travel, including for work, or family visits; among the most compelling reasons is to experience sights, tastes, and sounds that we don't always encounter in our daily routine. Often we travel to experience something new. Something different. And while large businesses in the travel and tourism industry are certainly adept at providing exciting and varied experiences, it's also true that the many small businesses we encounter on our journeys provide extra flavor and character that is truly unique to a particular destination.

It's an exciting time for the travel & tourism industry. The creation of Brand USA, the National Travel and Tourism Strategy (Strategy), and the reinvigoration of the Tourism Policy council give hope to many in our industry that our best days lay ahead of us, and that we will in fact reach our goal of attracting 100 million visitors by 2021. But there is a potential that much of the exciting work in Washington can be disconnected from the many small businesses that comprise the travel and tourism industry.

The notion that we should "pay particular attention to the little guy" is not a novel one. In fact, it was already contemplated in the Strategy in Section 5, Strategy 3¹. And while SBA has been

¹Exhibit A - National Strategy V. Providing World-Class Customer Service and Visitor Experience; Strategy 3 Support Small Business in Travel and Tourism

tasked as the lead agency with respect to this component of the Strategy, we see an opportunity for Commerce to play an important supporting role, described below.

Recommendation: Create a priority within Commerce to support Section 5, Strategy 3 of the National Travel and Tourism Strategy to support small businesses in Travel and Tourism.

Specifically, the following actions are recommended:

- Share the institutional knowledge of the National Travel and Tourism Office with SBA, and include efforts to inform and educate on the types of small businesses that comprise the travel and tourism industry.
- Provide data to inform work around the Strategy in a meaningful way to guide initial and ongoing work in this area.
- Support, and lead when appropriate, the efforts of the SBA and small businesses, in the creation of quality two-way communication between small business, the SBA and other federal agencies to provide small business with the knowledge and assistance needed by small businesses to grow. Such two-way communication will ensure that small businesses get what they are looking for and the information and messages from Commerce and the SBA gets to small business – thus addressing the Strategy.
- Support the launch of a pilot program where Visit Florida as a major statewide Destination Marketing Organization (DMO) will enter into a Strategic Alliance Memorandum with the SBA relative to communication between the travel and tourism small businesses of Florida and the SBA. Upon the proven success of this effort – assist Visit Florida and the private sector in communicating the concept to all state DMOS – perhaps through DMAI.
 - SBA loan products, particularly micro loans, will be covered extensively in these communications
 - Vehicles used for communication will be all current Visit Florida and SBA methods of communication such as webinars, workshops, newsletters
 - Tourism industry experts should be added to SBA contingency of guest bloggers and Commerce should assist in identifying those experts.
- Collaborate and assist small business in the travel and tourism private sector and the SBA in the expansion of micro loans in the travel and tourism sector

- Identify key tourism markets that are likely to be able to act upon these loan opportunities, reap the benefits and create jobs.
- Support private sector and SBA in an effort to increase focus of existing intermediaries (lenders of micro loans) currently lending to travel and tourism industry.
- Increase number of intermediaries that loan to the travel and tourism industry by educating these intermediaries on the industry.
- Share data useful in this process – both in locating key tourism markets ripe for micro loan funds and in supporting the loan process of the small businesses engaged in the application process for a micro loan.

Small businesses in the travel and tourism industry face unique challenges. Managing seasonal workforces, staying current with trends from marketing to finances and maintaining access to capital while navigating peaks and valleys of customer volume tend to occupy much of the focus of the small business owner. Providing greater communication about, and more open access to the many great things happening inside the beltway around travel and tourism will go a long way to sustaining the rich and textured quality that small businesses add to destinations throughout these United States and quickly add much needed jobs across the Unites States from cities to farm towns and the roads in between.

Respectfully submitted,



Todd Davidson
Chair



Sam Gilliland
Vice-Chair



Greg Stubblefield
Business Climate Subcommittee Chair



Maryann Ferenc
Business Climate Subcommittee Vice-Chair

Exhibit A

V. Providing World-Class Customer Service and Visitor Experience

Goal: Provide a high-quality visitor experience for U.S. and international visitors to achieve high customer satisfaction and inspire repeat visits.

Strategy 3: Support Small Business in Travel and Tourism

Develop and coordinate a targeted approach at the Federal level to support small and medium-sized travel and tourism businesses.

Expand outreach and education. Use Federal websites, email and social media to educate small businesses on how they can prepare for, and make the most of, the upcoming tourist season.

Provide entrepreneurs with the information needed to start a travel and tourism business, including key business opportunities in in demand travel sectors, how to write a business plan, and information on how to access financing.

Widely distribute information on Federal programs, from counseling to CAPLines, a credit program designed to help businesses cope with seasonality.

Share content and seek options for deliberated, focused engagement with other Federal agencies and tourism promotion organizations, including Federal land and water managers and the American Indian Alaska Native Tourism Association (AIANTA).

Promote existing small businesses. Partner with travel and tourism associations to increase awareness of the small businesses in their communities and encourage tour operators to include stops at local, small businesses. Create co-marketing campaigns. Develop co-marketing campaigns with those businesses that are licensed to provide recreation and tourism services on Federal lands, waters, and shores.

Increase counseling and mentorship. Help small travel businesses gain the confidence to withstand seasonality and demand volatility so they can grow and hire. Develop a targeted plan to strengthen counseling opportunities for tourism small businesses through SBA's broad network of 1,000+ Small Business Development Centers (SBDCs) and Women Business Centers (WBCs). Utilize counselors and mentors to help build awareness of the tourism initiative in their respective locality.

Expand access to capital. Work with SBA's 5,000 lending partners and more than 190 small business investment companies (SBICs) to specifically target and outreach to travel and tourism small businesses so they understand the various traditional and patient capital options SBA partners offer.