

Organisation structure

The continual stream of great products and services from highly visionary companies stems from them being outstanding organizations, not the other way around.

Collins and Poras (1997, p. 31)

Aims

The aims of this chapter are to enhance understanding of:

- the variety in DMO legal entity
- public–private partnerships
- governance challenges.



Perspective

In terms of being organised for the quest of destination competitiveness, it is worthwhile considering whether good strategy emerges from an effective organisational structure, or whether the organisation should be structured to implement an innovative strategy. After all, it has been suggested that being organised will increasingly be the basis for gaining competitive advantage in the future. The management literature is divided on the issue on the relationship between structure and strategy. On one hand there is the view that strategy is paramount, and therefore structure, processes, and culture should be designed to enable it. On the other hand is the view that a value-oriented organisation is first required to underpin the development of an effective strategy. What is evident from an analysis of DMO evolution is a general shift in structure that has taken place, with DMOs generally moving from bureaucratic government departments to more entrepreneurial and accountable private-public partnerships (PPPs). Such PPPs represent a maturing in attitudes of both the public and private sectors.

DMO legal entity

Is structure the quintessential management tool? Alternatively, should structure be designed to enable a competitive strategy? Galbraith and Lawler (1993), for example, argued that organisational structure will be the basis for gaining competitive advantage in the future. This view suggests that as sustainable competitive advantage becomes increasingly difficult to achieve through unique strategies, it will be the well-structured organisations that will be the most effective in implementing new strategy. Treacy and Wiersema (1995) on the other hand argued that strategy is paramount, and should be based on excelling in one of three value propositions: (1) best total cost, (2) best product, or (3) best total solution. Structure, processes, and culture should be designed to enable continually improving superior value of the strategy. Porter (1996) also promoted the view that operational effectiveness is necessary but not sufficient, and argued that a serious problem is the failure to distinguish operational effectiveness from strategy. Tourism businesses need to cultivate organisational learning and in doing so align processes with customer expectations through effective feedback systems. Organisational creativity therefore represents an important resource-based advantage due to the difficulty in replicating. The challenge is clear:

The challenge for managers in the future will be to balance the need for efficiency and consistency with the need for constant innovation. Organisations will need to 'learn how to learn' (Gilbert, 1995, p. 350).

If constant innovation is necessary, organisations may need to create flexible structures. Market niches are becoming smaller, thus favouring flexible specialised companies:

Competitive advantage has, in recent years, tended to shift away from firms with large size and long experience toward firms with unique knowledge and swift response capabilities (Oviatt, 1995).

However, there has been little research into the relationships between organisation, strategy, and effectiveness of DMOs to guide destination marketers on effective organisation. Indeed there has been little published at all about the structure of NTOs (Choy, 1993; Morrison et al., 1995). What is apparent is that no universally accepted model for DMO structure currently exists. This is evidenced by the great variety in existence (Morrison et al., 1995, p. 606):

This variety is reflected in different organisational names (e.g. authorities, commissions, boards, tourist organisations, bureaux, tourist offices, corporations, departments, councils, ministries, etc.), relationships to national governments, budget levels, tourism policies, goals, objectives, responsibilities, and foreign office locations. It is clear that no typical 'model' for an NTO can be suggested because of the great diversity that there is in existing organisational types.

At the RTO level, different models exist in different countries. In some cases a system is imposed from the national or state level, such as in England and in Queensland, Australia. The incentive for regions to participate is usually access to government funding. In other cases, such as in Sweden (see Pearce, 1996a) and in New Zealand, regions are free to establish, or not establish, any RTO structure desired. Little or no direct financial support is available from central government, and RTOs will be at the mercy of their local government for funding. A hybrid of these approaches is also evident. For example, in Scotland the Area Tourist Boards are statutory bodies, coming under the control of the Scottish Tourism Board (Kerr & Wood, 2000). However, they do not receive statutory funding, relying instead on grants from the NTO and local government. Some RTOs have been based on a single country, such as in Sweden, while others have been based on macro-regions, such as in Wales.

In terms of geographic scale, the largest DMOs are those that have been established to market the tourism interests of a group of countries. In this regard there have been calls for increased cooperation between countries in many parts of the world, including for example: Scandinavia (Flagestad & Hope, 2001), central and eastern Europe (Davidson & Maitland, 1997; Hall,

1998), East Africa (Beirman, 2003b), and Australasia (Tourelle, 2003). In other areas, such collaboration has been formalized. Examples include:

- The Caribbean Tourism Organisation (CTO, see www.onecaribbean.org) is a cooperative approach to marketing the region's small island nations. Formed over 50 years ago, the CTO comprises 32 member governments.
- The European Travel Commission (ETC, see www.etc-europe-travel.org) is the Brussels-based headquarters for Europe's 37 NTOs. The roles of the ETC are to market Europe as a tourism destination, and to provide advice to member NTOs. A key aspect of the organisation's structure has been the formation of 'Operations Groups' of member NTOs in North America, Japan, and Latin America.
- The South Pacific Tourism Organisation (SPTO, see www.tcsp.com) was formed in the 1980s to promote tourism to the region. SPTO represents 12 Pacific island NTOs, and, interestingly, China.
- The Asia Pacific Tourism Organisation (see www.apto.org) was formed in 2004, and currently has 43 member countries.
- During 2003 the Irish government established a new national tourism development authority, Fáilte Ireland (see www.failteireland.ie), to replace Bord Fáilte and CERT. Previously the countries of Ireland and Northern Ireland operated separate NTOs.
- Visit Britain was also established in 2003, to replace the British Tourist Authority (BTA) and English Tourism Commission (ETC). Visit Britain represents England, Scotland, and Wales.
- The Confederación de Organizaciones Turísticas de la America Latina (see www.cotal.org.ar).
- The ASEAN tourism association (see www.aseanta.org).
- The Indian Ocean Tourism Organization (see www.cowan.edu.au).

Public–private partnerships

At an NTO level, DMOs have historically been government departments. By the 1970s however it was evident a shift was emerging away from direct government involvement in DMO operations. From a survey of 95 NTOs in 1975, the WTO (1975) found only 6 that were non-governmental. The WTO (1979) also found that of 100 recognised NTAs, 68 were part of the country's government administration, which the WTO suggested provided the advantage of being able to directly influence government tourism policy in addition to undertaking promotional work. The remaining 32 NTAs were operating outside the central administration. Although still linked to, and funded by, central government, these organisations had a separate legal identity. A benefit of this structure was greater financial and administrative independence:

The proper solution for each country can only be found within the framework of the national situation, but the main point is that the NTA should be able to work closely with, and obtain the active support and cooperation of, all government authorities whose responsibilities affect

various aspects of tourism, as well as the private sector, if it is to help develop balanced travel plant and an effective tourism development programme (WTO, 1979, p. 3).

This is representative of a public–private partnership (PPP), which is becoming the most common form of DMO at NTO, STO, and RTO levels. For example, most provincial and territorial DMOs in Canada are now industry led and publicly funded (National Tourism Strategy, 2003, in Vallee, 2005). Smith (2003) described the evolution of Canada’s NTO to a new public–private partnership, the Canadian Tourism Commission (CTC), in 1995. A major impetus for change was complaints by industry that the previous administration was under-funded and not market driven. In Australia, STOs have commonly been formed as statutory authorities, which are established by an Act of Parliament.

In the UK, private-public partnerships (PPPs) became a means towards generating larger budgets for local destination marketing during the 1980s and 1990s when tight spending restrictions on local governments were applied by central government (Bramwell & Rawding, 1994). For example, in 1993 Leicester Promotions Ltd was established as a non-profit RTO with a £1.1 million grant from the local council (Miller, 2003). A decade later and partnerships with the private sector have led to the council funding representing less than 50% of the annual budget.

The WTO adopted the theme of ‘Public–private sector partnership: the key to tourism development and promotion’ for world tourism day in 1998. Some DMOs were quick to embrace the concept, such as Visit Florida, which celebrated 10 years of PPP status in 2006. The STO was established in 1996 when the Department of Commerce was disbanded to make way for a PPP to promote tourism to Florida (www.travelindustryreview.com, 1/3/06). Others have yet to pursue this approach. For example, during 2006 there were strong calls by the government opposition in Bermuda to replace the Ministry of Tourism with a PPP that would be ‘more in tune . . . forward thinking and fiscally prudent . . . we don’t want politicians running tourism’ (www.travelindustryreview.com, 9/3/06).

In practice

Jeb Bush, the Governor of the state of Florida bemoaned the state’s pre-1996 tourism promotion efforts as operating ‘under cumbersome, bureaucratic rules and policies that hindered its effectiveness’ (Bush, 2004, p. 123). Florida’s tourism industry welcomes over 70 million visitors each year, employs 860,000 people, and generates over \$3 billion in annual sales tax revenue. Bush strongly argued that the industry deserved a more effective structure. Before 1996, the state’s tourism marketing was run as a government office, which was a division of the Florida Department of Commerce. The office had no initiatives to encourage private sector financial involvement, which in turn limited marketing strategies.

By the late 1980s, increasing competition led to the recognition of the need for more resources. In 1991, the state moved to transition the responsibility for tourism marketing from the government to the private sector. The first step was a dedicated government funding source, initially as a rental car levy, which would 'free the new organisation from the annual scramble for general revenue dollars that had plagued its predecessor' (p. 123). The new structure however was still operating under a government model, which prohibited any fast-moving entrepreneurial marketing activity.

In response to an industry-led lobby for change, the Florida government formed a new PPO in 1996. The new STO, which would become known as Visit Florida, was able to adopt a business model and operate with less vulnerability to government pressures. The head of the STO is still accountable to the Governor for management of the government's financial contribution. However, the PPO structure enabled new revenue streams to be generated through partnerships with industry, resulting in more effective marketing.

Poetschke (1995, pp. 57–58) proposed the following benefits of a cooperative public–private sector cooperative tourist authority:

- reduced antagonism through representation of all stakeholders
- avoidance of duplication through enhanced communication channels between represented sectors
- combined areas of expertise, such as private sector efficiency and public sector holistic benefit-seeking
- increased funding potential through the reduction in duplicated efforts as well as industry-based taxes
- the creation of a win/win situation through an increase in industry profitability and ensuing increase in government tax revenue.

Poetschke (1995) also suggested a typology of public–private partnership models, depending of the level of industry involvement, ranging from lobby group, to advisory group, to general commission, to tourist authority. Lobby groups provide input to the government, which is responsible for designing and implementing tourism policies. Such lobbying efforts are often antagonistic. An advisory group provides input through a formal council. However, government remains in full control of setting and implementing policy. In a general commission, the tourism industry plays a formal role in policy decision-making at a strategic level. A tourist authority is commonly a separate entity controlled by a board of directors comprising members from industry and government. The board of an authority is involved in more detailed planning than a commission. Advantages for the private sector include larger budgets and increased access to government policymakers.

In North America, CVBs are usually one of four types (Morrison et al., 1998, p. 3): independent, non-profit associations/business leagues; chambers of commerce as non-profit associations or non-independent subsidiaries; local government agency, department or public authority; or a special legal entity/authority. Sheehan and Ritchie's (1997) survey of 134 North American CVBs found that 75% of the sample were independent organisations, with the remainder being part of a chamber of commerce, economic development agency, or city department.

In other parts of the world RTOs have commonly been formed as statutory bodies, trusts, local authority departments, and, more recently, as private companies. For example, the latter applies to England's 12 RTBs (Greenwood, 1993) and to Wales where the original RTBs were rationalised into three private companies (Davidson & Maitland, 1997). There have been moves in recent years towards such rationalisation, in order to improve the efficiency of resources. In Scotland the 32 area tourist boards (ATB) established during the 1980s were amalgamated into 14 in 1996, following a 1993 government review of tourism (Davidson & Maitland, 1997; Kerr & Wood, 2000). A similar restructuring strategy was announced in Western Australia during 2004 (www.tourism.wa.gov.au/media/discussion_03.asp, 22/2/04). As part of the 'New Concept for State Tourism Strategy', the number of official RTOs in the state would be reduced from ten to five. A commitment of A\$3.25 million annual funding for the five RTOs was announced by the Western Australian state government to 'increase economies of scale, and empower the regions'.

Implementation of such rationalisation can be problematic. For example, a reduced number of RTOs was called for in the New Zealand Tourism Strategy released in 2001 (see Tourism Strategy Group, 2001). One of the strategy goals was for a smaller number of new RTOs to be established from the existing 25 RTOs. Through sharing common back-office functions, it was suggested that the reduced number of RTOs would make significant savings in overhead costs, which could then be more effectively used in promotion. However, the strategy did not discuss how the proposal would be implemented, and in particular how the political implications would be addressed. Three years later the issue remained problematic despite the efforts of a Regional Tourism Organisations New Zealand (RTO NZ) taskforce, as explained to me by the then RTO NZ chair Paul Yeo: 'Obviously it's a delicate one with lots of political overtones, but it has to be addressed.' Interestingly, by 2007 the number of RTOs had actually increased, to 29 (see <http://www.tianz.org.nz/Industry-Facts/NZ-Tourism-Partners.asp#RTO>).

DMO governance

In the actual practice of management there is always a danger of politicians, public and private organisations, and managers becoming self-serving and failing in their official responsibilities. Public organisations and resources can be used for private purposes. There can

be financial corruption but more insidious is organisational corruption, where public objectives and principles are displaced by private objectives (Elliott, 1997, p. 7).

Politics in decision-making is a significant aspect of DMO governance, and may even be unavoidable. From one perspective, politics may be viewed as the art of getting things done. From another perspective, politics has been described as 'the striving for power, and power is about who gets what, when and how in the political and administrative system and in the tourism sector' (Elliott, 1997, p. 10). The political environment in tourism at national and local levels includes governments and ministers, bureaucratic cultures, competing entrepreneurs, the media, other industry sectors, the host community, and special interest groups. The industry is made up of a diverse range of organisations and individuals involved in a complex array of relationships, and it is the challenge of the manager to understand this and work within the system to achieve objectives (Elliott, 1997).

Working through the minefield of tourism politics is a challenging reality. The best-laid plans of well-meaning destination marketers can come unstuck due to the differences in opinions of influential stakeholders. While this occurs at national, state, and regional levels, the political coal-face can be most challenging at a local community level, where there is little escape from daily interactions with stakeholders. The discussion of tourism politics in the academic literature has been rare (Hall, 1994), and there have been calls for increased coverage of the study of the politics in tertiary tourism education (see Hollingshead, 2001; Dredge, 2001). There has been little research attention towards the influence exerted by special-interest groups on DMO governance. Greenwood (1993) suggested that interest groups are usually more successful the less they use public channels of communication. Media is only used as a last resort. In tourism, groups with an active interest in DMO governance at all levels include sector associations and local/national tourism umbrella associations. In some cases there are organised lobby groups such as the Tour Operators Study Group in the UK. An interest group has been defined as:

Domain-based in economic fields of operation, operating with a degree of permanence, where membership is restricted to organisations such as firms and pressure is exerted through developing permanent relations with government, often in 'behind closed doors' environments (Greenwood, 1993, p. 336).

The Case Study 4.1 provides an insight into the politics of decision-making in Barbados.

Case study 4.1 Barbados Tourism Authority: The challenge of inclusion

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The 1950s was a special period in the history of tourism in Barbados. There was the passage of the Hotel Aids Act (1956), designed to stimulate the development of the hospitality sector, and the formation of the Barbados Hotel Association in 1952, a private-sector agency representing its hotel members' interests. In 1958 the Barbados Tourist Board Act was passed. This created a statutory corporation to promote Barbados tourism. In 1997 the Barbados Tourism Authority (BTA) Act was passed, giving the NTO a mandate to:

1. promote, assist and facilitate the efficient tourism development
2. design and implement suitable marketing strategies for effective promotion
3. make provision for adequate and suitable air and sea passenger transport services
4. encourage the establishment of amenities and facilities
5. carry out market intelligence
6. register, license and classify tourist accommodation according to the standard of amenities provided
7. register and classify restaurants catering primarily to tourists, according to the standard of cuisine and amenities provided
8. register and regulate such forms of service for tourists as the Minister determines
9. do such other things that in the opinion of the Authority would facilitate the proper discharge of its functions or would be incidental or conducive thereto.

The Act established a board of directors responsible for the execution of the policy and the general administration of the BTA. To execute such policy the Board developed a system of five committees: (1) Marketing, (2) Public relations, (3) Establishments, (4) Hotel registration and classification, and (5) Budget and finance. These committees review and approve proposals submitted by the executive, and then submit the proposals to the Board. Board meetings ratify committee decisions and only then can the executive officially implement Board decisions. Directors are appointed by, and sit at the discretion of, the Minister.

In a 1990s initiative to have directors that represented all sector interests, the Minister appointed a 19-member board. As a result, proposals coming forward were discussed at committee level and subsequently the Board and each representative's opinion had to be documented. This resulted in long Board and committee meetings, some taking two days to complete! While the representational initiative may have been commendable, it was not highly effective in expediting decision-making.

Discussion question

Is there anything that the Chairman of the Board might have done to expedite decision-making? How could the committee decision-making approach have been more effectively engineered?

Further information

Laws of Barbados (1997) Barbados Tourism Authority Act, CAP 342, Government Printery, Bay Street Bridgetown, Barbados, http://www.barbadosbusiness.gov.bb/miib/Legislation/documents/barbados_tourism_authority_act_cap342.pdf

As seen in Case Study 4.1, some boards can be quite large and cumbersome. Bramwell and Rawding (1994) reported that in the UK, Birmingham's RTB board comprised 25 directors, with seven representatives from the local authority and 18 from industry. The first CTC board in Canada contained 26 members, of which 16 were from the private sector and the remainder from the public sector (Smith, 2003). The large size of the board reflected the effort to ensure all regions of Canada were represented. A survey of IACVB members (IACVB, 2001, in Fenich, 2005) found the average size of CVB boards was 16 voting directors. Lathrop (2005, pp. 198–199) reported the case of Townsville in the USA, where the CVB had a board of directors with 60 members. Lathrop's case study of how one group of dissatisfied stakeholders who were excluded from decision-making, concluded with the following governance lessons:

- Bylaws must clearly define the role, responsibility, and code of conduct for the board and staff. The importance of effective bylaws cannot be overstated.
- Do not exclude key community constituents simply because they might not agree, or because it is easier not to deal with them. The old adage 'keep your friends close and your enemies closer' holds true in the case of board composition.
- Limit the size of the board. Because of the sheer size of the board in this case study, it was virtually impossible for the chair or executive to manage it effectively.
- Board turnover is a good thing and should be a key aspect of the bylaws. As long as there is a nucleus of experienced board members and an effective orientation process, the regular introduction of new members should not be a problem.
- Embrace board governance as an effective management and leadership tool.

In the USA (see Lathrop, 2005) and Canada (see Vallee, 2005), most CVBs are required by federal and state regulations to have an elected non-compensated board and a set of bylaws dictating governance and fiduciary responsibilities. Typically a CVB board is responsible for the following (Lathrop, 2005, p. 191):

- defining the purpose of the bureau and establishing its governing principles
- providing advice and consent with respect to overall policy
- approving the annual operating budget and monitoring the bureau's finances
- approving the membership structure and fees
- providing direction and oversight for the bureau's operations
- monitoring the performance of the CEO
- representing the bureau's interests among external audiences and serving as an advocate for tourism and destination management issues.

Table 4.1 Key responsibilities of CVB directors and senior management**Duty of care**

Requires exercising ordinary and reasonable care when making decisions, with all decisions made in the best interests of the organisation. There is also an obligation to protect confidentiality.

Duty of loyalty

Requires undivided allegiance to the organisation, and in doing so avoid real, perceived, or potential conflicts of interest.

Duty of obedience

Requires following federal and state laws and corporate governing documents such as articles of incorporation and bylaws.

McMillan (2005, p. 186) recommended that CVB board members and senior management have three key responsibilities: duty of care, duty of loyalty, and duty of obedience. These are outlined in Table 4.1

It has been suggested that governance of globally competitive destinations features five critical success factors (Poetschke, 1995, pp. 62–63):

- a significant level of private sector control over authority spending
- understanding of the need to incorporate public sector objectives to achieve a balance between marketing and new product development
- a dedicated revenue stream that is not subject to annual government control
- a broad, integrated mandate encompassing all functions critical to developing a strong tourism industry, such as marketing, education, research, and infrastructure development.

Selection of directors

The two main options for selecting directors are by appointment or by election. A danger in any board election system is the appointment of those who are popular, or even articulate, incompetents, rather than those best qualified. An articulate incompetent is someone who is great at expressing issues and explaining solutions, but fails to act on them (Wintermans, 1994). Bramwell and Rawding (1994, p. 431) suggested that when appointments are made to public-funded RTOs by selection, the organisation is 'less democratic and less accountable to the local electorate'. However, local government representatives on the board can serve this purpose. If government representatives are not included on the board, the issue of accountability needs to be carefully addressed in the funding contract and government reporting process. For example, Tourism New Zealand has a board of 9 directors appointed by the government's Minister of Tourism for a term of three years. Directors receive an annual fee of NZ\$15,000.

Table 4.2 Government expectations of Tourism New Zealand directors and operations

Expectations of Tourism New Zealand operations	Skills and experience of directors
<ul style="list-style-type: none"> • integrity • frugality and due care in the use of taxpayer money • advancing activities beneficial to the tourism sector and wider community rather than to any individual business • focusing on medium- to long-term strategies rather than short-term gains • showing openness and having good communication with the Minister, the Ministry of Tourism, and other government agencies • partnering with the private sector to add value rather than displace or duplicate private businesses 	<ul style="list-style-type: none"> • a wide perspective on issues • good oral and written communication • understanding of public sector governance and accountability • previous experience as a company director • ability to work in a team and work collaboratively • strategic skills • experience in developing and maintaining partnerships with other organisations and companies • experience with financial statements • understanding of and/or experience in the tourism sector at a senior level • understanding the importance of value creation, innovation and international best practice comparisons • experience of marketing issues

The qualities sought in directors and expectations of Tourism New Zealand by the government are highlighted in Table 4.2.

In 2003, the USA Commerce Department secretary appointed 15 travel and tourism executives to the new Travel and Tourism Promotion Advisory Board (Hoover, 2003). When the British Travel Association was replaced by the BTA, a key difference was in the selection of the governance structure (Jeffries, 1989). The former had a large board of predominantly tourism industry representatives elected from member organisations with a government appointed chair, whereas the new organisation comprised a small group appointed by the government.

Gee and Makens (1985) provided a candid explanation of the opportunities, challenges, and conflicts that face members of tourism boards:

Tourism boards can be an effective force for a community's hospitality industry, and the hotel manager is a crucial part of such a board. But to do its job, the board may have to resist the influences of politics, unrealistic community 'cheerleading', and intra-industry competition (Gee & Makens, 1985, p. 25).

While Gee and Makens were writing specifically for hotel managers, their paper is a worthwhile read for any prospective DMO board member, as is the paper summarised in Research Snapshot 4.1. Another account of DMO governance issues likely to be faced was provided in Kelly and Nankervis'

(2001) observations of the challenges in Australia faced by one of the state of Victoria's RTOs, the Yarra Valley, Dandenong and the Ranges Tourism Board:

- the diversity of features
- board representatives not focused on the 'big picture'
- operator's suspicions of others' sectoral interests
- cumbersome organisational name to reflect all areas covered
- a regional community not fully informed on the advantages of tourism
- lack of reliable visitor statistics.

Research snapshot 4.1 Governance styles

Palmer's (1998) review of the governance literature identified a loose-tight or informal-formal continuum of managing organisational relationships. Loose styles are likely to be more suited to creative tasks, and important considerations are trust and levels of access to resources. Informal relationship controls are self-control, based on financial or psychological incentives, and sociocultural control, based on group norms. Tight styles are governed by more formal legal controls. The former might signal unclear objectives and strategy, but be more flexible, creative, and fast moving. The tight style, on the other hand, is more likely to generate clear and formal goals, contractual rights and obligations, but also be more bureaucratic, particularly in terms of decision-making. This approach can be frustrating to entrepreneurial tourism operators.

Palmer (1998) hypothesised that while a loose style might suit a local tourism association because of the dynamic nature of tourism markets, a tight governance style would be more effective in terms of maintaining a strategic focus. In a survey of 172 members of 13 English LTAs, there was evidence to suggest a strong link between a tight governance style and organisation effectiveness. The most effective local tourism associations were ones with formal rules governing relationships between members, an efficient and effective secretariat, and a lack of opportunities for discussing the management of the association.

Source: Palmer, A. (1978). Understanding the governance style of marketing groups. *Annals of Tourism Research*, 25(1), 185–201.

DMO names

When Visit Britain (see www.visitbritain.com) was chosen as the name for the UK's new DMO, it had to be purchased from a company that had owned it for 25 years (TravelMole.com, 16/4/03). The chairman of Visit Britain discussed some of the difficulties associated with selecting an appropriate name (TravelMole.com, 26/3/03):

You have no idea how much trouble goes into creating a new name. It has to be legal, we have to make sure it means the same thing in different languages, and that it sounds good over the phone, and works in different media.

As with so many aspects related to DMOs there is no consistency in names used. There currently exists a myriad of types of DMO names:

- agency (Latvian Tourism Development Agency)
- authority (The Gambia Tourism Authority)
- board (British Virgin Islands Tourist Board)
- bureau (Hawaii Visitors Bureau)
- centre (Le Centre Gabonais de Promotion Touristique)
- coalition (North Carolina Travel & Tourism Coalition)
- commission (Nevada Commission on Tourism)
- company (New York City and Company)
- corporation (Virginia Tourism Corporation)
- council (Swedish Travel & Tourism Council)
- department (Dubai Department of Tourism and Commerce Marketing)
- destination (Destination Northland)
- development (Northern Tasmania Development)
- directorate (Crete Tourism Directorate)
- institute (Nicaraguan Institute of Tourism)
- ministry (Israel Ministry of Tourism)
- office (China National Tourism Office)
- organization (Cypress Tourism Organization).
- region (Bundaberg Region Limited)

Since the early 1990s, new types of names have emerged, such as those incorporating ‘travel’ (Travel Alberta), ‘tourism’ (Falkland Islands Tourism), ‘destination’ (Destination Lake Taupo), and ‘visit’ (Visit Heart of England) to denote organisation focus, and then others that are difficult to categorise such as Maison de la France, Fáilte Ireland, Latitude Nelson, and Positively Wellington Tourism. While there is no one naming theme common to DMOs, there has been a shift in recent years away from the more bureaucratic sounding names that are representative of government divisions. A selection of examples is provided in Table 4.3, which compares the current name to one used in the past.

Table 4.3 DMO name changes

Current name	A previous name
Tourism Australia	Australian Tourist Commission
Tourism New Zealand	New Zealand Tourist and Publicity Department
Tourism Queensland	Queensland Tourist and Travel Corporation
Visit Britain	British Tourist Authority

Key points

1. The variety in legal entity

There is a plethora of DMO structures, with no widely accepted model. Historically, DMOs emerged either as government departments or as industry association collectives.

2. Public–private partnerships

More recently there has been a shift towards the establishment of public–private partnerships (PPPs), as a way of ensuring destination marketing programmes are industry driven but also accountable to public funders. PPPs, at both a national and local level, are generally governed by a private sector board that is appointed by, and reports to, a government representative.

3. Governance challenges

The politics of decision-making is a critical element of DMO effectiveness. Of concern to government funders is the need for industry expertise and accountability from the board of directors. However, stakeholders also demand fair representation in decision-making, which can lead to large and cumbersome boards and slower decision-making. A critical question is whether directors should be appointed on the basis of expertise, or be democratically elected.

Review questions

- Design an effective board structure for your local DMO. How many directors are appropriate? Who would be most effective, and should directors be appointed on merit or democratically elected? Who should make the appointment decisions? What length of term should directors serve?
- The chapter discussed the failure in New Zealand’s tourism strategy to reduce the number of RTOs. Summarise the potential advantages for doing so, and discuss the potential disadvantages that have stalled the initiative.
- What are the key advantages of a PPP?