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London & Partners' 2018-2021 strategy sets the direction for the years ahead. This Business Plan explains how we will put the strategy into action in 2019/20 and highlights priorities for the coming year.





#### Who we are

International promotional company for London

Supporting the Mayor's priorities by promoting London internationally as a leading world city in which to invest, work, study and visit.

**Not-for-profit company** 

Half funded by Greater London Authority, half from other sources including commercial activity.

#### What we do

Trade and Growth

**Inward Investment** 

Major Events

**Business Tourism** 

Higher Education & Talent

Leisure Tourism

London's global reputation



# What we do and how we measure it





#### Outcome Metric: Additional economic benefit (GVA, £m)

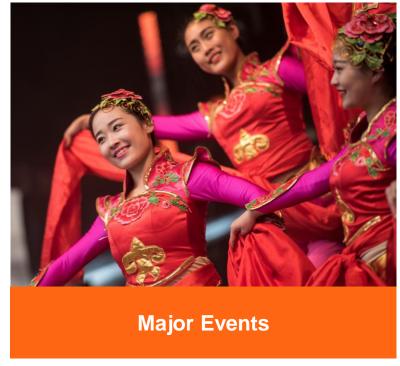
We convince and support international businesses to expand into London; and support existing investors to grow in London.

We support London-based start-ups and scaleups to grow and internationalise through two programmes: Mayor's International Business Programme and Business Growth Programme.



## What we do and how we measure it





Outcome Metrics: Additional economic benefit (GVA, £m); engagement and perception change from major events

We convince and support international corporate events and conventions to take place in London.

We convince and support major consumer events (such as sporting events and festivals) to take place in London.



## What we do and how we measure it



**Leisure Tourism** 

# Outcome Metrics: Engagements, perception change

We work with tourism industry partners to attract tourists to visit London.



**Higher Education** 

# Outcome Metrics: Additional economic benefit (GVA), engagements

We work with London universities to attract international students to London.



# Outcome Metrics: Engagements, perception change

We build London's global reputation with our target audiences



# Strategy 2018 – 2021: More Focus

Where

On core **markets**: North America, India, China, France and Germany.

2 What

On the **sectors** where London is strongest and will benefit the most:

- Finance and Business Services Tech (FBST)
- Innovation & Life Sciences
- Creative
- Urban
- Tourism

3 When

On reaching people **earlier in their decision making** so we can influence them to choose London.

4 Who

On **audiences** (businesses, visitors and students) who will help us achieve our outcomes: younger, first-timers who will bring the most lifetime value and businesses who will generate good growth for London.

5 How

By working in partnership with organisations and people who have a stake in London's promotion.

6 Keep

On **retaining** businesses and talent who may be affected by Brexit.



# Strategy 2018 – 2021: Progress and Next Steps

	YEAR 1: 2018/19	YEAR 2: 2019/20	YEAR 3: 2020/21
Resource allocation [see Section 2]	Started to shift resources towards strategic priorities.	Continue to shift resources towards strategic priorities	Complete shift of resources towards strategic priorities
Outcomes [see Section 3]	Achieved targets Developed new outcomes metrics	Achieve outcome targets	Achieve outcome targets
Business Transformation [see Section 8]	Restructure; leadership teams; reward; launch new international market teams	Technology transformation; decision-making; culture, engagement and inclusion	Embed technology; culture, engagement and inclusion; data & analytics



# **Priorities, Activity Highlights and Targets for 2019/20**





**Trade & Business Growth** 

Expected contribution to £175m GVA target: £111m in additional economic benefit (GVA)

Focus on core markets

Focus on priority sectors

Work with existing investors to grow in London

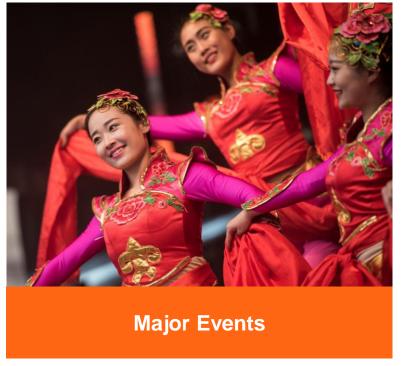
500 new companies to be supported across two programmes

12 trade missions planned



# **Priorities, Activity Highlights and Targets for 2019/20**





Expected contribution to £175m GVA target: £64m in additional economic benefit (GVA)

Trade shows including IMEX, IBTM/ Meetings Show

Marketing campaign targeting US incentive trip market, joint with Paris

Develop sales activity in China

Use Cricket World Cup to reach Indian audiences
Use American football (NFL), NBA (basketball), MLB
(baseball) London games to reach US+ audiences
Bid to host future events in London



# **Priorities, Activity Highlights and Targets for 2019/20**



**Leisure Tourism** 



Targeting US millennial first-time visitors: joint campaign with Paris

Targeting Chinese millennial first-time visitors: working with Chinese online travel agents
VisitLondon website, social channels, app



**Higher Education** 

Target: £15m GVA, 1m engagements

Summer Schools campaign

Student Welcome campaign





Target: 48m engagements, +4% perception

Working through a global network of business influencers to share a positive narrative about London's future

Focus on modernizing London's brand in China
Use major events to promote London's brand



# Three year strategic direction

In 2018 we set out an ambitious three-year strategy to win jobs and good growth for London in an increasingly challenging global environment.

We have created a renewed organisation with the structure and skills to succeed, including a **new geographic and sectoral focus** in the areas which we believe have the biggest opportunities for good growth.

We committed to **intervening earlier in people's decision making** so that we can maximise the chances of them choosing London to invest, work, study or visit.

We have entered a new era and are, at the point of writing, three quarters of the first year into delivering that bold strategy for London.

And we have continued to perform strongly against our targets.

Our Business Plan for Year Two shows an organisation fully pivoted towards delivery.





# **London & Partners' Mission**

London & Partners is the Mayor of London's official promotional company.

We exist to support the Mayor's priorities by promoting London internationally as a leading world city in which to invest, work, study and visit.

Our work helps achieve good growth for London and Londoners, as outlined in the Mayor's economic development strategy.

#### We do this by:

- Building London's international reputation.
- Attracting international audiences and convincing them to choose London.
- Guiding international audiences to make the most of all that London has to offer.
- Helping to retain and grow London's businesses.

We tell London's story brilliantly to an international audience and we do this in partnership with organisations and people who have a stake in London's international promotion.





# Alignment with the Mayor's priorities to deliver good growth for London

Our work with international audiences will contribute good growth for London and Londoners:

- Retention of international business in London ... by influencing the balance of location decision making for businesses and working with partners including the GLA to encourage the retention of jobs and talent.
- Attracting and growing businesses in the sectors which will create jobs for the future and drive
  more inclusive, sustainable growth ... by winning high value inward investment, and developing
  London's biggest export potential scaleups.
- Growth in the tourism industry where there is capacity ... by encouraging first time, culturally
  engaged visitors to choose London and to experience a wide range of attractions across the city.
- A diverse cultural scene, supported by increased visitor spend in a wider range of institutions, including by promoting aspects of London's diverse cultural scene relevant to international audiences.
- **Attracting international students** who support London's universities and who can go on to work in our businesses, or go on to found the next generation of global success stories.
- To do this we will work closely with the GLA to **tell London's story brilliantly** to international audiences ...**by building London's reputation** with a confident, credible and exciting vision for the longer term future of our city.



# Strategy 2018 – 2021: More Focus

Where

On core **markets**: North America, India, China, France and Germany.

2 What

On the **sectors** where London is strongest and will benefit the most:

- Finance and Business Services Tech (FBST)
- Innovation & Life Sciences
- Creative
- Urban
- Tourism

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On reaching people **earlier in their decision making** so we can influence them to choose London.

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On **audiences** (businesses, visitors and students) who will help us achieve our outcomes: younger, first-timers who will bring the most lifetime value and businesses who will generate good growth for London.

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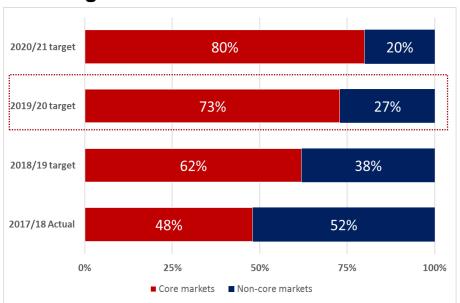
On **retaining** businesses and talent who may be affected by Brexit.



# Strategic resource allocation (1/2)

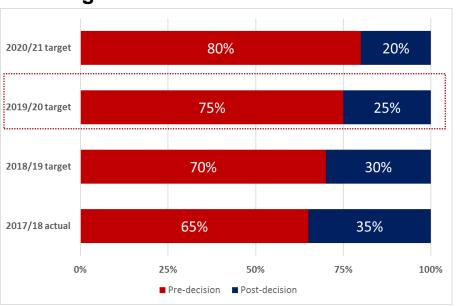
We are changing our resource allocation to support our new strategy and have made strong progress. In this Business Plan we move further towards our final allocation.

#### Investing in core markets



We will increase the share of spend in core markets to 80% by 2020/21. In this Business Plan we will achieve 73%.

#### Investing to influence decisions



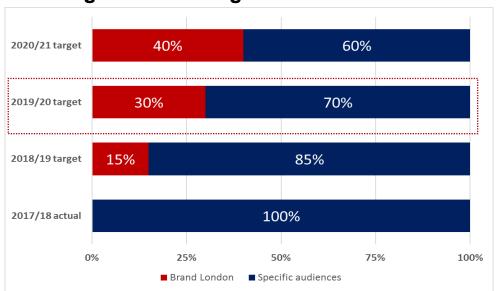
We will increase the share of investment on influencing prior to a decision to come to London is made to 80% by 2020/21. In this Business Plan we will achieve 75%.



# Strategic resource allocation (2/2)

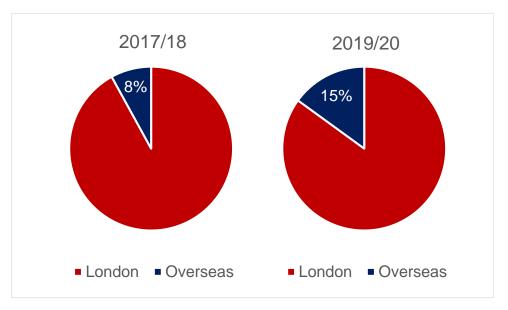
We are changing our resource allocation to support our new strategy, and have made strong progress. In this Business Plan we move further towards our final allocation.

#### Investing in London's global brand



We will increase the share of marketing spend on promoting London's overall brand and reputation to 40% by 2020/21. In this Business Plan we will achieve 30%.

#### **London vs Overseas Headcount**



Our restructure has enabled us to achieved our 2020/21 overseas headcount target already in 2019/20. It is now 15% compared to 8% in 2017/18.



# Our first year of delivering against the 3-year strategy

This Business Plan was written three quarters into a three-year strategy setting a significantly more focussed direction for the organisation. In this period, we have:

- Achieved our year-to-date GVA targets.
- Restructured the organisation so that it is ready to deliver the strategy.
- Significantly increased our global footprint, putting teams in Paris, Berlin, Bangalore, Shenzhen, Toronto and Chicago for the first time.
- Organised around the sectors we have identified as highest potential, bringing together our work on inward investment, business growth, trade and business tourism in these sectors.
- Worked to retain and grow businesses in the context of Brexit, with a particular focus on giving businesses impartial advice on access to talent.
- Created the marketing infrastructure to communicate positive messages about London's future, to our target audiences, at speed, through a network of senior international influencers.



# **KDD** in London

Case study - bringing business tourism to London

In 2018 London welcomed 3,300 delegates for the global data conference **Knowledge Discovery and Data Mining** to the city.

It was the first time this conference has come to London – and it was won for the city in a competitive process by London & Partners in collaboration with the Barbican, City of London and Hackney Council.

The event grew from an initial 1500 delegates to over 3000, which meant it had to be moved to the ExCel from its initial planned Barbican location. It attracted record sponsorship of \$1.2 million from more than 50 companies for the organisers, and brought £7.7 million in GVA to London.

"KDD 2018 was a huge success, and we managed to significantly exceed both our attendee and sponsorship records. I have no doubt that was made possible due to our London location, the professional services offered to us by ExCel and the support of London & Partners."

Douglas McIlwraith, Local Chair for KDD 2018









# STITCH FIX

#### Stitch Fix in London

Case study – bringing inward investment to London

Stitch Fix is an online artificial intelligence powered fashion retailer. In 2018, they announced their first expansion outside the US, by setting up an office in London.

London & Partners helped Stitch Fix choose London for their European base by providing research on the set-up costs in different cities and introducing them to London firms who could provide services from legal to office search. We expect the company to employ 250 Londoners by year three.

The team was helpful in connecting us with existing businesses in London to serve as advisers as we figured out how to build out our operations. The cost benchmarks the London & Partners' team provided relative to other cities in Europe helped us vet London vs. other markets.

Stitch Fix



# Seenit win through the Mayor's International Business Programme

Case study - supporting London businesses to export

The Mayor's International Business Programme provides mentoring, expert advice and real business opportunities for high-growth companies in the life sciences, technology and urban sectors.

It is run by London & Partners to focus specifically on firms which have the potential to deliver good growth and high-quality jobs through trade.

Since the programme was founded, our MIBP businesses have seen £130 million in investment, created over 600 jobs and won £19.8 million in business.

Our recent cohort included **Seenit**, a video production app. As part of the programme, they took part in a 'meet the corporate' event in London where they had the opportunity to pitch to senior leadership at Universal. The result was a trial and a contract for over £100 million.









# London – Paris – a unique city to city marketing partnership

Attracting first-time leisure visitors to Paris and London

- Audience: A campaign to inspire US millennial first-time visitors to visit London to support our 'good growth' tourism focus. Younger, 'culturally curious' visitors from long-haul markets are more likely to spend money at a range of cultural attractions, visit attractions in outer boroughs, visit during off-peak seasons and use the city at night.
- **Insight:** London and Paris are the top two cities Americans want to visit, with 7 out of 10 millennials expressing a desire to visit both cities in one trip (*source: YouGov*).
- **Aim:** To inspire visits to both cities in a single trip, using Eurostar to travel between them.
- **Partners:** The campaign partners are Office de Tourisme Paris, Eurostar, United Airlines, Marriott Hotels and Mastercard.
- Benefits of partnership: collaborating with, not competing with Paris enables us to make limited resources go further, and supports the 'open and welcoming' messaging for both cities. Our supporting partners have provided value-in-kind contributions, including access to their data, audiences and channels.
- **Evaluation:** We will measure the impact that the campaign has had on perceptions of London, consideration of visiting London, and actual bookings.
- Early results: We have over-achieved on our targets after six weeks, with 11.6m engagements (153% of target) and a PR reach of 20m+ (622% of target).





# 2019/20 Key Performance Indicators (1/2)

An improved methodology to reflect the new strategy

- London & Partners' board has approved the revised GVA methodology that L&P has developed together with GLA Economics. This methodology paper was published in October 2018 and is available on our website.
- Our three-year strategy is focused on engaging audiences earlier in their decision making to choose London or remain here. Our KPIs reflect this as we have introduced new measures to track brand engagement and perception where we have set ambitious targets for the year ahead. See Annex for further information.
- The revised methodology covers all areas of the business and now, unlike the old methodology, also includes trade and growth. We have worked hard to make it accessible for a wide audience to assess our value.
- In addition, to reflect our strategy, we have set **targets against a more focused set of activities**, for example performance from core markets and our specific target audience, predominantly contestable and first timers.
- Importantly, although this means that the measures of past performance are not directly comparable to current or future performance, we will be able to be more effective on behalf of London.
- The proposed targets on the following pages do not take into account a 'no deal' Brexit scenario or a potential significant delay to the 29th March deadline.



# 2019/20 Key Performance Indicators (2/2)

Our approach to setting 2019/20 targets

- The complexity of setting firm GVA targets for our business audiences is increased by an uncertain
  economic and political environment. At the time of writing, the final shape of the UK's relationship with the EU is
  not known, and there is dispute over the implications of each outcome for economic growth.
- We base or assumptions on year to date performance and pipeline projections. In addition, we have considered
  economic growth projections, including investors' confidence in London, where we for example have considered
  GLA Economics' GVA forecast for the London economy combined with external macro-economic projections for our
  core markets\*.
- We actively support international businesses to grow and access talent in London but no longer have a target for job retention. This reflects our experience that companies will not announce decisions to remain in the UK or attribute job retention numbers. Instead we use an engagement metric consistent with our other marketing activity.

<sup>\*</sup> Sources considered include a range of government and independent forecasts such as OBR, Oxford Economics and the GLA Economics Outlook for London



# **Evolution of L&P's Outcome Metrics - Overview**

#### **London & Partners Mission: Good Growth for London**

Audience	2019/20 Metrics	2018/19 Metrics	2017/18 Metrics
Trade & Investment	GVA – updated method % Key Sectors*	GVA – <i>updated method</i> % Key Sectors*	GVA
Business Tourism & Major Events	GVA % Key Sectors*	GVA % Key Sectors*	GVA
Higher Education	GVA – <i>updated method</i> Engagement	GVA – updated method Engagement – developed mid- year; not published	GVA
Leisure Tourism	Engagement Perception change	Engagement – developed mid- year; not published	GVA
Reputation/brand	Engagement Perception change	n/a	n/a
Retention & talent	Engagement with Talent Toolkit	Jobs retained – changed to GVA mid-year and included in Trade & Investment	n/a

<sup>\*</sup> The Key Sectors target is aggregate across all Business lines (Trade, Investment, Business Tourism, Major Events)

# **Evolution of L&P's Outcomes Metrics – Key Changes**

#### **London & Partners Mission: Good Growth for London**

Audience	Key changes to evaluation methodology since 2017/18
Trade & Investment	<ul> <li>Updated 2014 FDI methodology to: use updated ONS definition of GVA; tighter definition of 'contestable' inward investment; updating discount for 'over-optimism bias.'</li> <li>Introduced methodology to measure GVA on Mayor's International Business Programme and Business Growth Programme</li> <li>Introduced methodology to measure GVA from retention and growth of existing inward investors</li> <li>Introduced a target of 80% GVA from key sectors across Trade, Investment, Business Tourism &amp; Major Events.</li> </ul>
Business Tourism & Major Events	Introduced a target of 80% GVA from key sectors across Trade, Investment, Business Tourism & Major Events.
Higher Education	Updated model parameters based on new data from 2018 survey
Leisure Tourism	<ul> <li>Moved from measuring GVA to measuring engagement with content and perception change as a result of that engagement</li> </ul>
Reputation/brand	Introduced new measures for engagement with content and perception change as a result of that engagement
Retention & talent	<ul> <li>As above, introduced methodology to measure GVA from retention and growth of existing inward investors</li> <li>Introduced engagement measure for talent content</li> </ul>

# **2019/20 outcomes**

London & Partners Mission: Good Growth for London				
What we do	What we measure	KPI	Target 2019/20	
Engaging target audiences	We measure engagement by our target audiences with our content. An 'engagement' is different for each channel, e.g., a share on social media, watching a video, comments, clicks.	Audience engagements: Content about specific London products or campaigns and always on content. Audience includes targeted leisure tourists, students, Talent Toolkit users.  Brand engagements: Content about London's broader offer, brand and values including broadcast of major events.	Audience engagements: 20.6 million  Brand engagements: 48 million	
Improving London's global reputation	We measure improved perceptions of London, by comparing our targeted audience against a control group. We measure perceptions of a defined set of key messages about London.	Audience engagement perceptions: Improvement vs control for content about specific London products or campaigns  Brand engagement perceptions: Improvement vs control for content about London's broader offer, brand and values.	Audience engagements perceptions change: + 8%  Brand engagements perceptions change: + 4 %	
Convincing audiences to choose London and supporting businesses to grow in London	We measure the additional economic benefit of our interventions for the London economy.	Direct GVA from business growth (Foreign Direct Investment, Trade, Growth, Business Tourism and Major Events)  Indirect GVA from international student engagement.	Direct GVA: £175m (of which 80% from target sectors). Indirect GVA: £15m	
Working in partnership	We measure the resources we attract from the London business community, our commercial activity and other sources.	Proportion of our activity that is not funded by resources from the Greater London Authority.	50%	



# Managing Brexit – responding to changing circumstances

#### April 2018 - March 2021

#### Three-Year Strategy is Outcome-Agnostic Response to Brexit

Increase international footprint, including in future growth markets (China, India); intervene earlier in decision-making; support London's global reputation; focus on retaining and growing existing businesses and talent.

#### From January 2019

#### **Prepare for Exit Day scenarios**

Communication plans, coordination with stakeholders, training, prepare messaging, client handling.

#### 1 week around EU Exit Day

#### **Acute Management**

Focus on timely, accurate communication for visitors

#### EU exit outcome is known onwards

#### Adapt tactics within strategy

Based on data and insight, flex in response to the EU exit outcome as required. This could include changing sector, subsector or market focus; changing messaging or marketing channels.

# **Brexit driven risks**

The below list is not exhaustive, but summarises some of the most immediate risks and mitigations taken

Risk categories	3	Can L&P help?	Mitigation action
Investment / Funding	Access to EU funds VC pool Exchange rates	Yes, limited	Help FDI clients to navigate VC and funding markets. This work is ongoing
Scaleup programmes	EU funding for programmes	Yes	<ol> <li>Funding for the Mayor's International Business Programme has been secured from the European Regional Development Fund</li> <li>Funding for the Business Growth Programme is in the application phase</li> </ol>
Reputation and perception	Inaccurate reporting Diminished global position Concern over 'openness'	Yes	<ol> <li>Future of London campaign is operational</li> <li>London Welcome package will be introduced in 2019</li> <li>High profile events like the London Business Awards</li> <li>Increased global footprint in place</li> <li>Increased non-EU promotional focus</li> </ol>
Talent	Visas and immigration Professional qualifications Access to study	Yes	<ol> <li>Talent toolkit launched on our website</li> <li>Signposting to accurate information and advice</li> <li>Continued work to attract international students</li> </ol>
Regulatory and broader policy	Regulatory uncertainty Taxation Licensing and access issues	Limited only	Signposting clients (including FDI and business tourism) to accurate sources of information
International agreements	EU access Global trade agreements Customs and access issues	Limited only	Signposting clients to accurate sources of information



# **Brexit strategy**

This business plan will come into effect as the UK is scheduled to leave the European Union. At the point it was prepared, the final relationship between the two economies had yet to be agreed. As such, it is not possible to predict with certainty the impact on London's economy or on London & Partners' activity.

We do undertake surveys and consider market intelligence, as well as reading third party research to help us effectively understand areas where London & Partners should act in response to risks, Brexit included.

We will not attempt to prepare detailed scenarios. Instead we have considered the scenarios set out by GLA Economics to help us set performance benchmarks. Necessarily, this uncertainty means that our ability to predict performance is weaker than in previous years.

However, we continue to be ambitious for what London can achieve in the coming years. We believe that to meet that ambition, we need to act now to address short term perceptions of London amongst our core audiences.

We are doing this in a number of ways, including focussing on **retention of businesses and talent**, enhancing our **global footprint**, and developing a **positive**, **credible narrative** for London which refocuses our audiences on our long-term strengths. We are also ready to respond in the period after the end of Article 50 to support investors and audiences who may be concerned about the outcome.



# Our Brexit delivery so far

#### Retaining businesses and talent

- Our Brexit and key accounts team are tasked with working with London's businesses to influence the balance of location for talent and for the businesses themselves. In the first half of the year, we have:
  - Attended and supported 60 events ranging from roundtables to large events.
  - Introduced a Brexit Roundtable series.
  - Held 75 Key Account meetings and have unearthed 25 potential retention projects.

#### **Extended our international footprint**

- We have opened new offices around the world to improve our reach, creating an additional 16 overseas posts in five cities where we previously had no coverage Paris, Berlin, Bangalore, Shenzhen, Chicago and Toronto.
- This increased strength has been paid for with support by the GLA. A map can be found on the next page.

#### Talent toolkit

• We have launched a talent toolkit, which is an authoritative online portal, to support businesses in the recruitment and development of talent in London and provide facts to address a key Brexit concern.

#### Managing practical risks

 We have identified and put in place risk mitigation procedures for operational challenges which may arise in the immediate Brexit period.

All of this work will continue in the coming year



# Our Brexit delivery so far - Extending our global footprint





# We will show the world an exciting vision of London's future

- London & Partners are crafting a story of London's exciting future, to move the conversation away from the short-term to a confident, credible and exciting vision for the longer-term future.
- This will help to maintain our global reputation, improving perceptions and consideration of London as a place to do business, study, work and visit.
- Then, we will build a community to help us deliver this story. We are bringing together London's innovators and leaders to create a community of voices able to share evidence of London's continued success and growth. Londoners are the best people to tell the world about their city.
- We will supply data, success stories and other content to our community to let them tell London's story in their own voice.
- And we will help them to show the world their own successes.
- We will also take opportunities to tell the story ourselves.



## How the Future of London Campaign works

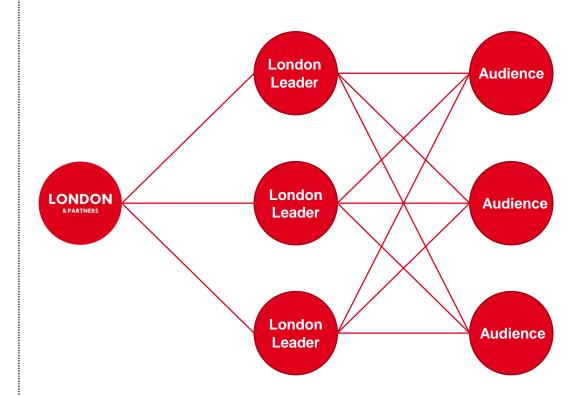
Case study: promoting London to US based FinTechs

We know that a US fintech entrepreneur who follows one London Fintech leader on social media will probably follow several.

We recruit these London leaders and supply them with regular positive news, which they share through their media, social media, public appearances and in conversation.

Our end target audience hears our evidence based message, several times, from different people whose opinions they respect. As a result, the message will be more effective.

Then when our team in the US approaches them about a potential London move, they will have heard a regular, truthful story about why we are the right location.







### Five core markets

Our proactive activities are focused on five core markets to allow us to achieve benefits of scale and use limited resources to best effect. London & Partners' three year strategy (2018/2021) identified these markets based on current and future GVA potential across all our audiences. These are the markets which we believe have the highest potential for London.

#### Our five core markets are:

- North America the US and Canada are London's largest source market across all our audiences.
- **France** one of London's most important source markets across all audiences where economic growth and business confidence is strong
- Germany one of London's most important source markets for trade and investment.
- **China** one of the world's largest economies, the largest outbound travel market and the largest international student market where London needs to increase its share.
- India demonstrates significant growth potential for all our target audiences but with a strong domestic market and available funding to retain investors in India.

By exception we may choose to respond to significant opportunities outside of these core markets.



### **Core markets ambition**

The table shows our ambition for what London & Partners' work will achieve in these markets:

	North America	France	Germany	India	China
Brand	Protect brand, working though advocate networks	Protect brand, working though advocate networks	Protect brand, working though advocate networks	Protect brand, working though advocate networks	Grow awareness and improve perception
Investment	Maintain value of FDI in priority sectors	Maintain value of FDI in priority sectors - focus on scaling businesses	Maintain value of FDI in priority sectors - focus on scaling businesses	Rebalance pipeline towards priority sectors	Rebalance pipeline towards priority sectors
Trade	Grow trade in priority sectors	Grow trade in priority sectors	Grow trade in priority sectors	Maintain trade in priority sectors	Grow trade in priority sectors
Business tourism	Grow in core sectors - larger contestable wins	Grow in core sectors - larger contestable wins	Grow in core sectors - larger contestable wins	Prepare for growth	Grow in core sectors
Students	Grow students attracted	Not a priority except for Brexit response	Not a priority except for Brexit response	Defend unless visa change	Grow students attracted
Leisure	Focus on target audiences	Focus on targeted activities working closely with multipliers	Not a priority except for Brexit response.	Maximise value of the Cricket World Cup to London's visibility	Grow number of visitors



## North America - outlook & priorities

- North America is London's largest source market. The domestic US market is strong and a volatile domestic and international
  political environment overshadow any Brexit concerns.
- The **strategic ambition set last year remains** with continued focus on bedding down priorities and delivering effectively through our expanded market footprint (with new offices in Chicago and Toronto).
- We aim to maintain the value of FDI and grow Trade in all our core sectors which are Financial & Business Services and Tech (FBST), Urban, Innovation & Life Science (ILS) and the Creative sector. As part of the Future of London initiative we plan to attract FDI and major congresses to London by promoting London as a city of opportunity and growth where we highlight the city's access to a global talent pool.
- Sector activities could also include amplification at London Tech Week and SVC2UK and maximising the opportunity that our MIBP trade missions present. We plan a minimum of 5 trade missions to the US in 2019.
- US leisure visitors are highly predisposed to consider London but their attitude is strongly influenced by their knowledge / experience of the city. We plan to align leisure visitors' perceptions with our creative energy positioning and encourage a call to action. We will continue successful business tourism activities, taking advantage of favourable conditions and addressing any Brexit concerns.
- Major Events are important and we will build on partnerships with American owned sports events (NFL, MLB, NBA) to amplify
  the London brand across leisure and business visitors and explore options to build in hosting options for business delegations at
  these events and support the growth of the NFL in London.
- US student numbers and share are holding steady and London and its cultural offer continue to be the key attraction. Summer Schools are an important 'taster' mechanism for US students and the annual Summer School campaign targets them strongly.



## France – outlook & priorities

- Economic growth and business confidence are strong in France. President Macron is championing a more flexible business climate, shaping the perception of a start up nation and pro-actively pursuing international businesses to choose Paris. In contrast, Brexit is causing significant uncertainty and is a major blocker to doing business in London.
- Our focus is therefore on promoting London as a city of opportunity and growth to French investors as part of the Future of
  London campaign, focussing on priority sectors such as FBST, Creative and Urban and to highlight London's access to
  capital, a global talent pool and a consumer market which are vital for businesses seeking to scale and accelerate.
- London's stronghold in Financial Services remains but the city needs to showcase its leadership in new subsectors such as Fintech, Blockchain, Cyber security and AI to further cement its reputation and attract investors.
- Sector focussed trade and investment activity, including missions, will be wrapped around mayoral and MIBP activities which combined with the Paris office provide a stronger presence on the ground. Our approach is based on genuine collaboration with businesses, influencers and partners to strengthen the European ecosystem and addressing negative perceptions over Brexit. London is seen as key to the European tech eco-system, but our aim is to also be a facilitator in further integrating with other sector communities. We are therefore evolving how we work on the ground with partners and multipliers in market to best effect. This includes plans to provide a tailored business support programme designed to help companies achieve a soft and successful landing in London.
- We will be ready to mitigate Brexit-related uncertainty in leisure tourism by ramping up tactical contingency activity, working
  with partners such as Visit Britain to amplify messages.
- Prospective students are also increasingly uncertain about London which is why we will aim to respond to Brexit concerns by
  using key messages reinforcing the value of a London education.



## **Germany – outlook & priorities**

- Germany is one of London's most important source markets for trade and investment. Similar to France, Brexit has caused
  uncertainty and London needs to defend its position against a strong domestic German market.
- Our focus is on promoting the Future of London campaign to investors, focussing on the Financial & Business Services and Tech, Urban and Creative sectors, where London provides access to capital, a global talent pool and a large consumer market. The latter is particularly important for attracting German Business Tourism.
- Sector focussed trade and investment activity, including missions, will be wrapped around mayoral opportunities and aligned with the strength and sector focus of city hubs (for example Berlin, Munich, Frankfurt). Our approach is based on genuine collaboration with businesses, influencers and partners to strengthen the European ecosystem and addressing negative perceptions over Brexit. London is seen as key to the European tech eco-system, but our aim is to also be a facilitator in further integrating with other sector communities. We are therefore evolving how we work on the ground with partners and multipliers in market to best effect. This includes plans to provide a tailored business support programme designed to help companies achieve a soft and successful landing in London.
- We plan to attend IMEX Europe which attracts a pan-European business tourism audience. In addition, we are likely to undertake
  activities together with VisitBritain to engage the business travel audience coupled with sales missions with partners to key
  accounts. We may selectively explore how we best leverage major events to amplify the London brand. For example by
  exploring the popularity of American sports such as NFL and MLB.
- Leisure tourism is not a priority except for providing a Brexit response. This could include tactical contingency activity to mitigate significant Brexit-related uncertainty.
- Prospective students are increasingly uncertain about London and we aim to respond to Brexit concerns by using key
  messages reinforcing the value of a London education.



## China – outlook & priorities

- We are increasing resources in China to grow London's share of this vast opportunity. China is the largest outbound travel
  market growing at 20.5%, ahead of the 8.2% CAGR projected in the London Tourism Vision. It is also the largest international
  student market but whilst London remains successful in attracting Chinese students, it under-indexes vs the rest of the UK.
  Australia and other South East Asian economies are successfully targeting prospective Chinese students.
- The US 'trade war' has intensified and the Chinese government may limit overseas investments. Relative to this, **Brexit is not a major concern for Chinese investors** but we are keeping a watching brief.
- We are taking an increasingly holistic approach to attracting Chinese audiences. London remains the leading European market for Chinese FDI and we focus on identifying and attracting investors from all our core sectors from key city regions such as Beijing, Shanghai and the Guangzhou/Shenzhen /Hong Kong region where we can leverage our newly opened Shenzhen office.
- We will support potential Deputy Mayoral trips and use business events and forums to engage with influencers and multipliers
  and reach audiences, for example CBBC Outbound Mission and London Tech Week. We will also forge closer engagement
  with the China Advisory Group and Ambassador Network to maximise the impact of our activity.
- We will progress our partnership with VisitBritain (VB) to build our market and audience understanding and refine
  communication of the London offer. Here, we will use Discover England Fund (DEF) bridge funding to increase Chinese
  visitors to London during Golden Week, in anticipation of DEF II funding becoming available from 2020. Subject to in-market
  resources, we plan to build relationships with key partners and influencers.
- We will build our understanding of how we utilise **Major Events for brand engagement and as a hook to attract visitors** with **eSports** events.
- We will continue to target students via digital channels using key messages to reinforce the value of a London education through our Student Summer Schools campaign and a campaign to use London Alumni from China as influencers.



## India – outlook & priorities

- India demonstrates **significant growth potential** across all our target audiences. However, the **domestic market is strong and both private and government funding is available to retain investors in India**. The government remains neutral to the UK as it's 'Look East' initiative favours markets like Japan, China and Singapore.
- However, London remains aspirational for Indian investors who respond well to messages about London's successes and
  achievements. In the run-up to Brexit, Indian companies have adopted a 'wait and watch' approach where countries like
  Ireland and Germany are wooing them with well thought out propositions.
- Our priority is to promote London as a city of opportunity and growth as part of the Future of London campaign, focusing on the
  FBST and Urban sectors in the city regions of New Delhi, Mumbai and Bangalore. The newly opened Bangalore office
  provides a stronger presence on the ground to directly engage businesses, influencers and partners. We will also offer a
  tailored business support programme designed to help companies achieve a soft and successful landing in London. With the above
  priorities and good progress on attracting opportunities from core sectors we will reallocate resources from the IE20 initiative that will
  cease from 2019/20.
- The Cricket World Cup provides an exciting opportunity to engage all our audiences. To utilise the opportunity, we are building a business hosting programme and roll out activation. We will also target potential student and work with VisitBritain to showcase London to potential visitors.
- We will also build our understanding of the Indian business tourism market for incentive travel, exhibitions and associations aligned with trade & investment aligned to our sector and city focus.
- Among prospective students, the perceived difficulty in getting a visa hampers our success. Since the 2011/12 fall, student numbers
  have stabilised as London remains aspirational but this represents a decline in share, particularly vs the US and Canada. Our plan is
  to protect market share by reinforcing perceptions of the quality and value of a London education.





### **Core sectors**

- London & Partners is aligned with the Mayor's ambition of driving more inclusive, sustainable and innovation led growth.
   The GLA's economic development strategy identifies several sectors that most benefit London's economy and Londoners.
- Within these sectors we are focussing proactive work on a small number of sub-sectors where we will join up our FDI, growth and trade work to drive the pipeline and results.
- These sub-sectors were chosen due to London's strength in these areas and future opportunities for trade and growth.
   Tech is at the core of all these sectors.
- The following pages describe each sector, including our trade and growth programmes and our role and remit in attracting tourism and international students to London.

Sectors:	Finance and Business Services Tech (FBST)	Creative industries	Innovation and Life Sciences	Urban development and innovation	Tourism
Sub-sectors	<ul><li>Fintech</li><li>Blockchain</li><li>Cyber security</li></ul>	<ul> <li>Computer Games and eSports</li> <li>RetailTech and FashTech</li> <li>AdTech/Advertising</li> </ul>	<ul><li>AI</li><li>Life Sciences</li><li>AR/VR</li><li>EdTech</li></ul>	<ul> <li>Smart Mobility</li> <li>Cleantech/Energy</li> <li>Govtech</li> <li>* Urban development/ regeneration</li> </ul>	<ul> <li>Leisure tourism</li> <li>Business tourism (including the London Convention Bureau)</li> </ul>
How	Our FDI, growth (through <b>BGP</b> ) and trade (through <b>MIBP</b> ) work is joined up across these four sectors to utilise resources most effectively and drive the pipeline and results.  Business Tour to these four sectors to utilise				



## Sector by market prioritisation

Within each core market we will prioritise which sub-sectors to focus on based on our track record and potential and undertake activities both in London and in markets to activate our sector propositions.

= Proactively approach
= Reactive approach only

Sector:	North America	France	Germany	India	China	How
FBST						Events like Innovate Finance's Global Summit, London Fintech Week, SIBOS, Money 2020, Trade Missions, and roundtables are potential activation points.
Innovation & Life Sciences						We aim to target contestable projects, large events organisers and large corporates, especially in AI and Life Sciences, already established in London to identify opportunities. We aim to build activation around a MIBP trade mission to San Francisco and to organise missions from core AI markets (US) to CogX. We are also collaborating with MedCity on BIO US.
Creative						In addition to trade and investment missions to some core markets we aim to utilise events such as London Games Festival, London Tech Week, London Film Festival, Retailtech conference and activation around Slush.
Urban						We are targeting start-ups/scale-ups, as well as larger corporates with significant ambitions in this market. We will undertake activities both in London and internationally, capitalising on existing urban conferences and thought leadership.



## Mayor's International Business Programme (MIBP)

Our trade proposition joined up with our FDI and growth work

- In 2019/20, we will continue to support successful businesses through the Mayor of London's International Business Program (MIBP).
- The program supports London-based high-growth tech, life sciences, creative and smart cities companies to accelerate their growth plans by expanding into overseas markets. The programme is tailored to the needs of companies to help them address the barriers to internationalising.
- We deliver this ERDF funded programme in partnership with GLA, the London Enterprise Panel
  and our private sector partners. It features mentoring by experienced entrepreneurs, trade
  missions to explore opportunities around the world and access to leads and access to global
  corporates both here in London and in overseas markets. We work closely with our in-market
  teams across North America, China, India, France and Germany to ensure that our companies
  gain access to corporates and mentors in market.
- The programme has just received further funding from the EU that will see it continue to scale over the next three years in order to support more high-growth companies to internationalise.
- In 2019/20, we will continue to work closely with the Business Growth Programme to align our work where complimentary to be able to deliver higher impact workshops and 'meet-the-corporate' events to support more London SMEs to scale and win business.

#### Plans to activate

We are planning to undertake a range of trade missions including five missions to the USA, two to China, two to India and missions to France and Germany.



## **Business growth programmes (BGP)**

### Our growth proposition joined up with our FDI and trade work

- BGP supports London-based SMEs, both indigenous and foreign-owned, to realise their growth potential through our tailored programme of workshops, events, 1:1 mentoring, network expansion and peer-to-peer collaboration. We support companies in Urban, Innovation & Life Sciences, Creative and FBST.
- The programme launched in June 2017 and has gone from strength to strength. The One Year On Successes campaign in 2018/19 celebrates successful Alumni. The aim is to celebrate the continued success of our clients and attract more companies to join the programme.
- To date, we are meeting or exceeding all ERDF outputs. Due to the successful extension of the programme these targets have now increased to reflect the additional year of outputs. We have supported 307/530 businesses, created 110/170 new jobs & 32/58 new products and supported 36/50 new enterprises.
- BGP introduced a cohort format in 2018 bringing on approximately 75 new businesses per quarter celebrating the launch of each with deputy mayor Rajesh Agrawal. We are also celebrating their ongoing success at the London Business Awards event.
- Working closely with the Mayor's International Business programme, we have delivered an Alumni Connect and a high profile event 'Raising Investment: From Startup to Scaleup' connecting businesses from BGP and MIBP with our extensive investor network.

#### Plans to activate

- 4 cohorts, including launches, workshops and mentoring.
- 12 Meet the Corporate, 12 sectorspecific & 4 Alumni Connect events.
- Innovation Festival during LTW.
- Diversity & Inclusion Programme to build upon the successful Women Entrepreneurs Series.
- We have successfully extended the programme using our budget underspend to the end of April 2020.
- We are through to the final round with our 3-year extension bid as part of the latest round of ERDF funding. This will see the programme run from May 2020 – April 2023. We are due to hear a final decision in April 2019.

### Tourism – our role and ambition

Ambition	North America	France	Germany	India	China
<b>Business tourism</b>	Grow in core sectors - larger contestable wins	Grow in core sectors - larger contestable wins	Grow in core sectors - larger contestable wins	Prepare for growth	Grow in core sectors
Leisure	Focus on target audiences	Focus on targeted activities working closely with multipliers	Not a priority except for Brexit response.	Maximise value of the Cricket World Cup to London's visibility	Grow number of visitors

### Our role

- Together with the tourism industry, we are **committed to delivering the Tourism Vision for London**. Our role is to attract first-time international leisure visitors and contestable business visitors to London by engaging directly with our audiences via owned channels or through our wide network of multipliers and partners.
- We will also work to leverage opportunities for our partners to attract domestic tourism through our wider networks and existing channels.



### **Business tourism**

### **Deliver our growth ambition:**

- Grow in core sectors by focussing on larger contestable wins and leveraging our strong industry relationships. The sector focus is crucial to utilise points where our audiences converge to further our resources, either through winning, growing or creating new events.
- Grow pipeline opportunities through our CVB and Associations teams, working with partners, and existing accounts to identify and win major contestable events.

### Working in partnership with the industry:

- We champion the voice of London's tourism partners which means scaling our partner model; improving our commercial partnerships to have closer working relationships with key partners, we will continue to be active in and reappraise route to market/match fund activities such as IMEX/ IBTM/ Meetings Show.
- Maintain our engagement with Travel Trade through continued membership of UK
  Inbound and ETOA (European Tour Operators Association) bodies who represent inbound
  travel trade operators and suppliers. Maintaining our representation at World Travel market
  and ITB, either on speaker panels, or partner activations.
- Align with national partners such as VisitBritain (VB), GREAT, VisitScotland and TFL.
- Work with Travel and MICE publications to raise the profile of London and the Tourism Team.

#### Plans to activate:

- Partner engagement activities
- National Bodies VB / DEF in China and India around Cricket World Cup. Joint client platforms and activities across core markets, and key industry events.
- Industry Association Events and Activations – networking and sales activities to target markets.
- Co-Creation of new events for London – build London Tech Week to further attract international delegates and build reach.
- Always On CVB Website/ Social & Business Networks building London's profile.

### Leisure tourism

### **Deliver our growth ambition**

- Remain focussed on our target audiences in our core markets, using existing product investment and partner relationships to maximise the impact of our limited resources, e.g. working with VB and DEF in China and India.
- Use major events and planned partner activations to more efficiently reach target audiences tactically utilise the Cricket World Cup across both leisure and business audiences in India; work with VB. Continue to engage DMCs and tour operators through ETOA and UK Inbound. Influence independent travellers by Brand London messages in all markets.

### Inspiring target audiences to choose London:

- Build Brand London story to attract first-time visitors, through inspirational cultural, historical, creative and innovative London content amplified through multiplier channels. Build on Future of London B2B messaging to ensure consistency of key themes, tone and content.
- Leverage partner activations and events to make best use of our limited resources, and maximise reach and engagement with target audiences eg: Pride 2019, Cricket World Cup and One Young World.
- Align with partners such as VB, GREAT, VisitScotland, TFL and City of London to collaborate on campaigns where our target audiences are similar.

#### Plans to activate:

- Communications across social and digital owned and multiplier channels in core markets, to build strong and consistent delivery of key messages to target audiences
- Ongoing marketing based on key events and partner campaigns eg: #RoyalLondon (Royal baby), CWC, Pride and One Young World
- Build on DEF campaign foundations to extend activity in China and India with VB and partners.
- Work across paid, owned and earned channels to leverage changes to London product – for example 24hour London (Night Tube) and London Borough of Culture.



### Students – our role and ambition

Ambition	North America	France	Germany	India	China
Students	Grow students attracted	Not a priority except for Brexit response	Not a priority except for Brexit response	Defend unless visa change	Grow students attracted

### Our role

- Our role is to support London's status as a global hub for Higher Education and research. We do this by attracting
  prospective students from target markets to consider studying at London's world-leading cluster of Higher Education
  institutions.
- We engage prospective students and their key influencers via our own channels (<a href="www.studylondon.ac.uk">www.studylondon.ac.uk</a> and its Chinese-language sister site <a href="www.london.cn">www.london.cn</a>), and we support London's universities in their activities through campaigns, market research, events, and business linkages.



## Students – priorities to deliver our ambition

### **Deliver our growth ambition:**

- Grow in the core Chinese market, increasing the overall numbers by focussing on the career-enhancing properties of a London degree, and attracting a higher share of UK-bound students by addressing safety and welcome concerns. Grow US student numbers by showcasing the cultural opportunities of a London degree, and maintain Indian numbers in the face of visa concerns.
- For prospective French and German students, we will respond to Brexit concerns by using key messages reinforcing the quality and value of a London education.

### Inspire target audiences to choose London:

 Promote the four key reasons for choosing London HE (Career, Culture, Course and Cost) to prospective students in core markets, flexing to reflect the different emphases of each market.

### Work in partnership with the sector:

 Maintain our close working relationship with London's Higher Education ecosystem through continued engagement with universities and umbrella bodies like Universities UK, London Higher and the British Council.

#### Plans to activate:

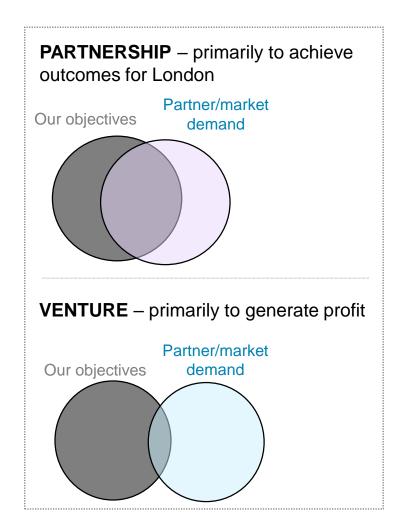
- Sustain and improve our 'always on' channels (www.studylondon.ac.uk and www.london.cn), reflecting the strategic emphasis on reaching audiences early in their journey and inspiring them to choose London.
- Support these channels with English and Chinese social media.
- Produce lively and engaging campaigns that address identified concerns among prospective students. The Student Welcome campaign shows London's open and multicultural aspects, while the Summer Schools campaign supports a significant revenue earner for universities and important 'taster' mechanism for students.
- Continue to support universities via referrals, research, events and business opportunities.





### Introduction

- For the last two years we have achieved our target of a minimum of 50% of non-GLA grant revenue (commercial revenue, match and in-kind) to GLA grant revenue. We will aim to achieve the target again in 2019/20
- We will do this by pursuing both partnerships and commercial ventures.
- We are clear about when activity is primarily to achieve outcomes, or primarily to generate profit. This is why we distinguish 'partnerships' from 'ventures':
  - Partnerships: We will pursue partnerships where our strategic objectives align. Partnership revenue allows us to do more programme activity to achieve our outcomes for London. Examples: sponsorship, match funding, value in kind.
  - Ventures: These deliver commercial revenue that generates profit (cash) that can be reinvested in programme activity to achieve our outcomes for London. Examples: dotlondon, eCommerce.



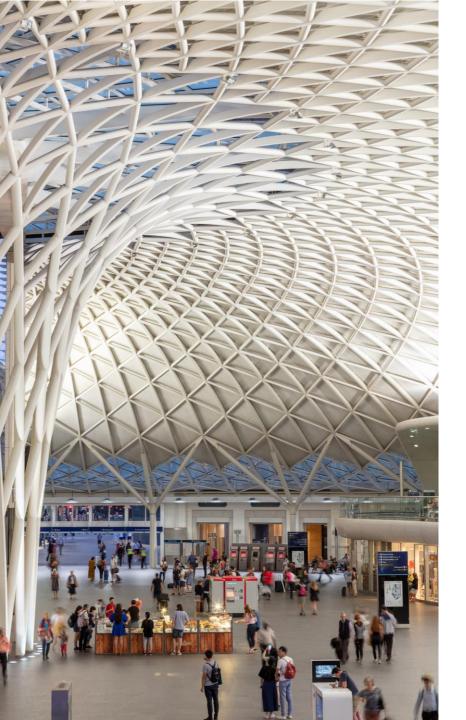




## **Partnerships**

- Our strategy is to have partnership schemes that are aligned with our corporate strategy, are less onerous to administer, and improve partner satisfaction.
- To date we have refined our new inward investment partner model which has two tiers: **London Welcome Partners** that support non-contestable projects and **Core Market Partners** that will work closely with us to convince companies to choose London and pass leads to us.
- In April 2019 we will launch a restructured tourism partnership model that is more accessible to all London-based tourism organisations, by introducing a lower membership entry fee with a clearer and more structured set of benefits. The aim is to build a broader community that is representative of the tourism industry in London whilst maintaining revenue in 2019/20 and increasing it in future years.
- During 2019/20 we intend to develop a small number of strategic partners whose interests cut across more than one of our audiences and we can agree a bespoke programme of work.
- In addition, our aim is to pursue more overseas based partners or those with global reach to amplify London content to our audiences in core markets.





### **Ventures**

- Our profit-making activities generate profit (cash) to reinvest in programme activity to achieve our outcomes for London. The activities are run through two subsidiaries:
  - DotLondon Domains selling the top level domain
     .London. We will activate a new marketing strategy including sports partnerships with fans that match the target demographic and closer working with registrars.
  - London & Partners Ventures key activities will include implementing the findings of a review of our ecommerce activities, re-negotiating supplier contracts for ticket sales, exploring opportunities to commercialise the Visit London app and co-ordinating an industry-led consortium to support domestic tourism. In addition, we will scope and test new commercial opportunities to add into the pipeline.







### **Enhanced Governance**

In transforming the organisation over the last year we have **enhanced our governance** with clearer and more transparent accountability and decision-making including:

- Rationalising and bolstering the boards of our commercial subsidiaries Dot London Domains and London & Partners Ventures.
- Creating a smaller **Management Committee** and clearly defined **Senior Leadership Team** with decision making responsibility focused in two executive boards:
  - Outcomes board responsible for ensuring the company delivers its outcomes for London by allowing more nimble re-allocation of resource to focus on changing priorities.
  - Corporate board responsible for ensuring the company is efficient and effective to maximise its resources to deliver its outcomes for London.
- Introducing additional measures to enhance our transparency and corporate governance (see overleaf)
- Promoting and encouraging **inclusion**, **diversity and equality** in the company overseen by an Inclusion and Diversity Council supported by groups focussed on Origins, Women, Mental Wellbeing and LGBT+.





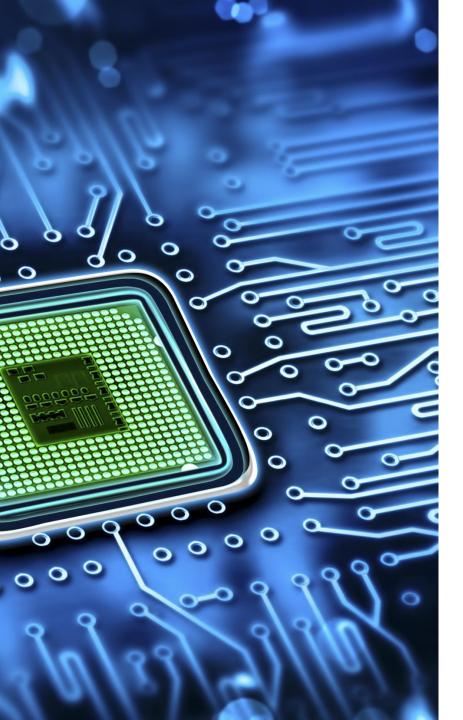
## **Transparency and Corporate Governance**

We have developed a new **Transparency Policy** which has been subject to a public consultation.

As a result we will:

- Publish all expenditure over £250
- Conduct an independent audit of our annual results against our key performance indicators
- Publish a more comprehensive annual review which will include a detailed breakdown of our expenditure against business lines and the results of the audit of our annual results
- Publish details of the companies we have helped (except where they have asked for their details to be kept confidential)
- Adopt public procurement regulations and publish tenders
- Publish an organisation chart of senior staff with numbers of staff within salary brackets
- Publish full minutes of Board meetings, terms of reference of L&P board and subcommittees and delegation of authority of decision-making
- Make it easier to find information on our website about our governance, transparency measures and decision-making





## Realising benefits

A comprehensive **change programme** was initiated in 2018-19 to realign the organisation to deliver the new strategy. The majority of the benefits of these changes will be realised in 2019-20 including:

- An organisation set up to deliver the strategy effectively through a significantly increased global footprint and structured around core markets and sectors.
- Implementation of a new CRM system resulting in better customer insights, client delivery and efficiency savings.
- A new Insights Portal to allow us to understand and serve our audiences and allow us to share these findings with partners and stakeholders.
- Enhanced Communication tools to make it easier to engage with our overseas staff, clients and partners.
- A corporate communications strategy and action plan to improve our engagement and enhance our reputation with key stakeholders.
- Continued use of the EFQM Excellence model to drive continuous improvement across the organisation.





## 2019/20 Budget

	Business Plan 2019/20 £'000	Business Plan 2018/19 £'000
INCOME		
GLA grant – core	11,543	11,543
GLA grant - MIBP	0	400
GLA grant – Brexit	1,236	1,355
GLA grant - other	357	357
Total GLA Income	13,136	13,655
Other grants	1,804	2,030
Commercial earnings	6,838	6,296
Value in kind contributions (VIK)	4,452	5,250
Total non-GLA income	13,094	13,576
Total income	26,230	27,231
EVDENDITUDE -		
EXPENDITURE Activity costs in core markets		
North America	3,700	3,427
China	1,885	1,570
India	1,424	801
France	1,240	1,521
Germany	1,302	1,321
Activity cost across all core markets	1,943	2,738
VIK utilised in core markets	3,116	3,150
Activity costs across all other non-core market areas	4,452	4,164
VIK utilised in non-core market areas	1,336	2,100
Total activity costs	20,398	20,739
Platform costs in London	6,344	6,492
Total expenditure	26,742	27,231
Planned utilisation of brought forward reserves	(512)	

## **2019/20 Financial plan – notes (1/2)**

The financial plan is presented on the basis that the planned loss for the financial year will utilise brought forward reserves.

#### Income

- 50% of income is planned from non-GLA sources (50% in 2018/19).
- A decrease in total income of 4% reflects a decrease in the GLA grants of 4% and a decrease in other grants of 11% offset by
  increases in commercial income of 9%.

### **Expenditure**

Reflects the company strategy to focus on core markets by increasing spend on promotion in and to the markets as a proportion of total activity costs to 72% from 70%.

- Programme spend includes the costs of the key elements of the business plan for 2019/20 Future of London, Brexit response,
   China marketing strategy, campaigns targeting leisure visitors and students and activations around key business events such as London Tech Week, Sibos, SVC2UK and key sporting events such as the Cricket World Cup.
- Salary costs decrease slightly in absolute terms and increase as a proportion of total costs by 1% less than assumed inflationary
  pay adjustments and additional staff in market resulting from restructure savings.
- Platform costs are reduced by 2% in spite of an expected rent increase, investment in key systems and other unavoidable cost increases.
- Savings made in salary and platform costs have been allocated to programme costs as noted above.



## 2019/20 Financial plan – notes (2/2)

#### **Presentation**

- The 2018/19 business plan has been re-presented to reflect the changes listed below the total income and costs have not been changed:
  - Include "contributions from partners and other agencies" within Commercial earnings
  - Allocate "Retention/Brexit defence and sector specific activity costs" to the core markets in which they are utilised
  - Allocate certain strategy & research costs to the core markets in which they are utilised
- The analysis of costs is in line with the company strategy showing costs by core market, cross-country and platform costs. Each category includes programme costs, staff costs and value-in-kind (VIK) for the activity.
- Platform costs include operations costs (HR, IT, facilities, finance, legal), research information sources, digital support costs &
  related tools, PR monitoring costs and strategic transformation costs. They also include salary costs for staff and management in
  operations and commercial roles.





## 2019/20 key milestones

Timing	Activity
April – June 2019	<ul> <li>Future of London activation</li> <li>Trade missions (Female Founders Mission NYC, MedCity Bio USA)</li> <li>IMEX (Frankfurt)</li> <li>London Tech Week</li> <li>Cricket World Cup</li> <li>#RoyalLondon campaign extension (Royal baby)</li> <li>Sector activity: <ul> <li>Innovate Finance Event (April), Money2020 (June)</li> <li>London Games Festival (April), Trade Mission Creative to China (May), Trade &amp; Investment Mission Creative to Cannes Lions</li> <li>IAI Trade Mission to CogX (June), L&amp;P/MedCity collaboration at BIO US (June)</li> <li>Trade Mission to China (May)</li> </ul> </li> </ul>
July – Sept 2019	<ul> <li>Future of London activation</li> <li>International amplification of Pride</li> <li>Potential Leisure marketing campaign targeting US visitors</li> <li>Continuation of Discover England Fund targeting Chinese visitors</li> <li>IMEX (Sans Expo)</li> <li>Sector activity: <ul> <li>London Fintech Week (July), SIBOS (Sept)</li> <li>Flagship event for Creative Industries, Trade Mission Advertising to Chicago</li> <li>Trade Mission to US (Sept)</li> </ul> </li> </ul>
Oct - Dec 2019	<ul> <li>Future of London activation</li> <li>SVC2UK – 'Silicon Valley Comes To The UK'</li> <li>One Young World</li> <li>Sector activity: <ul> <li>AR/VR event for FDI/BGP/MIBP,</li> <li>Celebration event for disruptive creative industries and activation around Slush for Games</li> <li>MIBP Trade Mission to San Francisco for Disruptive Tech (Sept)</li> </ul> </li> </ul>
Jan – March 2020	<ul> <li>Future of London activation</li> <li>Partner Event (Tourism Means Business)</li> <li>Student Summer schools campaign</li> </ul>
Always on	<ul> <li>Owned digital channels (incl VisitLondon.com, Convention Bureau, business.london and Study.London websites, social and email) in-language where appropriate</li> <li>Content and marketing collateral to support the full range of business activity</li> <li>Reactive communications activity and influencer engagement</li> <li>Partnership program and events</li> <li>CVB and Industry Association Events and Activations</li> </ul>



## How we measure 'engagement'

- We are measuring audience engagements with our content. It is a meaningful metric and it is measurable across a
  wide range of different marketing channels.
- (The alternative metric often used is audience reach. Engagement is more meaningful because it captures a user action. With audience reach, there is no guarantee that the user has even been exposed to the content).
- Engagement is defined dependent on the channel.

Channel	Engagement definition
Website	User either: visits one or more pages, or scrolls past 50% of an article page
Social media	User likes, comments, shares, retweets, swipes up etc
Video	Engagement definition varies depending how each channel defines a video view* e.g. Facebook = 10 seconds, Twitter = 2 seconds, Youtube = 30 seconds or user click

<sup>\*</sup>This approach is adopted as we only have access to the channel provider definition of a video engagement.



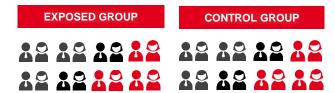
## How we measure 'perception change'

Target audience is exposed to a marketing campaign in media channels



Pixel tracking used to identify two groups:

- 1. Control group = <u>have not</u> seen marketing activity
- 2. Exposed group = <u>have</u> seen marketing activity



Pixel tracking is used to identify if the audience matches those who have opted in to a third-party survey panel If yes, the users are asked to score their perceptions of London based on our key messages



Survey results from the exposed group are used to identify perception changes of London compared to the control group

+8%

### Pixel tracking explainer

- Online marketing activity is tagged using a pixel.
- This pixel is a unique identifier which can be used to understand who has been exposed to our activity.
- It works in a similar way to a cookie to track and identify users
- The pixel can be used to match people exposed to a campaign to those who have opted in to a third-party survey panel



