

## STRATEGIC ALLIANCES COME TOGETHER TO ACHIEVE COMMON GOALS IN A REGIONAL CLUSTER DEVELOPMENT PROJECT

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### Abstract

*A growing number of farms in rural Canada are looking to agri-tourism as a way to diversify their revenue sources and enhance competitiveness. The Agri-tourism Cluster Development project was piloted in 2003 in the province of Alberta, Canada. The project was in response to marketing constraints of individual farm businesses and a market research study that revealed a gap between high consumer interest in engaging in agri-tourism and an apparent low awareness of the opportunities available. The result was a cluster development approach that would assist regional groups to cooperatively raise the profile of agri-tourism offerings while increasing profit at individual farm gates and enhancing viability in rural communities. The project took a multi-faceted approach and included the use of nationally developed resources on agri-tourism from the Canadian Farm Business Management Council ([www.farmcentre.com](http://www.farmcentre.com)). Following the pilot stage lessons learned were documented, a process defined and the project expanded to what are now nine regional clusters.*

*Keywords: cluster, agri-tourism, viable, alliance, network, rural economy*

### Purpose

Agri-tourism is a marriage between two major industries. It is a collection of agriculture-based attractions, events and services that include experiences like farm visits and tours, farmers' market, agriculture festivals and fairs, country vacation farms, guest ranches and market gardens.

Agri-tourism can help to bridge the gap between urban and rural populations. It is also one opportunity for farm families to diversify revenue sources for their operation. It provides new market opportunities and adds value to what they are already producing. In some cases the addition of an agri-tourism venture has been known to assist in succession planning, encouraging the younger generation to stay on the farm and add enough revenue to support more than one generation. Viable farms contribute to viable rural economies.

In the province of Alberta, in Western Canada, agri-tourism is considered to be an emerging, but steadily growing industry. According to a 2005 study, the agri-tourism industry in Alberta has the potential to almost double by 2010, ([http://www1.agric.gov.ab.ca/\\$department/deptdocs.nsf/all/apa547/\\$FILE/alternative\\_agriculture\\_market\\_s.pdf](http://www1.agric.gov.ab.ca/$department/deptdocs.nsf/all/apa547/$FILE/alternative_agriculture_market_s.pdf)).

The concept of an agri-tourism cluster development project in Alberta was developed in response to a number of factors, not the least of which was the limited marketing budgets and expertise of individual agri-tourism operators.

Also, an opportunity analysis was conducted by Dr. Ed Mahoney, rural tourism expert from Michigan State University, U.S.A. Dr. Mahoney determined Alberta had the “fabric but not the quilt”. There was a

need to tie together individual agri-tourism operations through partnerships, packages and cross promotions.

Concurrently, market research studies conducted by Travel Alberta ([www.industry.travelalberta.com](http://www.industry.travelalberta.com)), Alberta's provincial destination marketing organization revealed a gap between high consumer interest to engage in agri-tourism and an apparent low awareness of the opportunities available.

The last factor was one team member's interest and awareness of an internationally recognized economic development process known as "cluster development". A resource called the Cluster Initiative Greenbook was also consulted (this book was initially launched internationally at the Competitiveness Institute Annual Conference in 2003 - <http://www.isc.hbs.edu/Greenbook.htm>).

As a result of these contributing factors, the Agri-tourism Cluster Development project was piloted in 2003 in three geographic locations in Alberta, through the leadership of provincial government employees on an Ag Tourism Team in the department of Alberta Agriculture and Food (AF).

An agri-tourism cluster was defined as a group of like-minded stakeholders and operators who come together to increase the profile for their operations and geographic area along an ag tourism theme. The objectives of the project focused on:

- Linking dispersed products to increase impact
- Using the theme of agri-tourism to tie assets together
- Accessing new markets
- Increasing their profile, awareness and word-of-mouth marketing for both individual operators and their rural community, and
- Ultimately increasing profit at the farm gate

Following the pilot stage lessons learned were documented, a process defined and the project expanded to what are now nine regional clusters.

## Methods

The locations for the pilot project were chosen on the basis of the strength of the local leadership, public and private sector interest, existing critical mass of market-ready agri-tourism operators and proximity to a large urban audience or tourism market.

It quickly became apparent that each of the initial three cluster areas were at different stages of development and had different needs and target markets. However common steps were taken with each group and as a result of the pilot project a flexible *4-step process* was developed to be used for subsequent clusters.

Outside of AF's staff time and travel, no additional funding was sought for the pilot stage. However, the following years have seen access to minimal funds to assist clusters with administration details such as inventory enhancement and coordination support. Cluster groups were asked to submit an application for funding that demonstrated multi-operator and stakeholder support and commitment to objectives for increasing exposure and awareness. A final report was required, as well as contribution to a provincial newsletter regarding lessons learned. Funds available to clusters ranged from \$2000 to \$9000 CDN.

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well as the Agriculture Policy Framework - Renewal Chapter for their support through the ([http://www1.agric.gov.ab.ca/\\$department/deptdocs.nsf/all/bmi9351](http://www1.agric.gov.ab.ca/$department/deptdocs.nsf/all/bmi9351)).

Most cluster groups have been able to leverage the nominal funding by accessing programs such as Travel Alberta's Tourism Destination Region marketing funds (<http://www.industry.travelalberta.com/Marketing/Regions/>) for collaborative initiatives.

The following *4-step process* includes logistical details from the pilot phase, as well as keys to success for each step:

#### 1. Rally the troops – Phase 1, Stakeholders

- Meet with local stakeholders and discuss opportunities and challenges facing agri-tourism in the area.
- Potential stakeholders may include agriculture, tourism and economic development staff, as well as key operators. Look to all three levels of government in local communities – federal, provincial and municipal.
- Allow time for networking and building rapport. Gauge support and interest in working together.
- Discuss and agree on the basic premise of agri-tourism cluster development and the common, overarching goal, *“there is profit to be made through partnerships”*, and *“agri-tourism operators can access new markets, build profile and increase their appeal/draw by working together”*.
- Inventory agri-tourism operators for the area and a list of other potential stakeholders.
- Determine next steps, i.e. operator meeting date, venue for the meeting and offers from stakeholders to sponsor a meal, send invitations and take RSVPs.
- Stakeholder support is a significant key to success. They may need probing to realize that they provide things like:
  - Knowledge of the local area, as well as the agriculture and tourism sectors.
  - Knowledge and access to local resources (ie. mapping, graphics, public relations, access to networks, places to meet, administrative support, etc).
  - The ability to help bring people together and keep a project progressing.
  - Funding.
  - Programs for business planning, marketing, etc.
- Allow time for them to communicate about their organization and what they bring to the table, as well as to build rapport and excitement.

#### 1. Rally the troops – Phase II, Operators

- Hold an operator meeting in conjunction with local stakeholders.
- Discuss and agree on the basic premise of agri-tourism cluster development and the common, overarching goal (see Phase 1).
- Present the definition of agri-tourism; demonstrate why clustering, partnerships, cross promotion and word-of-mouth are important for agri-tourism industry development.
- Allow groups to network, get to know each other and build rapport.
- Discuss basic parameters involved in working together.
- Develop clear action steps.
- Suggest operator invitees (focus on market-ready agri-tourism operators):
  - Start with an existing inventory if available, such as Alberta's Agri-tourism Directory, which can be found at: <http://www1.agric.gov.ab.ca/general/agritour.nsf>. Use stakeholders and key operators to flesh out the list (i.e. garden center/greenhouses, market gardens, food and agri-processors, other potential farms and ranches)
  - Ag Societies
  - Farmers' Markets

- Other ag-based historic sites, museums, and event organizers (e.g. country fairs, rodeos, etc.)
- 4-H clubs
- Ag-inspired retailers and artisans
- Take time to think about the process for this meeting. Determine the desired outcomes and ensure that the meeting is structured to achieve these outcomes (i.e. provide opportunities for networking, structured small group discussion, etc). This meeting will lay the foundation for future initiatives.
- Attempt to build excitement and reinforce confidence by showing support.

## 2. Seed with some ideas

- There are many sources for ideas. Look to other jurisdictions to see what they have done.
- In an attempt to get quick wins in the pilot stage, agri-tourism cluster success stories from other regions were researched and shared with the participants through handouts, websites, and brochure examples. A comprehensive guide of ideas and several links can be found on [www.agtourism.ca](http://www.agtourism.ca). The presentation should be on market-focused projects that result in increased word-of-mouth. A guest speaker from another cluster may be considered as well.
- Ideas could be presented in the following groupings:
  - Driving tour routes – events involving self-guided travel with an associated map and guide.
  - FAM (familiarization) tours – a concept used to physically show invited participants what a group of operators has to offer.
  - Agri-food events – a method of showcasing locally available food products and their producers.
  - Operator showcase at existing events – a way to bring the product to the market through a tradeshow and/or demonstration type approach.
  - Driving guides – a seasonal print piece for traveling consumers to learn about and locate local agri-tourism operators.
  - Packaged getaways – a combination of travel experiences and services coordinated and sold as a package to the traveling consumer.
  - Cross promotions – a process whereby operators promote each other for mutual benefit.

## 3. Pick something and run with it

- There are several projects to choose from. Encourage the group to first decide what market they want to influence. Then pick an appropriate project that is both achievable and a “quick win”, one that will build cluster momentum, trust and rapport among players and confidence in their abilities. Emphasize the need to strive for “progress, not perfection”.
- Spend time discussing the objectives (e.g. raise profile and awareness of operators, educate about local agriculture, increase cross-promotion, raise money for the group, provide sales opportunity for operators, etc.) They may want to achieve a combination of objectives – ensure that there are strategies in place to achieve each one of them. This is also a good time to remember the common, overarching goal about building profile and awareness.
- To keep the meeting participants engaged, encourage them to pick projects they could get started on right away.
- Urge the groups to set up meeting dates before leaving, list who else needs to be involved, determine key project champions and get many helpers involved.
- Discourage groups from “reinventing the wheel” – have them contact those who have already tried things and learn from their experience.
- Encourage stakeholders to offer venues for meetings, key contacts and other support.
- Recommend further sponsorship and funding where possible.
- Promote and cross-promote the project.

- Take time to continue to build relationships and trust along the way (i.e. use work-bees for specific activities, take time to celebrate).

#### 4. Evaluate and follow-up

- To help with future planning it is very important to track the process and project results.
- Use the original project objectives to determine what things will be tracked (e.g. sales, visitation numbers, demographics of participants, web hits, etc).
- Keep a record of all process information, applications, media coverage, etc. The information collected can help in planning future initiatives, as well as recruiting new operators or potential sponsors.
- Consider using a prize-draw or some other means to establish a database of the people who came.
- Following project completion take time to debrief, discuss lessons learned and talk about next steps.
- Make the time for recognition, celebration and continued opportunities to network.

### Principal Results

There were many success stories that resulted from the pilot phase:

- Familiarization (FAM) tours:
  - Operators toured key agri-tourism operations in Strathcona County to enhance cross-promotion of each others operations.
  - Claresholm Chamber of Commerce and local urban businesses toured seven guest ranch operations in the Porcupine Hills to improve knowledge of agri-tourism in their rural surroundings and increase word of mouth promotion.
- Supplier Showcase:
  - 17 regional agri-tourism operators developed display booths for Little New York Daze event in Longview to build word of mouth promotion among community residents and visitors.
- Weekend Driving Tour Events:
  - Country Soul Stroll in Sturgeon County. Twenty Five operators sold the opportunity to experience the benefits of traveling through the country and discovering the importance of agriculture in their own backyard.
  - Fur and Feathers Farm Tour in Strathcona County. Ten alternative livestock operators and rural foodservice suppliers enhanced exposure to farm products, and offered education about the value of agriculture.
- Special Agri-food Event:
  - Harvest Festival of Foods in Strathcona County. Regional cuisine producers collaborated with top Edmonton chef to showcase locally grown and processed agri-food products.

For all clusters, a level of advertising and promotion was attained through collaboration that individual operators could never achieve on their own, culminating in increased exposure, awareness and access to new markets. As well, the pooling of marketing dollars made it possible to access marketing funds aimed at consortia-based projects. New marketing tools were developed such as maps, brochures and websites that have aided in cross-promotion and a lasting presence in the marketplace. Furthermore, operators with retail outlets also benefited from event-day sales and resulting repeat business.

Today, some of the initial projects continue to evolve, some have stopped and many new ones have started. The clusters continue to progress and change at varying rates all depending upon the engagement and leadership of local operators and stakeholders, their experience and readiness to work together and a collective vision for the project(s).

Continuing projects include:

- Country Soul Stroll - [www.countrysoulstroll.ca](http://www.countrysoulstroll.ca)
- Visit the Country Guide and Edmonton Countryside Spring Drive - [www.visitthecountry.ca](http://www.visitthecountry.ca)
- Country Christmas - [www.countrychristmas.ca](http://www.countrychristmas.ca)
- Red Deer's Country Drive - [www.countrydrive.ca](http://www.countrydrive.ca)
- Lethbridge's Fun Farm Tour - [www.funfarmtour.com](http://www.funfarmtour.com)

As a result of the ongoing cluster development project a number of outgrowths have transpired, including educational programming, resource development and communication initiatives:

**Education:**

- A need was identified by all clusters to grow the number of market-ready agri-tourism operators. As a result a workshop called “*Opening Your Gates to Ag Tourism*” has been held in each cluster area. The focus of these workshops was the business development aspects of starting an agri-tourism venture. It should be noted that a key resource used in the workshop was developed by the Canadian Farm Business Management Council called *Cultivating Agri-tourism: Tools and Techniques for Business Success* ([www.farmcentre.com](http://www.farmcentre.com)).
- Even market-ready operators felt a need to improve their site image and presentation. AF led workshops were held with early clusters on “*Getting Your Site Guest-Ready*”. A training DVD was consequently developed to cover similar topics and has been shared with the clusters.
- Conferences aimed at cluster operators and stakeholders were held in two different locations. The “*Harvest the Talent, Grow the Cluster*” conferences focused on the needs identified in an educational survey, encouraged networking among cluster groups and enhanced exposure of cluster success stories and techniques from other jurisdictions.
- Mentorship consultations were held between an advanced operator from the province of Ontario and cluster groups to learn about methods of improving and enhancing marketing techniques.

**Resources:**

In addition to the *4-step process*, a number of resources were developed to support the development of clusters, including:

- Factsheets called “*Establishing Ag Tourism Routes*” and “*Coordinating Ag Tourism Familiarization Tours*”, as well a 73-page “*Consolidated Guide to Ag Tourism Cluster Projects in North America*”. All of the above, as well as several other resources and weblinks are available on [www.agtourism.ca](http://www.agtourism.ca).
- The “*Expecting Company? Preparing Your Site for Ag Tourism*” training DVD is available for sale on the AF website under Publications and More – [www.agric.gov.ab.ca](http://www.agric.gov.ab.ca).

**Communication:**

Regular meetings and conference calls continue to be held with key operators and stakeholders in each of the clusters.

- In addition, a “*Cluster Communiqué*” was developed and sent out regularly to the coordinators who were assisting the clusters with inventory enhancement and cluster coordination.
- An “*Ag Tourism Cluster Development Newsletter*” has been done twice yearly since 2005 and sent out to all operators and stakeholders in all of the existing clusters. Back issues are available on [www.agtourism.ca](http://www.agtourism.ca). An inventory of all operators and stakeholders throughout the province continues to be maintained for this purpose.
- Lastly, a networking, training and best practices day has been held for the last two years for all of the cluster coordinators.

**Major Points of Discussion**

The role of government for this project is predominantly as a catalyst. The approach of AF has been to bring parties together, introduce ideas, and link them to networks, resources and funding sources. The

premise of government remaining as third party catalyst is to empower those operators and stakeholders to choose, build and drive their own projects. Sustainability within the clusters will only be achieved when groups are held responsible for the success or failure of a project.

At times it has been difficult to resist providing a specific direction or offering more support than was appropriate, however in the long run it was recognized that the process and subsequent learning was as important as the actual end product. As a result, knowledge, skills, confidence and leadership all grow among clusters and the individual operators that comprise them.

A somewhat unexpected result from the cluster development program is the diverse group of stakeholders coming together. We learned that tourism, agriculture and economic development staff do not cross paths very often, even in smaller rural communities. This diverse support has helped to strengthen cluster groups and has provided a venue for these stakeholders to come together on other issues and initiatives. Our belief is that it also helped to bridge the urban-rural gap in these communities where stakeholders were largely unaware of the depth of the agri-tourism industry and its potential.

On a few occasions it was the stakeholders who took it upon themselves to nominate clusters for various provincial awards. The Country Soul Stroll, a flagship cluster project, has been the recipient of a Growing Alberta Leadership Award (<http://www.growingalberta.com/about/default.asp?id=261>) for Innovation, and two municipalities won a joint Municipal Excellence Award (<http://www.menet.ab.ca/107.asp>) for their contribution in the cluster development process as a leading practice.

A flexible process such as the agri-tourism cluster development initiative does not come without its challenges:

- For example, bringing together different players who are at different levels of development and commitment, and who have different needs, can present a struggle when trying to find common ground. Even when common goals and objectives are set, groups can sometime lose site of these as projects develop and evolve.
- Learning tends to happen on an incremental level and marketing continues to be a learning progression. Marketing strategizing and tracking have presented a significant uphill learning curve, not only for operators, but also for stakeholders as the specific market demands for agri-tourism are still in the process of being realized and understood. In fact, the concept of agri-tourism can still carry a somewhat negative stigma among some conventional or traditional players in both the tourism and agriculture industries, as any emerging sector often does.
- The result of an industry still in its infancy stages is that there are operators who do not even realize they have something to offer in agri-tourism and thereby don't consider themselves a part of the industry.
- With the exception of one cluster group, most have opted to maintain a fairly loose business structure. Although the flexibility can be beneficial for changing players and needs, it can also present a challenge when issues arise or the need for a formal body is required to apply for funding or speak to the groups needs.

## Conclusions

AF is excited by the results of the agri-tourism cluster development project and the future potential. We continue to see a role in communication between cluster groups in order to extend new ideas and key learnings from one cluster to the other, as well as encourage cross promotion of the projects. It is hoped that once groups meet critical mass with their regional projects, a promotional plan focusing on the agri-tourism network at a provincial level will emerge.

Support will continue for existing cluster groups. In the voice of one key operator, “Without AF assistance, many projects will suffer death by operator burnout. It is key that the projects gain sufficient momentum to drive themselves, but the first five years is the most tenuous.” Indeed, we continue to see leadership grow within the clusters and the learning and development must continue to be nurtured in these early years to ensure sustainability.

Clusters that started with a simple weekend driving tour event have begun to evolve with more year-round, sophisticated and diverse promotions, for example: the addition of a food and/or media event, additional tour weekends, specific offerings for the travel trade industry, and so on. As these projects evolve, groups with specialized offerings and niche markets begin to emerge within clusters. We have seen groups with culinary, garden-inspired and cowboy/ranch themes begin to develop. Cross promotion continues to grow as well. These new initiatives need to be nurtured and supported by the collective alliance as they provide depth to Alberta’s agri-tourism offerings.