

Highland Cattle Society

Review of the Strategic Plan - August 2016

In August 2015 the 10 year Strategic Plan was published and Council have reviewed it one year later to ensure it remains current and meaningful.

The Strategic Plan augments the Society's obligations under the Scottish Charities Act 2005 and builds on the Constitution and Objectives. It sets out;

- To ensure long term financial stability
- To raise the profile of the breed
- To make continuous improvements in the quality of the highland animal
- To introduce on-line computer technology in all areas of the business
- To increase the membership by 5% each year
- To provide a better service to the members and improve communications with them
- To resolve the weak market for sales
- To continue improve the way the Society is governed
- To fully document internal policies and procedures

Over the next 10 years the vision for the Society remains to continuously improve the quality of Highland cattle, raise the profile of the breed as a prime beef product and have all breeders of Highland cattle as members of the Society.

Current progress on the implementation of the Strategic Plan (August 2016)

Since work began some 24 months ago to produce a sustainable way forward the Society has made impressive progress in implementing the Strategic Plan. These achievements are set out below.

- The Society achieved a trading surplus in 2014/2015 and is on course to achieve a small trading surplus for 2015/16
- Effective financial control is being exercised to ensure expenditure does not exceed income.
- A comprehensive risk assessment has been carried out to help achieve key objectives and safeguard the Society's funds and assets
- An annual Lottery has been introduced and a new Fund Raising Committee established to raise new funds to improve the reserves. Much work has also been done to raise funds through the raffle.
- Data base issues have been resolved resulting in considerable annual savings.
- A Dispersal and Reduction Sales Policy has been adopted.

- A Transfer of Fold Name Policy has been adopted.
- A formal complaints procedure has been adopted to resolve any concern, problem or complaint that a member of the Society may have or a member of the public raises with the Society.
- A list of the benefits of being a member of the Society has been produced and published.
- All those who do not renew their subscriptions are now contacted by telephone. This information will be used to develop a membership retention plan.
- Communication to the membership has been improved with the introduction of personalised emails.
- A National Fold Championship is being held to help raise the profile of the breed.
- Trustees are now provided with appropriate induction.
- The Good Governance Code for Charities has been adopted.
- Work has commenced to document all internal policies and procedures in an Administrative Manual.
- A brand new web site has been installed that is aesthetically pleasing and user friendly.
- Through the new web site, subscriptions, registrations and membership applications can now all be made on-line.
- Highland beef has been vigorously promoted to the general public at large through a series of events, dinners and dedicated Highland beef tastings.
- The Society is being increasingly used as a communications hub by diverse media organisations that wish to use the iconic Highland cow in a wide variety of film and print productions.

To summarise progress after one year in relation to the strategic aims;

- Clear progress is being made on ensuring long term financial stability but the reserves are still much lower than they should be.
- Much work is being done to raise the profile of the breed and to make improvements in the quality of the Highland animal.
- On-line computer technology is being progressively introduced.
- Improvements have been made in the way the Society is governed.
- A start has been made on documenting internal policies and procedures
- Very little work has been done to resolve the weak market.
- There are still membership issues in relation to communication, perceived benefits, membership retention and planning for growth.

From this broad summary it is clear that there are three main issues that require addressing; the continuing weak market for the sale of cattle; the ongoing static membership and financial performance relating to the low level of reserves.

Weak market for sale of cattle

One of the issues that came out of the consultation, when drawing up the Plan, was that many members said that they are not receiving a commercially desirable price for their cattle. Council still believed this to be valid mainly because disposable income was less than it used to be. But it was also felt that sometimes members have unrealistic expectations about the worth of their cattle. Council suggested that this could be overcome by providing true and accurate information on the worth of the Highland animal. This will involve gathering detailed statistical information and promoting it broadly. Council also thought that more effort should be made by the Society to communicate the benefits of the breed to “get the right message out”. It was suggested that the President allocate this task of collecting and collating statistics and information, including developing a promotional programme, to one individual.

Static membership

About the same numbers of members leave the Society every year as those who join. Many may simply be retiring but others may be turning to other breeds or have lost interest or even have lost faith in the Society. A good start has been made on understanding these issues but more need to be done to retain more members than we do at present.

A further issue is that the Society has been poor at publicising the benefits of membership and has not been great at wholeheartedly engaging with members either.

The value of clear and regular communication cannot be overstated. It's the Society's way of keeping in touch and receiving feedback. Members receive the Journal and newsletters and can access a host of information from the web site. Good as this is, it is passive communication when what is also needed is more proactive communication that utilises modern information technology and social media.

So, the strands to the membership issues are;

- How do we retain more members than we already do?
- Is it still realistic to increase the membership by the Plan's objective of 5% per year?
- Will better communications help persuade the members that they are getting value for money? If so, how do we do it?

Council agreed that it could do more in explaining why it has made particular decisions and this would go a long way towards reducing apathy. At this stage it was thought unrealistic to expect a 5% increase in membership each year but it should still remain a long term ambition.

In terms of improving communications Council thought the newsletter should be revamped and used as a marketing tool. It should consist of part news, part education, part information and part statistics. Some Council members said that the hard copy newsletter should be restored when the new format is introduced and this would go a long way to improving membership satisfaction.

Financial performance and the low level of reserves

The number one priority in the Strategic Plan was to reverse the financial losses. Substantial progress towards this has been achieved by setting clear budgetary targets for profitability and closely monitoring performance on a monthly basis. This led to a trading surplus in 2014/15. With further careful management a trading surplus should be repeated in the current year.

Council were made aware that cutting costs can sometimes have an adverse impact on the perceived benefits to members. If members feel they are not getting value for money it is unlikely they will continue to spend money with the Society and a downward spiral becomes inevitable. Council agreed that cutting costs is helping profitability but care should be exercised to ensure that savings made do not have an adverse impact on the perceived benefits members receive.

Council were made aware that the low level of reserves is another critical area of concern. As a responsible organisation the Society should endeavour to keep the equivalent of at least one year's expenditure in reserve. Trustees have a duty to ensure that the Society is adequately funded and that it has appropriate reserves for the size of the business. To address this matter, last year Council established a new Fund Raising Committee with the primary aim of raising sufficient external funds to replenish the diminished reserves. It also introduced the Lottery for the same reason. Council still felt these were the right decisions improve the reserves.

In summary on financial matters;

- Expenditure is being well controlled but achieving the desired level on income is uncertain.
- Cutting costs is helping profitability but care is needed to ensure that savings made are not having an adverse impact on the perceived benefits members receive.
- The reserves are about £100,000 lower than they should be.

New issues facing the Society

Brexit could possibly have an impact in future in relation to agricultural policy or the economic health of the nation. In the current uncertainty the Society should be alive to potential issues as they arise.

Implementation of the strategic aims – amended future workload - 2016 to 2017

Advertising and Promotions sub-committee

- Refine the personalised communications to members.
- Continue to publicise the benefits of being a member of the Society.
- Consider ways to target new members.
- Continue to improve internal communications and external promotion, including using social media communications.
- Use every opportunity to promote the breed through communication with the outside world. Clear and focused communication is at the heart of promoting the breed.
- Issue regular news updates.
- Update the merchandise offered for sale by the Society.

Breed Development sub-committee

- Develop a clear, unambiguous policy on health status and publish it.
- Define what quality standards are acceptable or not acceptable in Highland cattle and ensure quality control is instituted and the “Breed Standard” policed.
- Continue with the National Fold Championship.
- Consider introducing a formal bull assessment scheme.
- Consider extending DNA testing to females.
- Introduce formal measurement and analysis wherever appropriate.

Finance sub-committee

- Manage financial performance to achieve a small trading surplus year on year
- Take all appropriate measures to improve the reserves.
- Extend telephone discussions to all members who do not renew their subscriptions and use the information to develop a membership retention plan.
- Continue with induction and training for all members of Council.
- Continue the work on risk assessment.

Fund Raising sub-committee

- Raise external funds of £10,000 per annum.

President

- Provide leadership and oversee the implementation of the Strategic Plan.
- Conduct staff appraisal (Breed Secretary).
- Allocate the task of collecting and collating statistics and information, including developing a promotional programme, to one individual.

- Review the Society's administrative workload and assess the staff resources required.

Breed Secretary

- Resolve the Herd Book issues.
- Continue documenting all internal procedures into an Administrative Manual.
- Introduce on-line transfer certificates.
- Continue to issue regular news updates to members *via* personalised emails.