

Highland Cattle Society

Strategic Plan

Working together – a strategy for success

2015 - 2025

Foreword

After a year in the making I'm pleased to present the Council's 10 year Strategic Plan. One of the things that separates an organisation that thrives from one that fails is being able to analyse and develop a strategy for success. This is now recognised and expected by the Office of the Scottish Charity Regulator (OSCR).

The plan, which was developed in full consultation with the membership, explains the Council's perspective of the future direction of the Society and sets out the numerous issues that will have to be addressed and decided upon over the coming years. I am grateful for the honest and insightful responses we received from those members who put their views forward; this has enhanced the final document and shows that we are all working together to ensure a sustainable future for the Society.

Although the plan contains a great deal of detail, this is not in tablets of stone. It is intended to be a dynamic document that will be updated periodically and any input from members will be duly considered as the strategy is updated. A summary of the main achievements under the plan will be set out each year in the Annual Report and Accounts with more detailed performance reported at the AGM.

Tom Nelson
President

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Introduction

The Highland Cattle Society was founded in 1884 with the aim of preserving the heritage of Highland cattle. One year later the first list of pedigree Highland cattle was produced and the Herd Book has been published almost every year since. Through preservation of this long recorded history, the Society has evolved into the custodian of the breed. Its wider responsibilities include maintaining the breed standard and worldwide promotion of the iconic value of Highlanders and the benefits of the beef. It also provides education and technical support in its widest sense to the membership and to third parties including the media and national government policy makers.

The Highland Cattle Society is a registered Scottish Charity.

This Strategic Plan has been developed after a detailed analysis, consultation with the full membership and in-depth discussions at Council. It augments the Society's obligations under the Scottish Charities Act 2005 and builds on the Constitution and Objectives of the Highland Cattle Society.

Performance Review of the Society

The overwhelming strength of the Society lies with the brand of the Highland cow. Long coat, beautiful horns, out in all weather, they are the icon of Scotland and a great brand, with tradition and history. Highland cattle convey strength, beauty and nobility and people from all walks of life love them and relate to them. The foundation of the Society could, therefore, not be stronger and it has built on this strength and maintains a high profile that has world-wide appeal.

The Society has about 860 members. Scotland has 43%, England and Wales 44%, Northern Ireland 1% and 12% come from the rest of the world. Membership has remained stable but has not grown appreciably because approximately the same number of people leave the Society each year as join.

A complicating factor is that those who breed Highland cattle fall into two distinct camps; the commercial breeder and the hobby breeder. It is thought that hobby breeders, with small folds of less than 10 breeding cows, make up around 70% of the membership. This diversity is perceived as strength for the Society because it provides a wider market for sales.

The major shows and sales of Highland cattle, under the auspices of the Society, take place twice a year in October and February at Oban. This location has history and tradition with the advantage of being geographically close to those highly regarded Scottish folds that have provided foundation stock to almost all breeders. Social events at Oban have had the positive effect of bringing the Highland cattle community closer together. Unfortunately, transport links are poor and with the current economic

downturn, the remote location is becoming a disincentive to buyers and sellers beyond the west coast of Scotland, as manifest by the weak market in recent years. A smaller but growing show and sale under the auspices is also held in England each spring at Chelford in Cheshire.

The Society is administered by a small, friendly and efficient team of three. They are knowledgeable, committed and attentive. Support is provided through a network of local clubs that organise training and educational visits, with emphasis on good husbandry, promotion of the breed and social cohesion.

Excellent work is being undertaken to maintain the breed standard, with particular reference to the bull assessment scheme, which is gaining momentum. Promotion of the breed has also been consistent and strong. A Panel of Judges and body of fieldsmen assist in furthering the objectives of the Society.

However, the Society operates on a shoestring with a small staff, a tiny budget, no capital reserves to fund growth and minimal computerised technology. Consequently, outside of maintaining the everyday routine, there is no capacity to plan ahead and continuously improve. Researching the needs and aspirations of the members is one aspect that has been neglected as has developing growth in membership and registrations through clearer communications and on-line technology. The Society is also vulnerable to key staff loss and there is no evidence of succession planning.

Most organisations have embraced new information technology and the Society has made some headway in this area with membership payments and shopping for merchandise now available on-line. However, it still largely operates with a "paper system", which takes up staff time that could be better utilised in providing an improved service to members.

A key requirement of a caring organisation is to listen, reflect and respond. This is not always evident with the Society. There is often a slow and sometimes inadequate response to member's written enquiries, the consequence of which is that many don't feel their views and concerns are given due consideration, or that the Society gives value for their money.

Policies of the Society are well documented in the Constitution, Rules and Regulations but the day to day administrative procedures are less well documented. Risk assessments need updating and business continuity plans put in place.

The Council is the decision making body and guardian of the charity's assets. Council members are elected and become Trustees. They have a vital role but they are not given personal induction or training into what is expected of them in ensuring the charity is run properly and this impacts on decision making. There is also a perceived lack of continuity due to the retirement provisions of Council members under the Constitution. Therefore, good governance is called into question.

One example of this is that the Society is on a financial knife edge. It receives about £170,000 per year but spends £180,000 per year. As a consequence, the reserves are dwindling. Financial losses of this magnitude cannot be sustained for an indefinite period without a clear, focused strategy to increase income and control expenditure. Fees for registrations and transfers have been largely unchanged for 20 years and subscriptions have not kept pace with inflation. For 2014, targets were set to increase income by £16,600 by raising subscriptions and registrations by 5% and transfers by 10%. This may well redress the balance in the short term and is the precursor to a carefully thought out and sustainable long term plan for survival and growth.

The weak market for the sale of cattle has contributed to the severe financial pressure the Society is under. A change in the profile of buyers and sellers is having a negative impact on market sale prices and the move to more private purchases is having a direct financial disadvantage to the Society. Several large folds have been disbanded or scaled down and not replaced by others of equal standing. Commercial considerations are also having a powerful impact. Pure Highland cattle are slow maturing and breeders are compensating for this economic disadvantage by cross-breeding and in some cases switching to other breeds. The impact of this trend on the pedigree Highland animal is uncertain.

Inextricably linked to Society sales is the complex issue of mixing animals of different health status in the mart and show ring. Some members believe it is wrong to permit elite status folds to be mixed with untested or partly tested beasts and are deeply unsatisfied that this issue has not been clearly resolved.

Tradition and heritage is highly valued by members. It should carry weight in forward thinking and be perpetuated. Some believe the Society is deserting tradition with the example given that the traditional toast to the Society's patron, The Queen, does not always take place at formal functions. The demise of this and other values that are steeped in the history of the breed is lamented by many loyal members.

Opportunities for growth lie in several directions but overwhelmingly it is that of engaging more fruitfully with existing members and by attracting more new members. A large and active membership will generate other income for the Society by buying merchandise, attending functions, advertising their folds and of course, buying and selling cattle.

Strategic Focus

This analysis has indicated six broad areas of strategic focus for the Society.

Financial stability

For several years the Society has failed to make a trading surplus. The number one priority is to immediately reverse the continued financial losses. Clear budgetary targets for profitability must be established and adhered to.

Information technology

The Society does not have proven on-line computerised technology nor does it extensively utilise direct debit banking for subscriptions. Both would considerably reduce the administrative burden on the Society and release resources for fuller membership engagement.

Membership

Not everybody who owns Highland cattle are members of the Society. According to statistics from the British Cattle Movement Service (bcms) there are about 1,200 different holdings registering Highland cattle births each year. Compare this with Society membership in the UK of around 750 and there is clear scope to substantially increase membership, (potentially up to 450 new members).

Bcms statistics also show that there are about 3,300 female Highland cattle births each year. Society registrations are currently running at about 1,900 per year, which means registrations could also be increased substantially. Furthermore, many existing members do not register their calves, and this too, must be addressed.

Every year about 7% of members leave the Society. Members may simply be retiring but some may be turning to other breeds and others may lose interest for a variety of reasons. Although telephone calls are made to some who do not renew their subscriptions, a formal process to find out fully and exactly why people leave is not in place. Membership retention is therefore an issue that needs to be understood and planned for.

The Society does not communicate its value as well as it could to the membership nor, at times, does it engage wholeheartedly with them. No research has been carried out into membership expectations, feelings or opinions and this leaves a gap in knowledge. This weakness in membership communication needs to be addressed.

Weak market for sales

Many sellers of Highland cattle believe they are not receiving a commercially desirable price for them. The reasons are complex and varied and will require considerable debate and consultation to understand and resolve.

The Society's main official sales are in locations that do not reflect the geographic spread of the membership. Whether members view this as important is not fully understood nor is the impact it has had on market prices.

Linked to official sales is the issue of health status. A clear, unambiguous and defensible policy is not in place.

Good governance

Council members are obliged to pool their skills and work together, with care and diligence, to ensure the Society is run properly. Every Council member is not formally made aware of the roles and responsibilities they take on when elected to Council and this has had a negative impact on the collective performance of Council. There is national guidance to help trustees to run charities but this has not been embraced by the Council.

The full risks the Society may be exposed to have not been assessed for some time. This is essential to provide stable business continuity.

Internal policies and procedures

Key roles and responsibilities along with internal administrative procedures are not documented and held in an administrative manual. This adds to the risks the Society faces.

Summary of the Analysis

In a strategic sense, the Society is at risk only from itself. It has a fantastic brand and there is no threat of competition from other Societies for its service to members. Effectively it has a monopoly but the risks from a monopoly are in complacency. Standing still in a rapidly changing world is not an option, particularly with the threat of members being tempted away from Highland cattle to other breeds. The Society must therefore do more to engage effectively with the membership to demonstrate the benefits they receive and it must embrace new technology to reduce costs and improve efficiency.

The Society will remain important to breeders of Highland cattle only if it can continue to demonstrate the historical importance of maintaining the record of pedigrees and if it relentlessly protects the breed standard and vigorously promotes the tangible benefits of Highland cattle to the widest possible audience. In doing so it must provide strong leadership, listen to the members, constructively respond to their concerns and offer them a true sense of value. All members must feel that the time and money they spend with the Society is worth it.

The 10 year plan is to continue improving the quality of Highland cattle along with raising the profile of the breed as a prime beef product. Linked to this is the desire to have all breeders of Highland cattle as members of the Society and to have every female Highland calf born that meets the breed standard, registered with the Society. This has the potential to increase membership by up to 50% and gets to the core reason that the Society is in existence;

"To preserve and safeguard the Highland Cattle Breed and ensure its sustainable continuance as an important icon of rural Scotland's heritage, culture and art".

For this to happen, all breeders of Highland cattle must know and understand what the Society stands for, what its values are and what it aims to achieve. The message has to continue to be;

"For those who love Highland cattle and want to preserve their heritage, being a member of the Highland Cattle Society is the most effective way to do this."

To achieve this long term strategy we have to plug the gap between where we are now and where we want to be. First and foremost this involves restoring the Society to profitability.

Vision

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.

Strategic aims

In order to achieve the vision Council will;

- Ensure long term financial stability
- Promote and raise the profile of the breed as a prime beef product
- Continuously improve the quality of Highland cattle
- Provide a comprehensive service to the members and first class communications with them
- Increase membership and registrations by 5% each year
- Introduce on-line computer technology
- Continue to improve the way the Society is governed
- Fully document internal policies and procedures

Implementation of the strategic aims – future workload

Membership

Members are at the heart of the Society. Council will ensure they get value for money, are happy with the service they receive and will be innovative and introduce something new and interesting at every opportunity. Council will endeavour to retain members and find ways to seek out new people and encourage them to join.

Council will;

- Develop an improved service to members
- Set out a full list of benefits of being a member of the Society
- Undertake research into identifying potential new members
- Develop ways to target new members
- Develop a membership retention plan
- Review the membership structure
- Aim to increase membership and registrations by 5% per year
- Increase the number of direct debit subscriptions
- Enhance members experience at major shows and sales
- Build up a data base of the skills set of members
- Help members to improve their stock.

Communications

A key aspect of achieving the strategic aims is good communication. External communications focus on the major shows and sales utilising advertising, informative literature and the web site. Internal communication is through the Journal, newsletters and also the web site. Communication will be extended to be more proactive, embracing modern information technology and social media. More effective communication will be achieved by having a clearer understanding of buyers and sellers aspirations and the market forces influencing them.

Council will;

- Personalise communications to members
- Publish and promote the benefits members receive
- Issue regular news updates
- Establish a database of buyers and sellers and build a profile of individuals. This will enable more accurate targeting of future advertising
- Develop a robust marketing strategy to promote the breed
- Promote the advantages of Highland cattle as a prime beef product and in particular their value in cross-breeding

- Develop and implement an internal and external communication strategy, including using social media communications. This will be integrated with the work of other sub-committees and be mindful that Highland cattle are as important to agriculture as any other breed
- Consult the membership and facilitate informed debate on matters of current interest
- Foster ways of working that allows Council to listen to members, reflect on their views and respond in a timely and professional manner
- Update the Society's brand and logo

Governance and Strategic Planning

To ensure the Society is run properly, Trustees, as members of Council, will pool their skills and work together with care and diligence.

Council will;

- Require Trustees to work effectively both as individuals and as a team, behave with integrity and be open and accountable
- Provide Trustees with appropriate induction to understand their role
- Implement the Strategic Plan and periodically update it
- Assess the risks the Society faces and prepare a Business Continuity Plan
- Periodically review the Constitution and Objectives
- Ensure that all internal policies and procedures are documented in an Administrative Manual
- Ensure the Society is in compliance with its statutory duties

Information technology

Progressively introducing on-line computer technology will improve efficiency and release staff resources to be utilised in providing an improved service to members.

Council will;

- Introduce on-line registrations
- Introduce on-line membership applications and fold name registrations
- Introduce on-line transfer certificates
- Introduce on-line sale entries

Finance

The Society has an obligation under the law to remain financially viable.

Council will;

- Exercise effective financial control
- Review the cost structure of the Society and reduce expenditure
- Review income and make the required changes to increase the funds received
- Establish new sources of income, including donations, sponsorship, grants etc.
- Manage the accounts to rebuild the reserves to the equivalent of at least 12 months expenditure

Breed development

Improving the quality of cattle is of prime importance.

Council will;

- Continue work to improve the quality of Highland cattle
- Define what quality standards are acceptable or not acceptable in Highland cattle and ensure quality control is instituted and the "Breed Standard" policed
- Introduce a National Fold Championship
- Consider introducing female assessments
- Consider extending DNA testing to females
- Consider introducing formal measurement and analysis possibly using Estimated Breed Values (EBV's)
- Produce and publish advice to breeders on the true cost of production to the exact point of sale
- Consider holding sales of cross-bred Highland stock in conjunction with our own Highland sales
- Develop a clear and unambiguous policy on health status for pedigree sales

In general

Council will;

- Assess market forces to understand the current weaknesses in the sale prices of cattle. These deliberations will include how official sales can best be organised and promoted to accommodate the geographic spread of the membership and will examine whether there is scope to embrace more sales under the auspices
- Consider ways of raising the profile of the key Shows and Sales along the lines of a "Highland Celebration"
- Conduct annual staff reviews and appraisals
- Periodically review the Society's administrative workload and assess the staff resources required

Implementation of the strategic aims – organisational arrangements

To assist Council in implementing the strategic aims to achieve the long term vision the following organisational arrangements have been put in place.

- Advertising and Promotions sub-committee will be responsible for all internal and external communications
- Finance sub-committee will be responsible for Corporate Governance, Strategic Planning and Membership issues
- A new external Fund Raising sub-committee has been established
- The introduction of on-line Information Technology is embedded in the job of the Breed Secretary

Under the leadership of the President, *via* an ad-hoc “Executive” sub-committee, Council will review the Society’s administrative workload and assess the staff resources required.

The President will conduct annual staff reviews and appraisals.

Implementation of the strategic aims – priorities and targets 2015 – 2018

2015 to 2016

Advertising and Promotions sub-committee

- Personalise communications to members
- Set out a list of benefits of being a member of the Society and publish it
- Develop a communication plan to target new members
- Consider the best ways to improve internal communications and external promotion, including using social media communications
- Issue regular news updates

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
- Introduce a National Fold Championship
- Consider introducing female assessments
- Consider extending DNA testing to females
- Consider introducing formal measurement and analysis possibly using Estimated Breed Values (EBV’s)

Finance sub-committee

- Achieve the breakeven budget
- Promote direct debit payments for all subscriptions with a year 1 target of 30%
- Extend telephone discussions to all members who do not renew their subscriptions and use the information to develop a membership retention plan
- Adopt the Good Governance Code for Charities
- Implement induction and training for all members of Council

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

Breed Secretary

- Resolve the database issues and reduce its cost
- Begin documenting all internal procedures into an Administrative Manual
- Introduce on-line registrations
- Introduce on-line membership applications and fold name registration
- Introduce on-line transfer certificates

2016 to 2017

Advertising and Promotions sub-committee

- Establish a database of buyers and sellers and build a profile of individuals. This will enable more accurate targeting of future advertising
- Develop a robust marketing strategy to promote the breed
- Promote the advantages of Highland cattle as a prime beef product and in particular their value in cross-breeding
- Consult the membership and facilitate informed debate on matters of current interest
- Issue regular news updates

Breed development sub-committee

- Produce and publish advice to breeders on the true cost of production to the exact point of sale

- Consider holding sales of cross-bred Highland stock in conjunction with our own Highland sales

Finance sub-committee

- Achieve a trading surplus of £3,000
- Continue to promote direct debit payments for all subscriptions with a year 2 target of 60%
- Undertake research into identifying potential new members
- Develop a membership retention plan
- Increase membership by 5%
- Increase registrations by 5%
- Undertake a risk assessment and develop a Business Continuity Plan

Fund raising sub-committee

- Raise external funds of £10,000

President

- Provide leadership and oversee the implementation of the Strategic Plan
- Conduct staff appraisals

Breed Secretary

- Continue documenting all internal procedures into an Administrative Manual
- Introduce on-line sales entries

2017 to 2018

- Achieve a trading surplus of £6,000
- Continue to promote direct debit payments for all subscriptions with a year 3 target of 80%
- Increase membership by 5%
- Increase registrations by 5%
- Review the Constitution and Objectives
- Review the 10 year strategic plan
- Complete the documentation of internal procedures

Financial summary

- 2015/16 Turnover £170,000 Trading surplus breakeven
- 2016/17 Turnover £175,000 Trading surplus £3,000
- 2017/18 Turnover £180,000 Trading surplus £6,000
- 2018/19 Turnover £185,000 Trading surplus £10,000

Beyond 2019 trading will be expected to be consistently strong with the aim of reaching a turnover of £220,000 and trading surplus of £25,000 by 2024/25.

The Strategic Plan will be reviewed annually and performance under it will be reported at the AGM each year.

Current progress on the implementation of the Strategic Plan (September 2015)

The Society is on course to achieve a small trading surplus for 2014/15

Effective financial control is being exercised to ensure expenditure does not exceed income.

An annual Lottery has been introduced to raise new funds to improve the reserves.

Data base issues have been resolved resulting in considerable annual savings.

Payment of subscriptions by direct debit is being investigated.

A list of the benefits of being a member of the Society has been produced and will be publicised shortly.

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.

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 is being improved with the introduction of personalised emails.

A National Fold Championship is being developed 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.