

- Executive Summary -

PA Fish and Boat Commission Business Planning

July 1, 2017

The Pennsylvania Fish and Boat Commission (PFBC) contracted with Penn State to analyze PFBC operations, the competitive environment for its products and services, and trends impacting its ability to meet current and future objectives. We were asked to write a “business plan” document that could help leadership prepare for the next strategic planning cycle.

We observed that the agency is well run with a dedicated staff who have expertise in their focal areas and care about their constituents. However, staff are oftentimes limited in their abilities to achieve objectives due to availability of funds. The agency faces more than \$100million in infrastructure needs while encountering financial headwinds in the form of increasing mandated expenditures and declining revenue streams. Leadership currently maintains a reserve fund of monies but that balance is in danger of being depleted.

Threats facing the agency include changing demographics and leisure time activities, current and future obligations being projected to overcome annual revenues, and general difficulty in being able to “change” the organization due to external stakeholders. Taken together all these trends form a significant hurdle that hinder PFBC from achieving long term economic sustainability.

We examined opportunities for **expense reduction** within the agency and found the following:

- Most of the easily-achieved expense reduction opportunities have already been identified and many have been put in place.
- External forces such as stakeholders constrain PFBC’s ability to go after larger cost-reduction strategies.
- Internal factors like mandated and fixed expenses also constrain the ability to significantly cut costs.
- Specific options for cutting expenses that should be considered include:
 - Cutting back on fish production appears to be possible and warranted as a cost reduction measure
 - Conducting cost-benefit analyses of fish species is a tool to help guide possible cutbacks
 - Reducing number of hatcheries
 - Outsourcing of various functions
 - Improved production planning related to fish production and stocking

We also looked for opportunities to **increase revenue** generation and suggest the following:

- Increasing license fees for fishing and boating
- New and revised licensing options
- Capturing more revenue from unlicensed anglers and boaters
- Obtaining revenue from a consumptive water use fee
- Mandatory unpowered boat licenses
- Negotiate reimbursement for services provided to other government agencies
- Continue pursuing revenue from state sales tax on fishing and boating equipment
- Improve marketing and communications as a tool to reduce “churn” of anglers and attract new anglers and boaters

The **marketing function** within the agency is one that needs more emphasis, and investment, since it should be seen as the main driver of increased revenues. We discuss Outreach and Marketing needs from multiple fronts, with an overall suggestion that increased investment will be necessary to counter trends that would otherwise reduce revenues. Marketing-related recommendations for the agency include improved branding guidelines and messaging, with more engagement opportunities for all PFBC communications, and an emphasis on female and youth anglers and those in urban areas. Proper use of social media could play a major role in marketing efforts.

A key suggestion is that the agency strive to build the PFBC “brand” as a provider of recreation opportunities and conservation benefits to the Commonwealth. We observed that PFBC is not currently recognized by many constituents as a vital manager of our aquatic resources or for the public services its people and programs provide.

E-commerce strategies should be more focused, with an emphasis on such areas as email reactivation campaigns, insight generation, and better on-line sales capabilities. Related areas of discussion include:

- Digital licenses that can be emailed to anglers
- Obtain more emails from customers and use those for strategic communications
- Improve cross-selling with the on-line platform
- Use search engine optimization techniques to create “buzz” around fishing and boating in Pennsylvania

Other **general suggestions** for the agency include:

- New methods of engaging channel members such as retailer partners
- Improved project management techniques
- Scaling Outreach and Marketing to reach under-served and non-traditional populations
- Take advantage of favorable trends such as more unpowered boating
- Simplify fishing regulations and communicate those to customers
- Manage stakeholder influence on the agency
- Improve data analysis capabilities, especially as it relates to knowledge about the customer
- Improve management of the organization with specific emphasis on business-related functions
- Clarify roles of the Commissioners and educate them about their governance functions

We also note that the agency’s reserve fund can be seen as a “strategic strength” and should be maintained as a type of rainy day fund for unforeseen needs. It would weaken the agency if leadership is forced to deplete the reserve fund; we fear this is possible without changes as suggested in the report.

The Fish and Boat Commission provides a plethora of opportunities and benefits to the Commonwealth and its citizens. The agency depends primarily on license and fee revenue to provide these “common goods”, many of which are not reimbursed or directly paid for. This business model has worked in the past but is at risk given the many factors impacting revenues and expenses. We urge the agency to make the difficult decisions and changes necessary in order to maintain its role as a conservation and recreation leader.

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