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| Narva Harbor Strategy 2017-2027 and Business Plan 2017-2020  Executive Summary |
| 2017 |

# Narva Harbor Strategy 2017-2027

The aim of the strategy document is to develop an overall strategic framework for Narva Harbor in order to ensure its sustainability. The strategy consists of the following chapters:

1. Starting position and development presumptions of Narva Harbor
2. Mission, vision and strategic goals of Narva Harbor
3. Value proposition and offered services
4. Cooperation model of Narva Harbor
5. Marketing, including overview of target markets, client segments, prognosis of visitors, marketing strategy.
6. Action plan for 2017 to 2027

## Starting position and development presumptions

The harbors in Narva (Narva River harbor and Kulgu harbor) are administered by a foundation (SA Narva Sadam) established by Narva City Council.

While developing the strategy the current position and possibilities of the harbor war taken into consideration.

## Mission and vision of Narva Harbor

**Vision of the harbor**

By 2027 Narva Harbor is a popular and acknowledged travelling destination offering its visitors various services and interesting travel experiences both on water and land.

**Mission of the harbor**

The mission of Narva Harbor is to promote local water tourism, offering its visitors diverse services and opportunities for recreation.

**Strategic goals**

The overall goal of Narva Harbor is to become an independent and competitive small port in the eastern side of Gulf of Finland.

The more precise strategic goals are developed from the viewpoint of four perspectives: customers, finances, internal processes and innovation and learning.

From customer perspective, the goals are:

* Increase in the number of water tourists visiting the harbor within one year;
* Increase in the number of unique entries;
* Visiting season the harbor becomes longer;
* (Marketing) activities are targeted to main target markets;
* The number of foreign tourists is at least on the average level of Estonia;
* The duration of stay in the harbor becomes longer;
* The satisfaction level of the customers is increasing;
* The marketing activities are in accordance with the expected outcomes.

From financial perspective, the goals are the following:

* Revenues of the harbor are increasing;
* Own revenues of the harbor are increasing;
* Revenue from additional services is increasing;
* The harbor has the ability to ensure own financing of investments;
* Costs are covered by own revenues.

From the perspective of internal processes, the goals are the following:

* The services provided in the harbor are in accordance with the requirements set to small harbors;
* The services provided are in accordance with the needs of target groups;
* The harbor is actively participating in larger events as well as organizing events itself;
* There is an effective collaboration network with other harbors and service providers.

From the perspective of innovation and learning, the goals are the following:

* The harbor has a team that is needed for the development of the harbor;
* The team is qualified.

## Value proposition and offered services

As a value proposition Narva harbor offers in collaboration with other small markets to its customers a complete water route on the southern shore of Gulf of Finland. The main services to be offered are all basic services that water tourists need when coming on shore. Additionally it is essential for the harbor to elaborate services that will decrease the seasonality. Such services/activities may be participation in events throughout the year, considering the possibility of developing of additional rooms for rent etc.

## Cooperation model of Narva Harbor

The main cooperation partners of the harbor are:

* other small ports in the area, in order to develop joint marketing activities and tourism packages.
* other tourism attractions in the area, in order to motivate additional visitors to come to Narva through offering a variety of recreation activities.
* developers of water sports, in order to ensure the possibility of organizing various events that also include water sports in the harbor and thus promote the harbor as an attractive destination.
* Narva City Council as an important collaboration partner when promoting the whole city as a tourism destination and including the harbor to the activities/events taking place in the harbor.

## Marketing

Narva Harbor has determined as its main target markets Estonia, Finland, Russia, Latvia, Germany and Poland, as a large amount of water tourists originate from the mentioned countries. The main customer segments are water tourists, local owners of small boats, other tourists of the area and additional service providers.

The main marketing goals are:

* Increasing the awareness of the target groups considering the possibilities and interest points in the area, thus increasing the interest of visitors towards the area.
* Increasing the number of visitors in the harbor.

Marketing will be implemented together with other partners mentioned in the cooperation model. However, the list of partners is not final as additional marketing partners will be included in the model in the future.

The main marketing channels are direct and indirect contacts, websites, different publications, participation on collaboration networks of the Baltic Sea region, participation in events, including conferences, fairs etc.

## Action plan

Action plan of the strategy is provided in the last chapter of the strategy as a graphic representation.

# Narva Harbor Business Plan 2017-2020

In addition to and as an integral part of the strategy, Narva Harbor business plan was developed. The main aim of the business plan was to point out the business model of the harbor, including the financial plan and cost benefit analysis of the planned investments.

The business plan consists of the following chapters:

1. Business model
2. Market analysis
3. Competition analysis
4. Vision, mission and strategic goals
5. Financial prognosis
6. Investments, including cost benefit analysis
7. Action plan
8. Marketing plan
9. Risk analysis

In the current executive summary, only an overview of those chapters which are not included in the strategy is given.

## Business model

The overview of the business model is provided in the following table.

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| Business model component | Explanation |
| Key partners | * Other small ports of the area * Other tourism enterprises * Additional service providers * Narva City Council |
| Key activities | * Sustainable management of the infrastructure * Ensuring at least the minimum amount of services required in small ports * Investing to establishment of infrastructure for additional services * Marketing activities * Ensuring the competence of the team of the harbor |
| Key resources | * Team * Infrastructure |
| Value proposiotion | Offering comfortable and diverse services to its visitors, including compulsory and additional services of a small port |
| Client relations | * Creation of client relations * Keeping already obtained client relations |
| Client segments | * Water tourists * Local owners of small boats * Other tourists |
| Distribution channels | * Cooperation with other small ports * Tourism information centres, tourism offices * Webpages * Publications * Events |
| Costs | * Maintenance costs * Personnel costs * Marketing costs |
| Revenues | * Revenues from sales of services * Targeted financing |

## Market analysis

The following markets have been set as the target markets of Narva Harbor: Estonia, Finland, Russia, Latvia, Germany, Poland. In all considered countries water tourism is rather popular. In addition, large number of tourists visiting Estonian ports are originally from those countries. Thus the choice of target markets has been done based on previous experiences and statistics.

## Competition analysis

Although other small ports in the area are first and foremost cooperation partners they can also be considered as the main competitors. As the location of Narva Harbor is rather peculiar and it is easier for water tourists to continue their journey to Finland from Eisma port for example, it is important that Narva Harbor is aware of it competitive strength in order to motivate water tourists to visit Narva. The main competitors are the following small ports: Narva-Jõesuu, Toila, Purtse, Eisma, Leppneeme, Kelnase, Neeme, Kaberneeme, Tapurla.

## Financial prognosis and profitability of investments

The financial prognosis and calculations for estimating the profitability of investments is compiled based on prognosis of revenues and costs. The revenues taken into account are:

* Port charge;
* Rent of rooms;
* Rent of sauna;
* Repair services;
* Port charge for cruise ship;
* Charges of events;
* Participation in projects;
* Camping charges;

The costs taken into account are:

* Maintenance costs;
* Personnel costs.

In order to evaluate the profitability of investments, the net present value of the investments and costs and revenues was calculated. As a result IRR of -3,9% and NPV of -290 thousand euros was calculated. Thus it is possible to say that the investments planned are not economically beneficial. However such projects are mainly beneficial from the socio-economic point of view, taking into account the following impacts:

* The number of visitors in the region increases, as a result of which the expected revenues of local businesses will increase. The man sectors that are influenced are trade, tourism, recreation, catering. The increase in the revenues will have a positive impact on the income of the local government.
* Increase in the revenues of businesses fosters creation of additional workplaces, that also increases the income of local government.
* The living environment of locals will become more attractive, as additional possibilities of recreation will be established.

## Action plan

Action plan of the business plan is provided as a graphic representation in the business plan document.

## Risk analysis

As a final chapter of the business plan a risk analysis is conducted. The main risks with possible impacts and mitigation measures are provided in order to ensure the successful implementation of the business plan.