

CASE STUDY

ISLA SECAS ARCHIPELAGO

PANAMA



ROLE

Milton Group – Business and Development Advisor, Master Planner to the Family Office of the Owner

STATISTICS

16 Island Archipelago
300 acre Resort Island
5 Star Eco-tourism & Adventure Resort

STATUS

Pre construction, approvals and final design/contract pricing/mobilization – start date Jan 2014 on site – complete end 2016

MISSION

Repositioning and development program for an existing adventure hospitality product that is not economically viable given the current operational scale or market position. Integrate properties into a regional maritime protectorate

APPROACH

VISION |

Developed based upon the quality of the environment, property owners' purpose and values satisfying proven market demand, while achieving quadruple bottom line goals (economic, environmental, community and climate)

- Realise greater economic potential of land and marine environment
- Upgrade and expansion of existing bed count, enhance activities and facilities, commanding higher ADR and appeal to a broader market sector
- Build in future revenue potential through development entitlements and a land banking program to ensure long term asset protection and maximize values

VIABILITY |

Conduct necessary due diligence and determine economic feasibility to measure the vision

- A business plan and repositioning strategy created to realise best and highest use of the land
- A full financial due diligence study conducted to determine the long term viability of the project
- The economic viability of a branded versus self-managed operation analysed the cost benefit analysis in terms of long term value

MILTON

- MARKET DEMAND** | Carefully understand the market's needs and wants, proof testing the viability model
- Best in class branding and PR company appointed to identify market demand criteria for premium tourism offering with a competitive product analysis for Central America
 - Market demand criteria aligned to business plan and financial models to ensure no gaps

- VALUE PROPOSITION** | Developed a 15 Yr investment models, assessing exit values and defining operational trading targets to ensure positive Ebitda
- Detailed investment modelling generated to identify short, medium and long term returns to owner
 - Direct value to community identified through quantification of job creation and other downstream benefits
 - Charitable distribution streams identified to allocate revenue to local community
 - Marine protectorate zone under negotiation to preserve the long term integrity of natural asset

- CREATING THE CONDITIONS** | Work with local political and community leaders and agencies, private, non-profit and public sector representatives, and the global environmental and science community to create the conditions for success
- Early engagement with political leaders and governmental agencies to address development and conservation policies and author a mutually beneficial transparent partnership
 - Identification of potential neighbouring partners that wish to share in a holistic vision of conservation for the region
 - Integrated approach to land development and land entitlements success – top down and bottom up approach

- POSITIONING & PARTNERING** | Developed the new project identity and identified project and investment partners. Crafted private/public, non-profit partnerships
- Attract an emerging market for adventure tourism with the development of a unique project identity that draws upon Panama's unique tourism assets and improving infrastructure
 - Public/Private partnership through Tourism Ministry that focuses on the long term uplift of the region
 - Partnerships with non-profit organisations to manage marine and terrestrial environments, ensuring the sustained protection of the asset
 - Attract the emerging central and south American HNWI travel markets

- DESIGN** | Select, manage and coordinate the professional design team
- Select and contract best in class professionals.
 - Define the project vernacular, architecture, interiors and landscape
 - Integrate hard and soft on site programming
 - Ensure PR, Media and Sales and Marketing collateral aligns with Vision and built products
 - Provide Master planning, conservation planning and sustainable infrastructure design and specifications



- SALES & MARKETING** | Provided a sales and marketing strategy that aligns with the vision and development positioning
- A focused marketing strategy is in progress that positions the lodge as a catalyst for growth in a relatively underutilized region of Panama
 - A marketing strategy conceived from the project vision to underpin price points
 - Project vision and story forms the basis of campaign
 - Work with the ministry of Tourism to maximize market penetration and leverage of Panama's national marketing campaign
- LEGAL** | Secure short and long term development rights
- Secure rights of concession to protect the owner's investment risk
 - Negotiate land values incorporating a vision for land and sea conservation
 - Secure development rights to match the master plan for long term value enhancement
- DELIVERY** | Working with the family office prepare the project feasibility, pre and post construction schedules, entitlements, project phasing design, and construction, setting the development management protocols
- Working closely with the client financial team to oversee the creation of detailed working financial models
 - Advising on an entitlements strategy that releases the highest future value for the land
 - Compilation of a design and construction schedule that hits critical path targets and reduces losses while lodge operations are suspended
 - Oversight of the design process ensuring project cost controls are in place and vision is met
- OPERATIONS** | Identify and integrate the economic, branding, marketing and technical services requirements for the purposes of self operations
- An audit of the existing operations and staff was undertaken to assess shortfalls to meet required service levels
 - Working through strategies of presenting offering to market in considered approach which aligns with vision, branding and targets correct market sectors
 - Develop and expand human resource requirements/program
 - Develop soft amenities programming with on site operations
 - Develop the need for training and education programs
 - Establish Opex budgets
- BUSINESS ADVISORY** | Provide hospitality development and operations expertize, sharing this knowledge with the family office executive team
- Programming, positioning and what is out there, how we can beat the competition
 - Development sequence and risk management
 - Feasibility and cost management
 - Thought leadership, troubleshooting and resolution

