

Sustainability

Business Planning for Cultural
Heritage Digital Asset Programs



*Business Planning for Cultural
Heritage Institutions : A framework
and resource guide to assist cultural
heritage institutions with business
planning for sustainability of digital
asset management programs.*

by Liz Bishoff and Nancy Allen,
January 2004

Case Analysis, and a Template

- The template will **model** sustainability planning for cultural heritage organizations to use in moving digitization from projects to programs
- The case studies **illustrate** the template with real examples and provide a look at current trends in sustainability models

The Investigation of Current Practice

- **Telephone survey** covering each area of a business plan template
- **Respondents**: libraries, museums, and historical societies with several years of experience in digital asset management
- Selected to represent **independent** as well as **collaborative** initiatives

Business Plan is Part of Strategic Planning Process

Internal Constraints
SWOT Analysis
Mission
Stakeholder Analysis
Strategic Plan
Business Plan
Operating Plan
Vision for Success

- Business plan must fit the mission and values of the organization
- Business plans for the museum or library AND its digital asset initiatives fit together

More than a Budget

- A budget is usually an **annual** financial plan
- A business plan is longer term and reflects organizational sustainability **strategies**
- A business plan **includes** budget information

Getting started

- ❑ Everyone starts with a grant
- ❑ Not all projects turn into programs
- ❑ Most museums & libraries are not yet planning sustainability for digitization activities
- ❑ Few written business plans exist, but **most DO have the information to write one.**

Business Plan Elements

- ❑ Mission, vision, values & goals
- ❑ Executive summary
- ❑ Product or service description
- ❑ Market research (needs assessment)
- ❑ Environment & competition
- ❑ Pricing, if appropriate

Business Plan Elements

- Distribution
- Communication / PR
- Organizational structure
- Operations (facilities, equipment, management & staffing, legal)
- Financials
- Evaluation & usability

Mission, vision, values, goals

- What is the organization's purpose?
- Nonprofit memory institutions struggle with the apparent conflict between the public good and the need for financial sustainability.
- Are digital assets or services to be free or should there be a fee?

Mission, vision, values, goals

- In many cases, fees for services outside the primary audience, market or community are charged
- OR, basic services are free, extras can be for a fee

Product or Service Description

- ❑ Decide if it is **core** to the mission, or **value added**. Pricing and business planning flow from there.
- ❑ Is it part of a **product mix**? Is the digital collection accompanied with educational resources or a school outreach plan?

Market Research

- Few libraries do market research in the classic business sense, and **assume** they know what is in the best interest of library users.
- Can do focus groups, point of use surveys, web surveys, etc. to **find out what users/visitors want**.

Market Research

□ Many museums are expert at market research

■ The internet is **changing** visitor/user expectations.

■ Research: Visits **INCREASE** when digital images are on the website

http://www.cdpheritage.org/resource/workshops/documents/lead_loomis_ppt.pdf

Website Use and Perceived Intentions to Visit

- ❑ Using a library website was perceived as likely to increase visits (62%)
- ❑ Using a museum website was perceived as likely to increase visits (70%)
- ❑ Using the website for the host institution was perceived as likely to increase visits (85%)
- ❑ Use of library websites by others was perceived as likely to increase visits (67%)
- ❑ Use of museum websites by others was perceived as likely to increase visits (74%)

six point scale from very likely increase to very likely decrease
From: Loomis, Elias, and Wells' study posted on the CDP website

Environment & Competition

- ❑ If offering a service, find out who else also offers **something similar**
- ❑ If capturing images of **collections**, find out who else has done work in the same area
- ❑ Don't forget to look in the **commercial sector**

Pricing

- Few cultural heritage institutions sell digital products or services
 - High quality printing of digital images
 - Conversion services
 - Consulting services
- Those that do are sophisticated about pricing
- <http://www.library.cornell.edu/dcaps/>



Digital Consulting & Production Services

106G Olin Library · Cornell University · Ithaca NY 14853 · 607 254 5160 · [contact us](#)

SERVICES

Home

Cornell University Library, a pioneer in digitizing images and information, is now a full-service campus resource.

Digitization

Want to transfer a large archive onto the World Wide Web or just allow students to access a few slides? Digital Consulting and Production Services at Cornell University Library - DCAPS - will answer your questions, analyze your options, and help you meet your goals.

Electronic Publishing

Metadata

Technology Support

Cornell University Library, a pioneer in the creation and management of digital resources, has assembled a team of experts to plan, create, organize, and archive images and information for Cornell's faculty, staff and community partners. Whether it is turning a slide collection into an online resource for global sharing or digitizing photos and articles for a single class, the DCAPS staff is recognized worldwide for developing digital collections in support of instructional and research activities. We create digital resources that are easy to use, manage, and share. Preliminary consultation is free and fees are low.

Copyright Services

Presentations & Brochures

Faculty Grants for Digital Collections

DCAPS can help you develop your digital collections by

- digitizing instructional and research materials;
- processing images to fit your needs, including converting images to text, reformatting files to a format of your choice, and creating archival and Web versions of images;
- obtaining copyright clearances and protecting the intellectual property rights of

Pricing

- Most commonly based on cost recovery:
but *which* costs?

Direct	Indirect
Rent, space	HVAC, lighting, depreciation
Salaries of staff on project	Salaries in HR, counsel, accounting, etc.
PR costs: printing, ads	Billing, website design
Outsourcing contracts	Staff in contract services

Academic Library Models

- Establishing a digital library unit with campus-wide audience
 - provide consulting to library and non-library units
 - may be fees for work outside the library
 - advise on standards, interoperability, etc.
- Incorporate digital asset management activity internally (metadata from cataloging unit, etc.) without fees

Distribution

- Most use their **web sites** for content distribution, whether free or for a fee (such as members-only sections)
- In collaborative programs, one partner may be responsible for distribution **for the group**
- A **for-profit partner** may benefit from distribution rights (Univ. of Virginia)



COLLECTIONS

LIBRARIES

SEARCH

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Updated August 13, 2004

Communication

- **Advertising** (print, broadcast ads, mailings, catalogs, newsletters, logos)
- **Public relations** (press kits, speeches, annual reports, sponsorships, lobbying)
- **Direct marketing** (direct mail, telemarketing)
- **Sales promotion** (gifts, discounts, gift shops, tickets)

Operations Planning

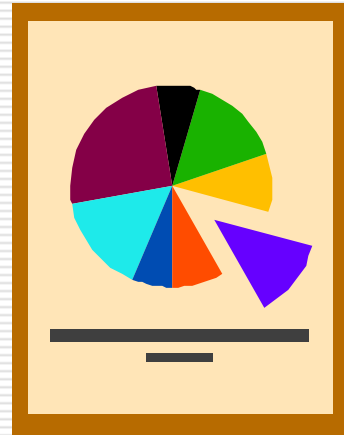
- ❑ A project is different from a **program**
- ❑ Space, equipment, furniture, telecom, software, authentication systems
- ❑ **Standards** compliance over time, hardware platform migration, data migration and preservation.
- ❑ Investment in future development (**R&D**)

Operations Planning

- Staffing and management, need for **changing expertise**
 - Most surveyed feel the need for a full time program manager
- **Copyright**, intellectual property management

Financials

- ❑ This is where you put a budget into the business plan
- ❑ Annual Revenue and Expense
- ❑ Long term financial plan
- ❑ Multi-year financial plans are **problematic** for most cultural heritage organizations



Revenue Possibilities

- ❑ Sponsorship & advertising
- ❑ Partnerships for licensing
- ❑ Development (foundations & donors)
- ❑ Sales: primary or auxiliary
- ❑ Other revenue (memberships, services, etc.)

contributions & support

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WHAT ARE THEY SAYING?

"A wonderful place to play in the gravitational fields of the Lord."
—Robin Williams



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Evaluation and Usability

- Usability studies, or web use measures are common
- Impact of having access to content is harder to measure
 - Customer focus groups prior to product release
 - Interview teachers
 - Pre and Post testing for student learners

Collaboration: a Trend

- Large scale cultural heritage collaboratives are more common, providing **infrastructure**:
 - Imaging services or scan centers
 - Standards agreements
 - Training
 - Software, interfaces
 - Aggregated image and/or metadata files
 - Digital resource preservation/migration

Collaboration

- Participants must find approaches to sustainability that satisfy missions of **all** institutions & goals of their projects
- Budget development for collaborative projects is **complex**; the consortial budget plan is **dependent** on member budgets and plans

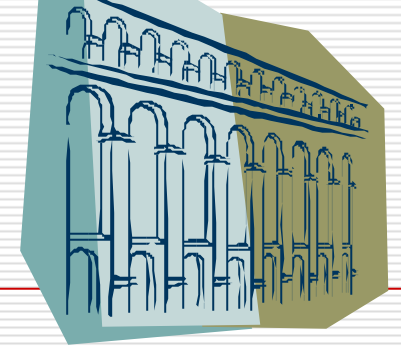
Collaboration

- Almost all digitization is collaborative in nature, even if it is within a single institution, making **cost modeling complex**

Conclusions

- Where do we get money for this?
 - Think about a business plan **for each product or service**
 - Work collaboratively to **share** the cost of creating infrastructure
 - This enables **grants** to build additional content or provide new services
 - Look for revenues that **fit the mission** and values of the organization

Conclusions



- Over time, visitors/users will **demand** digital collections, exhibitions and services
- To what extent, then, are web-based collections and digital asset management services going to become **essential**? And how soon?

Planning Sustainability

- An early trend: digital resource management is a **core function** of the cultural heritage organization.
- Libraries & museums are **funding** digital asset program capability, even while relying on grants for specific content-oriented digitization projects

Sustainability

Business Planning for Cultural Heritage Digital Asset Programs

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