2009-2011 Budget

Reflecting the New Reality

Washington State Historical Society
GOALS

• Emerge as a more valuable organization
• Use the current crisis as an opportunity to reset and refocus
STRATEGIES

WASHINGTON STATE HISTORICAL SOCIETY
STRATEGY

1

Identify and take actions to enhance lines of business that have the greatest strategic value:

- Museum Exhibits
- Web Presence
- Statewide Outreach
STRATEGY

2

Align support services in furtherance of key product lines:

• Collections
• Membership & Public Relations
• Administration
• Facilities
Implement strong cost control mechanisms:

- Zero-based budgeting for key variable cost activities using a new “working capital pool of operating funds”
- Concentrate museum operating hours to maximize audience capture rates
- Internalize maintenance at SCMOC
- Eliminate or repurpose fading programs
STRATEGY

4

Keep a strong cash reserve pending further budget cuts:

• Estimated $512,000 as of July 2, 2009
STRATEGY

5 Vigorous pursuit of grants and donated income
STRATEGY

6

Intensify management processes:

• Weekly budget forums with Chief Financial Officer, Assistant Director for Human Resources, plus invited Division/Department heads

• Empower teams within Exhibit, Digital, and Communications forums

• Attention to metrics

• Manage to demand

• Keep hiring freeze in place
STRATEGY

7

Sustain technology infrastructure:

- Our lifeline to 21st century information systems and culture
STRATEGY

Revitalize tactical outlook:

- Protect the brand: “Be Statewide”
- Extend relationships with key partners
  - Internal: Gift Shop and Café vendors
  - Local: MOG & TAM
  - State: Parks, Archives, Arts Commission, SPI, NW Mac, UW-T, Office of the Secretary of State
Revitalize tactical outlook (continued):

- Invigorate customer relationships
  - Test variable pricing
  - Develop social networking/marketing prospects
  - Shift promotional emphasis to radio, cable TV, and trade publications
  - Implement e-commerce options for:
    - Museum ticket sales
    - Membership, donations, and image licensing
    - Book and Columbia Magazine sales
Leverage strengths:

- Flagship museum
- Historical collection
- Education department
- Creative class of workers
- Women’s history brand
- Senior staff leadership
- Solid Board of Trustees engagement
STRATEGY

10

Keep the innovation pipeline full:

• “Cook on Ice”
• History of Tacoma Revitalization Effort
• “Civil War to Civil Rights”
• Redeploy human assets across departmental lines
### Key Production Group Activities:

<table>
<thead>
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<tbody>
<tr>
<td>Exhibits</td>
<td>4.3</td>
<td>$785,508</td>
<td>9.1%</td>
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<td>$179,378</td>
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<td>IT/WEB</td>
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<td>$422,716</td>
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<td>Working Capital</td>
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<td>PGA Sub Total</td>
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<td>$370,942</td>
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<td>Support Services:</td>
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<tr>
<td>Agency Administration</td>
<td>4.7</td>
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<td>$52,951</td>
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<td>Member, Donor, Public Relation</td>
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<td>Facilities Maintenance</td>
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<td>1.8</td>
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<td>100.0%</td>
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<td>State General Fund</td>
<td>31.0</td>
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<td>74.3%</td>
<td>5.1</td>
<td>$1,128,000</td>
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<td>3.4</td>
<td>$114,784</td>
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<td>8.0 $ 2,098,894</td>
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<td>Fund Total</td>
<td>42.3</td>
<td>$8,629,678</td>
<td>100.0%</td>
<td>8.5</td>
<td>$1,242,784</td>
<td>100.0%</td>
<td></td>
<td>33.9 $ 7,386,894</td>
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**Washington State Historical Society**