

**Historic House Museums
Strategy and Sustainability**

Relates to Section 8

Engaging Places LLC

Double Bottom Line

Mission & Impact	High	♥	★
	Low	⚡	💰
		Low	High

Financial Sustainability



Strategy and Sustainability New Measures of Success

Forum on Historic Site Stewardship in the 21st Century (Kykuit 2007):

- “Successful stewardship of the nation’s historic sites requires financial sustainability.”
- “Serving the needs of the local community (not the tourist audience) is the most valuable and most sustainable goal for most historic sites.”
- “Attendance figures are not the most valid measure of the positive value of the historic site experience or the site’s impact.”



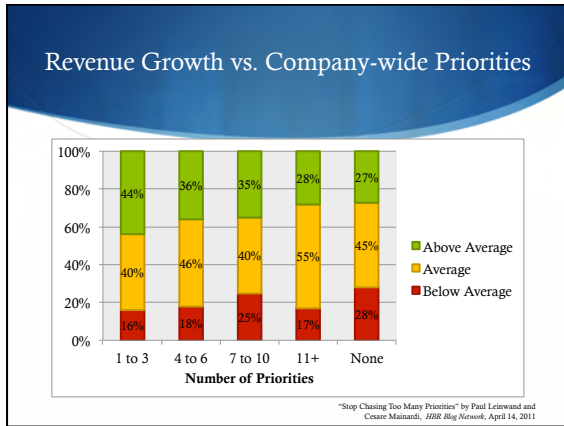
Environmental Sustainability

- Buildings are the greatest source of greenhouse gases
- Construction and demolition is a major source of solid waste
- Historic preservation and sustainable design are essential solutions



Organizational Sustainability

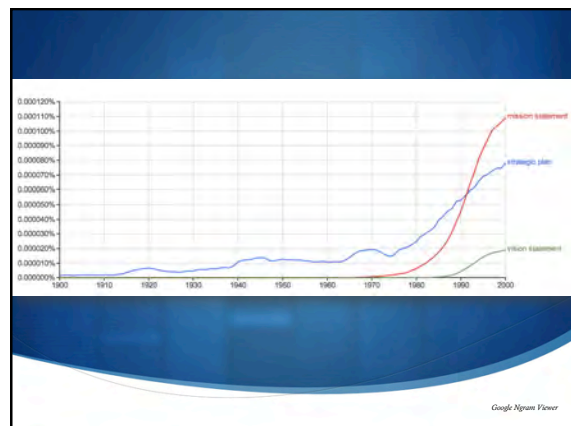
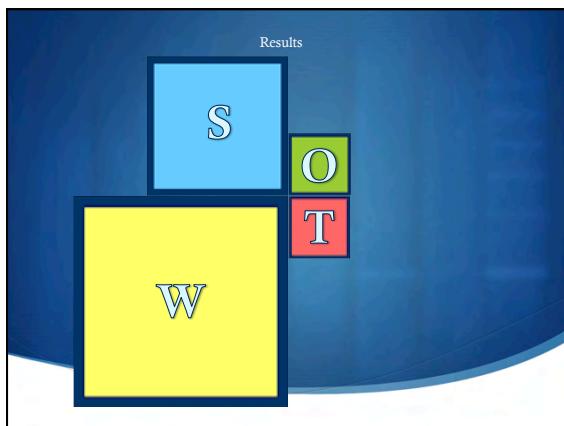
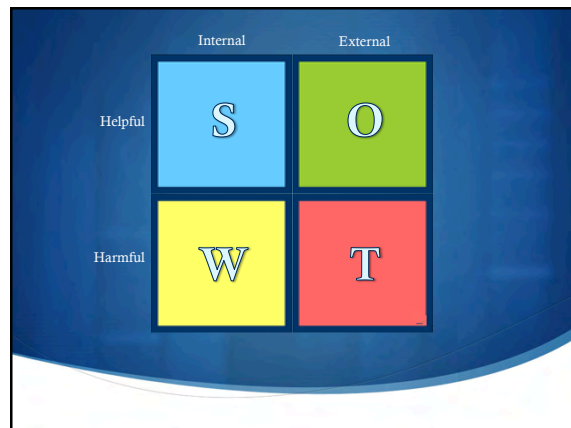
- Long-term success
- Institutional capacity
- Engaged supporters




Strategic Planning

1. Mission
2. Vision
3. Values
4. Assessing Your Situation
5. Priorities
6. Goals
7. Objectives
8. Assignments
9. Budget
10. Monitoring


Mission
 Vision
 Values
 Planning
 Strategy
 Goals
 Objectives
 Tactics
 Strength
 Opportunity
 Huh?





Vision

1. One future
2. Description of what success looks like
3. Hopeful and inspirational (or inflexible and discouraging)




Not Vision

1. Wishful thinking
2. All destinations are equal
3. Just about survival



Vision

Know Feel Do



Vision

Community Character

1. Describe three characteristics (knowledge, attitude, behavior) of your community that you **admire** and would like to **preserve or maintain**.
2. Describe three characteristics of your community that you would like to **change or improve**.



Strategy

1. Many futures
2. Longterm (10+ years)
3. Opportunities & Threats



Scenarios

- Exploration of potential threats or opportunities
- Considers both continuities and *discontinuities*
- Not prediction but anticipation and expectation

TrendsWatch

1. The Rise of Social Entrepreneurs
2. Multisensory Experiences
3. Big Data Boom
4. Privacy
5. Collaborative Consumption
6. Robots



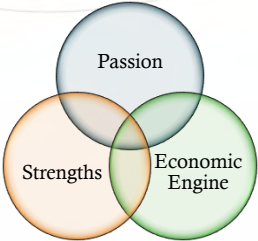
Center for the Future of Museums
TrendsWatch 2014

Rethinking Planning

1. Mission, Vision, & Values
2. Planning & Strategy
3. Distinctiveness & Impact



Jim Collins' "Culture of Discipline" Hedgehog Concept



Holistic Intentionality

Available free under *Resources* at RandiKorn.com



Values


1. Worth and significance
2. Standards or criteria
3. Ethics and principles of conduct or behavior
4. Motivations & preferences



Values

No alignment

- Excellence: We are satisfied with nothing less than the very best in everything we do. We will continue to raise the bar for everyone. The great fun here will be for all of us to discover just how good we can really be. *Enron*



Values *Internal alignment*

- Ethical Sourcing: Whether it's coffee, tea, cocoa or manufactured goods, we're committed to offering ethically purchased and responsibly produced products of the highest quality. *Starbucks*

Total coffee purchases (in millions of lbs)	2011*	2012	2015
Total coffee purchases	428	545	
Total ethically sourced coffee purchases (in millions of lbs)	367	509	
	86%	93%	100%

*2011 results include C.A.F.E. Practices only.

Values *External alignment*

- By making engineering and technology universally valued and understood, ultimately, the National Center for Technology Literacy aims to make a working understanding of the human-made world part of everyone's life. *Museum of Science, Boston*



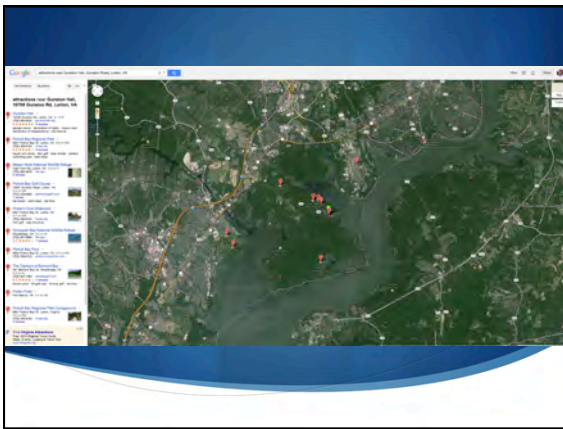
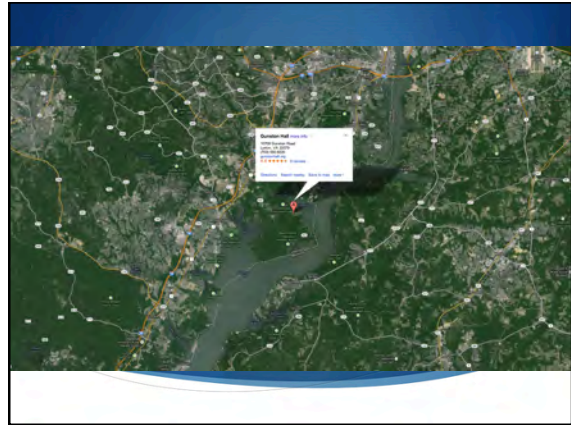
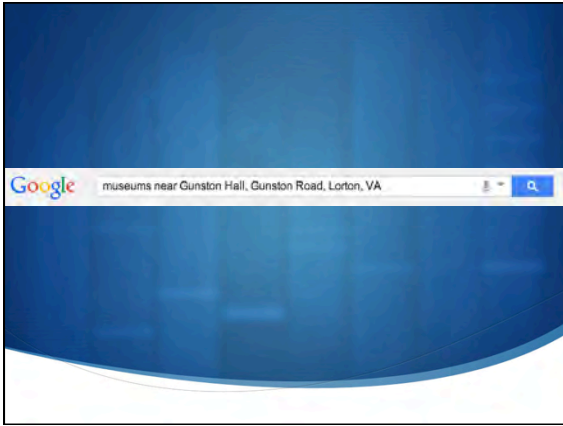
Five Forces Applied to Desktop PCs

- Existing Rivals
- New Entrants
- Substitute Products
- Customers
- Suppliers

Five Forces Applied to Your Site

- Existing Rivals
- New Entrants
- Substitute Products
- Customers
- Suppliers

1. Existing Rivals



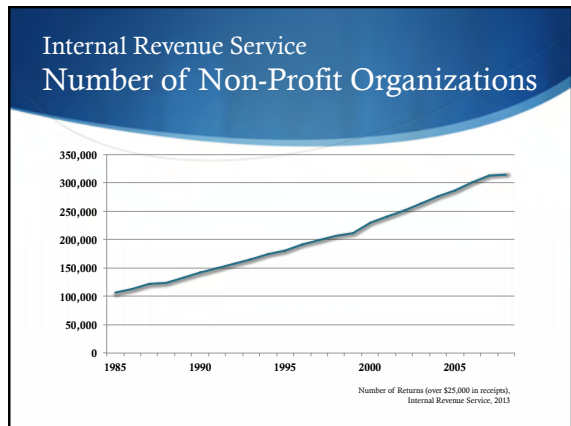


2. New Entrants

Same or similar
New or expansion

*Your success will attract
competition and threats.*

*What are the barriers to new
entrants?*

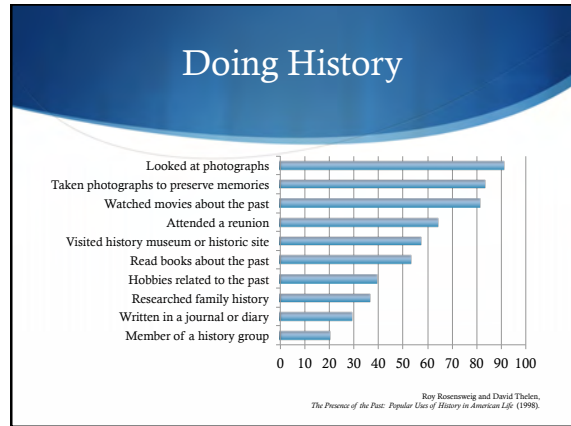




3. Substitute Products

Products
Services
Skills
Experiences

Often come from unexpected places.



Trustworthiness

On a scale of 1 to 10

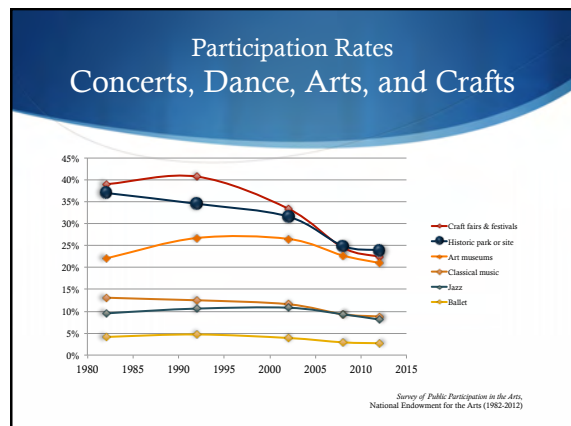
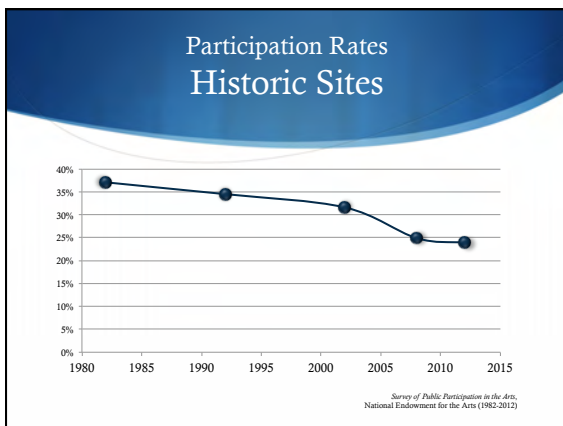
- 8.4: Museums
- 8.0: Grandparents
- 7.8: Eyewitness
- 7.3: College professor
- 6.4: Books
- 5.0: Movies or television

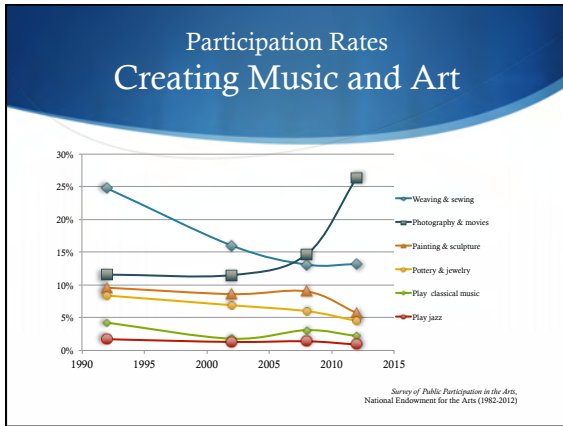
Roy Rosenzweig and David Thelen, The Presence of the Past: Popular Uses of History in American Life (1998).

What they wanted

San Francisco Arts and Cultural Travel Study, 2010

- Affordable (89%)
- Lots to see and do
- Scenic beauty
- Relaxing places
- Food & dining
- New experiences
- Good hotels
- Historic sites and attractions (65%)**
- New places
- Convenient location
- Good beaches
- Aquaria, zoos, wild animals
- Gardens or parks
- Cultural events or festivals
- Nature or science museums
- Unique, off-the-beaten path
- Architecturally or historically significant buildings (47%)**
- Shopping
- Kid friendly
- Nightlife
- Art museums (33%)





4. Bargaining Power of Customers

- Visitors
- Students and Teachers
- Shoppers
- Renters
- Members
- Donors
- Boardmembers

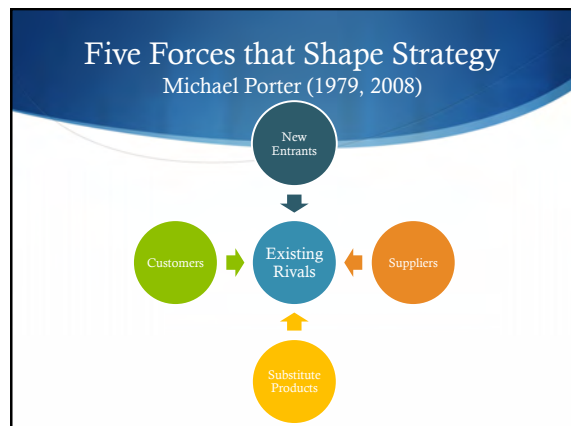
5. Bargaining Power of Suppliers

- Store merchandise
- Utility companies
- Services and supplies
- Vendors and contractors
- Staff and volunteers
- Members
- Donors
- Boardmembers

Assessing the Bargaining Power of Customers and Suppliers

- Who are your biggest customers or suppliers?
- How much bargaining power do they have?
 - What percent of your business do they represent?
 - How easy is it to switch to another customer/supplier?
 - How easily can they copy or duplicate your business?

Now what?



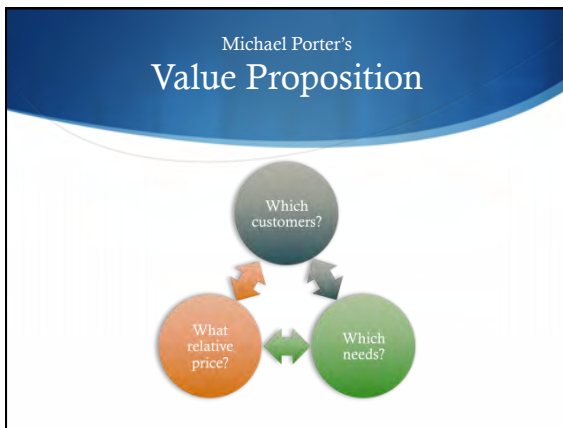


Who Are Your Rivals?



Who Are Your Rivals?

Rivals have a similar competitive environment or a similar configuration of the five forces.




Value Propositions	Hertz	Enterprise	Zipcar
Customer	Travelers away from home	Local residents who own cars	Local residents who do not own cars
Need	Rent by the day	Rent by the day	Rent by the hour
Pricing	Premium: business expense accounts or vacation travel	Economy: insurance or self-pay	Varies by usage: subscription plus hourly fee



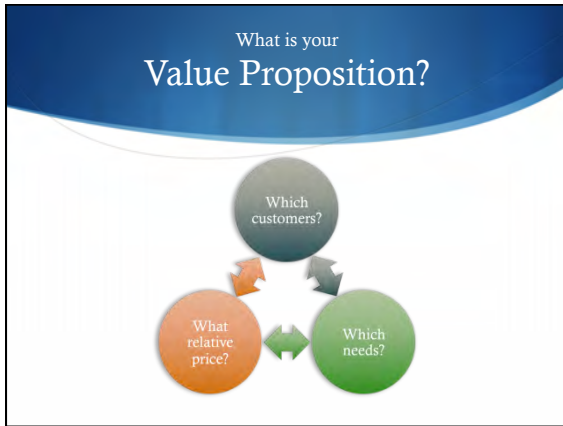
Willingness to Pay

1. Distinctive & unique
2. Valuable
 - Meets a need or desire
 - Emotional
 - Intangible

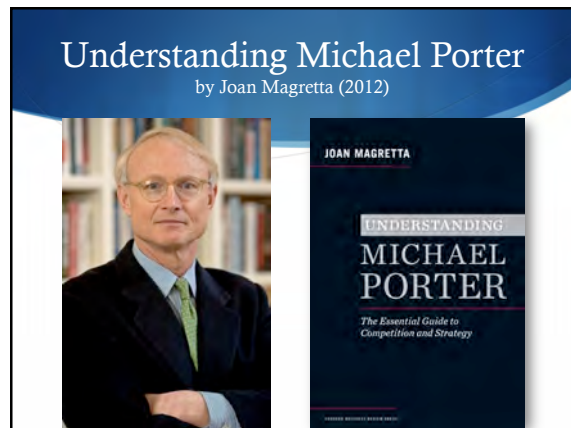


No more than needed

Avoid additional features, bells, or whistles. Recognize who is NOT the customer.



Value Propositions	Tourists	Local Neighborhood	Schools
Which customer?			
Which need?			
What price?			



Support museums rather than cure blindness?

"The moral equivalent is, we're going to take 1 per cent of the people who visit this [museum] and blind them. Are they willing, because it has the new wing, to take that risk? Hmm, maybe this blinding thing is slightly barbaric."

Bill Gates
FT Magazine, November 1, 2013

Support museums rather than cure blindness?

"Of course it's admirable to help prevent blindness—but it's also admirable to help ensure that we have beautiful things to see."

Wall Street Journal
November 21, 2013

