

TO: BARC
Finance and Audit Committee

RE: Three Year Investment Plan Update

ACTION REQUESTED/INFORMATION/REPORT:

Information Item

ACTION REQUESTED BY:

None

DRAFT OF MOTION:

NA

DATE: January 17, 2019

BACKGROUND:

In 2018 ALA management, with approval from the Executive Board, embarked upon a three-year plan to make strategic investments in critical areas of the Association, designed to enhance revenue, streamline operations and increase operating capacity. The following is a brief description of the three key investment areas, the purpose and benefits of each, and finally the status as of the 1st quarter.

- ITTS
- Development Office
- Advocacy (WO)

Attachments



ALA Three Year Investment Plan Update

January 25, 2019

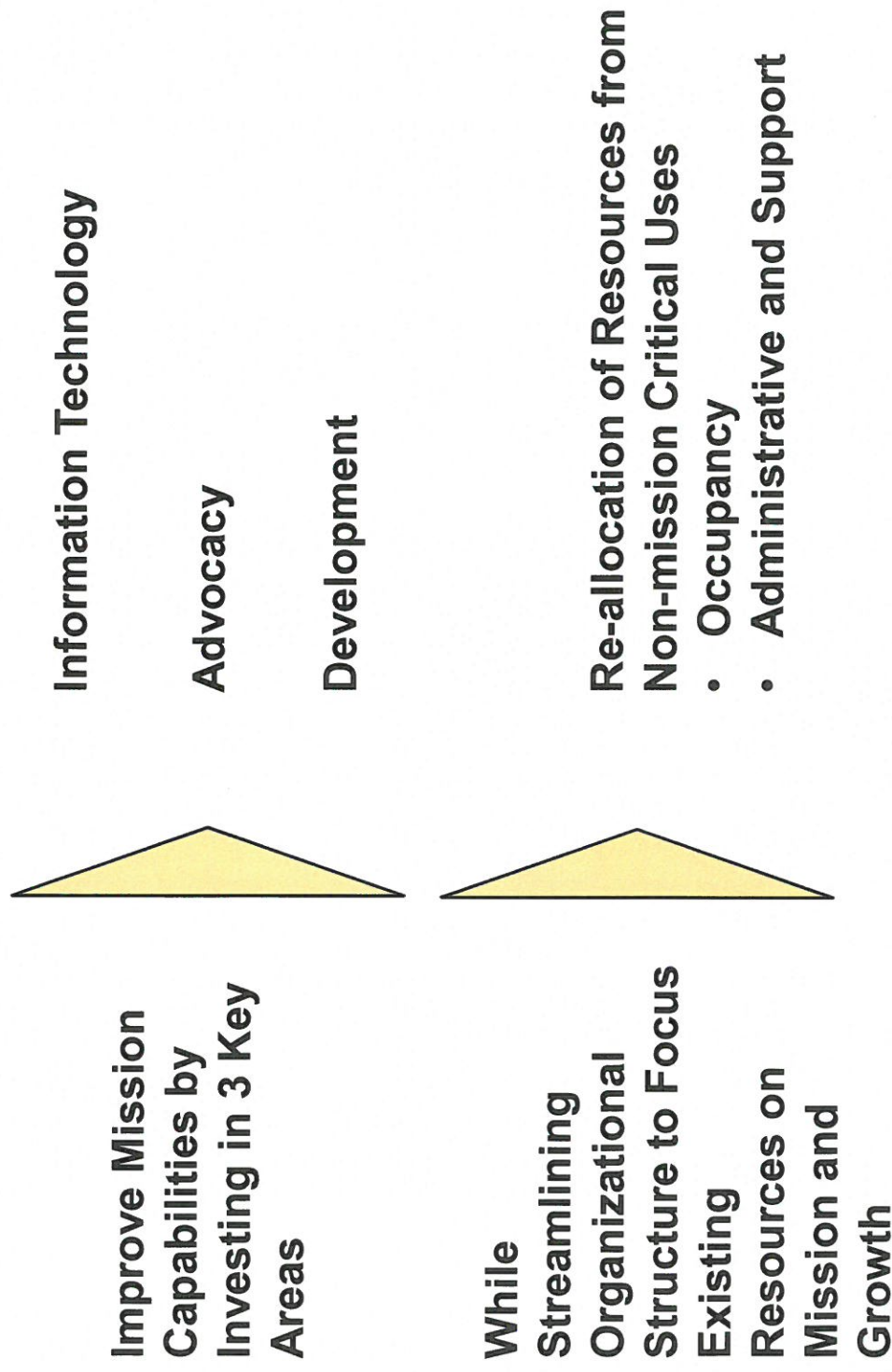
Agenda

- **Vision**
- **Investment Strategy: Our Plan for Success**
- **Measuring Return on Investment**
- **Three Year Investment Plan: Operating vs. Capital**
- **Investment Initiatives**
 - **IT**
 - **Advocacy**
 - **Development**

The Vision

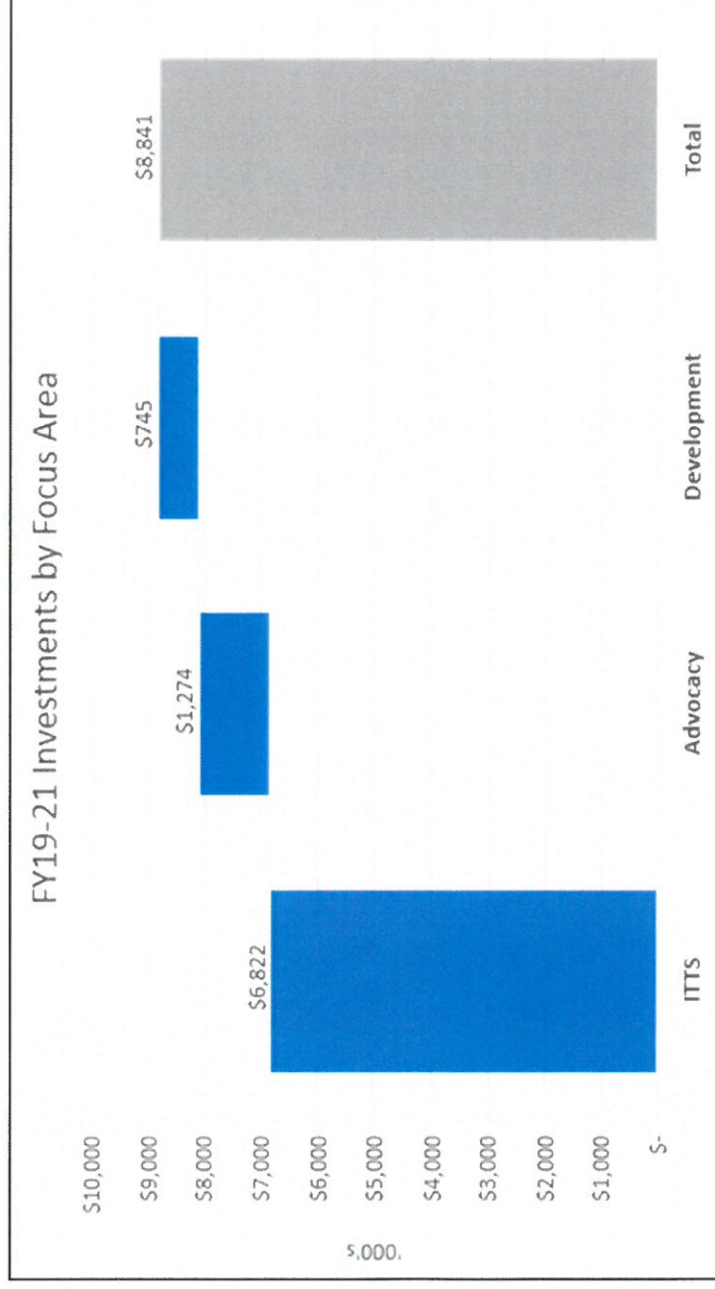
“A Modern Association for A Modern Profession”

The Strategy



Simultaneously, the Association is embarking on several studies to answer key questions re. governance, membership model, and org structure

Investment Plan



NOTE: \$6.8M in proposed IT Investments includes initiatives to enhance Advocacy and Development. See page 18 for list of IT investments FY19-23

Invest \$8.8MM in initiatives and infrastructure to improve mission capabilities and financial sustainability of Association

Expected Return on Investment

<u>Focus Area</u>	<u>Anticipated Benefits</u>	<u>Potential ROI Metrics</u>
Information Technology	<ul style="list-style-type: none"> • Better Member Service • Increased Employee Productivity • More Successful IT Projects 	<ul style="list-style-type: none"> • Member Satisfaction Scores • Projects Delivered On Time/Budget • IT Expense as % of Revenue
Advocacy	<ul style="list-style-type: none"> • Stronger, More Effective Member Relationships with Key DC Stakeholders • Enhanced Professional Development Opportunities • Targeted, More Efficient Relationship Building Strategies 	<ul style="list-style-type: none"> • Number of Advocates • Number of Connections • Number of Strategic Visits • Number of Participants at State and Local Levels
Development	<ul style="list-style-type: none"> • Additional Revenues for the Association • Increased Member Engagement 	<ul style="list-style-type: none"> • Total Additional \$ Raised • Additional GF \$ Raised • Number of donors • Median gift/Average gift • Number and \$ planned pledges

To ensure benefits are realized, ALA management will track and report on specific key performance metrics (KPI) by investment area. These can be reported along with key outcome metrics, such as ALA's Net Promoter Score (NPS)

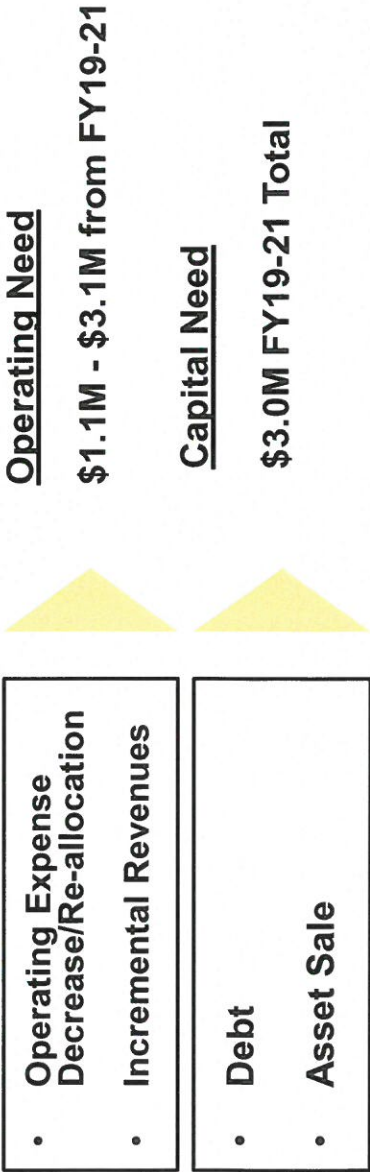
NPS: Net Promoter Score. Per the "ALA FY2018 Final Survey Report," p.31 from Ave M, "NPS...is a measure that captures future customer loyalty.. and has been shown to correlate with business growth."

Funding Strategy: Match Uses and Sources

USES = Investments by Focus Area

	FY19	FY20	FY21	Totals
<i>Operating</i>				
IT	632,200	908,200	2,481,200	4,021,600
Advocacy	300,000	370,000	370,000	1,040,000
Development	176,750	276,000	292,000	744,750
Total Operating	1,108,950	1,554,200	3,143,200	5,806,350
<i>Capital</i>				
IT	728,298	605,298	1,466,965	2,800,561
Advocacy	110,000	62,000	62,000	234,000
Development				-
Total Capital	838,298	667,298	1,528,965	3,034,561
TOTAL	1,947,248	2,221,498	4,672,165	8,840,911

SOURCES = Funding by Source



APPENDIX

INVESTMENT DETAIL - IT

ALA ORGANIZATIONAL INVESTMENTS FY19-21

Category	Type	Description	Expense Type	FY19	FY20	FY21
IT	Personnel	Project Mgr	Operating	140,000	140,000	140,000
IT	Personnel	Drupal Developer	Operating	115,000	115,000	115,000
IT	Personnel	Automation Rules Specialist for Connect	Operating	84,500	84,500	84,500
IT	Personnel	Personalization Specialist for Connect	Operating	84,500	84,500	84,500
IT	Personnel	Data Analyst	Operating	90,000	90,000	90,000
IT	Nonpersonnel	Gravitate Nucleus Dashboard	Operating	106,200	106,200	106,200
IT	Nonpersonnel	CRM License	Operating	12,000	12,000	12,000
IT	Nonpersonnel	CRM Implementation	Capital	48,000		
IT	Nonpersonnel	Laptop/monitor rollout	Capital	150,000	150,000	150,000
IT	Nonpersonnel	Virtualization server platform	Capital	70,000		
IT	Nonpersonnel	Managed Services	Capital	124,000	124,000	124,000
IT	Nonpersonnel	PC Services	Capital	26,298	26,298	26,298
IT	Nonpersonnel	eCommerce System Improvements	Capital	150,000	150,000	150,000
IT	Nonpersonnel	Security Audit Remediation	Capital	75,000	75,000	75,000
IT	Nonpersonnel	LMS RFP	Capital	85,000		
IT	Nonpersonnel	LMS License	Operating		20,000	20,000
IT	Nonpersonnel	SSO Assessment	Operating		10,000	
IT	Nonpersonnel	SSO Implementation	Capital		50,000	
IT	Personnel	Systems Integration Specialist	Operating		100,000	100,000
IT	Personnel	AMS Trainer	Operating		90,000	90,000
IT	Nonpersonnel	Financial system migration	Operating		36,000	36,000
IT	Nonpersonnel	Internal File (LAN) migration	Capital		30,000	
IT	Nonpersonnel	Internal File (LAN) migration	Operating		20,000	20,000
IT	Nonpersonnel	iMIS Assessment	Operating		100,000	100,000
IT	Nonpersonnel	iMIS Update/Replacement	Capital		500,000	500,000
IT	Nonpersonnel	DaaS Design	Operating		62,500	62,500
IT	Nonpersonnel	DaaS Design	Operating		65,500	65,500
IT	Personnel	User Experience Director	Operating		150,000	150,000
IT	Personnel	Server Administrator	Operating		120,000	120,000
IT	Nonpersonnel	DaaS Implementation	Capital		175,000	175,000
IT	Nonpersonnel	DaaS Implementation	Operating		435,000	435,000
IT	Nonpersonnel	DaaS Implementation	Capital		216,667	216,667
IT	Nonpersonnel	DaaS Implementation	Operating		600,000	600,000
IT	Nonpersonnel	DAMS Assessment	Capital		50,000	50,000
IT	Nonpersonnel	DAMS Implementation	Operating		30,000	30,000
IT	Nonpersonnel	CMS RFP	Operating		20,000	20,000

TOTAL	1,360,498	1,513,498	3,948,165
Change from PY		153,000	2,434,667

INVESTMENT DETAIL – Advocacy & Development

ALA ORGANIZATIONAL INVESTMENTS FY19-21

Category	Type	Description	Expense Type	FY19	FY20	FY21
Advocacy	Nonpersonnel	CRM	Capital	60,000	12,000	12,000
Advocacy	Nonpersonnel	Outreach and Engagement	Operating	200,000	200,000	200,000
Advocacy	Nonpersonnel	Outreach and Engagement	Capital	50,000	50,000	50,000
Advocacy	Nonpersonnel	Advocacy Fly-In	Operating	100,000	100,000	100,000
Advocacy	Nonpersonnel	Natl Leg Day Revamp	Operating		70,000	70,000

TOTAL	410,000	432,000	432,000
Change from PY		22,000	-

ALA ORGANIZATIONAL INVESTMENTS FY19-21

Category	Type	Description	Expense Type	FY19	FY20	FY21
Development	Personnel	Development Coord Upgrade	Operating	33,000	34,000	35,000
Development	Personnel	Prospect Research Assoc	Operating	18,750	75,000	78,000
Development	Nonpersonnel	Mailing/Advertising	Operating	50,000	55,000	65,000
Development	Personnel	Asst Dir Major Gifts	Operating	60,000	92,000	94,000
Development	Nonpersonnel	Travel AD Major Gifts	Operating	15,000	20,000	20,000

TOTAL	176,750	276,000	292,000
Change from PY		99,250	16,000

ALA BARC/F&A INVESTMENT REPORT

Date: January 16, 2019

ITTS – INFORMATION TECHNOLOGY & TELECOMMUNICATION SERVICES

Investment Description

i What was the total investment amount requested over the 3-year period and by year (FY19, FY20, FY21)?

The original three-year investment plan is subject to revision based on the recent DelCor IT Assessment. The investment plan must be modified to incorporate the DelCor recommendations. There will be adjustments to prioritization and timing, as well as possible additions and deletions. The original investment plan for FY19-FY21 called for \$6,822,161. For FY2019, we asked for \$1,360,498, made up \$632,200 operating and \$728,298 capital. The approved requests were the Virtualization Server Platform Replacement for \$70,000, the eCommerce System Improvements for \$150,000, the Salesforce Advocacy/Development tracking system for \$145,000, the IT Project Manager for \$93,333 (January 2019-August 2019) including benefits, and the Drupal Web Developer for \$76,667 including benefits (January 2019-August 2019). Items not approved: The Gravitate Nucleus Dashboard, the Automation Rules/Informz Specialist for ALA Connect, the Personalization Specialist for ALA Connect, the Data Analyst to work with the Development Office, and the RFP process to select and implement a new Learning Management System (LMS). Should ALA move HQ location there may be a reallocation of resources and shift in priorities.

Investment Purpose & Benefits

i How did you plan to use the investment funding and what were the desired benefits at the end of the 3-year period? At the end of the first year (FY19)?

We worked on the eStore/eLearning eCommerce system. The goal of the eStore/eLearning project is to centralize all ALA eLearning offerings in the store, making it easy for members and other registrants to find and purchase/register any ALA eLearning event. We are adding more external webinar integrations. We will be recording store activities in our iMIS Membership system. We made progress on the Membership Dues and Donations eCommerce system. The goal for the Membership Dues and Donations project is to improve the membership and customer experience for processing dues and donations. This system has been live for just over two years but has had several issues. We are returning to a regular cadence of new releases to fix a number of outstanding issues. We made progress on ALA Connect. The goal of the ALA Connect project is to enable committee work, community work, networking, member engagement, non-member engagement, and marketing of products and services. We made progress on the Salesforce CRM project. The goals of the Salesforce project are to provide a tool that will increase the capabilities for Advocacy and Development by providing tracking mechanisms. We made progress on the iMIS Membership System Upgrade. The goal of the iMIS membership system upgrade is to move to the current web-based version. The upgrade includes data dashboards showing trend data that can be used to improve member engagement. We are working to replace our Server Virtualization Platform. The goal is to replace our end-of-life system with the latest technology. Our new IT Project Manager, Shakir Akbari, started on January 14, 2019. Pam Akins, our Technical Services Specialist, is leaving ALA to move to California on February 22, 2019. Patrick Harrington has been hired as a temporary full-time employee to take over Pam Akins responsibilities for training and support. The Drupal Developer position has been delayed to support the need for a part-time QA Tester.

Investment Status

i What is the status of your investment plan as of Q1 FY19? Are you on track to expend the investment dollars and attain the desired benefits?

The Store/eLearning eCommerce system is scheduled to be feature complete at the end of February 2019. The Membership Dues and Donations eCommerce system release is scheduled for the end of January 2019. The ALA Connect project is up and running with additional modules to be installed in the spring 2019. The Salesforce CRM project contracts are signed and the implementation timeline is being developed. The kick-off meeting is expected in February 2019.

ALA BARC/F&A INVESTMENT REPORT

January 15, 2019

DEVELOPMENT

Investment Description

i What was the total investment amount requested over the 3-year period and by year (FY19, FY20, FY21)?

*The total investment request was \$807,500 over the three-year period.
FY19 = \$238,00; FY20 = \$277,500; FY21 = \$292,000.*

Investment Purpose & Benefits

i How did you plan to use the investment funding and what were the desired benefits at the end of the 3-year period? At the end of the first year (FY19)?

The funds were to be expended on the following: \$567,500 over three years for 2.5 new staff members; \$160,000 for marketing, including fundraising materials and mailings; \$50,000 for additional travel expenses. FY19 is considered an investment year, and FY20 will likely also be an investment year. We anticipate that we will begin to see increased fundraising returns in FY21, with more significant results in years FY22 – FY25.

Investment Status

i What is the status of your investment plan as of Q1 FY19? Are you on track to expend the investment dollars and attain the desired benefits?

The hiring process for the 2.5 new positions is almost complete, and the Development Office is on track to be fully staffed by 3/1/19. The rest of the planned investments are on track and we anticipate that we are on track to accomplish the desired benefits. Please note that, because the most significant part of the investment was staff salaries, and we have not completed the hiring process, these numbers may still fluctuate slightly.

ALA BARC/F&A INVESTMENT REPORT

January 17, 2019

ADVOCACY – WASHINGTON OFFICE

Investment Description

i What was the total investment amount requested over the - year period and by year (FY19, FY20, FY21)?

\$1,274,000 total (FY19-\$410,000/FY20-\$432,000/FY21-\$432,000)

Investment Purpose & Benefits

i How did you plan to use the investment funding and what were the desired benefits at the end of the 3-year period? At the end of the first year (FY19)?

The investment funding was focused on four key advocacy areas:

- 1.) Establish a New Advocacy Fly-In Program
- 2.) Implement a Customer Relationship Management (CRM) System
- 3.) Advocacy Outreach and Engagement, and Information Resources
- 4.) Modernize National Library Legislative Day (NLLD) in FY 20 and FY 21.

Investments in these strategic areas will help strengthen and grow ALA's advocacy program and best position ALA to achieve our public policy priorities, as well as achieve the objectives in the WO strategic plan. As we move to implementing a year-round advocacy strategy, we will be able to offer professional development and advocacy training for ALA advocates so they can build effective relationships with elected officials. At the end of the first year, we expect to see more engaged and better trained advocates and we also expect to see a time savings for staff since routine tasks will be automated and information will be easily accessible by more ALA staff.

Investment Status

i What is the status of your investment plan as of Q1 FY19? Are you on track to expend the investment dollars and attain the desired benefits?

Q1 was slow as we ramped up and prepared for the new legislative session and we expect that most of our expenditures will happen in Q2 and Q3. We are on track to spend the investment dollars and are very excited to see the results.