TO: ALA Executive Board

RE: Proposed return on investment (ROI) metrics

ACTION REQUESTED/INFORMATION/REPORT:
To adopt the proposed Strategic Framework for Return on Investment Metrics Associated with the American Library Association's 2019, 2020, and 2021 Investment Budgets

ACTION REQUESTED BY:
Budget Analysis and Review Committee (BARC)

CONTACT PERSON:
Peter Hepburn, chair
773.426.8082
peter.hepburn@canyons.edu

DRAFT OF MOTION:
BARC moves adoption of the Strategic Framework for Return on Investment Metrics Associated with the American Library Association's 2019, 2020, and 2021 Investment Budgets.

DATE: January 6, 2020

BACKGROUND:
In spring 2019, BARC members Brett Bonfield and Steve Potter undertook work on behalf of the committee to develop a framework for a set of metrics for use by the association in measuring the return on the investment made in three key areas: advocacy, development, and IT. In view of the decision to spend in these critical areas, BARC agreed that it would be valuable for there to be metrics in place by which the success of the investments could be determined.

In the months that followed, the two worked with then-CFO Mark Leon, other ALA staff, and with member-leaders to shape the framework. BARC members then had the opportunity to review the framework document, and in early autumn 2019, the document was shared with key ALA staff who were, in turn, invited to provide feedback.

At its fall meeting in Chicago, BARC discussed and moved approval of a final draft of the framework (EDB/BARC #3.12 as attached). The action taken by BARC places the strategic framework for ROI metrics before the ALA Executive Board for its approval.

ATTACHMENTS:
EBD/BARC #3.12 (Fall 2019 joint BARC/F&A meeting)

Budget Analysis and Review Committee
**Proposed Strategic Framework for Return on Investment Metrics Associated with the
American Library Association's 2019, 2020, and 2021 Investment Budgets**
Last Updated: July 11, 2019

Share your ideas within this document [https://is.gd/ALAInvestmentBudgetMetrics] or email:
Steven V. Potter, Library Director and Chief Executive Officer, Mid-Continent Public Library
Brett Bonfield, Chief Operating Officer, Public Library of Cincinnati and Hamilton County

A Modern Association for a Modern Profession
Revenue from ALA's primary sources—membership, publishing, and conferences—has been flat
or declined for a decade or more. Even in years when revenues did not decrease, the
association experienced operating losses. Efforts to reduce expenses in order to balance our
budgets ultimately exacerbated problems by harming operations and thwarting innovation.

These trends inspired multiple questions, including:
- Which ALA activities and assets can help to support our financial sustainability?
- What capabilities, skills, and staff would address our information technology needs?
- What membership models would enable us to serve our members sustainably?
- How can we improve ALA's governance and organizational structure?

ALA created a dual strategy in order to meet our members' need for a sustainable organization:
- Improve our capabilities by investing in IT, Advocacy, and Development.
- Streamline the organizational structure to focus resources on mission and growth.

ALA launched this strategy in budget year 2019 and planned investment budgets for each of the
subsequent two years. In order to evaluate whether these investment budgets serve ALA
members' needs and satisfy their expectations, BARC proposed a Strategic Framework that
focuses on Return on Investment (ROI). The Framework consists of 3-5 metrics per area, along
with overall measurements that help to indicate the strength or "health" of the organization.

In preparing the Strategic Framework, BARC established the following guiding principles:
- The measures should indicate ALA's strengths, and should make sense to ALA members
  who are not familiar with advocacy, philanthropy, or IT.
- The outcomes implied by the measures should be meaningfully associated with
  increased membership renewals, engagement, satisfaction, and operational stability.
- The measures should be developed in cooperation with ALA staff, should not require a
  great deal of staff members' time to collect, analyze, or communicate, and should be

evaluated by ALA staff members and BARC on a semiannual basis as part of BARC's regularly scheduled meetings. These evaluations should include:

- o Determining the burden of collecting data and preparing the reports
- o Assessing the ROI measures' ongoing validity as a proxy for beneficial outcomes
- o Analyzing the trends that are indicated within the metrics

Proposed timeline for approval and implementation of the Strategic Framework
- ALA Annual 2019: Introduce the proposed Strategic Framework and solicit feedback.
- By July 30, 2019: BARC will share the revised plan with ALA staff members in Development, IT, the Washington Office, Finance, and Membership, as well as the Association and Division Executive Directors and Fiscal Officers.
- By September 13, 2019: ALA staff will share feedback. BARC will be available to hear concerns, answer questions, and negotiate language during this evaluation period.
- By October 20, 2019: BARC will recommend the Strategic Framework to the ALA Executive Board.
- The first report will be introduced at Midwinter 2020, with semiannual updates corresponding to ALA's two membership conferences. The report should be shared directly with BARC and posted on the Treasurer's section of the ALA website.

Strategic Framework
- Development (2-4 quantitative measures; 1-2 qualitative or narrative measures; no more than 5 measures in total). Suggestions:
    - o A decade or more of year-over-year totals of donors and dollars raised
    - o A decade or more of year-over-year totals of major and planned gifts
    - o Board participation rates (percentage of elected board members across the association who donate to ALA each year)
    - o Where is ALA within your charitable priorities? (annual membership survey)
    - o Narrative explanation of cultivation plan, including visits and efforts
- Advocacy (2-4 quantitative measures; 1-2 qualitative or narrative measures; no more than 5 measures in total). Suggestions:
    - o Measure of satisfaction with advocacy efforts (annual membership survey)
    - o Member and non-member participation rates in advocacy campaigns
    - o Advocacy Effectiveness Dashboard (like "IT Health Scorecard") (review semi-annually)
- IT (2-4 quantitative measures; 1-2 qualitative or narrative measures; no more than 5 measures in total). Suggestions:
    - o Year-over-year Membership perceptions of ALA interfaces (website, Connect) (annual membership survey)
    - o Staff perceptions of IT (e.g. infrastructure, services) (semi-annual staff survey)
    - o Create and self-assess "IT Health Scorecard" (e.g. downtime, average time to close tickets, completed projects) (review semi-annually)
- Overall measures of Investment Plan effectiveness (2-4 quantitative measures; 1-2 qualitative or narrative measures; no more than 5 measures in total). Suggestions:
    - o [Net Promoter Score](#) (annual membership survey)
    - o A decade or more of year-over-year totals of voting rates in ALA elections

- A decade or more of year-over-year ALA membership totals
- ALA member-to-staff ratio
- Student membership retention and conversion rate