



2018-2019 ALA CD #33.2
2018-2019 Annual Conference

BARC Report at the Information Session
to the ALA Executive Board, ALA Council and
the Planning and Budget Assembly

Maggie Farrell- BARC Chair

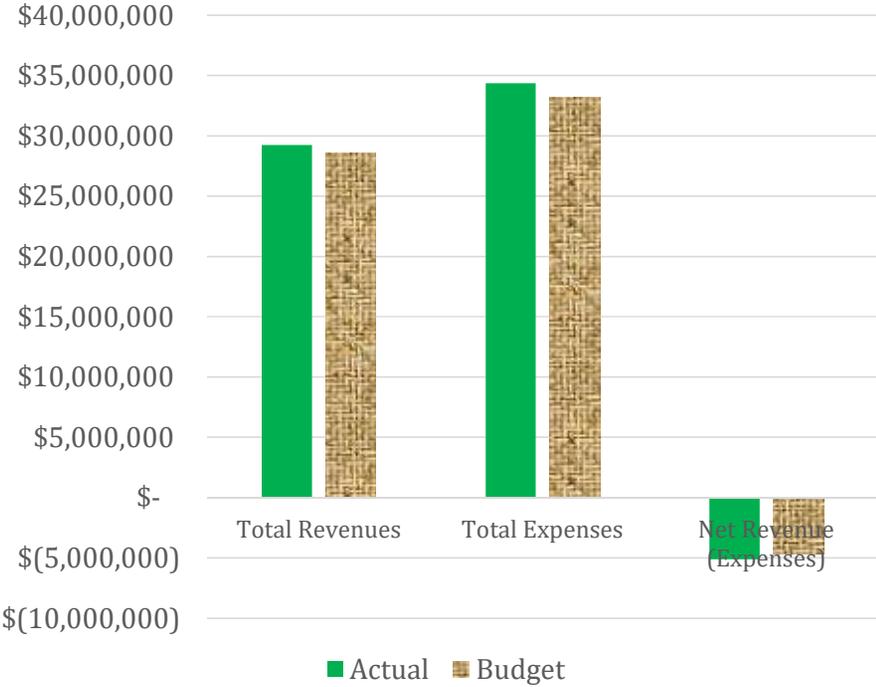
Annual Conference – Washington, DC
Saturday – June 22, 2019
Sunday – June 23, 2019

Topics to be Covered

- Eight Month Financial Results Ending 4-30-19
- FY20 Preliminary Budget
- Strategic Investment Budget Update
- Financial Education

Eight Month Financial Results Ending 4-30-19

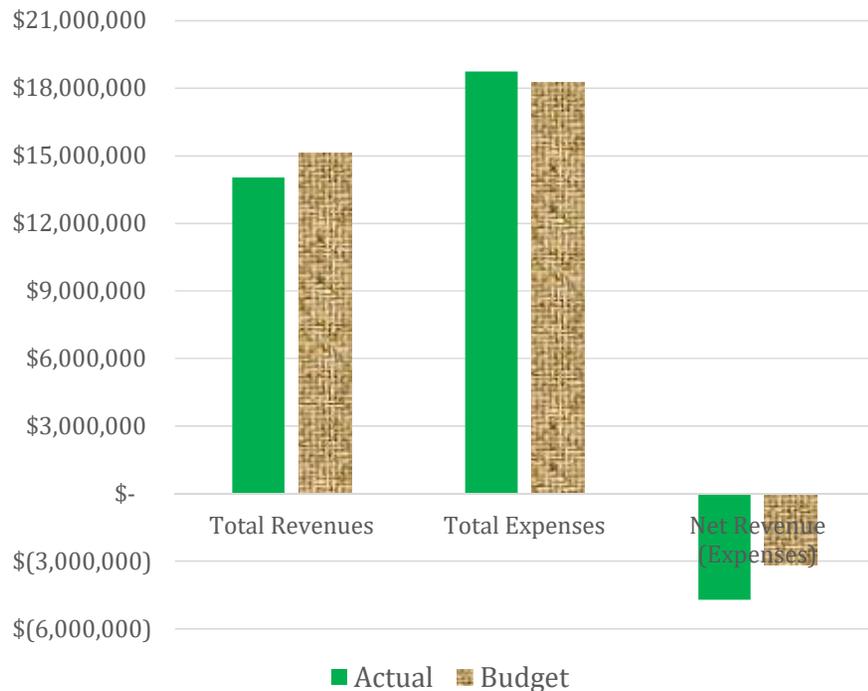
- Total ALA -



- Total ALA revenues were \$29.2 million compared to budget of \$28.6 million due to higher Grants & Awards and LTI interest
- Total ALA expenses were \$34.3 million compared to budget of \$33.2million due to higher expenses in Grants & Awards and the General Fund
- Net revenue (expense) was (\$5.1 million) compared to budget of (\$4.6 million)

Eight Month Financial Results Ending 4-30-19

- General Fund -



- General fund revenues were \$14.0 million compared to budget of \$15.1 million. Results were less than budget due to lower publishing and membership dues revenue and lower overhead
- General fund expenses were \$18.7 million compared to budget of \$18.3 million. Expenses were higher due largely to higher expenses in human resources and conferences
- Net revenue (expense) was (\$4.7 million) compared to budget of (\$3.2 million)
- *Note that Grants & Awards higher in both revenues and expenses by \$1.4 million due to higher than expected activity.*

Eight Month Financial Results Ending 4-30-19

- Divisions and Roundtables -

Divisions

- Division revenues were \$9.1 million compared to budget of \$9.5 million
- Division expenses were \$10.0 million compared to budget of \$10.6 million
- Net revenue was (\$896,389) compared to budget of (\$1.1 million)
- While revenue is less than budget the expense savings should result in the divisions ending the year on budget

Roundtables

- Round tables revenues were \$412,182 compared to budget of \$265,171
- Round tables expenses were \$194,421 compared to budget of \$243,550
- Net revenue was \$217,761 compared to budget of \$21,621
- The Round tables are on budget and are expected to end the year better than budget

FY 2020 Revised Preliminary Budget

*To Be Presented to Council at this Annual Conference
in Washington, DC*

- At its spring meeting, BARC reviewed, discussed and approved the preliminary FY 2020 budget

Strategic Investments within ALA Infrastructure

The Strategy

Improve Mission Capabilities by Investing in 3 Key Areas

Information Technology

Advocacy

Development

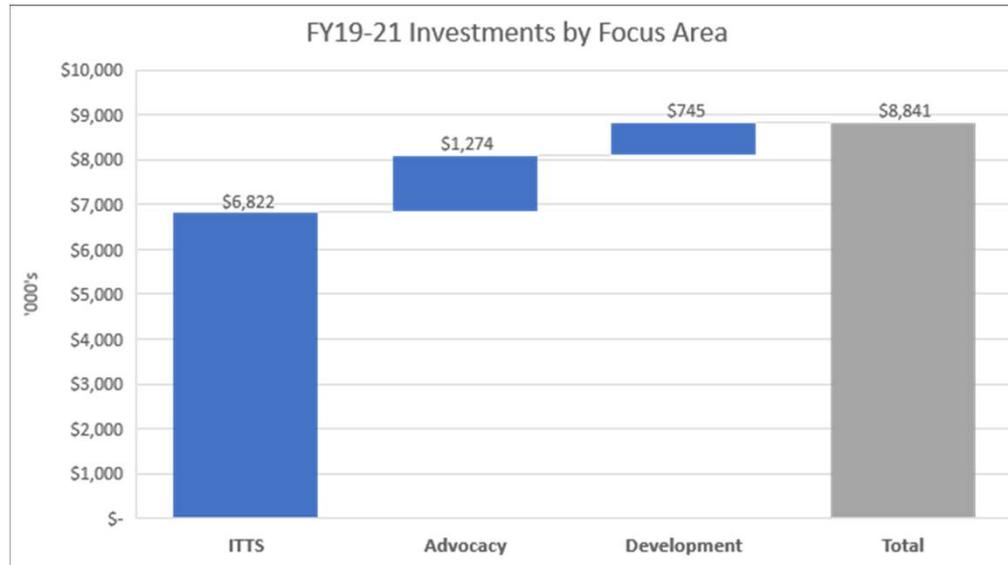
While Streamlining Organizational Structure to Focus Existing Resources on Mission and Growth

Re-allocation of Resources from Non-mission Critical Uses

- Occupancy
- Administrative and Support

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

Metrics – Assessing Results

- BARC working with Finance Office
- Developing key metrics
- Goal to assess the return on investment

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."

BARC Engagement

- Liaison structure with Divisions, Roundtables, and ALA offices
- Liaisons to key initiatives: SCOE and Vision 21
- Workgroup on metrics
- Briefing calls between conferences
 - Vision 21
 - ROI/Metrics for Infrastructure Investments
 - Overhead Rate
 - Committee Orientation

