

Date: _____

Approved: _____

Virginia Museum of Fine Arts
Strategic Planning Committee Meeting Minutes
The Pauley Center Parlor
Wednesday, 19 August 2009, 1:30 pm

There were present:

Pamela Reynolds, Chairman
Mrs. Suzanne T. Mastracco, Vice-Chairman
Herbert A. Claiborne III, Foundation President
Charlotte M. Minor, Foundation Vice-President
Alex Nyerges, Director
Ms. Carol Amato, Chief Operating Officer
Martin J. Barrington
Stephen D. Bonadies
David B. Bradley
Mrs. Whitt W. Clement
John R. Curtis, Jr.
W. Birch Douglass III
Dr. Joseph M. Dye III
Kenneth M. Dye
A. Hugh Ewing III
Ms. Suzanne Hall
Ms. Eva Teig Hardy
Ms. Frances Lewis
Robin Nicholson
Ms. Nancy H. Parsons
Stanley F. Pauley
Ms. Nancy Raybin
Ms. Sandra Rusak
Michael J. Schewel
John R. Staelin
Ms. Alexis Vaughn
S. Pierce Walmsley V
Richard B. Woodward

By Invitation:

Ms. Suzanne Broyles
Ms. Carmen Foster
Ms. Carol Moon
Ms. Joan W. Murphy

Absent:

Thurston R. Moore, Vice-Chairman

Richard G. Tilghman, Vice-Chairman
 Thomas N. Allen
 Dr. Herbert A. Claiborne, Jr.
 Ms. Susan S. Goode
 Ranjit K. Sen

I. **Introductory Remarks**

Foundation President, Herbert A. Claiborne III, thanked everyone for attending. He explained that this Strategic Plan will address our future needs and is the culmination of the planning process. He encouraged everyone to participate fully today so that we can be all we aspire to be. Pamela Reynolds welcomed new Trustee Marty Barrington who hosted our Strategic Planning retreat. She added that we are very happy to have Mr. Barrington involved in our planning at this most important time. Director Alex Nyerges welcomed the group and thanked Carol Moon and Carol Amato for all their hard work. He remarked that we have a very exciting journey ahead of us and we appreciate your deep caring for VMFA. We know we are a VMFA family and without all of you, our future would not be so wonderful.

Alex Nyerges said the fruits of strategic planning are evident when we view the new wing outside. This plan is about building an audience and providing the best quality experience to entice our potential visitors. It has been a long process with Trustees and Directors and others who have worked on this over the years. In September the two boards will meet to focus on the strategic direction that will move us forward from May 1, 2010 through 2015. This plan is not set in stone, but sets the direction in which we want to continue. Everything we do now builds on the resolution of February 26, 1932 when the state legislature created VMFA. Today I encourage you to focus on how we get where we want to go, and what you want us to do. Together we will create a plan and execute each piece of it as we did the last plan and how wonderful it has been! We look forward with anticipation toward the grand opening only eight short months from now!

II. **Minutes**

Motion: proposed by Mr. Staelin and seconded by Mrs. Mastracco that the minutes of the last meeting of the Strategic Planning Committee held on the 21st of November 2008 be approved as distributed on the 6th of February 2009.
 Motion carried.

III. **Overview of Strategic Planning Digest – Nancy Raybin**

Nancy Raybin began by stating that this is a challenging economic time for us to focus on important goals for the first two years after the opening and the years after that. She explained that by FY 2015 VMFA will be a leader in demonstrating the unique power of significant works of art—in all media—to teach, inspire, and delight.

Alex Nyerges talked about the Key Values in the Digest that need to be at the forefront. He noted that the first value, Accessibility, means on every level possible and extends to those traditionally underserved as we must make ourselves Relevant to all audiences. Quality must be there in programming, in the visual experience, and even in housekeeping; we must be the best on every level. He said Enjoyment or fun must be brought in to everything and we must provide a unique visitor experience that people cannot get anywhere else.

Nancy Raybin went on to discuss the three goals and their targets and benchmarks: Financial Sustainability, a Larger and More Diverse Audience, and VMFA becoming a well-known, regularly visited, highly regarded, accessible, secure, and inspiring physical campus. Ms. Raybin took comments and answered questions from the committee during her discussion saying she will revise the plan according to the Committee's direction.

The Five Key Strategies and their priority initiatives were presented.

Key Strategies

1. Enhance the quality, scope, and variety of the museum's entire program, on campus and Statewide.
2. Invest in critical marketing initiatives to further engage current and potential audiences.
3. Become more effective and efficient in managing our organization and resources.
4. Further support technology's core function in all aspects of museum operations. Raise an endowment to insure stable and predictable funding.
5. Expand the Development program to provide the \$50 Million in annual contributed Income needed to sustain VMFA as a top ten comprehensive art museum.

Alex Nyerges reminded the group that the state is a major donor and important in a strategic way-giving \$10 million each year. Nancy Parsons mentioned that we need further assessment of our donor base and prospect pool to expand the Development program.

IV. Summary Remarks – Alex Nyerges

Alex Nyerges thanked Carol Moon and Carol Amato as well as all Division Heads for working very hard on this and he thanked the two Executive Committees for charting our future. He said we are at a wonderful starting point and that in the year 2015 we will look back at 2009 in awe as we do today when we look at the new wing. Pamela Reynolds said a lot of thought went into making this plan a successful plan. She announced that to see that this plan is carried out, a Strategic Planning Oversight person will be put in place to keep us on track. To enhance the plan, a new trustee committee, Resource Development, has been formed to cover fundraising, membership, marketing, and special exhibitions to ensure that the museum secures appropriate financial resources to support its mission. Birch Douglass will chair the Committee and staff liaisons will be Robin Nicholson, Alexis Vaughn and Nancy Parsons.

V. Call for a Motion – Pamela Reynolds

Motion: proposed by Mrs. Reynolds and seconded by Mr. Staelin that the Strategic Planning Committee endorse the Strategic Planning Digest as revised today and recommend approval of the Plan to the Trustees and Foundation Directors at the meeting on September 17, 2009. Motion carried.

VI. Other Business/Adjournment

Nancy Raybin thanked the Committee and said she will prepare the final plan and have it distributed to both boards before the September 17, 2009 meeting for their review. No other business was brought before the Committee and the meeting adjourned at 3:22 pm.

Suzanne Broyles
Secretary of the Museum

Virginia Museum of Fine Arts
Minutes of the Strategic Planning Retreat
SECURING OUR POSITION IN THE TOP TEN: 2010-2015
Held at Altria Headquarters Conference Center
11:00am – 6:30pm
April 30, 2009

There were present:

Trustees

Pamela Reynolds, President
Thurston R. Moore, Vice-President
Suzanne Mastracco, Statewide Vice-President
Richard Tilghman, Vice-President
James C. Cherry
Dr. Herbert A. Claiborne, Jr.
Mrs. Whitt W. Clement
W Birch Douglass III
Thomas F. Farrell II
Dr. Elizabeth Ann Fisher
Cynthia Kerr Fralin
Susan S. Goode
Grant H. Griswold
Dr. Elizabeth F. Harris
Jane Joel Knox
John A. Luke, Jr.
Mrs. Barbara-lyn B. Morris
Mrs. Stanley F. Pauley
Agustin Rodriguez
John Staelin
Dr. Shantaram K. Talegaonkar
Fred T. Tattersall
Ms. Mary F. White

Foundation Directors

Herbert A. Claiborne III, President
Ranjit Sen, Treasurer
Ms. Kelly B. Armstrong
Mrs. Philip J. Bagley III
Robert L. Burrus, Jr.
Mrs. Robert W. Cabaniss, Jr.
A. Hugh Ewing III
Dr. Mary Ann Frable
Ms. Eva Teig Hardy
H. Hiter Harris III
Dr. Monroe E. Harris, Jr.
Ivan P. Jecklin
Marshall N. Morton
Benjamin W. Rawles III
John M. R. Reed
Geoffrey P. Sisk
Henry C. Spalding, Jr.
Jane Bassett Spilman

Dr. Joseph R. Vilseck, Jr.
S. Pierce Walmsley V
Marilyn Simon Weinberg

By Invitation

Thomas N. Allen
L. Ray Ashworth
Bruce C. Gottwald
Floyd D. Gottwald, Jr.
Ms. Joan W. Murphy
Nancy Raybin
Jacquelin Crebbs

Speakers and Hosts

Martin Barrington
John Buchanan
Lucy Buchanan
Colin Campbell

VMFA Staff

Ms. Carol Amato
Stephen Bonadies
David Bradley
Ms. Suzanne Broyles
Ms. Marcia Collier
Joseph M. Dye III
Ms. Carmen Foster
Ms. Lee Anne Hurt
Ms. Elizabeth Lowsley-Williams
Ms. Carol Moon
Robin Nicholson
Alex Nyerges
Ms. Sandra Rusak
Ms. Alexis Vaughn
Ms. Elizabeth Wong
Richard Woodward

INTRODUCTORY COMMENTS

1. VMFA is at the beginning of a **major transformation** in its history. It is almost 75 years old, but will have a new identity. We will change the perception of VMFA in Richmond, throughout the state, and throughout the U.S.
2. **VMFA is one family.** We can no longer look at VMFA as the Foundation and the state agency. We must recognize that together the organizations will likely have a \$50 Million budget. We need to think, operate, and succeed as **one organization.**
3. The goal of the Organizational Excellence Task Force is to resolve budget issues, personnel issues, barriers to communication, and any other issues to **ensure that the museum runs smoothly.**

“BUILD ... AND THEY WILL COME” (John Buchanan)

1. The de Young and VMFA are both new museum buildings that have the power to transform their communities. We must leverage the excitement generated by the new VMFA to
 - Astound new and recent visitors, who have seen little of the museum’s collections
 - Expand the museum’s visitorship and membership
 - Generate interest and enthusiasm locally, regionally, nationally, and internationally
2. We need to keep our current members, embrace new visitors, and ensure that everyone returns again and again. We need to survey visitors for their interests and provide programs that meet them.
3. If VMFA has great artworks and exhibitions and no one comes to see them, they serve no purpose. Establish a good program sequence and use advertising and promotion to attract return visitors.
4. Take advantage of the next two years. VMFA has a two-year window of opportunity, since the year after the building opens will be the museum’s 75th anniversary.
5. Establish an inaugural committee to identify new audiences, obtain buy-in from a broader group of people, and bring representatives from their constituencies to the table in planning the opening.
6. Build a groundswell of anticipation for the opening
 - Plan multiple pre-opening events for donors and other supporters
 - The de Young had a 24-hour, round-the-clock opening; programming included high school orchestras and bands, with their families as audience
 - Plan a Washington to Richmond weekend
 - Provide all Colonial Williamsburg members with a weekend tailored to their interests
 - Give groups a 25% discount (shop, membership, food services, tickets?)
7. Take advantage of this Golden Moment to launch a membership campaign
 - Get current members to upgrade their memberships so they can come to certain special events/better opening parties, etc. Turn \$1000 donors into \$5000 donors.
 - Form a Charter Membership Society—offer current members the right to become charter members of the new museum.
 - Make everyone who buys a ticket to the inaugural exhibitions a Gold Card Customer. Work with local businesses—who might not be Museum donors—to offer discounts to these customers.
8. Maintain and grow the membership beyond the Opening Year
 - Basic good practices
 - Cultivate members and continue to treat them well
 - Make VMFA the nexus of everything that happens in Richmond for years to come
 - Use the new building to expand the museum family
 - Capture information from visitors
 - Train museum staff, trustees, directors, members to provide customized welcomes and tours
 - Specific suggestions
 - Find funding so that every school child can come to VMFA (including transportation)
 - Collaborate with VHS and other institutions to offer packages to schools
 - Fund surveys of visitors to find out what they liked and what they didn’t like
 - Create a concierge service—a “go-to” office that can handle all special requests for visits, tours, experiences for big donors, special affiliation groups, other museums
 - Prepare to sell the facilities so that every wedding/corporate event will want a VMFA venue

- Have a strong Group Sales department in place.
 - Use the website as an audience-building tool.
 - Use food as an important tool in audience development, e.g. Cinema Supper Club, Sunday Jazz Brunch
9. Involve the Business Community
- Build an economic impact analysis into the museum budget. This analysis should show how VMFA impacts the local economy.
 - Create a corporate sponsor committee to raise the approx. \$2.5 MM needed for openings, visitor survey, and economic impact analysis.
10. Respond to the needs of the newer museum audiences
- People with careers can't visit on weekday afternoons
 - The de Young extended hours on Friday evenings until 9.
 - This was funded by the Irvine and the Lila Wallace Foundations.
 - Attendance grew over time.
 - Evening features enabled the Museum to
 - Offer free admission to exhibitions, refreshments, etc.
 - Program local talent to perform for the public
 - Support local artists, who bring their individual constituencies with them
 - Provide a constant educational program
 - Offer children's art activities concurrent with adult events
11. Biggest challenge for VMFA will be focus
- Leverage a successful opening
 - Use all possible opportunities to create enthusiasm
 - Welcome the public in the most cordial ways possible
 - Staff up to meet the surge in visitors and members

TECHNOLOGY: VMFA 3.0

Staff

1. VMFA has just completed a transformation of its **IT infrastructure** including new desktops; network and server modernization and consolidation; enhanced information security; shared e-mail, common messaging, and distributed systems management; and centralized help desk services.
2. VMFA has rich content supporting its **collections**. The challenge is how to provide greater access to the collections. All this information can be made accessible worldwide if it is digitized. Digitization will also make the information available in perpetuity by replacing potentially deteriorating resources.
3. **Delivery mechanisms** are in a constant state of transformation. Current options include hand-held devices, cell phones, iPhones—all part of the daily lives of young people. If VMFA can't provide information to this audience in the way they want to get it, they won't come.
4. **The VMFA website** is currently functional, but in dire need of refreshing (now underway). Accessibility, social-networking platforms, and the museum aesthetic are all key design components. The new website should launch early in 2010.

Lucy Buchanan

1. The 2009 Horizon Report for Museums presents critical technology challenges, key technology trends, and technologies on the horizon. Some findings:
 - Funding for technology is as important as any basic utility or core function
 - Stable, predictable funding for technology will become more and more important
 - Museums need to leverage technology and not be led astray by short-term savings
2. Many museums don't see how technology relates to their missions or how they can use it
 - Technology used to be for financial management, curatorial documentation, and ticketing systems. A new generation of museum professionals comes with great ideas and clever initiatives involving technology.
 - The role of museums is changing because of technology
 - Public feels entitled to all information possible
 - Wants to have conversations with museum staff
 - Practice of “open sharing” is being established
3. Digital management: The biggest issue that faces museums
 - Images that get sent everywhere
 - Server storage space and the need to group or eliminate duplicate images
 - Intellectual property rights
4. Audience development: Museum professionals have seen the internet and mobile technologies take museums beyond their walls and impact people who will never physically visit.
5. Website “ownership” is an important organizational decision to ensure responsiveness, a focus on institutional priorities, and quick updates.
6. Social networking: Museums have to embrace a participatory culture if they want to attract young audiences well-versed in new technologies.
7. Data-mining: Museums need to figure out who their audiences are, how they can speak to them, and how they know people are getting their message.
8. Visitor Experience: Make it seamless
 - Make ticketing systems talk to marketing systems talk to Shop systems
 - Use technology to communicate with visitors
 - When data is entered in one museum database, it needs to transfer to other museum systems
 - Surveys are important
 - Make a membership and e-commerce connection: provide online discounts for members
 - Process membership applications or renewals in a quick and courteous manner
 - Ensure system integration between membership and fundraising; streamline donation process
 - Use event management programs and systems to know who is coming, who isn't, and follow up accordingly
 - Have state-of-the-art technology in auditorium/theater
 - Provide WiFi throughout the museum

RAISING \$200 MILLION IN NEW ENDOWMENT (Colin Campbell)

1. Museums have tremendous needs that can only be met by tremendous fundraising activities. Audience development, technology, and building endowments are all interrelated.
2. Colonial Williamsburg (CW) became aware in the mid 1990s that it needed to become aggressive about fundraising. For 40 years, John D. Rockefeller, Jr. had picked up the bill.
 - Created a false sense of security internally
 - Created external perception that CW was taken care of and didn't need any more funding
 - When Rockefeller died in the 1960s, it was hard to overcome the perception that he was still supporting CW.
3. 12-year Capital Campaign History
 - Pre-campaign history
 - CW began a stepped Annual Fund in the 1970s with donor societies
 - In the 1980s, CW raised \$5 Million from 50,000 donors—respectable but not sufficient
 - In 1993, CW started planning a capital campaign, with annual support as a secondary focus
 - In 1994, the silent phase of the campaign began. People were cautious about this first effort and reluctant to spend the money necessary to be successful. Success created new confidence.
 - Set a \$250 Million goal, counting a \$45 Million Annenberg gift.
 - In 1999, CW developed a major gift category and added staff; by December had \$185 Million.
 - Public announcement mid-way. By 2001, had \$260MM and were ready to announce the campaign publicly at CW 75th Anniversary.
 - In 2002, CW increased goal to \$300 Million and extended the campaign; added eight major gift officers. Adjusted goal to \$500 Million in 2005.
 - Completed campaign with \$510 Million in August 2006.
4. Success of Comprehensive Campaign had positive impact on CW's fundraising program
 - Moved CW to a new level of fundraising
 - Identified annual donors who could become multi-million dollar benefactors
 - Endowment increased by \$190 Million through the process; it supports staff, preservation, programs, and unrestricted needs
 - Planned giving increased dramatically
 - Today stands at \$211 Million
 - People saw they could benefit CW and themselves, so they gave
 - Grew the prospect and donor bases
 - 220,000 donors participated in the campaign
 - Unrestricted donors went from 51,000 in 2005 to 115,000 in 2006
 - At least 80% of the \$112 Million came from people who gave \$100 or less at the beginning
 - Campaign identified 530 prospects who could give \$100,000 plus; today have 3,200 such prospects
 - Public recognition for major donors on Visitor Center and Courtyard of Philanthropy walls
5. Lessons learned
 - Conduct a feasibility study
 - Expand prospect research
 - Staff up earlier
 - Be more disciplined in refining priorities and produce a case statement up front
 - Communicate with constituency through a campaign newsletter

- Put more focus on unrestricted endowment
- Engage Trustees in soliciting others
- Recognize gifts under \$1000 more generously than CW did—if a museum does so, the donors will come back
- Don't stop fundraising before opening, or close the donor walls in first year
- Campaign was important for what it accomplished short term, but also for what it accomplished for CW's future: Gains in technology, professional staff, and the quality of publications

BREAKOUT GROUP REPORTS

BUILDING THE AUDIENCE

1. Ways to build audience
 - Identify priority audience segments
 - Increase interest in the museum NOW
 - Conduct in-depth surveys when doors open in 2010
 - Address the needs of the Richmond and the Statewide audiences
2. Opportunities
 - New wing and reinstallations will draw old and new audiences and rapidly build membership
 - Establish a 24-month timeframe for the opening sequence
 - 75th anniversary allows museum to deliver a one-two punch over two years
 - Use an extended opening sequence to build audience
 - Plan multiple openings, locally and statewide
 - Use openings to generate income and support from local and statewide communities
 - Create new donor recognition opportunities within the Development program
 - Encourage people to up their giving levels so they can attend certain opening events
 - Exciting special exhibitions will provide a revenue source when we reopen
 - New spaces to rent, new events to participate in
 - Create linkups throughout state: e.g. Roanoke-Richmond programs
3. Specific priorities for Board and Staff
 - Constantly update Strategic Plan and use it as a roadmap. Set priorities and hold people responsible. Analyze anchor dates in the 12 and 24 month timelines.
 - Strengthen communication
 - Determine members' and visitors' interests
 - Provide visitors with what they want or they will go elsewhere
 - Retain current membership and reward them for their loyalty
 - Increase support group memberships
 - Concentrate on regaining former members
 - Be vigilant regarding technology investments
 - Reach out to students, families, and professionals. Set museum hours that match their schedules.
 - Staff up to handle new exhibition and member needs
 - Be innovative fundraisers. Thank current donors and attract new ones.
 - Use 75th anniversary to solicit gifts of art and exhibit them
 - Make state legislators feel well served

TECHNOLOGY PRIORITIES

1. Visitor-focused technology
 - Collect data to provide positive visitor experience, both member and non-member
 - Use data-tracking and data-mining to gain insights
 - Employ efficient ticketing and event management systems
 - Provide incentives when collecting information and explain how VMFA will use the information
2. Website
 - Use website as an orientation tool
 - When people hear the buzz about the opening, they will go to the website
 - Make website a tool for people planning vacations, attending conferences in Richmond
 - Website can provide public access and shape positive visitor experiences
 - Use website as an education tool; digitize educational resources
 - Use website as a mechanism for interactivity and creative engagement
3. Media and technology endowment
 - Media and creative engagement are the wave of the future
 - VMFA should establish a restricted IT endowment to earn a place among technologically advanced museums.
 - Establish a focused trustee/director/staff committee for IT
 - Use endowment to acquire specialized software applications not provided by VITA
 - Create an endowment case statement
4. Digitize the collections and post them online
 - Need at least \$450,000 up front and funds to maintain and expand the records
 - Would provide opportunity for collection research, outreach, virtual connectivity, and searching
5. Digitize other educational resources
 - Would assist museum's educational mission
 - Could collaborate with other state resources to make them part of the package
6. Introduce WiFi or other basic connectivity technology
7. Provide quality digitized publications and experiences

RAISING SIGNIFICANT ENDOWMENT

1. VMFA must create a truly comprehensive development plan
 - There is no guarantee that the state will continue to fund the museum at the current level
 - Plan must tie in every aspect of VMFA
 - Plan should include an organizational chart
 - Determine how many people are needed in the development office
 - Development should have a planned giving officer. Planned giving is perhaps the single most effective way to increase endowment.
 - The back-office staff in the development department should never be overlooked. Adequate personnel are needed to research prospects and appropriately follow up on initial contact.
 - No one should be able to say at the end of the campaign "I wasn't asked."
2. Raising endowment dollars is not as easy as raising funds for capital projects.

- For many donors, the recognition given for endowment support seems not as concrete as a gift to a building or a specific project.
 - One way to increase endowment gifts is to take expense lines in the budget and set aside endowment funds to cover them: a curator's salary, advertising, security services, the conservation department, etc. It all depends on what interests a potential donor.
3. It's important to combine an annual fund gift with each endowment gift.
 - This makes sure the donor doesn't reduce annual giving in order to fund an endowment gift.
 - A well-drawn document ought to project increases over time for an annual fund gift. This assures that both annual giving and endowments grow.
 4. Be careful about restricted endowment gifts that may become obsolete.
 - It's helpful to have a clause that always allows gifts to be used for broader purposes should their original purpose no longer exist.
 - At VMI, gifts that become obsolete are designed to flow into an "innovative education" category. A separate board reviews monies going into this fund so they are responsibly spent. This assures a donor's gift will always remain "cutting edge."
 5. Potential donors are getting smarter and more inquisitive. They want to know how their funds will be managed.
 - The investment record of the endowment becomes more than an academic figure; successful investment can become a strong selling point.
 - Donors are more apt to give to institutions having successful investing records.
 6. A major campaign to raise endowment will take a significant portion of the director's time. We should be realistic in assessing how much additional work the COO can handle when the director is preoccupied with fundraising.
 7. The museum has several effective "triggers" for a successful endowment campaign.
 - The new wing
 - VMFA's 75th anniversary
 - Truly great art. Many museums around the country have lovely buildings, but the collections inside don't match up with the structures built to house them.
 8. VMFA needs to use technology in innovative ways that typically have not been part of past fundraising campaigns.
 - Younger donors are "turned on" by the use of technology. Traditional methods may not be the best way to reach this new wave of donors.
 - Funding technology is a great hook for young people who want to give something to the museum.
 - While the national direct-mail efforts and other fundraising tactics of CW might be different from VMFA's, their success should not be forgotten.
 9. Several institutions are now involved in suits because endowment gifts have grown larger than their original intended purpose. This has led to the spending of surplus funds in other areas. In turn, this has created friction with families of original donors.
 - If funds are invested wisely over a long period of time, this outcome is not all that unusual.
 - A properly drawn-up donor document should address such contingencies in advance.
 10. While our economy is now close to recession, this is a great time to start an endowment campaign.
 - Potential donors quite often are not adequately "cultivated." We have the time to do this now.
 - When donors aren't feeling threatened by an impending gift request, they are more apt to be guests of VMFA, to see the new wing or to hear about plans for other projects.

- 80% of the large donors to the CW capital campaign started out as annual givers, often in the range of \$100-250. We should never overlook the importance of the small giver in terms of longer-range potential.
11. The next campaign for endowment offers a transformational opportunity.
- It truly will be a chance of a lifetime, one that will not be replicated anytime soon.
 - The “new VMFA” offers a wonderful opportunity to create excitement and use it!

Nancy Raybin and Carol Moon