

The White Oak Institute issues bulletins occasionally to announce relevant research that informs the decisions currently facing museum managers and stakeholders.

# Bulletin 2

THE WHITE OAK INSTITUTE



**This Issue** ACM's Online Benchmark Calculator and menu of Key Performance Indicators (KPIs) for the children's museum sector of the museum field

**Credit** The Benchmark Calculator was made possible by a 21<sup>st</sup> Century Museum Professionals grant from the Institute of Museum and Library Services' (MP-00-09-0051-09) to the Association of Children's Museums. The White Oak Institute developed the KPIs and reports under contract to ACM.



**Summary** **Tools are needed to inform museum institutional planning, to enable data sharing among museums and to provide evidence of public worth.** While these needs may be common to all museums, the children's museum sector expressed them in a 2009 member satisfaction survey conducted by the Association of Children's Museums (ACM). In response, ACM and the White Oak Institute (WOI) with IMLS support created an online Benchmark Calculator of 19 reports covering 27 key performance indicators (KPIs). Each report compares data for up to 12 ACM members as selected by the user and is based on data provided by ACM members for the member survey.

The audiences for the Benchmark Calculator are museum leaders, managers, board members and others who participate in organizational assessment and planning. The project targets ACM's membership, which, in 2012, includes 270 open museums plus almost 70 emerging museums. The majority are children's museums, but members also include science centers and other types. By sharing museum data efficiently and interpreting it constructively through the Benchmark Calculator, museum professionals will be better equipped to measure performance against peers to guide operational planning and drive sustainability and growth. Other museum sectors now have a process precedent, and the start of a menu of KPIs, many of which may be applicable to other museum sectors.

**Action** **For All Museums:** Which KPIs (Attachment A) are most relevant to your purposes?  
**For ACM Museums:** Use the tool!  
**For All Other Museums:** Urge your association to add and align its KPIs.

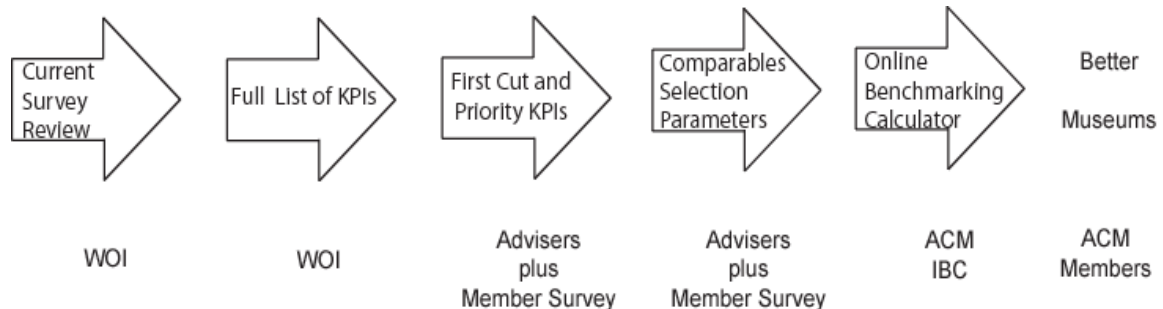
**Context** by Janet Rice-Elman Jim Collins, management educator and author of *Good to Great: Why Some Companies Make the Leap—And Others Don't* and keynote speaker at ACM's annual InterActivity conference in 2008, advocates that great organizations are defined by their consistent, systematic measurement of performance. Collins believes that to achieve sustainability and growth, organizations must determine KPIs, set benchmarks for each indicator, track results and modify work to close gaps between actual results and benchmarks.<sup>1</sup> Marsha Semmel, now Director for Strategic Partnerships at the IMLS, echoed this need after hearing Collins' keynote address, contending that it is imperative for museums to "identify, prioritize and collect useful and relevant empirical data that will define metrics for success and value in the museum sector."<sup>2</sup>

<sup>1</sup> John Durel, "Curiosity and Discipline: Reflections on the Words of Jim Collins," in *Hand to Hand*, vol. 22, no.2 (Summer 2008), 1-2, 12-13

<sup>2</sup> "Leaders Learn: Reflections on Jim Collins' Keynote," In *Hand to Hand*, vol. 22, no.2 (Summer 2008), 10.

## Process

An iterative process developed the reports and prioritized the key performance indicators. The White Oak Institute developed drafts, which were reviewed by ACM and the project's advisers, and then White Oak refined the final reports. Input was also received from ACM members through two online surveys asking which key performance indicators and selection parameters were most important. The final short-listed KPIs appear in Attachment A.



The tool allows ACM member museums to update their survey data via the Web and generate customized comparable reports, which can be filtered by geography or by operating parameters. The White Oak Institute developed the narrative guide for the reports, including explanatory and interpretive text, charts and tables. (See sample reports in Attachments B and C and visit [www.childrensmuseums.org](http://www.childrensmuseums.org).)

## Next Steps

ACM and WOI want feedback on the site, and the WOI wants to hear what KPIs might suit other museum sectors.

## Resources

**Project Support:** The Institute of Museum and Library Services: 21<sup>st</sup> Century Museum Professionals

**Organizational Partners:** Association of Children's Museums

**Technical Experts and Project Team** (Titles/Positions at the time):

**Janet Rice Elman**, Executive Director, Association of Children's Museums; **Jeannette Thomas**, Program Officer, Membership, Association of Children's Museums;

**IBC**, technical and software developers and integrators;

**Jeanie Stahl**, COO, The White Oak Institute: Project analyst and author of the reports.

**Project Advisers** (Titles/Positions at the time): **Neil Gordon**,

CEO, The Discovery Museums; **Philip M. Katz**, Assistant Director for Research, American Association of Museums;

**Al Najjar**, CEO, Glazer Children's Museum; **John Noonan**, Executive Director, Great Lakes Children's Museum;

**Christine Ruffo**, Manager, Research, Association of Science-Technology Centers; **Henry Schulson**, Executive Director, Creative Discovery Museum; **Deborah Spiegelman**, Executive Director, Miami Children's Museum;

**Barbara Wolf**, Associate VP of Research and Education, Children's Museum of Indianapolis.

## Attachments

- ACM menu of 27 Performance Indicators & 19 Reports
- Sample Report 1: Share of Visitor & Program Participants
- Sample Report 2: Operating Expenses per Building SF and Visit

### About the Institute

*The White Oak Institute is a non-profit formed by the owner/principals of White Oak Associates, Inc.*

*The mission of the White Oak Institute is to further innovation in the museum field through research, analysis and dissemination of data-based findings drawn from museum operations.*



# Attachment



**Title** 19 Reports and their 27 Key Performance Indicators (KPIs)

- Findings** Based on survey results from the project’s advisers and ACM members, the top five indicators, in order, were:
- ◆ Gate admission visits by category: School, member, free and general public
  - ◆ Percentage of total expenses for selected expense categories (determined by the way the ACM member survey collects the data)
  - ◆ Admissions revenue as a percentage of earned and total revenue
  - ◆ Revenue by category: Earned, private support, public support, endowment/interest income
  - ◆ Personnel expenses as a percentage of total expenses

CATEGORY	REPORT TITLE, DATA POINTS AND KPIs
<b>ENGAGEMENTS (not ranked)</b>	
<b>MEMBERSHIP</b>	<p><b>Membership Revenue Indicators</b></p> <p>Number of Non-corporate Memberships, Revenue and Member Admissions Attendance Data</p> <p>Non-corporate Memberships Percentage of Earned Revenue KPI</p> <p>Average Revenue per Membership for Non-Corporate Memberships KPI</p>
<b>ATTENDANCE</b>	<p><b>Attendance to Facility Size</b></p> <p>Gate Admission Attendance and On-site Attendance Data</p> <p>Ratio of Attendance to Facility Sq. Footage and to Exhibit Sq. Footage KPI</p> <p>Ratio of On-site Visits to Building Square Footage KPI</p> <p>Ratio of Gate Admission Visits to Exhibit Square Footage KPI</p> <p><b>Gate Admission Visits by Category</b></p> <p>School Group and General Public Admissions as a Percentage of Total Gate Admissions KPI</p> <p>Percentage of Gate Admission Visits by Category: Member and free KPI</p> <p>Gate Admission Visits by Category: School, member, free and general public KPI</p> <p><b>On-site Attendance to Metro or Micro CBSA Population Ratio</b></p> <p>Population and On-site Attendance Data</p> <p>On-site Attendance as a Ratio of the Population KPI</p> <p><b>School Gate Admissions to Metro or Micro CBSA Population Ratio</b></p> <p>Population and On-site Attendance Data</p> <p>School Gate Admissions to Metro or Micro CBSA Population Ratio KPI</p> <p><b>Share of Visitor and Program Participants</b></p> <p>Gate Admission Visits and Program Participant Share of On-site Attendance KPI</p>

# Attachment



**Title** Sample Report: Operating Expenses per Building Square Foot and per On-Site Visit

**page 2**

CATEGORY	REPORT TITLE, DATA POINTS AND KPIS	
<b>FINANCE AND ADMINISTRATION (not ranked)</b>		
<b>REVENUE</b>	<b>Earned Revenue and Expenses per On-site Visit</b>	
	<b>Earned and Admissions Revenue per Visit</b>	
	Earned Revenue per On-site Visit	KPI
	Average Ticket Price	KPI
	Admissions Revenue Plus Non-Corporate Membership Revenue per Gate Admission Visit	KPI
	<b>Museum Store Gross Revenue per On-site Visit</b>	
	Store Gross Revenue and Store Square Footage	Data
	Museum Store Gross Revenue per On-site Visit	KPI
	<b>Gate Admissions Percentage of Revenue</b>	
	Admissions Revenue Percentage of Earned Revenue and of Total Revenue	KPI
	<b>Support Revenue by Category</b>	
	Percent by: Private Contributions, Private Grants, Public Grants, Public Unrestricted, Parent Org.	KPI
	<b>Revenue by Category</b>	
	Revenue by Category: Earned, private support, public support, endowment/interest income	KPI
	<b>EXPENSES</b>	<b>Exhibit, Theater and Visitor Services Costs per Interior Exhibit Square Footage</b> (excludes personnel)
<b>Facility Operations and Maintenance Expenses per Building Square Footage</b>		KPI
<b>Marketing, Public Relations and Advertising Expenses per On-site Visit</b>		KPI
<b>Operating Expenses per Building Square Foot and per On-site Visit</b>		
Expenses per Building Square Foot		KPI
Expenses per On-site Visit		KPI
<b>Percentage of Expenses by Category</b>		
Percentage of Total Expenses by Selected Expense Categories		KPI
<b>Personnel Expenses</b>		
Personnel Expenses		KPI
Personnel Expenses as a Percentage of Total Expenses	KPI	
<b>STAFFING</b>	<b>Staffing Indicators</b>	
	Number of On-site Visits per Full-time Equivalent Staff Person	KPI
	Operating Expenses per FTE	KPI

# Attachment

**Title** Sample Report: Share of Visitor and Program Participants  
*Association of Children’s Museums: Benchmark Calculator*

**What this Key Performance Indicator (KPI) shows**

This KPI includes two sets of data in one chart and indicates the relative share of gate admissions attendance versus non-admissions attendance. The two together total 100% of on-site attendance. The KPIs calculate:

- ◆ Gate admissions attendance as a share of total on-site attendance
- ◆ Program participant share of total on-site attendance. Program participants include those attending camps, courses, birthday parties, function rentals, special events and more. Essentially, all categories that are not gate admissions.

A high percentage of gate admission visits to the exhibit halls or other ticketed venues, indicates that you are highly dependent on ticketed attendance; thus, other on-site attendance may have room to grow depending upon facility limitations – e.g. function rental space, number of classrooms and multi-purpose rooms.

**Management Policy and Implications**

On-site gate admission attendance compared to the number of program participants on-site (non-admissions attendance) should reflect your goals and allocation of resources. The data should also be reviewed in the context of the revenue you are achieving from each of these categories and the costs to deliver the programs.

Museums should always strive to maximize the quality of the visitor experience from the moment the visitor arrives at your parking lot or the entrance to your museum through their visit to the exhibit halls, the washrooms, food service, the store and during their interactions with staff. Although this is important for all categories of museum visitation, including programs and function rentals, it is especially critical if you are highly dependent on admissions attendance.

In the wake of the museum boom, many cities and museums tried to maximize their admission visit numbers; now, the program participant numbers may have the most potential for growth.

If you have a low percentage of program participants, you may want to research whether you are maximizing your potential in program areas or whether there are facility limitations that affect program growth. Conversely, it may be that your program spaces are empty much of the time or that programs are not filled to capacity.

**Summary Data for All ACM Survey Respondents**

	Gate Admission Attendance % of On-Site Attendance	Program and Other Non-Admissions Attendance % of On-site Attendance
NUMBER OF RESPONDENTS	N = 173	N = 173
Average	80%	20%
Median	94%	6%

**Table 1**

Source: Data derived from the 2010 ACM Membership Survey

Title Sample Report: Share of Visitor and Program Participants  
 Association of Children's Museums: Benchmark Calculator  
 page 2

### Gate Admission Visits and Program Participant Share of On-site Attendance

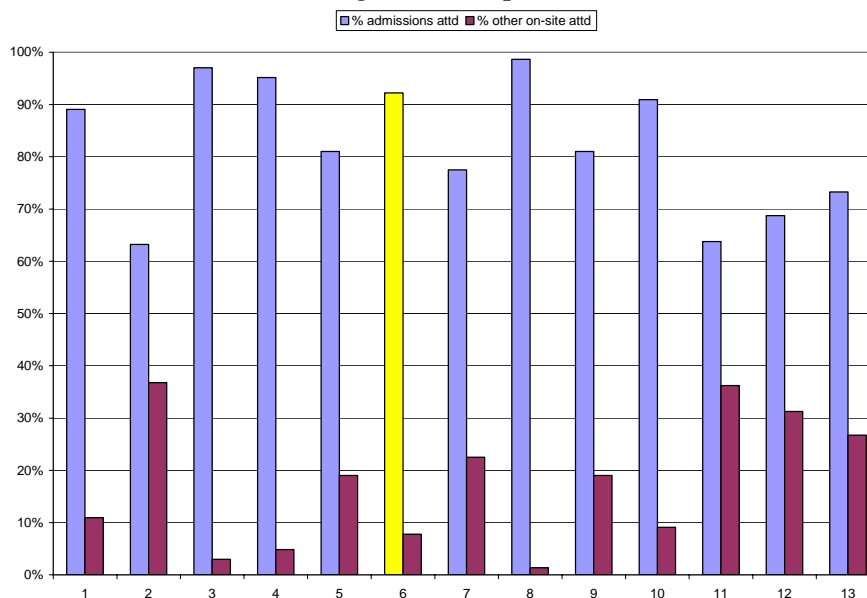


Chart 1

Source: Data derived from the 2010 ACM Membership Survey

#### Management Considerations Regarding the KPIs:

1. Where does your institution fit among the comparable museums?
2. Does museum leadership want to change the value of this KPI, and if so, are they aware of and willing to support the implications?
3. Does changing this KPI impact other KPIs and museum operations? If so, is that OK?
4. What anomalies does your museum have that affect this ratio? In the reporting year? On an on-going basis? Do you have space limitations that prevent you from growing programs?
5. Do your resources and allocation of staff parallel the activities your visitors and program participants are experiencing.
6. If your program (non-admissions) attendance is high, why? Do you have an annual special event that draws a large crowd to the museum? Do you offer a lot of programs – summer camps, birthday parties, holiday week courses, etc.? Do you have a lot of function rentals?
7. What is the proportion of your share of gate admission visits versus other on-site program participants? Does the proportion reflect your goals for these categories?
8. Do you have a way of converting one category to the other using on-site marketing? Can you get visitors to sign up for programs? Can you get people who come for a birthday program to come back for a visit?



# Attachment

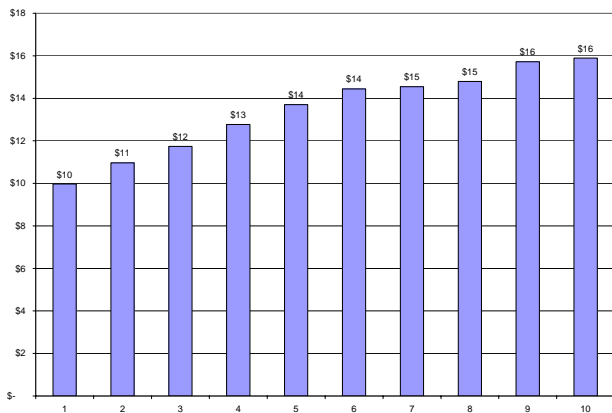
**Title** Sample Report: Operating Expenses Per Building SF and per Visit  
*Association of Children’s Museums: Benchmark Calculator*

**What these KPIs show**

- ◆ Operating expenses per building square foot calculated as total operating expenses divided by building square footage.
- ◆ Operating expenses per on-site visit calculated by dividing total operating expenses by the total number of on-site visits.

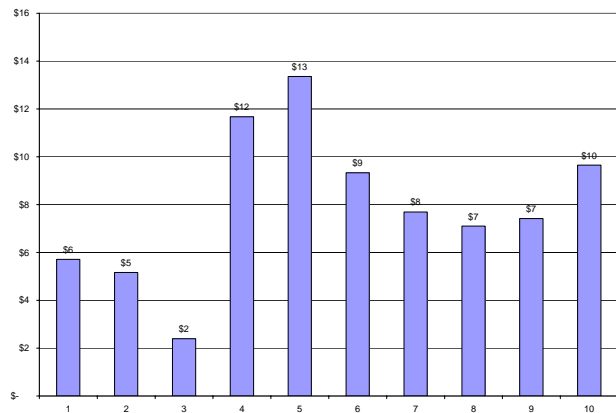
Both formulas exclude depreciation and amortization expenses.

**Indicators For Your Selected Museums**



**Expenses per Building Square Foot**  
**Chart 1**

Source: Data derived from the 2010 ACM Membership Survey



**Expenses per On-site Visit**  
**Chart 2**

Source: Data derived from the 2010 ACM Membership Survey

**Management Policy and Implications**

The key performance indicator of expenses per building sq. foot indicates whether you are spending less or more than your peers to operate your building. Anomalies are important to check as operating expenses can be skewed by such factors as in-kind, reimbursement and unaccounted for utilities, maintenance, security, landscaping, etc. provided by other entities, while other museums may have to pay rent in addition to other facility costs. Some museums may occupy only a portion of a building or space owned by others. Some anomalies can be researched through the ACM survey data by looking up the comparable museums to see if they answered the survey question regarding significant in-kind or cash reimbursement services (e.g. grounds keeping, custodial services, utilities, advertising/PR, development). The survey also has a question regarding expenses paid for rent or mortgage.

There can be a difference between small museums and large museums as smaller museums often have a higher cost per sq. foot because of the level of resources needed (staff and costs) to operate a facility regardless of attendance levels.



Title Sample Report: Operating Expenses Per Building SF and per Visit  
*Association of Children's Museums: Benchmark Calculator*  
page 2

---

The second KPI, expenses per on-site visit, indicates the ratio of your operating costs to your level of resources spent per visitor and may indicate whether the quality of the visitor experience is high or low. If your attendance is very high compared to your square footage, your KPI will be lower than average, and if your attendance is low and you have a large building to maintain, your costs will be higher than average. Grant-funded, special programs and a significant number of outreach programs can also result in higher average costs per visitor, as can outdoor exhibits and/or gardens that are not included in the facility size calculations.

### **Management Considerations Regarding the KPIs:**

1. Where does your institution fit among the comparable museums?
2. Does museum leadership want to change the value of this KPI, and if so, are they aware of and willing to support the implications?
3. Does changing this KPI impact other KPIs and museum operations? If so, is that OK?
4. What anomalies are there at your museum that affect this KPI? For the reporting year? On an on-going basis? For example, did you lease an expensive traveling exhibit that boosted costs in the reporting year or did you have other one-time operating costs in that year?
5. If your ratio of on-site expenses to building sq. footage is low, why is it low? Are your personnel expenses lower than average? Are you spending enough to maintain the building and/or exhibits? Are utilities, grounds keeping or some other cost covered by another entity?
6. If your costs per visit are low, is it because you have extremely high attendance or you have utilities or other costs covered by another entity? Or are you not investing enough in exhibits and programs? Are you under staffed?
7. Are you seeing other indicators that spending per visit is low, such as declining satisfaction ratings?
8. If your expenses per building sq. foot are high, how does it correlate to expenses per visit? If expenses per visit are low, but costs per building sq. foot are high, you may not be spending enough on your visitors or you have very high attendance.