No Money, No Mission: Strategies for Building a Financially Strong Museum
Ann Metzger
Co-Director, Carnegie Science Center, Pittsburgh
David Chesebrough
President and CEO, COSI, Columbus, OH

Deborah Barnhart
CEO, US Space and Rocket Center, Huntsville, AL

Kim Herlev
Executive Director, Executive Director, Experimentarium, Copenhagen, Denmark

Henry Schulson
Executive Director, Creative Discovery Museum, Chattanooga, TN
Carnegie Science Center

- #1 ranked museum in Pittsburgh for visitation
- 700,000+ served annually
  - 540,000+ onsite visitors a year
  - 160,000+ students served through outreach programs
- $13 million operating budget
- Part of Carnegie Museums of Pittsburgh
Comparison of Revenue Sources
*Carnegie Science Center & Other Large US Science Centers*

Large U.S. Science Centers Operating Revenue for 2014
- Endowment: 7%
- Gifts & Grants: 27%
- Government: 21%
- Earned Income: 45%

Carnegie Science Center Operating Revenue for 2014
- Endowment: 5%
- Gifts & Grants: 27%
- Government: 9%
- Earned Income: 59%

*Source: 2014 ASTC Statistics Analysis Package*
David Chesebrough
President and CEO, COSI, Columbus, OH
Estimated 2014 MSA Population: 1,995,000
COSI EXPERIENCES

Founded in 1964
COSI PROGRAMS

CAMP-IN

OUTREACH

- IVC - INTERACTIVE VIDEO CONFERENCEING
- COW - COSI ON WHEELS

STEM – SCHOOL CONTRACTS

CAREER AWARENESS & SKILLS EXPLORATION (C.A.S.E)

- TEEN PROGRAMS

SCHOOL & GROUP 21ST CENTURY PROGRAMS
FY14 ATTENDANCE

622,905 Visitors to COSI

940,202 total people reached onsite & offsite since 1964

32,184,441

317,297 COSI’s educational outreach programs

Association of Science-Technology Centers (ASTC)
Annual Conference
October 17-20, 2015
Sustainable Business Plan

Support of earned income and endowment revenue

Source: 2014 ASTC Statistics Analysis Package
# COSI Team

## Paid Team

<table>
<thead>
<tr>
<th>Status</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fulltime</td>
<td>138</td>
</tr>
<tr>
<td>Parttime</td>
<td>115</td>
</tr>
</tbody>
</table>

**Fulltime Equivalent:** 196

## Volunteers

- **11,429 Volunteers**
- **Total Volunteer Hours:** 117,485

This is equivalent to 56.5 full-time employees and saved COSI $1.6 million.
State Commission
18-member board, gubernatorial appointment
Supporting 501(c)(3) foundation ($2.5M)
625,000 annual visitors
400 – 700 staff, 95 full-time
STEM education and workforce development
Ages 7 – 100
30,000 annual participants
20% international attendance
700,000 alumni since 1982
Self-sustaining on operational income

U.S. Space & Rocket Center Revenue FY 2015: $24,147,000

- Education Programs: 49%
- Admissions: 16%
- Merchandise: 14%
- Special Events: 10%
- Other Revenue*: 6%
- Food Service: 5%

*“Other Revenue” includes rental income, state and local appropriations, non-foundation fundraising, grants, and fees from contracts.
Change Necessitates Flexibility

NASA Launches Space Shuttle on Final Flight to Space Station
By NED POTTER - KENNEDY SPACE CENTER, FLORIDA, July 8, 2011

NASA's New Space Launch System Mega Rocket Won't Fly Until 2018
by Miriam Kramer, Space.com Staff Writer | December 10, 2014 05:19pm ET

Consolidated STEM Programs in the President’s Budget
April 17, 2013

Museums reflect on lower attendance in 2014
Keep a lot of balls in the air

Outbound Exhibitions  Space Camp Robotics  Special Events

Learn how to fail quickly

Galaxy of Lights  Overnight Field Trips  Special Events
1. Keep the Center at the center
2. Lean in
3. Prepare to get busier

Days Over 1,000 Visitors

<table>
<thead>
<tr>
<th>Month</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>October</td>
<td>3</td>
<td>0</td>
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<tr>
<td>November</td>
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<td>December</td>
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<td>January</td>
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<td>August</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>September</td>
<td>4</td>
<td>3</td>
</tr>
</tbody>
</table>

Association of Science-Technology Centers (ASTC)
Annual Conference
October 17-20, 2015
Solvency is autonomy.
Kim Herlev
Executive Director, Experimentarium, Copenhagen, Denmark
EXPERIMENTARIUM

Only science centre in Denmark
Private non-profit foundation
Established: 1991
Staff: 220
Board: 11 including 4 staff
Visitors: 330,000
The Flower
- a mental model
**2012**

Turnover: 11,5 mio. USD

- Project portfolio: 60% outside center
- Philanthropic approach
- Unfocused mission
- Weather dependent
- Low financial stability

**2017**

Turnover: 16,5 mio. USD

- Project portfolio: 10% outside center
- Commercial approach
- Focused mission
- Weather independent
- High financial stability
From low financial stability to high financial stability
NEW BUILDING

• Outside exhibition on rooftop
• Commercial amenities for conferences, meetings etc.
• New restaurant, café, shop
• Labs for schools and other groups
• Enlarged indoor exhibition area
NEW STRATEGY

• Core 2020 – simple and focused
• New commercial focus
• Limited project portfolio
• More science content
• Common goal that everybody is part of
NEW ORGANIZATIONAL STRUCTURE

- From 6 to 3 departments
- From 18 to 8 directors
- **New commercial department**
- Same number of staff
NEW OPPORTUNITIES

Organization adjusted
One of three legs is commercial department
Commercial director hired
Commercial strategy with new products

Facilities adjusted
New building with business facilities
3500 m2 outside exhibition on rooftop
Enlarged inside exhibition area

Brand adjusted
New brand platform
New brand identity

Target groups adjusted
New target groups: 1-5 years & adults
LESSONS LEARNED

We are a commercial business - and it has to be reflected in the organizational structure.

We must focus on our strengths - and find new ways to become operationally self-sufficient.

In order to fulfill our mission: Serving the society by creating interest in science.
Henry Schulson
Executive Director, Creative Discovery Museum, Chattanooga, TN
Creative Discovery Museum

Chattanooga MSA: 525,000
Audience: Birth through 12 years of age
Number of visitors per year: 215,000 on-site and 45,000 off-site
Staff Size: 30 full time and 50 part time
Budget: $3 million
Chattanooga Museums Collaboration

A Model for Resource Sharing and Joint Programming
Working Together Works!
Why collaborate?

- Increase focus on mission
- Better stewardship of funds
- Build long-term stability
- Increase expertise and staff relationships
Administrative Collaboration

- Finance & Accounting
- Human Resources Management
- Management Information Services
- Retail Purchasing
- Marketing Functions
Sharing Resources Saves Resources

Estimated Resources Saved Since 2001
- Creative Discovery Museum: $2.9M
- Hunter Museum: $2.6M
- Tennessee Aquarium: $1.7M

Estimated Revenue Generated Since 2001
Science Alliance of Tennessee

Creative Discovery Museum:
Chattanooga, TN

Hands-On Museum:
Johnson City, TN

Adventure Science Center:
Nashville, TN

Pink Palace Museum and Planetarium:
Memphis, TN

East Tennessee Discovery Center:
Knoxville, TN

Association of Science-Technology Centers (ASTC)
Annual Conference
October 17-20, 2015
Competition or Collaboration

Chattanooga Public Library

TechTown™

HIGH POINT CLIMBING AND FITNESS

Kid’s Zone

Association of Science-Technology Centers (ASTC) Annual Conference October 17-20, 2015
Questions, Comments, Observations?
Great, Sustainable Impact:
Can Self-Sufficiency Help Us Advance Our Missions?
By Dr. David E. Chesebrough, President & CEO

Self-Sufficiency -- A Dream or Realistic Goal to Support Great Impact?

How often have we cringed when an uninformed corporate leader or public official has challenged, "Why can't you operate more like a business?" Of course the usual implication is that if we earned more they wouldn't have to donate as much or provide as much government funding. Often as CEO of the science center/museum you cringe, talk about the meaning of not-for-profit and the importance of mission and change the conversation.

But what if we stood this on its head and seriously asked ourselves internally, "Can we be operationally self-sufficient?" "Could we serve our mission better with a different business approach?" Could we, as Jim Collins in Good to Great challenges, move from leading good institutions doing good things but struggling financially to developing differentiated great institutions that in the process create strong blends of operational self-sufficiency and successful, focused and strategic fundraising?

And most importantly, use the financial strength to deliver ongoing great impact?

We have asked ourselves these questions at COSI and surprisingly decided, within parameters, that the answer to those questions was, "Yes, we can maximize our mission and improve the ROI of the community investment in us. Indeed, if we made it our goal to be operationally self-sufficient that would assist us in being a great institution better able to fulfill our mission." So operational self-sufficiency is not the end game, but the discipline that comes with thinking that way could be a tool towards great and sustainable impact serving our community.

Responding to the Changing World

Why would we look at the concept of self-sufficiency differently today?
Our analysis of trend-lines and community dynamics offer a number of reasons:

1. Social service and educational needs (among others) continue to increase, potentially pitting science center support more and more against the compelling needs of feeding the hungry, sheltering the homeless, and intervening in failing urban education, to name just a few.

2. Corporate and foundation philanthropy appears to continue to shift from general operating support to very project specific "services for hire."

3. As more and more organizations take on the STEM learning challenge it is possible for the science center to be marginalized as a "field trip" or "rainy day" destination--nice, but not necessary nor central to addressing key community issues.

4. There is more need than ever for the services of science centers and museums to help create a scientifically literate citizenry and workforce needed for a strong, healthy and sustainable society.

5. Many of our institutions are actually stronger and bigger in our facilities, program capacity and brand from investments and positioning over the least 20-30 years--but undervalued internally through a "deficit mentality" limiting our abilities to "think big and bold."

6. If we could be self-sufficient, couldn't we control our fulfillment of mission even better-- moving from good to great service unfettered with inefficiently pursuing and delivering on a scattering of small grants, individual programs, and meeting corporate supporter and/or government objectives that push us out of our sweet spots of impact?

In looking at these questions we came to what might seem an audacious decision -- we have set a goal of being operationally self-sufficient (more on the important nuance later) on our way to being a great institution with higher impact!

To achieve this we had to look at where we were and then project forward -- looking for adjustments in model, culture, organizational alignment and more.
Model Shift

COSI’s business model was very typical of most science centers/museums (and other non-profits that have some level of service mix between revenue based and free/discounted services). Looking at our model, it looked like Diagram 1 following.

![Diagram 1 - Typical non-profit science center financial and service model](image)

The problem with this model is that there is often a natural, silo based disconnect between those designing and delivering the visitor experience and programs and those in development filling the financial gap. And as noted, the dynamics around philanthropy are changing significantly and rapidly. General Operating Support (GOS) funds for science centers and museums are becoming more difficult to secure. And as Development staff respond to this, they are often pushed into proposals to match a donor’s very specific initiative, which may not be a high impact, high value use of the institution’s resources (and often don’t cover overhead).

So we set out to rethink our approach with the following objectives:

1. Leverage operational self-sufficiency to
2. Create a sustainable future
3. With greater impact

... the dynamics around philanthropy are changing significantly and rapidly.
This led us to a series of questions as we looked at ourselves through a new lens - what would we look like as a self-sustaining business? To do this, we consciously set aside services that we knew would most likely not have the potential to be financially self-sufficient efforts, such as access programs, inner-city outreach, teen programs, etc. The approach to these would be very different even though they are key to our mission related services (more on that later). But both sides of the equation would benefit from a focus on differentiated service (product) and greatness as an institution known for high impact in those areas we focus upon.

Our "business" then must be built in the same fashion that has been put forth in *Built to Last* and *Good to Great* (nuanced in the *Good to Great and the Social Sectors*) -the hedgehog concept of finding the intersection of:

- "What is it we are deeply passionate about?"
- "What can we be best in the world at?" and
- "What drives our resource engine?"

This comes in recognition that science centers and museums live in Quadrant 4 of Jim Collins’ differentiated framework of Economic Engine in the Social Service Sector -- high potential business revenues and low charitable donations and private grants (*Good to Great and the Social Sector*). We have buildings, specialized staff, brand and community good will to apply toward the ability to drive revenue as we work in sectors that society deems are important (e.g. education, STEM learning and careers). And we often also serve as destinations for families and tourists, community anchors, etc. There is money flowing in all of those domains and we felt that with the right approach and partnerships we could be both more impactful (great) while tapping more revenues and dedicated funding streams (sustainable).

Chart 1 below shows the types of comparison analysis regarding COSI’s service mix, with the core question - Are we just being good, or are we being great?

<table>
<thead>
<tr>
<th>Good Services</th>
<th>Great, Sustainable Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generic educational programs</td>
<td>Specialized programs tapping unique center/museum assets</td>
</tr>
<tr>
<td>Generic school field trips</td>
<td>School contracts for STEM services</td>
</tr>
<tr>
<td>General access underwriting by institution</td>
<td>Targeted, high impact access programs with funding and strong partners</td>
</tr>
<tr>
<td>Specialized staff having up and down level of internal work</td>
<td>Specialized staff earning revenue from contracts to supplement internal work</td>
</tr>
</tbody>
</table>

Chart 1 - Good versus great with more sustainable services
The Need to Systemically Differentiate

The concept of differentiation was critical. As I put it, drawing on a previous life as a consultant to Apple Computer, "Are we Dell or Apple in our markets?" What does this mean?

Dell built its success offering the very best combination of decent and customizable features on a computer with the best cost/benefit product price. To make that happen they built their whole system around cost efficiencies and flexibility.

"Are we Dell or Apple in our markets?"

Apple has focused on building unique, desirable and differentiated products that hold a high value perception and therefore an ability to price at a high profit margin.

I would suggest, that with the inherent expensive nature of most science centers/museums, we can't afford to price our services like Dell because we don't have the ability to drive the lowest costs. However, we should always seek operational efficiencies drawn from flexible staffing models, investment in technologies for efficiencies and effectiveness, etc. to control our overhead.

And if your business model is stuck in between lowest cost or highest value that is where businesses die (think Gateway computers). Hence, if COSI was going to be more sustainable, with our cost of overhead, we had to look to adapting more of an Apple approach---a differentiated array of products and services we could deliver passionately with differentiated greatness and with the ability to be paid at a high value perception. (The concept of a differentiated approach for strategic positioning to our museum businesses was presented by Harvard economist Michael Porter in a keynote speech at the 2006 AAM national conference and is a worthwhile read.)

Chart 2 shows the types of questions we needed to ask (and you can too):

<table>
<thead>
<tr>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>What are our special strengths and assets (i.e. expertise and physical)?</td>
</tr>
<tr>
<td>Where and how can we have special impact in an area of community need</td>
</tr>
<tr>
<td>more than any other organization?</td>
</tr>
<tr>
<td>Where are revenue streams in areas of our strength and potential impact?</td>
</tr>
<tr>
<td>What partners would be important to achieve impact, access to audiences,</td>
</tr>
<tr>
<td>access to funding streams in a mutually beneficial way?</td>
</tr>
</tbody>
</table>

Chart 2 - Questions to help decide your sustainable differentiation

Answering the questions in Chart 2 will start to help identify your areas of strategic advantage that offer potential to be differentiated and financially sustainable through earned revenue or through partnerships and steady funding streams. These
need to be pulled away and focused on from the programs and efforts that need dropped, rethought and/or contained.

At COSI we used an intensive, multiple week, open forum approach centered around a "war room" where ongoing discussions, idea generation, charts, and task lists were posted. Anyone could drop in and there was a regular presence of project leads and often myself. Daily we generated conversation and concepts. We let people self select to organically generated teams to quickly test an idea against a potential market and position it for decision making to test further, modify or drop. The concept development and quick market check then led to what Collins and Hansen, in *Great by Choice*, denote as "firing bullets" to create empirical data from small tests that then inform if an effort is worth continuing, investing in further or scaling up.

The COSI "Project Discovery" process, in a less intense and consuming fashion, is being embedded into our system and culture to provide a continual pipeline of ideas and potential new business and relationships. There are several positive side benefits:

1. Encouraging and supporting a culture of continual review of what we are doing, always looking to "trade up" a service -- for example can we go from school programs to school contracts to even "select school partners" co-branded with COSI?

2. With the open forum, pan-institutional access to conversations and teams, we have been able to see team members self-identify with initiatives giving us more insights into interests, talent and opportunities for growth of COSI staff. Some team members already have new jobs based on this evidence and our organizational structure has morphed along the way as we gain more strategic focus.

3. We continue to develop a better filter for identifying the best partnerships that truly bring a mutual benefit at a net positive for their required effort (something informed by research, some conducted by myself with the sponsorship of the American Alliance of Museums (AAM)).

Know that the change process this brings and requires can be challenging and difficult for the team. Work on the principle in the Collins and Porras book *Built to Last* that focuses on "Preserve the Core, Stimulate Progress." Keep in mind the professional development support that your team will need to implement a culture of ongoing improvement to achieve great, sustainable impact while staying true to your "DNA."
Market Driven Imperative

It is worth emphasizing that being "market driven" is a critical component of success in achieving self-sufficiency -- whether with a specific program or service area or overall. The reason to call it out is my observation that science centers and museums tend to be pretty poor at sophisticated market attention.

The talented team members in our institutions are passionate about what they do -- and therefore can be prone to design programs, experiences and services that they want to do or that they perceive are important for the community. This, I submit, is a factor in the plethora of poorly attended, limited growth programs and services we find at times filling up our experience marketing and catalogs of offerings -- most if not all breaking even at best (and that is usually from the manager’s assessments of whether they cover direct costs -- forget about fully returning funds for overhead).

It was worth our while to bring in innovation and entrepreneurial specialists to help our team understand that market drives the potential for a new company or product. Our local business incubator who we work with has a boot camp with a primary purpose to help the entrepreneur test and prove that there is a viable market sufficient in size and ability to reach economically to support a business or product idea (or face reality that there is not).

In so doing at COSI, we made decisions to drop some fine little programs.

But that was the issue -- they were little with small overall impact and generally money losing. Staff time spent developing and delivering a program, requiring marketing and space support, for an experience that would have 15-20 kids in it once a quarter is not a financially sustainable program unless underwritten.

What we need, and are developing, are events and replicable programs that can serve hundreds or even thousands on a regular basis. Look at the success many science centers and museums, including COSI, are finding with whole museum adult evenings versus limited audience/capacity adult programs.

Done right, this all matches the best practice of top businesses as researched by Collins and Hansen and reported in Great by Choice. Incremental investments in ideas, programs, and initiatives can allow for testing on small, low risk scale ("firing bullets") to build the evidence and test a market for scalability prior to expanding or overly investing in a direction ("firing a cannonball").
What About Access And Mission?

Ok, here is where we deal with the elephant in the room for any science center or museum going down this path of more financial self-sufficiency. Our mission is about outputs of impact, not inputs of revenue. Our team is passionate about making a difference. Our communities, even if they may provide little or no public funding (COSI’s situation), expect us to be available and accessible for all.

This has generally put pressure on admission pricing, program pricing, and up and down performance of centers as reliable (or unreliable) partners in providing free or deeply subsidized services. No way to run a "business" and no way to be a good partner.

The COSI approach is that we are moving to separate the access and availability issue and address it separately, intentionally and strategically with more impact than what most centers typically do. Many centers keep their admission fees low for accessibility, starving the overall institution of the resources to provide a great experience in a sustainable fashion. How many of us have "free days" where we feel good -- as long as we don't look at the fact that we have probably overbooked the building for a good experience and that the families and children coming may have no orientation to our museum experience and not feel comfortable about it?

It would take a separate article to lay out the intentional and impactful ways we seek to meet access and assure our special ability to inspire, engage and support individual, school and family learning for all who have interest. However, key to this is that we’ve:

1. **Separated access and specialized programs that cannot generate a sustainable funding stream from our "business" of great experiences, programs and services that we price at a differentiated, financially sustainable level.**

2. **We have identified key partners who can help us access large numbers of individuals, schools, and families who would normally not be able to use COSI and we seek systemic relationships that give us the highest impact with those audiences -- and the highest probability of directed funding, grants, and corporate sponsorships. The partners can be school systems, community agencies, or fellow educational service providers.**

3. **We leverage and manage our brand better now (more to come) as a great and unique learning environment with an array of services to reinforce the need for COSI to be seen as an agent of change worth supporting to help address priority community needs.**
Brand Importance

Now is the time to introduce the importance of Brand as you look at your financial future. You have a brand—the question is how strong is it, how you are managing it, and how you are leveraging it?

Jim Collins with his famous "flywheel" observation of companies that go from "good to great" has modified that flywheel in his *Good to Great and the Social Sectors* monologue. To his observation and research, a great social institution has pervasive qualities--not a killer app, program, or opportunity. Focusing on his hedgehog principle (already noted) builds results in a way that he describes as:

"Success breeds support and commitment, which breeds even greater success, which breeds even greater success, which breeds more support and commitment--round and around the flywheel goes. People like to support winners!"

That is the brand strength that you can create and leverage.

That is why your brand is so important—it supports the differentiated products that are able to secure fees that cover costs plus surplus/overhead.

You have a brand---the question is how strong is it, how you are managing it, and how you are leveraging it?

Your brand, if strong enough and leveraged well enough, opens up schools and agencies to want to partner with you, opens up companies wanting to be associated with you and willing to provide healthy sponsorship funds, and opens up the wallets of those who believe in your mission impact—whether a foundation or a host of millennials you have engaged in your new adult programs and activities.

We would all benefit from bringing in brand managers for consultation (maybe they are on our Boards or advisories) to learn how to take advantage of a brand that is probably a lot stronger than most of us perceive. We want to create a desire to associate with us by setting a bar for what it takes to be affiliated with our brand. Done right that will provide a filter to whom and how we want to be associated with that further enhances our brand and desirability. For example, think of creating application processes and clear criteria for some of your key programs and affiliations. It works elsewhere (think college admissions)—why not with our institutions?
The COSI New Business Model and Portfolio

At COSI our improvement process, still underway, now has a very different looking model as seen in Diagram 2. We continue to migrate toward financially sustainable, high impact experiences and programs -- and in so doing delivering a greater overall impact helping address priority community needs -- our improved return of value in social benefit on community investment (as to Porter’s museum model).

You will notice this is not built around "divisions" but areas of business and assets. Development is particularly called out in its shift from an overall GOS emphasis to a mix that also has more targeted alignment with our impact areas and access.

Do we still have broad GOS solicitation? Sure. But we are shifting more and more to acting as, and being seen as, an essential resource in meeting key community needs through strategic partnerships.

The development related partnerships are increasingly designed to provide more of what a like-minded company may want (employee engagement, affiliation with your brand, impact in areas of their philanthropy focus). Also, by going into a relationship you have more potential for longer funding cycles – getting you past year-by-year, project-by-project limitations we often operate within to the detriment of being able to deliver services with consistently great impact.

The same approach has the potential to work with new companies, individuals and groups that want to enjoy our experiences (priced at a sustainable, differentiated rate), co-host an event at our site, or contract for our specialized services and programs—all supporting and contributing to our sustainability. Essentially we have looked at how we approach monetizing all of our differentiated assets.
Organizational Adjustment--Form Following Function

We have simplified our organizational structure into three teams (we have taken the term division out of our vocabulary as we seek pan-institutional flexibility):

- **Visitor Experience** has all the elements that our "best guest experience" requires to be successful and keep growing revenues from all the sources that emanate from a visitor coming to COSI. The group includes everything from exhibits and floor programs/faculty to parking lot and box office to café and learning resource shop. It also has the key support elements of marketing, membership and group sales working cohesively in that group.

- **Engagement & Impact** has all the elements that position us as a significant and effective learning resource. It has elements that are designed to be the best in class and financially self-sufficient (e.g. outreach programs, school contracts and programs), but also those that require financial support such as family, school and community access and teen career development and awareness. To these are added the key support areas of Development, Communications (defined as assuring our value and great impact are known to the community and stakeholders) and our Center of Research and Evaluation (providing support for and evidence of our great impact). I consider weaving these all together into one group as one of COSI's more novel organizational elements to pursue optimized synergies and greatness.

- **Administration and Finance** serves the institution at large--from the usual back office, finance and HR services to also the facility, team training and professional development supporting the "business" mentality, understanding and rigor that goes along with a "great institution" with a "great brand" doing "great things" in an overall sustainable fashion.

**Last Words**

I have provided food for thought for any science center or museum to consider and some principles that I would suggest are useful to anyone taking the path to greater self-sufficiency and impact. Many of us have been blessed with substantial facilities, long history and brand in our communities, and talented and passionate staff and volunteers. It is time to leverage all those attributes to their fullest -- and with an intentional level of confidence -- even "swagger". We need to move from a "deficit" mentality and approach to strategizing resources as the strong "businesses" and community assets that we are -- and offer opportunities to work with us to those we select as compatible with our brand and high quality standards and level of impact.

Non-profit needs to be our mission core and our tax status, not our mentality.
If this all sounds aspirational it is.

Is it approachable? I would suggest it is as well.

COSI over recent years moved from a 58% earned revenue stream for a struggling institution at the time (with a “survival” budget that was cut back to less than $11 million from a much larger, unsustainable one) to a vibrant, strong and well positioned science center now earning 75% of our balanced budget ($16+ million in the most recent fiscal year). With those resources we are delivering greater impact for the community’s investment in us. Our contract work and strategic partnerships (backed by revenue sources) and new corporate engagement plans supporting larger sponsorships are all progressing forward. And we are increasing our ability to systemically serve more families, schools and youth who would not normally have the opportunity to benefit from an ongoing relationship with COSI.

And most of that success has taken place before we developed the full approach highlighted here. Our goal is to achieve full operational self-sufficiency complemented by focused and impactful philanthropy around our non-revenue, high impact areas.

We continue our improvements. I am sure my description of what we do and how we do it will continue to evolve and be enhanced and modified if I rewrite this a year from now. But I am confident that our financial strength and community impact supported by an ever-stronger brand will be advanced even further.

Your institution’s mix of assets, potential partners, and revenue sources are likely different, but a wealth of opportunities to improve your impact in a more financially sustainable fashion are ahead of you I am sure. Can you create Great, Sustainable Impact with your institution? I suggest that you can make significant strides in that direction, just as we are at COSI.

Good luck on your journey!

Dr. David E. Chesebrough can be reached at:
dchesebrough@cosi.org
614-629-3230 (office direct)

COSI (Center of Science & Industry)
333 West Broad Street
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Notes and References

The following are references that have provided guidance and insights into my thinking. The list includes all resources that are mentioned in the body of the thought piece. I encourage you to at least read Collins’ monograph and Porter’s keynote (note that the misspelling in accessing Porter’s piece is as it is in the Harvard Business School website). But all of the references offer insights that have been woven into a cohesive approach outlined in this thought piece.


