

# McMichael

CANADIAN ART COLLECTION D'ART CANADIEN

An Agency of the Government of Ontario  
Un organisme du gouvernement de l'Ontario

## 2014/15 Business Plan



**2014 Sixtieth Anniversary of Tapawingo:  
The Original Home of the McMichael**

## **2014/2015 BUSINESS PLAN**

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*Note: This report was prepared in accordance with the Ontario Government Management Board Secretariat Guide to Developing Business Plans for Classified Agencies, July 2011.*

## EXECUTIVE SUMMARY

### Key Achievements

The 2013/14 fiscal year was built on the strategic priorities identified by the Board in 2012/13: enhanced visitor experience; increased contributions to knowledge creation and accessibility; and improved capacity to enable future sustainability. The McMichael used annual capital allocations to make strategic improvements to visitor amenities, increasing visitor satisfaction with reception, food services and way-finding, and improving the school visit experience for students and teachers with dedicated classroom/studio space. Ongoing customer service training, including special training for service to special needs visitors also improved visitor experience. The McMichael also used collaborations and partnerships to extend the visit experience, appealing to cross-over audiences with new performance series, adding accessible programming and encouraging site as well as gallery visitation.

Building on the success of *Painting Canada* in fall 2012, the McMichael produced major exhibitions of traditional and contemporary Inuit art and an extremely well-received showing of landscape photography by two masters that doubled summer attendance. Two new McMichael-curated exhibitions by contemporary artists as well as hosted exhibitions of Aboriginal and contemporary artists helped test new strategies in marketing to engage new audiences. Evaluation points to critical success factors for exhibitions to be applied to the longer-term exhibition plan. McMichael also built its collection with major acquisitions in Aboriginal art and contemporary photography and was successful in its partnership to solicit federal funds for collaborative research projects in Inuit art.

Realigning the organization to respond to strategic objectives resulted in major restructuring including new senior directors, and new work planning and evaluation tools, with visitor service a significant factor in performance appraisals. Training, satisfaction survey and increased communications are improving efficiency and effectiveness of staff and enhancing capacity particularly in communications, marketing and visitor service. Enhanced volunteer recruitment, retention and recognition underlie greater integration of volunteers into operations. Completion of vault and network upgrades expanded infrastructure capacity, while emergency replacement of failing roof system contributes to long-term asset protection.

New structures in fundraising with a revamped focus on development and donor relations, a reinvigorated Foundation and enhanced development capacity reshaped donor solicitation, stewardship and recognition. The master planning process begun in 2012/13 resulted in a critical new study of McMichael as an integrated learning experience, with visionary plans for capital expansion to provide for long-term sustainability through increased use and engaged support. Significantly, prudent financial management coupled with increased revenues from higher attendance as well as increased private contributions have contributed to improved ability to balance budgets.

### Strategies and Commitments

For the medium-term, McMichael is focussed on completing major upgrades to critical infrastructure services, improving visitor experience through provision of high quality exhibitions with enhanced programs, plus increasing visitation through a combination of targeted marketing and direct sales, and promotional and program partnerships. Studies in 2013/14 on retail operations are directed to improving revenues per visitor and expanding markets through online sales, e-retail, and enhanced product development. Engaging with visitors, supporters and knowledge-seekers through increased content on the redesigned website will be an important activity area in 2014/15, as will improving communication and

interaction via social media and new online transactional applications. Most significantly, McMichael is preparing for a series of important celebrations with opportunities for fundraising, public/private partnerships and national promotions, beginning with the 60<sup>th</sup> anniversary of Tapawingo in fall 2014, the PanAm Games in 2015, McMichael's 50<sup>th</sup> anniversary in 2016 and Canada's 150<sup>th</sup> in 2017. Planning for programs, capital enhancements and fundraising campaigns will take advantage of these important anniversaries.

At the time of preparing this *Business Plan*, we anticipate that 2013/14 attendance projection will exceed forecast and self-generated revenue derived from visitors will contribute to the bottom line. Despite successful exhibitions and improved membership support and retention, as well as increased private contributions from individuals (particularly new Foundation recruits and Trustees), the projected planned deficit will continue due to increasing expenses and constrained facilities that hamper program and audience expansion. The gallery is also ramping up capacity to ensure future sustainability through improved earned revenues and increased private contributions, and investing in high quality and critically-acclaimed exhibitions and programs (see the note on *Morrice/Lyman/Matisse*). As a result, we will make limited draw on cash reserves to balance the budget. We will also be moving to new models of service provision and operations to ease pressure on the salary budget, in the light of fixed and increasing costs around benefits, pensions, and market increases. We are forecasting improving bottom line in subsequent years, particularly in the 50<sup>th</sup> anniversary year, 2016/17, as we attract more paying visits, generate more revenues through programs, and increase sponsorships and support from the private sector.

## MANDATE, MISSION & VISION

### Mandate

The McMichael Canadian Art Collection is an agency of the Province of Ontario, an operational enterprise agency of the Government of Ontario. The governing legislation is the *McMichael Canadian Art Collection Act, R.S.O. 1990, C.M. 4* as amended from time to time. The most recent amendment of the Act received Royal Assent on June 1, 2011, affecting clauses 7 (1) (a) and (b). In the language of the *McMichael Canadian Art Collection Amendment Act, 2011*, the acquisition and exhibition mandate of the McMichael is to:

- *Acquire and preserve art works, objects and related documentary materials for the collection, by or about artists who have made or are making a contribution to the development of Canadian art, with a focus on the Group of Seven and their contemporaries and on the aboriginal peoples of Canada; and*
- *To exhibit art works, objects and documentary materials, including but not limited to the collection.*

A Board of Trustees, appointed according to the Act, oversees the affairs of the corporation. The Board reports to the Legislature through the Minister of Culture, Tourism & Sport.

*The objects of the McMichael are to:*

- *Acquire works of art, objects and documentary material for the collection;*
- *Preserve and exhibit the collection;*
- *Conduct research on and provide documentation for the collection;*
- *Stimulate interest in the collection;*
- *Conduct activities in order to enhance and complement the collection; and to*
- *Hold, maintain and use the land described in the Schedule to the McMichael Canadian Art Collection Act.*

## Mission & Vision

### Vision

To be recognized as an extraordinary place to visit and explore Canadian culture and identity, and the connections between art and nature.

Definitions:

- Extraordinary place to visit: A physical and virtual gathering place that provides an engaging and continually changing experience to targeted audiences and communities driving new and repeats visits
- Explore Canadian culture and identity: Enables our users to understand who we are as Canadians and where we fit in the global context over time, through the medium of art
- Connections between art and nature: Bringing together, integrating, the visual arts with the natural world to create a cultural landscape that combines works of nature and people.

### Mission

To interpret and promote Canadian and Aboriginal art to attract local, national and international audiences.

## **STRATEGIC DIRECTIONS**

### Key Planning Assumptions

With revised mandate, improved grounds, more visitor-centred amenities and ambitious programs of contemporary and traditional art, the McMichael is beginning to realize its mandate as a nationally-significant Canadian cultural institution acting in a global context.

In 2012/13 McMichael approved a strategy to use annual capital allocations to maximize the current offer to improve visitor experience. Studies in 2013/14 by external consultants for a longer-term plan to diversify and increase audience and revenues have revealed serious limitations to growth due to inadequate facilities, use conflicts in the current building and unexploited opportunities in site development which cannot be managed within annual allocations and would require more extensive capital funding.

McMichael's 50<sup>th</sup> anniversary in 2016, and Canada's sesquicentennial in 2017, offer time-sensitive opportunities to promote the McMichael and to prepare for the next 50 years. In 2014/15, and leading up to the celebrations, McMichael is focussed on 1) increasing attendance through repeat local visitation and enlarged tourist take-up, and cultivating new audiences through collaborative ventures; 2) building an expanded capacity to deliver engaging programs to new audiences to ensure long term sustainability; and 3) building core support in earned revenue and private contributions to improve operational sustainability in preparation for anniversary campaign.

In the *Executive Forecast*, McMichael identified key challenges for the cultural sector as a whole. The following discussion addresses those challenges and McMichael strategies to meet them.

## Engaging the Public

Attendance is an important measure of institutional relevance and while strongly related to institutional performance and offer, it is also subject to external factors. In 2013/14 teacher action severely affected school attendance from the GTA, when we experienced a drop of 34% in attendance and revenue from the previous year. More generally in the North American museum sector, attendance is recovering gradually from 2008, though the largest institutions continue to show the greatest growth. Analysis of post-recession visitation also reveals new attendance drivers focussed around product and experience with pricing less significant, except as it relates to perceived value for money.

The McMichael's location is both challenge and opportunity. Despite improvement in public transportation, access continues to be difficult for a portion of the potential GTA and tourist audience. The increasing gridlock in the GTA could negatively impact visitors from the core area, but also provide significant opportunity to attract local visits from the growing potential audience in the 905. As an art institution McMichael faces significant competition for paid attendance in the GTA and regionally. 'Blockbuster' exhibitions with high name recognition, such as the Picasso exhibition at the AGO or Van Gogh at the National Gallery in Ottawa, are significant attendance-drivers<sup>1</sup>.

## Strategies

Diversifying the offer to promote an upgraded destination experience that includes high quality relevant exhibitions will drive attendance from the GTA and the region; developing an active marketing strategy focussed on repeat visitation and tourist visits, and promoting group visits, will expand audiences; capital reinvestment will enhance unique offer.

### Experience:

In 2012/13, McMichael redefined itself as a cultural landscape and unique destination experience. The 2013/14 consultant studies provide better understanding of what makes the experience unique (grounds, buildings, collection), crucial for both short-term operational decisions and longer-term planning. Evaluating, reviewing, reinvigorating and redesigning the adult and children's programming will contribute to experiences that are unique to the McMichael and memorable and impactful for the visitor. Focus on visit experience will guide the capital reinvestment in 2014/15.

### Exhibitions:

Exhibitions are significant attendance drivers (*Adams/Burtynsky* in summer 2013). Balancing mandate (Canadian, Aboriginal) with market appeal remains challenging but using 2013/14 as a 'test' year, management has determined success factors (quality, name recognition, media attention, and marketing) that will be applied to upcoming program development and promotion in 2014/15.

### Marketing:

McMichael has a strong legacy brand associated with Group of Seven and landscape that continues to attract up to a third of visits and is the base for school visits. Refreshing the brand through new visual identity in 2013/14 and increased media partnerships has contributed to better market awareness in GTA and the region. Improved market analysis plus direct marketing through sales and targeted campaigns to drive tourist and repeat traffic (previous visitors, members) are key strategies for 2014/15. Social media

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<sup>1</sup> The most attended exhibitions of 2012 (Art Newspaper) were exhibitions with a high degree of name recognition in large urban centres - 'masterpieces' of European art in Tokyo, Leonardo in London, and celebrity artists like Cindy Sherman at MOMA, David Hockney at RA, David Bowie at the V&A. <http://www.theartnewspaper.com/articles/The-rush-to-the-box-office/29143>. Note that the NGC summer attendance dropped 47% from 2012/13 (summer of Van Gogh).

remains an important marketing tool, and redesigned web presence in 2014/15 will enhance interactive communication and take advantage of the growth of peer-to-peer (P2P) online networks to promote visits and programs.

#### Reinvestment:

Reinvestment is the other critical attendance driver for museums.<sup>2</sup> Redefining McMichael as a must-see destination for local, regional, national and international visitors' demands upgraded amenities and unique features. Strategic use of annual capital allocations has begun the process of transformation and will continue in 2014/15, but major longer-term enhancements such as proposed in the 2013/14 Learning Function Concept Study are key to attracting new and larger audiences.

#### Collaboration

The success of massive arts and music festivals like *Nuit blanche*, *Luminato*, *Contact* and numerous jazz festivals underlies the significance of collaborative projects to expand and diversify audiences. Multi-disciplinarity is a feature of contemporary arts making and increasingly reflected in institutional programs.

#### Strategies

Developing institutional collaborations to access new audiences through collaborative ventures, increasing attendance through partnerships, and improving quality and efficiencies through joint development and marketing are critical.

#### New Audiences:

McMichael signature performance *Music Series* inaugurated in 2013/14 capitalizes on improved amenities (Gallery 8) and new multidisciplinary partnerships with other non-profit organizations (Jazz FM; Canadian Opera Company, Humber Valley Shakespeare) to enlarge offer and expand audience. This is the first year of a three-year evaluation and testing, leading to enhanced 50<sup>th</sup> anniversary programs in 2016/17.

#### Partnerships:

Greater visibility in the marketplace combined with McMichael's location in the northern tier has built new arts festival partnerships with *Luminato* (artist installation) and *Contact* (primary exhibition site) for spring/summer 2014. McMichael will build on current collaborations and also seek new partners for the biennial Arts/Nature festival proposed for inauguration in 2015 as part of PanAm celebrations, continuing in 2017 for Canada's 150th.

#### Research Partnership:

Partnership with York University on SSHRC-funded Mobilizing Inuit Culture Heritage research collaboration has led to revitalization of McMichael's relationship with West Baffin Eskimo Cooperative and the Cape Dorset Cultural Centre. Making McMichael a partner in a global project for scholarship on Inuit art contributes to longer term goals around knowledge creation and diffusion, and recognition as a national resource.

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<sup>2</sup> See 2012 Museum Index: [https://www.teaconnect.org/sites/default/files/misc/files/2012\\_theme\\_index\\_combined\\_1-3\\_online.pdf](https://www.teaconnect.org/sites/default/files/misc/files/2012_theme_index_combined_1-3_online.pdf)

#### Joint Development:

McMichael has expanded its institutional collaborations around arts education with local and regional agencies (Vaughan, Seneca, Vita Mens Sana, Kerry's Place Autism Services) to deliver new programs to existing partner audiences. McMichael's unique site and collection are driving new program collaborations with ROM (*BioBlitz* May 2014; *Vanishing Ice* spring 2015), provincial and national parks, and Algoma tourism (2015) to realize mandate-related projects around art and nature.

#### Building the Organization & Planning for Succession

In 2012/13 McMichael began strategic restructuring and redevelopment. New focus on visitor experience resulted in improved facilities, new staff structure, and improved service training, but also revealed the limits of this strategy for the long term. Volunteer engagement and stewardship at all levels is a challenge, particularly as institutions transform to new operational and governance models.

#### Strategies

McMichael will continue to take advantage of annual small-scale capital investment to improve visitor experience in line with strategic long term development of site and buildings. New attention to organizational culture will improve effectiveness and improved use of new technology will increase efficiency.

#### Capital Investment:

Upgrades to amenities in 2013/14 responded to expressed needs by visitors and educational users. Preliminary evaluation by external consultants studying the learning function suggests additional small-scale improvements, including naturalizing arrival sequence through planting and redesigning forecourt for programs. Growth in school and potential tourist audiences is, however, limited by inadequate facilities, use conflicts, and unexploited opportunities in site development. LEED recertification in 2014/15 is an important asset for McMichael's public profile, and responds to Vaughan's green initiatives.

#### Organizational Culture:

Findings from staff survey in 2013/14 revealed structural tensions as the organization transforms to visitor-centred culture. Improved internal communications strategies, increased professional development opportunities, and better integrated workspaces in 2014/15 will increase effectiveness of current workforce. Demand for new competencies as a result of upgraded services in IT, enhanced grounds management, and user/visitor demands will result in additional changes in organizational structure in 2014/15, and new models of service delivery including increased use of internships, volunteers and outsourcing. Integration and expansion of volunteer engagement at all levels will be reflected in new staff responsibilities and functions in 2014/15.

#### Technology:

Technology audit undertaken in 2013/14 revealed potential for increased effectiveness through better integration between data collection and analysis. Phase 1 of implementation of new technology infrastructure in 2014/15 will focus on acquisition and deployment of open source software for re-designed website with CRM tools, including e-marketing. Phase 2 in 2015/16 will integrate back-office suites into web-based protocol to improve communications, workflow and efficiencies.

Website redesign will enable the McMichael to reach and interact with a large portion of the contemporary users. The current website software is an outdated, proprietary system and its lack of flexibility is impacting



our ability to engage visitors and reach members and donors. The Web is now a critical business tool and other granting and contribution opportunities for business tools are extremely limited, so that redesign of the website will depend on limited internal resources. This will severely hamper our ability to create in a timely fashion, the accessible, interactive and transactional site now demanded by users, including visitors, purchasers, teachers and students.

#### Special Note on Accessibility:

Facilities upgrade has improved building accessibility, and partnership with Metro Toronto Conservation Authority (TRCA) in 2014/15 will upgrade site access, but Accessibility for Ontarians with Disabilities Act (AODA) compliance plan completed in 2013/14 highlights remediation required in communications and media in 2014/15 that will place increasing strain on limited resources. This includes website redesign to meet W3C WAI standards.

### **Financial Models**

Decreasing annual operating grants and increasing fixed costs particularly in operations (insurance, hydro) as well as rising compensation budget (COLA plus pension increases) put pressure on many institutions. To work towards long-term sustainability and balance 2014/15 operating budget, McMichael plans to manage expenses and increase both earned and contributed revenues. In addition, development of new revenue models is a critical driver for the studies on the learning function, which is based on expanded capacity permitting new programs and growing new and enlarged audiences.

### **Strategies**

McMichael projects a small planned deficit for 2014/15, as it continues to ramp up revenue generation and development, and rebuilds its newly mandated fundraising Foundation, focussing on both short-term increase in annual income and preparing longer-term for the 50<sup>th</sup> anniversary and Canada's 150<sup>th</sup>. Strategic cost cutting and use of cash reserves plus aggressive annual fundraising and sales will enable a balanced budget in the short term.

#### Expenses:

Increases to the salary budget in sales and development will be offset by increased revenues in both areas and strategic expense cost-cutting through consolidation of positions and tighter management of operations.

#### Earned Revenues:

McMichael is seeking to leverage brand and site to develop a destination-based model for long-term sustainability, focused on increasing audiences for unique experience and excellence in learning. Broad-appeal exhibitions continue to contribute to revenue spikes and McMichael is focused on development of an exhibition program that combines signature exhibitions with market-driven programs and targeted promotions. In 2014/15 McMichael will rebrand its retail function, and launch a new e-retail operation to take advantage of its national brand. A new focus on sales activities to tourism, group and facility rental market will see an increase in both revenue and attendance.

#### Contributed Revenues:

Trends in charitable giving suggest that fewer donors are giving larger individual gifts, and in 2014/15 new capacity in development and donor relations is aimed at increasing annual contributions from members and growing the number of patrons through improved solicitation, retention and stewardship. Greater

competition for sponsorship requires improved integration of development and marketing in program and exhibitions decision-making plus creation of new sponsorship opportunities (*Morrice/Lyman/Matisse*, education programs) and improved recognition.

Special Opportunities:

McMichael is planning for an 18-month long celebration of its legacy and mandate, beginning in July 2016 and continuing through to December 2017. The 50<sup>th</sup> anniversary celebrations will focus on the McMichael legacy, its core collections and new acquisitions to build the public collection and will begin with the 60<sup>th</sup> anniversary of the building of Tapawingo in October 2014. In recognition of Canada’s 150<sup>th</sup>, McMichael is planning a suite of exhibitions and programs focussing on its mandate: Canadian cultural identity and art and nature. These anniversaries also provide an opportunity to position the McMichael in the public imagination as Canada’s gallery and a context for support from public and private sectors to enhance the institution, expand capacity, grow audiences and ensure long-term sustainability through diversification. Beginning in Q4 2013/14, McMichael will develop a working group to plan and direct the important anniversary events, and seek funding in 2014/15 from public sector partners.

	2012-13 (audited)	2013-14 (projected)	2014-15 (plan)	2015-16 (forecast)	2016-17 (forecast)
<b>Revenue</b>					
Provincial operating grant	3,360,200	3,328,800	3,328,800	3,328,800	3,328,800
Other	230,820	216,650	266,200	158,700	342,200
Business operations	3,464,817	2,797,800	3,614,000	3,597,500	3,740,000
<b>Total Revenue</b>	<b>7,055,837</b>	<b>6,343,250</b>	<b>7,209,000</b>	<b>7,085,000</b>	<b>7,411,000</b>
<b>Expenses</b>					
Salaries, wages & benefits	3,621,182	3,875,500	4,105,500	4,105,500	4,187,500
Other direct expenses	3,040,749	2,744,650	3,332,300	2,977,400	3,093,000
<b>Total Expenses</b>	<b>6,661,931</b>	<b>6,620,150</b>	<b>7,437,800</b>	<b>7,082,900</b>	<b>7,280,500</b>
<b>Net income/(loss) before amortization</b>	<b>393,906</b>	<b>-276,900</b>	<b>-228,800</b>	<b>2,100</b>	<b>130,500</b>

**OVERVIEW OF CURRENT & FUTURE PROGRAMS & ACTIVITIES**

Strategic Objectives & Initiatives

The McMichael completed a *Strategic Plan* in 2011/12, with a new vision and strategic initiatives. The vision identifies the McMichael as an extraordinary place. This place-based vision has informed the McMichael’s re-aligned strategies to increase visitation, private contributions, and community relevance.

The four strategic objectives are:

- *Deliver an engaging and exceptional visitor experience – each and every time,*
- *Become a centre for knowledge creation and sharing,*
- *Improve organizational capacity and performance, and*
- *Build a sustainable organization delivering outstanding performance.*

In 2013/14 McMichael undertook the following actions:

### Visitor Experience:

Improved research and feedback, including satisfaction as well as market surveys, and development of improved analytic tools to integrate data from all sources, provided better understanding of visitor needs and interests. Licensing market research software improved ability to target specific segments. Building on research on crossover attendance, program collaborations expanded to subscription performance series.

The *Five-Year Exhibition Plan 2013-2017* established in 2011/12 has been reviewed and adjusted based on available products, relevance, potential for revenue generation and availability of sponsorships and grants. In 2014/15, the McMichael will present a coast-to-coast-to-coast theme, emphasizing Canadian cultural identity plus a special major exhibition:

- *Mary Pratt* retrospective, a travelling exhibition from The Rooms.
- *Changing Tides: Contemporary Newfoundland Art* (Guest Curator: Patricia Grattan)
- *Charles Edenshaw*, a travelling exhibition from Vancouver Art Gallery
- *Northwest Coast Masks from the McMichael* (Chris Finn)
- *Morrice/Lyman/Matisse*, a major special exhibition from the Musée national des beaux-arts du Québec
- *Vanishing Ice*, a travelling exhibition from the Whatcom Museum, Bellingham, WA

### Knowledge Creation & Diffusion:

The vault upgrade increased available space for collections storage by up to 20%. Using available endowed funds, McMichael inaugurated an annual purchase program ('Braudo Acquisition') for Aboriginal art.

A digital strategy roadmap study was completed in 2013/14, to guide upgrading of website and web presence to include increased content, plus improved transactional and interactive communication tools.

A digitization studio established with federal funding is part of the SSHRC-funded seven-year research project, *Mobilizing Inuit Cultural Heritage* and will host York University students in summer 2014/15 to begin digitizing drawings from the Cape Dorset Archives. McMichael, with York, is also seeking additional funding for a special research project on 6,000 unattributed works from this collection.

### Organizational Capacity:

Organizational restructuring in 2013/14 has improved ability to work in a unified strategic direction, but staff survey revealed need for better communications within and across departments, improved performance management and training opportunities, and review of salaries and benefits. Recruitment, training, integration and increased recognition of volunteers at all levels requires new staff involvement. Additional responsibilities in development and long term planning also demand restructured volunteer management and service, including at the Board level.

### Sustainability:

Improved attendance in FY 2013/14 is the result of market-friendly product, sustained and appropriate communications and marketing, promotional partnerships and better visitor service (generating P2P recommendations). Retail studies in 2013/14 focussed on improving revenue per visitor both on-site and on-line. Contributed funds are essential to underwrite major exhibition and program development and presentation, and renewed emphasis on private contributions in all areas underlies rebuilding the McMichael Foundation (responsible for fundraising since December 2013) as well as the expansion of the development function at the gallery. Revised loyalty and support programs and improved stewardship includes new donor recognition system in lobby. Roof replacement in 2013/14 highlights problems of aging infrastructure and has impacted 2013/13 exhibition programs. New visitor amenities (reception, accessible washrooms, food service), plus improved school facilities have been installed.

## Master Plan

In 2013/14 McMichael conducted significant studies towards a long-term Master Plan to transform the McMichael into a nationally-significant institution and a unique destination for local, regional, national and international visitors. The objective of the Master Plan is long-term sustainability, based on a medium-term strategy which leverages existing resources, adds new capacities and increases usability and take-up to grow earned revenues as well as private contributions.

The master planning process is based on the following principles, which will guide directions for development and offer opportunities for specific collaborations and fundraising to realize the projects:

### Cultural Landscape:

The McMichael is basing the Master Plan on the integration of structures, grounds and programs into a cultural landscape perspective. In this perspective, the Master Plan is perceived as an evolving program to enhance all aspects of the landscape and its use.

### Environmental Sustainability:

McMichael is currently designated as LEED Silver. All developments in facilities and grounds, as well as programs and services, should aim to reduce the McMichael's environmental footprint, and to follow best practices for environmental sustainability.

### Accessibility:

McMichael is subject to AODA Guidelines, but is committed to a 'design for all' approach in its buildings, grounds, programs and services, to ensure inclusive access for visitors, clients and staff.

### Aboriginal:

The McMichael is situated in a heritage river valley and respects Aboriginal perspectives on principles of land use and sustainability.

### A Note on Assumptions:

The Creative Learning Concept is an integrated site-wide concept to provide facilities and services for active, experiential learning. The preliminary concept includes 25,000 gsf achieved through renovations to existing gallery spaces and with the addition of new flexible purpose-built facilities for exhibition, learning and community engagement; innovative programs developed with new learning partners from school boards to life-long learning associations and health care providers; plus a restructuring of core technical and service spaces to increase vault and art handling areas (including loading dock) and improve revenue-generating services. A core assumption is that enlarged and improved facilities will enable McMichael to increase its offer, its capacity and its level of client services to attract new and greater audiences, generating more earned revenue. Since almost 50% of the proposed facilities are currently within the existing building envelope, it is also assumed that incremental operating costs will be a low order of magnitude. Critical to the project is an analysis of potential markets, market take-up and operating costs. McMichael is undertaking a Business Case to test our assumptions and provide more detailed data for forecasts.

## RESOURCES NEEDED TO MEET GOALS & OBJECTIVES

### Summary of Staff Numbers

Management staff numbers over last year have remained stable, due to recruiting the number of department Directors equal to the number of departing Directors; current Directors are, however, in new restructured positions. The increase of three FTEs in full-time staff over 2013/14 reflects new strategic priorities in development and revenue generation. Increase in FTEs for part-time staff is due to transfer from outsourced security to in-house capacity and response to projected increased demand in education and security due to increased visitation.

The staff structure assumes we continue in a non-union work environment, with the following work force:

Classification	FTEs
Management (5)	5
Full-time staff (38)	37.9
Part-time staff (60)	23.3
Full-time seasonal (17)	2.8
<b>Total:</b>	<b>69</b>
Note: Security Services Out-sourced	9

The reorganization identified in previous year business plan will be fully implemented in fiscal 2013/14. Restructuring has increased capacity in new media and communications, development, and program creation/delivery and sales. Demand for new competencies in ITC and new media, enhanced grounds management, and user/visitor demands will result in additional changes in staff structure in 2014/15 and new models of service delivery including increased use of paid and unpaid internships.

McMichael participates in the OMERS Pension plan and has seen a contribution rate increase of approximately 3% staged over the past three years. These increases were announced by OMERS in 2009 and implemented each January 1, 2011, 2012 and 2013. Actuarial valuations indicate the OMERS plan is currently under funded, and the recent contribution rate increases were measures taken to address the underfunded plan. With the contribution increases and a strategic investment plan, it is projected that the deficit gap will narrow year over year and the plan will return to a 100% funded position within the next 10-15 years. As an employer participating in the OMERS plan, McMichael is at risk of contribution increases until the plan returns to a fully-funded position; however, no further increases have been communicated by OMERS at this time. The current annual cost to McMichael for its employees' pension plan is approximately \$285k.

### Other Operating Costs:

Other operating costs are being controlled without compromising the safety of our facility and the quality of our programming. Security cost for 24/7 coverage continues to be our highest single item cost after salaries and wages.

Strategies for maximizing marketing dollars include negotiating bonus options with major providers of traditional, and still viable, marketing partners - newsprint, magazine, etc. Creating cooperative promotional opportunities also expand the reach and audience. However, with the advent and enormous growth of social media and online promotions, as well as the need to reach various target

markets through diverse media channels (including advertising online and radio), and to speak directly to visitors to build the repeat market, we are investing in additional funds to market the gallery, the Group of Seven collection and the enhanced programming in 2015/16.

OCAF funding would permit increased marketing spend (as reflected in the budget) and will enable us to market more extensively the *Morrice/Lyman/Matisse* exhibition. Should we not be successful at the obtaining OCAF funding, we will reduce the marketing spend to our current level. While this may negatively impact the number of visitors we can draw to the gallery, the impact of the decreased marketing cannot be reasonably measured.

Growth in contributory earnings and memberships requires investment in technology upgrade, cultivation activity, and donor acknowledgement in order to gain and retain our supporters.

#### Managing the Bottom Line:

In addition to monitoring and controlling all non-necessary program spending, we will assess the financial forecast at the end of the second quarter and make decisions about how to decrease expenses, including reviewing product offerings.

## **ENVIRONMENTAL SCAN**

### External Factors

#### Attendance:

A new buoyancy in the economy (or at least people's perception of it) appears to be a factor in more robust gallery attendance. Destination visitation, which has rebounded from 2008 levels, suggests new user priorities. US studies show that product is a critical factor in attendance, but destination quality is also associated with 'once-in-a-lifetime' new learning experiences, unique offer, value for money, emotional value and excellence in visitor services (food and washrooms).

#### Community:

Vaughan and York region are expected to reach 1.5 million residents by 2031. McMichael is a valued partner for Vaughan and a member of the Chamber of Commerce and is working to increase support from the local and regional level through collaborative projects (Morandi project; Small Business Week; Doors Open Vaughan; tourism initiatives). Kleinburg is a part of Vaughan's hub-and-spoke approach to cultural development, but is focused on heritage attractions (Pierre Berton Discovery Centre, Bindertwine Festival). York Region is also home to Seneca and Humber Colleges as well as York University, with all of whom McMichael has developed collaborative projects. York Region is the third largest school board in Ontario with over 120,000 students, and includes French Language programs, Aboriginal programs and accessible services for special students.

Recent studies indicate important relationships between art gallery attendance and health, making them trustworthy partners in health and wellness collaborations. In the United States, art museums are working directly with hospitals in art therapy and in art making collaborations; in Canada les Grands Ballets canadiens is developing a dance institute based on health and wellness. These initiatives are increasingly important for an aging population and for addressing cognitive as well as physical challenges. The construction of new hospitals in Vaughan and York offers opportunities for increased collaborations.

### Environment:

The McMichael site is contiguous with both Kortright and Boyd conservation areas, and connected with greenbelt, forming the largest wilderness area in the Toronto region. TRCA is reviewing its management of the watershed in light of accessibility, climate change, Aboriginal presence, and biodiversity. McMichael as a LEED Silver facility is an asset and partner for TRCA, but also for Vaughan, whose Official Plan focuses on green industries and green construction, emerging technologies and advanced manufacturing. Maintaining LEED status and planning for climate change have cost implications for facilities operations and grounds maintenance.

### Special Events:

Planning for the McMichael 50th anniversary and Canada's 150th is underway, with anticipated funding from public as well as private sectors. McMichael is launching its first annual Nature/Art festival in 2015, to coincide with PanAm Games celebration and to capitalize on local and regional markets.

### Internal Factors

McMichael has a number of challenges specific to its site and facility that affect its ability to attract and retain users and visitors, but also present enormous potential.

### Location:

Despite improvement in public transportation, access continues to be difficult for a portion of the potential GTA and tourist audience, though changing hybrid modes of transport (short-term auto rental, auto sharing) and increased group tour marketing may improve this problem.

### Site:

The 100-acre site presents an incredible opportunity to engage new visitors and expand experience, but changing climate is impacting grounds management and vegetation. Heavy rains have revealed significant problems with erosion to trails and watershed. Invasive species endanger the 'boreal' canopy for which McMichael is celebrated. Maintaining an iconic and aging building with LEED status and extensive grounds with enhanced accessibility standards is a challenge.

### Relevance:

Name recognition is a significant factor in attracting audience, but beyond the Group of Seven, there are few Canadian artists capable of attracting visitors in the same numbers as global art figures. Contemporary art continues to dominate the art media, but scale of gallery spaces constrains installations.

### Sustainability:

While pricing does not appear to be a barrier to visitation, visitor expectation for high quality experience does require increased expenditure on exhibition and program development, maintenance, services, and amenities. Facility improvements and service training have contributed to improved experiences and increased accessibility; responding to new requirements for intellectual and physical access means new expenditures on accessible design and media.

## **HUMAN RESOURCES**

### **Organizational Structure**

Organizational restructuring in 2013/14 improved ability to work in a more unified and strategic manner. For 2014/15, annual strategic objectives will become part of the Performance Management process for Management, with specific objectives and actions integrated in the work planning process, and performance evaluated against these. Improved communications between and amongst management will help to ensure that appropriate resources and cross-departmental collaboration are allocated to tasks. The full-time return of the Chief Curator, after Education leave will complete the structure required to ensure better and more strategic long term exhibition and related product planning, with proper inter-departmental communications and multidisciplinary integrated work teams.

### **New Directions**

The recruitment, training, integration and increased recognition of volunteers at all levels will require additional involvement of staff, including the CEO Office, Human Resources, and Programs. Our strategic objective of connecting art with nature will require a review of resource allocation and capacity in operations and management of facilities and grounds. New directions in the integration of new media and technology will require new structure to ensure support for information technology/communications systems, as well as better applications use and staff training.

### **Organization Culture & Training**

An update of our employee policies and better access to policies in digital format is required to ensure consistency in implementing standards across the organization. Once updated, policies will be re-communicated at semi annual training and available on an intranet.

Our focus on building new alliances and diversification of audiences requires related Customer Service training, and courses will be based on specific visitor group. New technology and improved program applications will also require training courses for staff.

Building pride in our colleagues and in our organization will inform our commitment to delivering an engaging and exceptional visitor experience - each and every time.

### **Compensation & Benefits**

Our compensation strategy is to ensure that staff are paid within the average range of their band. Capsule job analysis and comparison to art and culture standards will be undertaken for jobs that may be out of industry standards; the McMichael will aim to be at the 60th percentile of industry standards. An adjustment of 1.5% to salary and wages in April 2014 will contribute to keeping salaries fair and responsive to the increases in the cost of living. There will be some adjustments to salary for staff with enhanced responsibilities, which will help ensure market equity and staff retention.



The mandated increase in OMERS pension contributions of 3% incrementally implemented over the past 3 years, has increased cost to the McMichael, as well as equal deductions from the staff- contributed portions. We will be reviewing our health benefits coverage to see if there are benefits that can be modified to better meet the demographic needs of our staff. We will also review the option of offering mix of benefits to part-time permanent employees, while simultaneously clarifying the definition of a part-time employee.

## **INFORMATION TECHNOLOGY (IT) & ELECTRONIC SERVICE DELIVERY (ESD) PLAN**

Thanks to the Ministry capital allocation in 2011/12, McMichael has completed upgrading of its IT infrastructure, including backbone, wiring, switches, and SAN, the latter configured to hold increasing amounts of high-resolution files as part of the upgraded collections management operations. In 2014/15 McMichael will seek funds to improve speed of internet connection (Important for cloud-based applications) and provide better security coverage, through installation of fibre to curb at Islington (currently fibre extends from the main building to the turning circle in the parking lot). Successful Wi-Fi deployment in the building and Sculpture Garden permits new modes for mobile information delivery. The gallery is acquiring mobile devices (iPads) for use in education and exhibitions, but is seeking funds for custom application developments to enhance visitor learning, accessibility, and experience. In 2013/14 McMichael engaged external service expertise to undertake a technology audit as well as work with staff to prepare a digital strategy roadmap to guide web and application development for the next five years. Recommendations around more efficient enterprise software will be implemented in 2013/14. Redesigning the website, as well as rethinking the backend services using open source applications such as CiviCRM and WordPress, will lead in 2014/15 to better integrated services, more efficient workflow, and more effective communications and service delivery with customers, members, donors, visitors, and researchers/students. Using TMS as a backbone, the gallery will improve processes around content creation and management, and develop a new highly interactive content-rich 'emuseum' for a global audience by 2016. In addition, the design will include W3C WCAG 2.0 and Web 2.0 interaction protocols and will be scalable and adapted to multiple platforms (HTML5).

## **INITIATIVES INVOLVING THIRD PARTIES**

In 2012/13 Compass Group, operating as Gourmet Cuisine, exercised their notice period and terminated their contract agreement with McMichael. In 2013/14 following an open bid process, McMichael entered into a multi-year contract for food service with Cashew and Clive. In addition, McMichael sought bids for preferred catering services.

The McMichael was unsuccessful in its quest for membership in the G7 marketing group, but through its relationship with the Economic Development office of Vaughan has been able to attain marketing and economic data on the surrounding region. An initiative to share more broadly attractions market data would be welcomed by McMichael.

The McMichael continues to work closely with York University Faculty of Fine Arts on symposia, student placement, and curatorial issues. McMichael is a Partner in York's SSHRC application to undertake a major 7-year research project, Mobilizing Inuit Cultural Heritage, in association with the West Baffin Eskimo Co-operative, Isuma TV, and Nunavut Broadcasting, and Nunavut Arctic College. At the same time, McMichael has established a new partnership with Seneca College in a new program in curatorial studies, and is hosting an internship with University of Toronto Museum Studies.

A newly-established partnership with Kerry's Place Autism Services, part of the Enabling Change project, will bring a new clientele to McMichael, for whom McMichael provides an extraordinary opportunity to express and develop creative talent and encourage social engagement through art. LIFE (Learning Independence through Facilitated Education) Academy is designed to help adults living with Autism Spectrum Disorders, primarily Aspergers, develop skills for success in post-secondary education, employment, independent living and the pursuit of special talents/interests. McMichael has partnered with KPAS and will provide instructors who are experienced in the specialized instruction and supports that are valued by people with ASD.

The McMichael is working on a collaborative partnership with Ontario Parks. Building on an existing relationship with Algonquin Park, the McMichael is developing a relationship with Killarney Park to provide programming both at the McMichael and in the park itself.

As part of our renewed approach to the cultural landscape, we have renewed our relationship with Toronto and Region Conservation Authority. In addition, the McMichael has entered into formal working relationship with the Willowbank School of Restoration Arts, agreeing to host student projects.

## **COMMUNICATION PLAN**

The McMichael has achieved a high level of domestic, national and international public awareness through well-attended (paid attendance) exhibitions in the winter and summer of 2013/14. Our challenge is keeping McMichael top-of-mind in a market that includes not only other art galleries and museums with potentially competing 'blockbuster' exhibitions, but also within the broader category of arts and entertainment as we compete for people's time and investment.

Refreshed marketing materials and communications tools, and increasing the reach of these activities this past year has helped to increase attendance. Targeting and personalizing communications to specific audiences in 2014/15 and clearly identifying messages to those markets will promote a greater response rate. A redesign and re-launch of the website will focus on specific audiences providing relevant information and content for the many different user groups including visitors, researchers, groups, art seekers, media, etc. in a clean and contemporary look.

A clear, consistent message about the McMichael's mandate, vision and reasons to engage with McMichael will continue to be refined and communicated. This message will then be communicated in a manner that is specific to the values and needs of each market group based on the newly defined visitor groups. These messages will be delivered through the channel most desired by each group – email, mobile, direct mail, print and radio advertising, etc.

All of our publicity and media messaging will continue to be developed in conjunction with the Ministry protocols and key messaging for all agencies. McMichael also has capacity in both English and French.