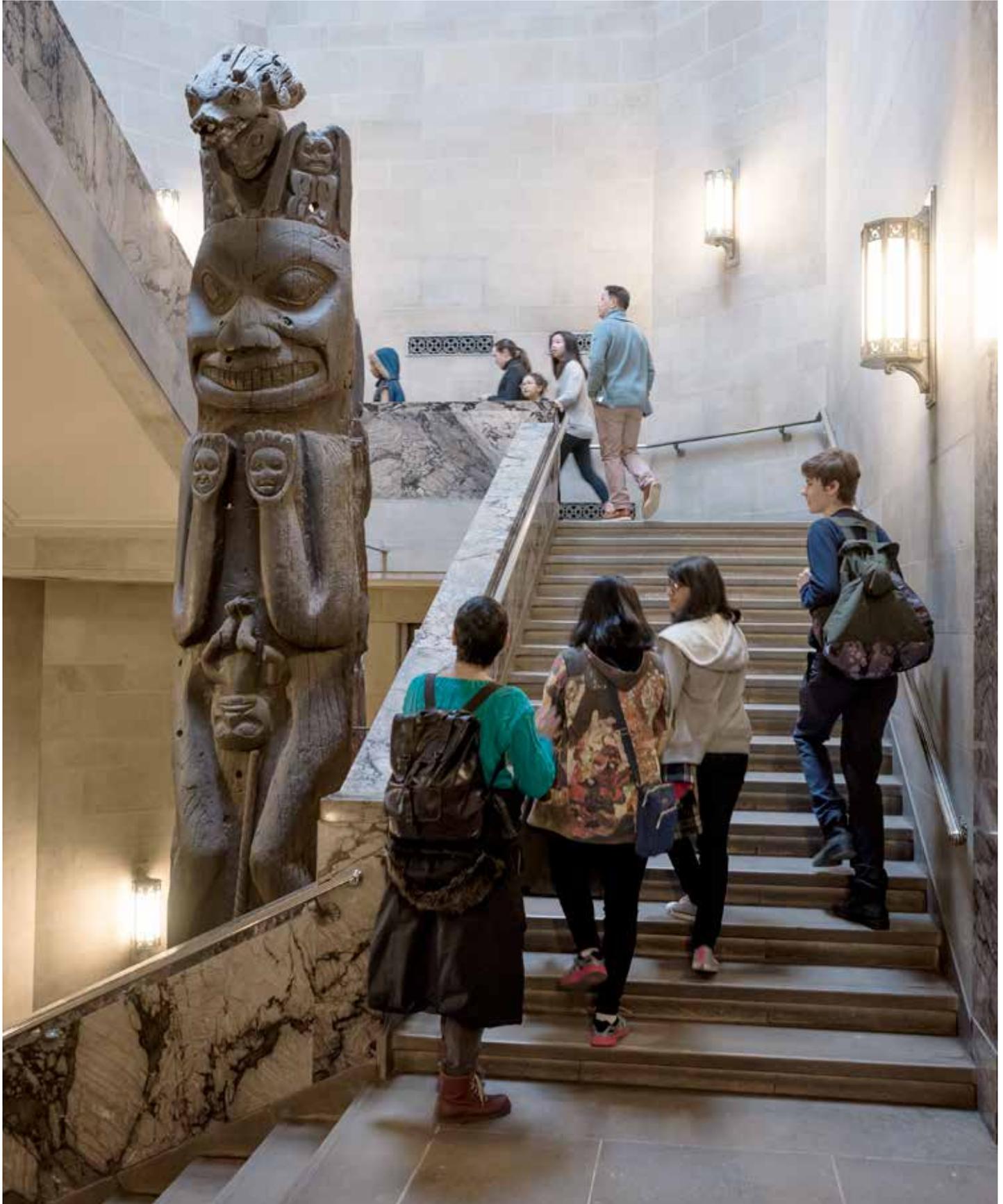




**ROYAL  
ONTARIO  
MUSEUM**

# BUSINESS PLAN

FISCAL 2017-18



# TABLE OF CONTENTS



## ROM BUSINESS PLAN FISCAL 2017-2018

1	EXECUTIVE SUMMARY AND KEY PRIORITIES	5
2	MUSEUM MANDATE Governance Private Sector Funding Core Promise, Purpose, and Vision Collections and Research Vision	7
3	STRATEGIC DIRECTIONS	9
4	OVERVIEW OF CURRENT AND FUTURE PROGRAMS Program Strategy ROM Learning	15
5	RESOURCES NEEDED TO MEET GOALS AND OBJECTIVES Government Funding Philanthropic Plan Self-Generated Income People	17
6	RISK IDENTIFICATION AND UPDATE	19
7	ENVIRONMENTAL SCAN Internal Environmental Scan External Environmental Scan	20
8	MARKETING AND COMMUNICATIONS PLAN	23
9	HUMAN RESOURCES	24
10	PERFORMANCE MEASURES	26
11	FINANCIAL PLAN	27
12	INITIATIVES INVOLVING THIRD PARTIES	29
13	IMPLEMENTATION PLAN	29

# BUILDING ON SUCCESS by the numbers\*

**3 Martian  
Meteorites  
acquired**



95,175



**STUDENTS  
VISITED  
THE ROM**

100,000  
ROM  
Members

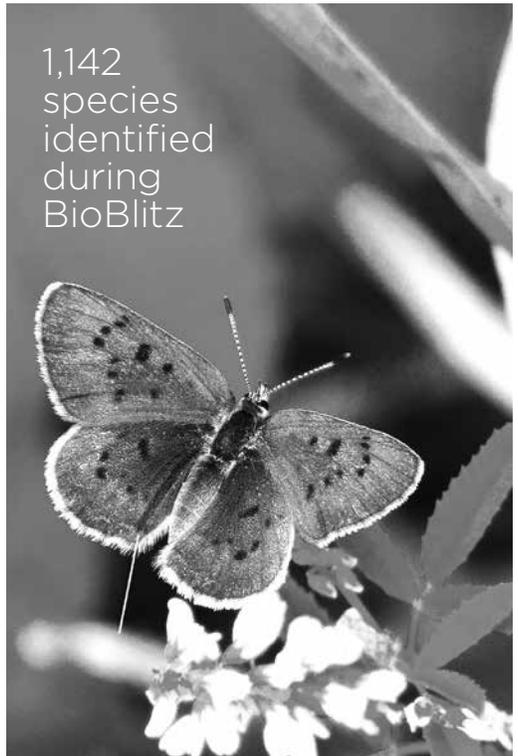


**1.1 million  
visitors**



**ROM RESEARCH  
CONDUCTED IN  
27 COUNTRIES  
AND 5 PROVINCES**

1,142  
species  
identified  
during  
BioBlitz

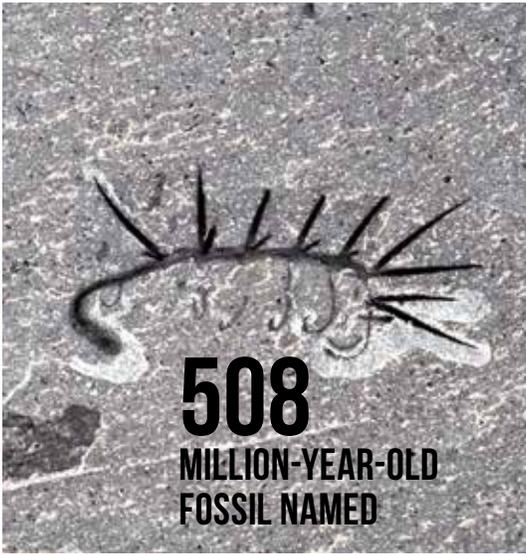


**274,695**

**PEOPLE VISITED  
THE ACCLAIMED  
POMPEII  
EXHIBITION**



\*Data as per 2015-2016



**508**  
MILLION-YEAR-OLD  
FOSSIL NAMED

**97 + 5**  
academic articles  
books written by ROM experts



NOW Magazine's  
People's Choice Award  
for Best Museum

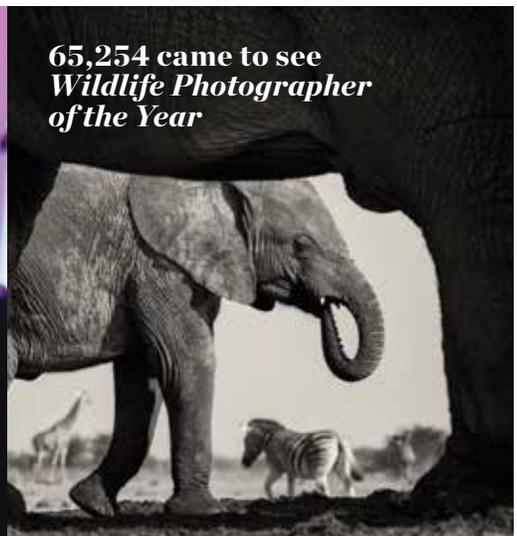


**62**

SYRIAN REFUGEES  
WERE WELCOMED ON  
THE FIRST CANADIAN  
HERITAGE TOUR



The Young Patrons Circle and  
Royal Patrons Circle donated  
**\$1,836,453**



**65,254** came to see  
*Wildlife Photographer  
of the Year*

# 1 | EXECUTIVE SUMMARY AND KEY PRIORITIES

The ROM is Canada's destination for unforgettable insights that reveal how the Earth and its cultures have evolved, and how the changes we face today will shape the world of tomorrow. This mission remains largely unchanged from its founding legislation in 1912, but in this technology-driven age of globalization, in the most culturally diverse city in the world, the methods we use to connect with our visitors have changed and will continue to adapt. The ROM continues to work closely with the Ministry of Tourism, Culture and Sport (MTCS) to ensure that the Museum operates within the framework required for provincial agencies of Ontario. The ROM appreciates the support of the Province and is dedicated to efficiently using the resources provided by the people of Ontario and maximizing access to our collections and to our staff.



## THE FOLLOWING ITEMS SERVE AS AN OVERVIEW SUMMARY OF THE ROM BUSINESS PLAN FOR FISCAL 2017-18:

- ▾ The ROM has prepared a balanced budget for Fiscal 2017-18, which includes a contingency that, if not spent, will result in an operating surplus for the year.
- ▾ Total attendance is projected to be 1.1 million visitors. If achieved, this will be the third year in a row that attendance has been over the 1 million threshold. The attendance figure includes 100,000 free visits through the ROMCAN partnership with 54 non-profit community organizations.
- ▾ Total revenue is projected to increase, largely due to an increase in attendance and changes in general admission and Membership pricing. The attendance is driven by the permanent galleries and *Out of the Depths: The Blue Whale Story* and *Vikings* exhibitions, combined with the multi-platform programming strategies related to Canada 150 celebrations.
- ▾ Total revenue is also increasing due to a return to previous levels of government grants. On an adjusted basis self-generated revenue is approximately 60%.
- ▾ Other events are expected to perform well as a result of the strong positioning of Friday Night Live and hospitality. Other events revenue has increased over the last three years due to the ROM's continued focus to broaden the Museum's income streams and appeal to a new audience that is incremental to its existing audience.
- ▾ Total expenses are projected to increase due to vacant positions being filled and contractual labour wage increases, along with various other expenses related to handling increased attendance and multi-platform programming strategies.
- ▾ The ROM is committed to generating an operating surplus by maximizing its operations and developing new revenue opportunities to offset the risks that impact admissions and other ancillary revenue.
- ▾ Long-term debt continues to be paid down and there is a plan in place to de-risk the pension plan. ROM anticipates finalizing the transfer of the ROM Pension Plan to a Jointly Sponsored Pension Plan (CAAT) by January 1, 2017 thereby eliminating ROM's future Solvency issue.

## KEY FISCAL PRIORITIES IN 2017–18 ARE TO:

- ✎ Deliver strong attendance results for the *Out of the Depths: The Blue Whale Story* and *Vikings* exhibitions and the Canada 150 celebrations.
- ✎ Increase awareness of and access to our research and collections, and fundraise for new endowments.
- ✎ Increase Membership through refined data capture and analysis. This will allow for improved data based marketing to support segmentation and targeted offers to drive increased acquisition and retention.
- ✎ Continue to refine and develop the exhibition strategy to broaden the ROM's reach and appeal to new audiences.
- ✎ Continue to refine the plan to increase school group attendance and deliver on the Museum's education mission.
- ✎ Continue to fundraise for the multiple elements of the Welcome Project and the Dawn of Life Gallery.
- ✎ Accelerate the digital strategy to ensure the ROM stays relevant in a mobile-connected world, while facing increased competition for visitor dollars.
- ✎ Finalize the transfer of the ROM pension plan to the jointly sponsored pension plan, which serves to eliminate the ROM's future solvency issue.

## FOR FISCAL 2017–18, CLEAR AND SPECIFIC STRATEGIES HAVE BEEN DEVELOPED ACCORDING TO THE FOLLOWING BUSINESS PLANNING CRITERIA:

- ✎ Increase revenue related to paid admission, membership, donations, sponsorship, and ancillary services.
- ✎ Increase visitor attendance above 1.1 million visitors annually.
- ✎ Differentiate the ROM experience for our visitors.
- ✎ Reduce and control expenses and find efficiencies to save money and resources.
- ✎ Fully fund building improvements and self-fund strategic capital by implementing projects with high impact and short time frames for payback.
- ✎ Further the case for increased investment in the ROM.
- ✎ Improve organizational productivity and staff satisfaction.
- ✎ Invest in areas required to deliver Fiscal 2017–18 priorities.



## 2 | MUSEUM MANDATE

The ROM's mandate as defined by the ROM Act is as follows: collection and exhibition of objects, documents and books of any kind to illustrate and make known to the public the natural history of Ontario, Canada and the world; the collection and exhibition of objects, documents and books of any kind to illustrate and make known to the public, human history in all the ages, and; the promotion of education, teaching, research and publication in any or all fields related to the objects of the Museum. The ROM will align its planning with ministry priorities set out in the Minister's mandate letter, and establish strategies to support those priorities.



### 2.1 GOVERNANCE

The Board of Trustees is the governing authority for the Museum, with powers vested in it by the Legislature of Ontario. The Board is responsible for the institution, its policies, its operational continuity and well-being, and the various assets that it holds in trust for the people of Ontario, to whom it is ultimately responsible.

Museum staff have duties, responsibilities, and opportunities, and from time to time will encounter ethical dilemmas and conflicts that must be resolved, considering both the needs of the institution and the broader public interest. In this regard, the ROM shall be guided by the Conflict of Interest Act and the Canadian Museum Association's Ethical Guidelines.

### 2.2 PRIVATE SECTOR FUNDING

The Royal Ontario Museum Foundation, which operates under the business name ROM Governors, was incorporated under the Corporations Act (Ontario) on July 1, 1992, to coordinate all private-sector fundraising activities undertaken on behalf of the Royal Ontario Museum and its affiliates.

The objective of the ROM Governors is to raise funds to be available for enhancing exhibitions and public programs, research, acquisitions, and capital projects of the ROM.

The ROM Governors is accredited under the Imagine Canada Standards Program.

## 2.3 CORE PROMISE, PURPOSE, AND VISION

### CORE PROMISE:

The ROM connects visitors to their world and each other.

### VISION:

To be recognized globally as an essential destination for making sense of the changing natural and cultural worlds.

### PURPOSE:

To inspire wonder and promote learning by sharing the stories of the unique collection the ROM cares for on behalf of the people of Ontario, to be a champion for the natural and cultural worlds, to serve as a forum for our diverse communities, and to create knowledge that contributes to a better future.

## 2.4 COLLECTIONS AND RESEARCH VISION

The ROM's collections and intellectual brand are rooted in its vigorous international research program. This research is the foundation for the Museum's public and educational program and is the basis of the ROM's galleries and exhibitions.

The ROM employs 35 Curators and Assistant Curators in two departments (World Cultures and Natural History), aligned in eight Centres of Discovery, which represent the Museum's intellectual and collection strengths to our visitors. The curators conduct leading-edge, collections-based research around the world.

In fiscal 2016, the ROM conducted research in 27 countries, with a significant focus on Canada and Ontario. The impact of this research is the basis of the ROM's international reputation, its role as one of the leading museums in Canada, and its deep appreciation in our Province as a thought leader, educational stalwart, and institution of intellectual integrity. Because of this backbone of original research and world-leading scholars, working with and building world class collections, the ROM is regarded among the leading museums, helping our visitors understand themselves and making sense of the changing natural and cultural landscape.



## 3 | STRATEGIC DIRECTIONS

The ROM has six strategic objectives, which together are transforming the Museum into a public-focused institution that is used regularly by the people of Ontario to help them understand nature and culture, and to build connections to each other. The six strategic objectives are:

Extraordinary Visitor Experience

World Leading Centres of Discovery

Essential Audience Relationships

Financial Resilience

Robust Physical and Technological Infrastructure

Skilled and Responsive Staff, Leadership, and Volunteers

### KEY STRATEGIC INITIATIVES

THE FOLLOWING ACTIONS ARE PLANNED TO CONTINUE PROGRESS ON EACH OF THE MUSEUM'S STRATEGIC OBJECTIVES:

#### Strategic Objective 1:

*Extraordinary Visitor Experience*

#### STRATEGIC CONTEXT

The Museum must provide a compelling experience that begins before visitors enter, and continues after they leave via its online platform, to become the basis for an on-going relationship with our visitors. The programs, galleries, website, exhibitions, and collections must provide great stories, wonderful objects, and layers of engagement to appeal to varied audiences. New technologies must be introduced to enhance the interpretation of the objects and to connect visitors with our curatorial expertise. In addition, the Museum's amenities must be upgraded to provide the visitors with the conveniences that they expect.

#### KEY STRATEGIC FISCAL INITIATIVES IN 2017–18

- ✚ Execute the new programs and exhibitions strategies and overachieve the plan for attendance and profitability for *Out of the Depths: The Blue Whale Story*, *Vikings*, and the Canada 150 celebrations.
- ✚ Develop compelling content for the key attendance periods: Summer, ROM for the Holidays, and March Break.
- ✚ Develop a new Welcome Project strategy with a focus on best-in-class concepts for visitor attendance and engagement.
- ✚ Accelerate the digital strategy to offer unique in-gallery and online experiences.

#### THE ROM WILL REACH THE FOLLOWING MILESTONES BY THE END OF FISCAL 2016–17

- ✚ Execute the new programs and exhibitions strategies with a focus on higher-impact, multi-disciplinary initiatives.
- ✚ Deliver enhancements in the Patrick and Barbara Keenan Family Gallery of Hands-on Biodiversity and Samuel European Galleries with the new Gallery of Modern Design.
- ✚ Overachieve visitor targets for *Tattoos: Ritual. Identity. Obsession. Art.* and *Chihuly: From Sand. From Fire. Comes Beauty.* exhibitions.



## Strategic Objective 2:

*World Leading Centres of Discovery*

### STRATEGIC CONTEXT

The Centres of Discovery are designed to help visitors navigate their way through the ROM's encyclopaedic collections, research strengths, galleries, exhibits, and programming. Over the coming year, we will promote the Museum's programming using the Centres as the organizing principle. Each element of our public offering will be explicitly identified with a specific Centre, thereby creating a consistent framework within which visitors can better understand the scope of the Museum.

### KEY STRATEGIC FISCAL INITIATIVES IN 2017-18

- ✎ Reach the year-three milestones for the five-year collection management system implementation, which will result in greater access to the world-leading ROM collections.
- ✎ Conduct research in Canada and around the world and continue to build the Museum's collections with new discoveries.
- ✎ Appeal to a mass audience, beyond scholarly groups, to increase awareness of the ROM's research using best-in-class social media platforms.

### THE ROM WILL REACH THE FOLLOWING MILESTONES BY THE END OF FISCAL 2016-17

- ✎ Deliver a major exhibition on *Chihuly: From Sand. From Fire. Comes Beauty* and associated programming for ROM's relevant centres.
- ✎ Deliver *Tattoos: Ritual. Identity. Obsession. Art.*, a significant exhibition for the ROM that is designed to attract a new audience.
- ✎ Implement the long-term plan related to collections digitization.
- ✎ Conduct research in all subjects to continue to build the collections.



### Strategic Objective 3:

#### *Essential Audience Relationships*

##### STRATEGIC CONTEXT

The ROM connects with its audiences through the experiences we offer that encourage people to see us as an essential destination that they use again and again. We reach out to new audiences so that as Ontario changes, we remain the museum where you belong, wherever you are, whatever your age.

Whilst the Centres and the experience of the ROM build affinity, we also need to actively support and sustain audience development so that the ROM remains at the heart of the community in the future, as it has in the past.

##### KEY STRATEGIC INITIATIVES IN FISCAL 2017–18

- ✚ Refine our approach to education and increase school group attendance.
- ✚ Refine our approach to membership through better data analysis, improved communications, and direct marketing.
- ✚ Build audiences for new program formats, including ROMSpeaks, Big Weekends, and ROM Camps.
- ✚ Implement the Canada 150 celebration plan.
- ✚ Develop a new inclusion strategy for Education, Membership, Events, and Exhibitions.

##### THE ROM WILL REACH THE FOLLOWING MILESTONES BY THE END OF FISCAL 2016–17

- ✚ Increase the number of memberships through better data analysis, better communications, and direct-marketing.
- ✚ Build audiences for new program formats, including ROMSpeaks, Big Weekends, and ROM Camps.
- ✚ Complete the planning phase for Canada 150.



## Strategic Objective 4:

### *Financial Resilience*

#### STRATEGIC CONTEXT

The Museum will focus on investing in audience development, demonstrating the ROM's utility to the community, and communicating international calibre research in a cost-effective framework of financial sustainability.

#### KEY STRATEGIC INITIATIVES IN FISCAL 2017–18

- ✎ Continue to manage cash flow and pay down long-term debt.
- ✎ Seek out new revenue streams and continue to maximize ancillary operations.
- ✎ Continue to refine the approach and use of benchmarking and metrics to find new efficiencies and paths to long-term sustainability.

#### THE ROM WILL REACH THE FOLLOWING MILESTONES BY THE END OF FISCAL 2016–17

- ✎ Work collaboratively with the ROM Governors to deliver philanthropic priorities.
- ✎ Drive ancillary services to exceed targets and find new income streams.
- ✎ Implement scorecards and the use of key performance indicators and trend analysis.





## Strategic Objective 5:

### *Robust Physical and Technological Infrastructure*

#### STRATEGIC CONTEXT

The Museum must invest in I.T. and online infrastructure and associated systems. Expectations and demands of our visitors continue to increase and the I.T. infrastructure must be able to meet these needs for the ROM to be relevant and to maximize the user experience. I.T. infrastructure must also be continually upgraded to ensure that network security systems are in place to protect our critical operating programs and assets.

Means of dealing with a deferred maintenance backlog as well as needed capital upgrades require continued investment. Critical infrastructure needs have been partially addressed over the past years, and capital priorities have been established for investment required for the next planning cycle.

A review of the ROM's use of space has shown that after 100 years of successful collection development and research, the Museum now urgently needs more space to continue its contemporary collecting and create digital access to its treasures.

#### KEY STRATEGIC INITIATIVES IN FISCAL 2017–18

- ✎ Complete Phase Three of the Collections Management System (CMS).
- ✎ Implement I.T. infrastructure investments to increase efficiency and effectiveness of the ROM's operations.
- ✎ Complete short-term space planning initiatives.

#### THE ROM WILL REACH THE FOLLOWING MILESTONES BY THE END OF FISCAL 2016–17

- ✎ Complete Phase Two of Collections Management System (CMS).
- ✎ Build short-payback, high-ROI business cases for I.T. infrastructure investment.
- ✎ Continue roof rehabilitation, which is a multi-year project.
- ✎ Complete other building maintenance projects such as the freight elevator modernization.

## Strategic Objective 6:

*Skilled and Responsive Staff, Leadership, and Volunteers*

### STRATEGIC CONTEXT

The Museum will invest in professional development, mentoring, and leadership of our staff and volunteers to effectively adapt to the changing needs of our community.

### KEY STRATEGIC INITIATIVES IN FISCAL 2017–2018

- ✎ Successfully recruit and onboard new strategic hires to deliver the 2017–18 plan.
- ✎ Implement the Broader Public Sector executive compensation framework by the proposed deadline.
- ✎ Implement a new performance-measurement system for staff reviews.
- ✎ Implement new scorecards to support a performance-driven culture.
- ✎ Finalize the transfer of the ROM pension plan to the jointly sponsored pension plan.

### THE ROM WILL REACH THE FOLLOWING MILESTONES BY THE END OF FISCAL 2016–17

- ✎ Continue to streamline workloads and ensure the Museum's priorities are adequately resourced.
- ✎ Continue to support change management through professional development.



# 4 | OVERVIEW OF CURRENT AND FUTURE PROGRAMS

## 4.1 PROGRAM STRATEGY

The public program will be realized in Fiscal 2017–18 via a new strategy that creates the following formats:

### TUESDAY EVENING ROMSPEAKS ADULT TICKETED LECTURES:

- ✎ Compelling, sold-out lectures, debates, and discussions on current topics and world issues, including new experimental formats, which illustrate the ROM's thought leadership.
- ✎ The nature of the programming will foster many program partners to broaden the ROM's reach to new and emerging audiences.

### FRIDAY NIGHT LIVE:

- ✎ Spring and fall season, totalling 19 nights a year of the established Friday Night Live appealing to a younger demographic. During Fiscal 2017, the ROM will host its first ever New Year's Eve program.

### DAYTIME GALLERY ACTIVATION:

- ✎ ROM volunteer live-gallery activation every weekday during opening hours, including tours and object handling.
- ✎ Additional daily staff and volunteer facilitation in the two hands-on galleries for public and self-guided school visits. The pattern of activation will change throughout the year depending on the mix of education visitors, families, and tourists.

### THURSDAY DAYTIME LECTURES:

- ✎ A program of lectures for those who want to delve deeper into specific subject areas, ROM research, and ROM exhibit and gallery content.

### MONTHLY BIG WEEKENDS AND FAMILY FUNDAYS:

- ✎ Large-scale themed Sundays and weekends, with extensive events for family audiences and parallel programming for an adult audience.
- ✎ These weekends will involve community engagement where relevant, taking forward the success of Heritage Days and building the Centres of Discovery affinity groups.

### IN-GALLERY ACTIVITIES EVERY WEEKEND:

- ✎ A guaranteed level of in-gallery activity (i.e., hands-on galleries) every weekend (excluding Big Weekends and holiday programming).
- ✎ Ticketed weekend programs such as Saturday Morning Club.

### PEAK VISITATION PERIODS—FAMILY HOLIDAYS:

- ✎ Large-scale family programming will run during March Break, the December holiday period (ROM for the Holidays), Family Weekend, and the summer holidays.





**ROMU: Full-day Adult Weekend Workshops**

- A hands-on program that offers adults with a keen interest in specific subject matter to get a deep dive into curatorial topics and current research with ROM curators, educators, and visiting scholars. Lunch included.

**BABY & ME:**

- New parents and caregivers enjoy intriguing museum topics and tours. Attendees enjoy lively conversation and a post-tour reception, all in a baby-friendly environment.

**ROMKids JUNIOR:**

- Toddlers accompanied by a parent or caregiver enjoy creative play-based interactive activities while building social interaction with other families in a classroom and gallery setting.

## 4.2 ROM LEARNING

The work of the ROM Learning department is a central function of the Museum and directly meets the Museum’s educational mandate. Every day, through school visits, hands-on galleries, and outreach, ROM Learning inspires wonder and nurtures discovery by engaging students, teachers, families, and other members of the public in the stories of the ROM’s encyclopaedic collections. In 2016–17, more than 100,000 students and teachers visited the ROM. In 2014, we put in place a new three-year strategy for how ROM Learning will anticipate and respond to the needs of our diverse audience, and promote curiosity, discovery, and teaching in a rapidly changing educational landscape. In 2015 and 2016, the plan was refined and new initiatives were deployed to increase the number of participants.

**ROM LEARNING WILL:**

- Deliver exemplary on-site, online, and outreach experiences that provide a continuum of learning in response to the changing educational landscape and the needs of educational users.
- Use progressive modes and methods of museum teaching and engagement that are relevant and accessible.
- Establish a flexible and adaptable departmental culture that supports responsive teaching and learning.

# 5 | RESOURCES NEEDED TO MEET GOALS AND OBJECTIVES

## Financial Support:

The Museum has developed a balanced budget for Fiscal 2017–18. The Fiscal 2017–18 operating plan includes a \$1 million contingency that may be used to offset potential shortfalls in revenues and/or to pay for mission critical expenses. If the contingency is not spent, then the ROM will report a surplus of the same amount that will be used for general working capital. A surplus is projected in the subsequent years of the plan. For Fiscal 2017–18, the management team has adopted reasonable assumptions to create the financial plan, and the intent is to overachieve these targets to improve flexibility and liquidity.

## 5.1 GOVERNMENT FUNDING

The Fiscal 2017–18 plan assumes that the annual Provincial operating grant remains frozen at current levels. Revenue includes a \$0.3 million special provincial grant related to Ontario 150. Fiscal 2016–17 included a \$1.1 million special provincial grant related to Ontario 150 and the additional funding has all been directed toward Ontario 150 activities.

The amount of the annual Provincial capital grant, for infrastructure repair and rehabilitation, has been confirmed for Fiscal 2017–18 at \$4 million, which is similar to 2016–17. It is based on the need to address the backlog of maintenance projects.

The backlog of deferred maintenance creates a high risk of emergency repair issues that would require additional funding over the course of the three-year plan.

Other infrastructure systems that are not included in the Provincial Asset Management database have recently been identified as requiring capital funding for replacement. An example is the Museum's phone system, which is on a platform that is no longer supported, and which is a critical aspect of our operation.

## 5.2 PHILANTHROPIC PLAN

Established in 1992 as The Royal Ontario Museum Foundation, the office of the ROM Governors is responsible for all philanthropic activities in support of the Museum's highest priorities. Its work enables the ROM to better serve its diverse and ever-changing community by fostering long-term, sustainable relationships of exceptional value both to the institution and its donors.

The office of the ROM Governors is supported by an independent Board that provides leadership in a wide range of philanthropic activities supporting ROM programs, research, collections, galleries, exhibitions, and outreach programs.

The ROM Governors aim to maintain stable support in Fiscal 2017–18. Philanthropic priorities will include planning for a new comprehensive campaign.



## 5.3 SELF-GENERATED INCOME

The Museum will self-generate 54% of its revenue in Fiscal 2017-18.

## 5.4 PEOPLE

Full-time staffing levels are not expected to change during the course of this plan. The Museum has experienced challenges with respect to the attraction and retention of top talent. As a result, the Museum has improved its pay structure and pension and believes that those initiatives will help the ROM achieve its short-term and long-term goals. ROM employees continue to be passionate about their work and the ROM amid a challenging business environment, and the working relationship with all three union groups is positive and respectful.

Museum leadership will continue to work with staff to re-engineer processes and streamline workflows in order to reduce workloads and to ensure that resources are available to support the Museum's priorities.



# 6 | RISK IDENTIFICATION AND UPDATE

**RISK:**  
ADMISSIONS REVENUE  
SHORTFALL

**RISK DESCRIPTION:**  
There is potential risk of the Museum not achieving the attendance targets as planned. School group attendance has been impacted by factors beyond the Museum's control.

**RISK LEVEL:**  
High

**UPDATE:**  
The ROM will continue to develop initiatives to increase attendance.

**RISK:**  
PROVINCIAL GOVERNMENT  
FUNDING

**RISK DESCRIPTION:**  
The funding from the Province has remained relatively flat for the ROM, while costs continue to rise and equipment and infrastructure continue to age.

**RISK LEVEL:**  
High

**UPDATE:**  
The ROM is requesting additional funding in the Fiscal 2017-18 Business Plan to address essential projects.

**RISK:**  
CREDIT FACILITY

**RISK DESCRIPTION:**  
The Museum must operate within the limits of a credit facility and it cannot operate if the line of credit is exceeded.

**RISK LEVEL:**  
High

**UPDATE:**  
Management continues to develop plans to improve liquidity and has made progress by reducing the cash indebtedness balance to \$1.6M at the end of Fiscal 2015-16.

**RISK:**  
EMERGENCY INFRASTRUCTURE  
REPAIRS

**RISK DESCRIPTION:**  
The asset management survey completed by the Province has identified the deferred repair and rehabilitation requirements at the Museum.

**RISK LEVEL:**  
High

**UPDATE:**  
The Museum has prioritized its repair and rehabilitation projects and will address the highest priority items in Fiscal 2017-18.

# 7 | ENVIRONMENTAL SCAN



## 7.1 INTERNAL ENVIRONMENTAL SCAN

### Strengths and Opportunities

- ✎ Category leading brand awareness and a strong, positive overall image.
- ✎ Dedicated, passionate, knowledgeable, and experienced staff and volunteers.
- ✎ Connection with the community.
- ✎ World-class curatorial and research capabilities.
- ✎ Canada's sesquicentennial in 2017—the next big opportunity for a philanthropic campaign.
- ✎ Targeting growth segments such as younger downtown dwellers and suburban families.
- ✎ New Welcome Project experience internally and externally—continue to bring the Museum to the people.

### Weaknesses and Threats

- ✎ Aging base building infrastructure as well as aging equipment, collections, and other Museum support infrastructure requiring significant capital investment.
- ✎ Aging I.T. and technological infrastructure requiring significant capital investment.
- ✎ Increased competition in culture and educational sectors.
- ✎ Not always seen as offering innovative, dynamic, and entertaining experiences.

## 7.2 EXTERNAL ENVIRONMENTAL SCAN

### POPULATION, AGE, AND DIVERSITY:

#### Greater Toronto Area Population & Demographics\*

- ✎ The population of the City of Toronto is just over 2.6 million and has been growing by approximately 4.5% since 2006.
- ✎ The population of the GTA is 5.6 million and has grown 9.2% since 2006.
- ✎ The highest population growth is happening in satellite municipalities around Toronto versus the downtown core, particularly in areas such as Milton (+56.5% growth), Whitchurch-Stouffville (+54.3%), Ajax (+21.6%), Brampton (+20.8%), and Vaughan (+20.7%).



## Diversity\*

Toronto has a higher proportion of the population with a mother tongue that is not English or French, compared with other areas in Ontario.

- ✎ 53.8% of the population reported English as their mother tongue, 1.1% reported French, and 41.8% reported other non-official languages.
- ✎ The most common (ranging from 2.2% to 3.2%) non-official mother tongues in Toronto are; Italian, Cantonese, Chinese (not otherwise stated), Punjabi, Tagalog, Spanish, and Urdu.

## TOURISM

### External Landscape\*\*

Toronto welcomed a record 40 million tourists in 2015.

- ✎ YOY growth from the U.S. from January–July 2016 was 11%, a record increase, with 65% arriving by air.
- ✎ China remains the top international market for tourism with a 13% YOY increase in visits to Toronto.
- ✎ Other key source countries, ranked by total number of visitors, were the U.K. (+10%), India (+13%), Japan (+3%), Germany (-1%), Brazil (+24%), and Mexico (+24%).
- ✎ The percentage of visitors from the U.S. is expected to increase over the next year on the strength of the U.S. dollar.

### ROM Visitors\*\*\*

- ✎ ROM visitor patterns are similar to Toronto overall; 81% from Canada (an increase from 77% the previous year), 75% from Ontario and 58% from the GTA.
- ✎ 13% of ROM visitors are from the U.S., ranking second only behind the CN Tower (23%).
- ✎ Only 6% of ROM U.S. visitors are from the Border States, ranking second behind the CN Tower's 8%.
- ✎ The CN Tower attracts the most overseas visitors (25%), followed by the Ontario Science Centre (8%) and the ROM (7%).
- ✎ When asked about ethnicity or origin in addition to Canadian, 66% of ROM visitors self-identified as European (of which 41% were British—the highest percentage in the competitive set), 30% as North American, 14% as Asian, 4% as Latin/South American, 3% as Middle Eastern/Southwest Asian, and 2% as African.

\* Source: Statistics Canada, 2011 Census.

\*\* Source: Tourism Toronto Research, February 2016.

\*\*\* Source: Nielsen G6 Year End Satisfaction Survey.

## FEDERAL AND PROVINCIAL GOVERNMENTS

### Ontario Government/Landscape

- ✎ Eleanor McMahon was appointed Minister of Tourism, Culture and Sport in June 2016.
- ✎ The government is currently focused on balancing the provincial budget by 2017–18. This coincides with the 2018 spring election.
- ✎ The Ontario Culture Strategy was released in June 2016 and outlines the government's priorities.
- ✎ The government aims to use Ontario 150 as an opportunity to increase civic pride in being an Ontarian.

### Federal Government/Landscape

- ✎ The Federal Government has signalled a willingness to invest in arts and culture.
- ✎ In September 2016, the ROM participated in pre-budget consultations with the Federal Finance Minister.
- ✎ The government aims to leverage arts and cultural institutions to enhance cultural diplomacy.
- ✎ The government continues to focus on Canada 150 celebrations.

### Digital

- ✎ The application of digital technologies across Museum operations is essential in today's society. Internet use in Canada is among the highest in the world. 90% of Canadian adults report using the Internet at least occasionally and 67% report using a smartphone. Usage rates among Canadians ages 18 to 34 are even higher.
- ✎ With the adoption of smartphones, people's online behaviour has changed. While on mobile, people spend up to 85% of the time using only five apps. The latest ComScore data indicates that almost 50% of users download zero apps each month. The most frequently-used apps include social media (14% of time), gaming (6% of time), and instant messaging (5% of time). Even browsing behaviour is changing with the growth of in-app browsers through Facebook, Twitter, and Instagram.
- ✎ Facebook still rules the social media landscape in Canada. 54% of Canadians report checking in with Facebook at least daily, and 74% at least a few times a week. Engagement on Facebook remains high, but growth of new users has plateaued. Other frequently-used social sites include YouTube, Twitter, Pinterest, Google+, Instagram, and LinkedIn.
- ✎ In 2014, 6% of all retail spending was online in Canada (\$505 billion in sales) and is projected to grow to 10% in 2019. As this industry matures, technology will be further embedded in the shopping experience, and more shops will move online, allowing collection of more data about customers. Enriched data will result in an optimized shopping experience and the introduction of new payment processes (Apple and Android pay).

# 8 | MARKETING AND COMMUNICATIONS PLAN

## THE COMPETITIVE LANDSCAPE

- Competition continues to increase for consumers' leisure time and dollars, and has expanded beyond the obvious competitive set to include a wide variety of offerings, including shopping malls, theme parks, music festivals, music and video streaming services, social media, and online gaming.
- The weakness of the Canadian dollar in comparison to U.S. currency has resulted in an increase in domestic tourism as well as an influx of American visitors over the past several months.\*
- With job market predictions indicating for a long stretch of slow or even no-growth employment, coupled with more recent concerns surrounding the economic and cultural impact of the U.S. presidential election on Canada, there has been a recent retreat in the Consumer Confidence Index.\*\*

## THE ROM'S RESPONSE

- Our primary goal is to connect with our visitors in a way that is intriguing, relevant, and inspirational, transforming the Museum and the experiences we offer into a meaningful part of their lives.
- We continue to create content and build experiences with the objective of engaging a wide swath of demographic and psychographic audience segments and cultural communities, encouraging interaction with new visitors while deepening relationships with our existing audiences.

## MARKETING AND COMMUNICATIONS OBJECTIVES

- Be bold, vibrant, and stand out, clearly articulating the Museum's unique selling proposition and relevance, and leveraging mobile, digital, and experiential channels as well as traditional media.
- Continue to build the ROM brand profile as an essential destination and leading research institution.
- Further initiate and nurture strong strategic partnerships with institutions and corporate partners that offer the opportunity to reach new audiences and attract support for the Museum.
- Continue to develop multi-platform, integrated marketing and communications initiatives in support of the ROM brand, Canada 150 initiatives, and *Out of the Depths: The Blue Whale Story* and *Vikings* exhibitions.
- Continue to build Membership through a new database marketing strategy aimed at increasing acquisition and retention.

## CANADA 150 ACTIVITY

The ROM's Canada 150 exhibition and programming activities are designed to tell Canadian stories through the Museum's extensive fascinating collections and ground-breaking original research. From March to November 2017 three ROM-original exhibitions, *Out of the Depths: The Blue Whale Story*, *Anishnaabeg: Art & Power* and *The Family Camera*, will intrigue and engage visitors from Toronto and beyond, showcasing the Museum's relevance today and the pivotal role it plays on the domestic and global stage.

In addition to these special exhibitions, the ROM's Canada Day weekend will launch with a galvanizing Canada-themed Friday Night live evening on June 30th and continue over the weekend with a series of exciting discussions, events and activities designed to engage visitors of all ages and backgrounds in celebration of this landmark anniversary. As a companion piece to the Canada 150 exhibitions and events, the Museum is investigating the commissioning of a Canadian artist to create a dynamic installation to be housed on the ROM Plaza, extending the festivities beyond the walls of the Museum.

\*Tourism Toronto, February 2016. \*\* Conference Board of Canada, October 2016.

# 9 | HUMAN RESOURCES

## KEY STRATEGIC INITIATIVES IN FISCAL 2017-18

- ✔ Successfully recruit and onboard new strategic hires to deliver the 2017-18 plan.
- ✔ Implement the Broader Public Sector executive compensation framework by the proposed deadline.
- ✔ Implement new performance-measurement system for staff reviews.
- ✔ Implement new scorecards to support a performance-driven culture.
- ✔ Finalize the transfer of the ROM pension plan to the jointly sponsored pension plan.

### THE MUSEUM'S FTE STAFFING LEVELS:

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
<b>SEIU</b>	78	80	80	80	80	80
<b>OPSEU</b>	139	136	134	134	134	134
<b>ROMCA</b>	29	34	31	31	31	31
<b>Exempt staff</b>	19	18	19	19	19	19
<b>Management</b>	39	39	41	41	41	41
<b>Total</b>	<b>304</b>	<b>307</b>	<b>305</b>	<b>305</b>	<b>305</b>	<b>305</b>

Note: The ROM benefits from 1,374 volunteers.

The ROM is a unionized workplace. We have three unions and four bargaining groups representing the majority of our employees. OPSEU represents employees in professional, technical, administrative, and curatorial support positions. SEIU represents full- and part-time employees in security, housekeeping, and maintenance positions. The Royal Ontario Museum Curatorial Association (ROMCA) represents employees in curatorial and librarian positions.

In fiscal 2016-17 ROM successfully negotiated with all four of its bargaining groups providing both labour stability and financial predictability over the next number of years. OPSEU full-time, OPSEU Part-time and SEIU each signed four (4) year agreements ending on March 31, 2019. ROMCA (ROM Curatorial Association) signed a 5 year agreement ending on March 31, 2020. These agreements allowed for a wage adjustment each fiscal year in keeping with other labour adjustments in our sector. In addition, to the wage settlement ROM negotiated a change in pension language which allowed for a transition from the ROM Pension Plan to a Jointly Sponsored Pension Plan (CAAT). Finally all union groups agreed to move the collective agreement dates to align with our fiscal year, which significantly reduces vacation liability issues at year end and assists with fiscal planning for future negotiations. Following negotiations excluded salaries were adjusted to align with the union increases. Going forward it is anticipated that there will be adjustments to the excluded salaries similar to the collective agreements, to maintain the integrity of the salary grid in relation to union groups.

ROM is committed over the next fiscal year to implement the Ministry Regulations with respect to executive compensation as laid out in the Broader Public Sector Compensation Act, entitled Executive Compensation Framework. The goal is to post and be fully compliant with an Executive Compensation Program by no later than September 5, 2017.

ROM anticipates finalizing the transfer of the ROM Pension Plan to a Jointly Sponsored Pension Plan (CAAT) by January 1, 2017 thereby eliminating ROM's future Solvency issue.

# 10 | PERFORMANCE MEASURES

## SHARED OBJECTIVES

For Fiscal 2017–18, clear and specific strategies and shared objectives have been developed to drive building attendance, to increase revenue, to control expenses, and to generate a budget surplus if the contingency is not spent.

THE SHARED OBJECTIVES FOR FISCAL 2017–18 ARE DERIVED FROM THE BUSINESS PLAN:

- ✚ Total building attendance and revenue and contribution
- ✚ Special attendance targets for the *Out of the Depths: The Blue Whale Story* and *Vikings* exhibitions including visitor satisfaction
- ✚ Specific deliverables for school group attendance
- ✚ Net increase in memberships
- ✚ Collections digitization progress (Phase Three of CMS)
- ✚ Welcome Project plan development



# 11 | FINANCIAL PLAN

## ROM OPERATING PLAN

In Fiscal 2017–18, the ROM will most likely achieve its planned operating target provided no new risks appear during the back half of the year.

The ROM has planned for a balanced budget in Fiscal 2017–18.

## GOVERNMENT GRANTS

The Provincial Operating grant for Fiscal 2017–18 is budgeted to remain at the Fiscal 2016–17 level.

## ROM GOVERNORS

With the Foundation's leadership transition in progress and future ROM initiatives still being refined, the ROM Governors aim to maintain stable funding in Fiscal 2017–18.

Philanthropic priorities will include the Curatorship endowments, Welcome Project, Director's Fund, Dawn of Life Gallery, and Centre Programming. Long-term debt reduction is also a key priority.

## GENERAL ADMISSIONS

The Museum is budgeting reasonable attendance and admission revenue levels in Fiscal 2017–18, including annual building attendance of 1.1 million visitors, with the aim of exceeding these goals.

## OFA LOAN

Pledges remain on track for the repayment of the OFA loan and during 2017-18 the ROM will continue payments in accordance with the loan repayment schedule.



**FISCAL 2017–18 MULTI-YEAR PLAN**  
**FINANCIAL SUMMARY**

	F16	F17	F18	F19	F20
(IN \$000'S)	ACTUAL	BUDGET	BUDGET	PROJECTION	PROJECTION
<b>TOTAL REVENUE</b>	54,980	57,039	59,440	60,518	61,472
<b>TOTAL EXPENDITURES</b>	53,684	57,039	59,440	60,518	61,472
<b>CONTINGENCY</b>		500	950	995	1,024
<b>BUDGET SURPLUS/(DEFICIT)</b>	\$1,296	\$0	\$0	\$0	\$0

Notes:

- Excludes restricted grants and gifts in kind.
- If the contingency is not spent, the ROM will generate a budget surplus.

**FISCAL 2017–18**  
**INFRASTRUCTURE PLAN**

**CAPITAL ITEM**

BUILDING EXTERIOR RESTORATION: WEST WALL AND ANNEX	
HVAC SYSTEMS UPGRADE	
HYDRONIC SYSTEMS UPGRADE	
ROOFING REPAIRS: CURATORIAL CENTRE	
REPLACEMENT OF CURATORIAL CENTRE WINDOWS	
SECURITY CONTROLS	
<b>TOTAL</b>	<b>\$5,850,000</b>

Notes:

- ROM has received \$1.6M from the Canada Cultural Spaces Fund, which is allocated to F18 for the Curatorial Centre Roof Project.

## 12 | INITIATIVES INVOLVING THIRD PARTIES

For Fiscal 2017–18, the ROM has the following third party relationships.

### THIRD PARTY RELATIONSHIPS

Name/Type	Nature of Relationship	Governed by
Ministry Tourism Culture and Sports (MTCS)	Governance & funding	MOU
Ontario Finance Authority (OFA)	Loan	Agreement
ROM Governors	Philanthropic activities	Ongoing
Druxy's Food Services	Food Studio Operations	Contract: Expiry 2023
Catering	Event & Wedding Catering Services	Contract: Expiry 2023
Event Network	Retail Store Operations	Contract: Expiry 2017
Travel Agency - Egencia	Corporate Travel Services	Contract: Expiry 2017
BT Advertising	Advertising Agency Services	Contract: Expiry 2018
Various Suppliers	Service, Supply & Maintenance	Contract

## 13 | IMPLEMENTATION PLAN

THE MUSEUM'S KEY PRIORITIES IN FISCAL 2017–18 ARE TO:

- ✎ Deliver strong attendance results for the *Out of the Depths: The Blue Whale Story* and *Vikings* exhibitions and Canada 150 celebrations and overachieve on a 1.1 million visitor target.
- ✎ Increase awareness of and access to our research and collections.
- ✎ Continue to refine the plan to increase school group attendance and deliver on its education mission.
- ✎ Implement the plan to increase membership through a new database marketing approach.
- ✎ Develop an inclusion strategy to broaden the ROM's reach to new audiences.
- ✎ Continue to fundraise for the Welcome Project and the Dawn of Life Gallery.
- ✎ Accelerate the digital strategy to ensure the ROM stays relevant in a mobile connected world facing increased competition for visitor dollars.

IMPLEMENTATION OF THE STRATEGIC PLAN WILL CONTINUE IN FISCAL 2017–18 WITH ACTIONS TO SUPPORT EACH OF THE MUSEUM'S SIX STRATEGIC OBJECTIVES:

- ✎ Extraordinary visitor experience
- ✎ World-leading Centres of Discovery
- ✎ Essential audience relationship
- ✎ Robust physical and technological infrastructure
- ✎ Financial resilience
- ✎ Skilled and responsive staff, leadership, and volunteers

#### QUARTERLY FORECAST AND PROGRESS TRACKING

ROM senior management regularly reviews progress of both the scheduled implementation of actions supporting the Strategic Plan and the Museum's financial performance. Detailed financial forecasts are reviewed with the Finance Committee of the ROM Board of Trustees on a quarterly basis, together with progress against shared corporate objectives. Operating plans may be revised and mitigation plans put into effect in the event of financial shortfalls to ensure that the Museum continues to operate within its available resources throughout the fiscal year.

#### PROCUREMENT PLAN

The Museum's purchasing practices align with the Management Board of Cabinet Procurement Directive of 2012. The Museum's Purchasing Department has developed a procurement plan, identifying all major purchases planned for Fiscal 2017-18 by all Museum departments.



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The ROM is an agency of the Government of Ontario

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