

STRATEGIC PLAN Executive Summary

I. Methodology and Scope of Work

This strategic plan was commissioned by the Museum of Contemporary Art Detroit (MOCAD) and completed by the DeVos Institute of Arts Management at the University of Maryland in partnership with the MOCAD Strategic Planning Committee, which comprised of senior MOCAD staff, board leadership, and pertinent community stakeholders.

On the part of the DeVos Institute, this plan was authored principally by Brett Egan, President. Research and writing was conducted by the DeVos Institute, shared with the MOCAD Strategic Planning Committee, and discussed during nearly two dozen in-person meetings and teleconferences.

The planning process was conducted between July 2015 and January 2016. The term of this plan is five years, beginning in January, 2016.

This Executive Summary accompanies a PowerPoint presentation which describes the strategies in full; an implementation spreadsheet that outlines each objective, strategy, and tactic; and a five-year financial plan.

MOCAD and its stakeholders can use this strategic plan for the following purposes:

- As a management tool for staff and board, to organize action through prioritized objectives that mitigate challenges and leverage strengths;
- As a fundraising and marketing tool, to convey MOCAD's direction to external stakeholders;
- To measure the success of its principal objectives;
- To reassess, over time, progress against those objectives and apply necessary course-correction; and
- To plan the generation and allocation of human and financial resources.

This plan sought to answer the question:

“What is the vision for MOCAD in 2021, and what resources—human, financial, intellectual—are required to achieve and sustain that vision?”

II. Planning Framework

This planning process followed a six-stage framework:

1. A review of MOCAD’s **mission**;
2. A study of the **environment** in which MOCAD operates resulting in the definition of factors required for the MOCAD’s success;
3. An **internal analysis** of challenges, strengths, and opportunities at MOCAD, in relation to those “success factors”;
4. A set of **objectives, achieved by strategies**, that confront the opportunities and challenges outlined by that internal analysis;
5. An **implementation** plan outlining who will complete each strategy; and
6. A **financial** plan that states the economic ramifications of those strategies.



Together, these parts constitute a strategic plan intended to address short-term, mid-term, and long-term opportunities and challenges facing MOCAD.

Specifically, this plan includes the following components:

- An updated Mission Statement.
- A series of 10, top-line objectives in the core areas of programming, marketing, fundraising, financial performance, board governance, community engagement, and museum practices.
- A plan for major programmatic initiatives in each area of programming (exhibitions, youth programming, public programming). Additionally, it describes a number of new programmatic initiatives to unfold over the five-year period, including:
 - a re-definition and focus on five areas of public programming (Music, Literary Culture, Critical Inquiry/Thought Leadership, Film, and the Built Environment);
 - residencies for artists in multiple contemporary disciplines;
 - an annual block party, to engage a broader group of community stakeholders;
 - a strategy to pursue a role in the development of Woodward Corridor and the M1;
 - the formation of a community board (“Rapid Response Unit”);
 - the expansion of “on-ramping” materials to remove barriers to participation for new patrons, collectors, and audiences.

- A plan to diversify MOCAD programming, increasing relevance to a broader cross-section of Detroit's population, including through major programmatic relationships with key institutions.
- An annual Institutional Marketing plan, to promote visibility for the organization overall.
- A special, 10th-Anniversary Institutional marketing plan.
- A Programmatic (Traditional) Marketing plan, to promote visibility for each core activity.
- A major donor cultivation plan.
- A vision for MOCAD's "Ideal" Board – including financial targets, board composition, member engagement, and responsibilities. This plan, additionally, articulates a more concrete, productive relationship between staff leadership and board members.
- A board "charter" – clearly outlining this vision in an easily-digestible format, which can be shared with current and prospective board members to streamline expectations and evaluation on both sides of the staff-board relationship.
- A strategy to supplement staff capacity, with the specific intent to build on MOCAD's Detroit-based public programming and exhibitions, as well as its revenue-generating capacities (in development and marketing).
- Fundraising and Earned Revenue benchmarks.
- A means to develop MOCAD's capital infrastructure and specifically, its maintenance and cash reserves.
- A plan to raise \$1M to make critical investments in the MOCAD facility.

III. Mission, and Environmental and Internal Analyses

Mission

The revised mission of MOCAD is:

MOCAD is where adventurous minds encounter the best in contemporary visual, literary, music, and performing arts. A responsive center for diverse audiences, MOCAD presents art that contextualizes, interprets, educates and expands culture, pushing us to the edges of contemporary experience.

The mission makes a clear commitment to:

- Detroit, and Detroit-based artists
- An interdisciplinary contemporary program, with visual art as its central axis
- Services to a diverse body of artists, students, and arts patrons
- Commissioning, presenting, and providing context for new work, especially that which expands on a current vocabulary about contemporary experience
- A leadership posture, balanced with a responsiveness to the needs, interests, and concerns of its community

Through this mission, MOCAD staff and board dedicate themselves to ensure these activities are resourced – with superior expertise and sufficient financing – for the duration of this plan.

Environmental and Internal Analysis

Next, an environmental scan was conducted to determine what will be required for MOCAD to *dominate* in each area of its mission. This environmental analysis considered the programming, marketing, and internal practices of comparative organizations, as well as major trends facing the sector overall. This analysis was conducted through online, print, and in-person research, interviews, demographic surveys, and comparative financial analysis.

Together with that effort, an “internal analysis” was performed to determine MOCAD’s current status in relation to the environment. The internal analysis consisted of interviews with key stakeholders both inside and external to MOCAD’s core operation, working sessions with staff and board, and extensive data and documentation review.

As a result of these two efforts, the following, primary conclusions, were reached. (The full environmental and internal analyses are available as addenda to this summary.)

All successful cultural and educational organizations, including MOCAD, require:

- Dominant programming in their mission area. In an environment increasingly saturated with real and online surrogates, coupled with extreme competition for contributed revenue, there is no room for “second best”. Sustainable non-profit organizations must develop superior human and intellectual capital, and deliver that capital, consistently, through superior services.
- Aggressive Marketing, both institutional and programmatic, to attract buyers to program offerings and engender a sense of loyalty to the institution overall. A strong marketing effort must express, again and again, the institution’s dominance in its mission area.
- A growing, generous family of board members, donors, volunteers, and program participants. Engaged by dominant program and aggressive marketing, this family must be carefully cultivated and stewarded over time to provide the necessary base for the organization’s fundraising efforts.
- Easy, fun means for that family to contribute revenues and other resources. Sustainable organizations provide a variety of “mechanisms” (or fundraising “products”) to engage a range of family members as donors (of time and resource). Likewise, they develop diverse earned revenue streams through both retail (ticket- or fee-based experiences) services, and other commercial uses of their intellectual and creative capital (e.g. training, licensing, or consulting services).

These four, essential actions can be defined as a *Cycle* of activities that provide the conditions required for sustainability in any cultural organization. In addition to the MOCAD mission, this *Cycle* is used as a framework for the environmental and internal analyses.

Key takeaways from those analyses include:

- Programming at MOCAD
 - MOCAD’s programmatic reputation in the field is generally very strong, due to a history of innovative, visionary, and in many cases exemplary contemporary programming.
 - However, that reputation is also, for a significant number of interviewees, unclear. What does MOCAD truly stand for? What is it trying to say? How do its component parts fit together to tell a coherent story? How does MOCAD increase its value to an increasingly diverse community? These questions are not uncommon for a relatively young institution, but their answers must be clear moving forward.
 - MOCAD’s significant investment in incubation – of new work, and the artists that would create that work – is not sufficiently recognized, locally or nationally. This is in part a marketing concern, which must be addressed through an investment in that area. It is also in part a result of its current residency structure, which is relatively short-term and of modest financial scale. MOCAD, as a dominant provider of exhibition opportunities for Detroit-based contemporary artists, is in a position to expand its influence locally through the development of a longer-term, higher-grade residency structure, which would truly separate it from the field of residencies at the local level and position it as a premier incubator of new, Detroit-based work.
 - MOCAD’s public programming is strong; in particular, its music program is revered. However, there are questions about the balance of public program activity, with some current programming unable to attract sufficient audiences. This is partly a marketing concern; it is also, partly, supported by a hunger amongst many interviewees for a more diverse portfolio of public programming options, inclusive of other contemporary disciplines.

- MOCAD's current efforts to engage collectors and gallerists could be enhanced.
 - There is a strong interest on the part of audiences to engage more fully with curatorial staff.
 - The environment still rewards institutions that occasionally program high-profile names that would attract a wider audience. Comparator institutions use these "A-level", highly-visible projects to introduce new audiences to the work, segments of which can be "brought along" into other, less well-known areas of the institution over time.
 - The multi-disciplinary contemporary art presenting space is still relatively open and fluid in Detroit. However, Galapagos' entry represents a threat, bringing brand equity and curatorial firepower, especially in the area of performance art. The Biennial is a big idea that, if properly marketed, could steal some MOCAD thunder.
 - The presentation of local visual and performing artists is increasingly crowded. Differentiation will be required. Galapagos is also staging a rise in this area.
 - The entry-level maker space is full. High-end artist residencies and incubator-style opportunities are fewer and the environment less crowded.
 - MOCAD will have a difficult time differentiating on a regional level from Chicago MCA, Walker, and Wexner. It will have a difficult time differentiating on a national level unless it "owns Detroit". But there is no other comparable multi-disciplinary contemporary art space in Detroit.
 - Scale is starting to matter in Detroit. The big contemporary projects are outside and take advantage of the fluid environment in real estate and corridor development.
 - Detroit-based artists have little international exposure outside the big institutions, and little international work is being shown at a significant scale. The international contemporary scene is relatively uncluttered.
 - There are myriad urban planning projects afoot; MOCAD needs to be part of the discussion about design, the artist, and those projects. Showing leadership is required, especially in the area of how artists engage with the urban planning process. An aggressive appeal to planners and developers will be required.
 - The social justice arena is increasingly crowded. Allied Media Projects is a close comparator; differentiation is required. There are sophisticated models in this area that can be learned from, but this requires a total dedication from a mission standpoint.
 - The M1 project is nearing launch. Immediate action is required if MOCAD will play a significant role in this process.
 - MOCAD will need a strong foothold in local politics, as well as at the state level if possible.
 - MOCAD should strongly consider moving some projects outside.
- Marketing
 - MOCAD has a strong, positive reputation. But too many are confused about what MOCAD stands for, who it serves, and who belongs. At present, the Institutional Marketing effort relies mostly on press, special events, and major programming.
 - There is very strong instinct toward creating buzz, but the effort, due to capacity constraints, is under-organized and sub-optimized. As a result, MOCAD does not get the attention (or, often, the money) that it deserves.
 - Relationship with press is ad hoc and can be standardized.

- The 10th Anniversary presents unmissable institutional marketing opportunity.
- The programmatic marketing effort is securing moderate return on investment, but the investment is very modest (approximately \$17,000 in 2014).
- Attendance is unsatisfactory, both in daily foot traffic and in much public programming. This nascent effort must receive investment to expand.
- The MOCAD online presence is weak; a new website is required.
- At present, MOCAD has the capacity to perform little analysis of ROI on vehicles.
- Increased emphasis on rentals required.
- MOCAD's affinity partnerships – especially those outside its “natural audience” of highly-educated contemporary art consumers – deserve increased attention.
- A long-term effort to engage institutions, key influencers, and individuals in diverse communities throughout Detroit is essential – both from a mission standpoint, and from a business standpoint.
- Amongst its primary engagement challenges are concerns including:
 - “I still don't know how to be part of MOCAD without being an edgy artist that hangs in that world.”
 - “How can you make sure that MOCAD is connecting with the majority population?”
 - “MOCAD is not interesting to me intellectually; need things like a unique lecture series, not just novel edgy art.”
- Fundraising
 - While MOCAD's fundraising operation is commendable, its dependence on benefits, its board, and a handful of major foundation gifts, coupled with the relative lack of annual fund and strong targeted funds, presents an unstable foundation. Now, while MOCAD is healthy, is the time to build the core capacity to further diversify its contributed revenue streams.
 - Success of the current fundraising effort is tied largely to the board's personal generosity, the charisma of the Executive, and a strong grantwriting program. Diversification will be essential in the years to come.
 - At the same time, MOCAD must fortify and professionalize its annual giving structure to increase contributed income from individuals and maximize growth as a result of its successful fundraising events. MOCAD can benefit from the addition of targeted fundraising campaigns to build support for its programs, and for the institution overall.
 - A culture shift toward *cultivation, stewardship, and renewal* throughout the organization is imperative. MOCAD requires a dramatically-increased emphasis on the transition between its membership and donor programs.
 - Increased fundraising needs and opportunities (especially as MOCAD expands its programming and individual fundraising efforts) will require the addition of dedicated, permanent fundraising staff. MOCAD must spend (some) money to make (a lot more) money.
 - MOCAD lacks a sufficient capitalization, e.g. a cash reserve or working capital fund. Additionally, it lacks a long-term plan to address mounting building maintenance needs. Both of these efforts should be addressed through special fundraising efforts during the period of this plan.

- Board
 - A lynch-pin in the annual, targeted, and special events campaigns will be a generous, ambassadorial board.
 - Today, MOCAD'S board is comprised of passionate, invested individuals. The Board, is producing, in the aggregate, approximately \$310K/yr, or approximately 20% of annual revenues. This puts MOCAD's Board at the top of its class.
 - However, MOCAD's budget is too small, and must grow in order to achieve both its mission-driven objectives and produce a sustainable infrastructure. Contributions from other individuals are modest in comparison to that of the board. MOCAD requires both additional board members and more major donors.
 - This imperative toward diversification is underlined by needs presented by the 10th Anniversary Leadership Fund and the general observation that MOCAD's revenues must grow by approximately \$650K in the next five years (or by approximately 6%/yr). This effort will rely on the generosity of a number of donors, including, ideally, several lead gifts from Board members.
 - The following slides present a vision, and strategies to achieve that vision, for MOCAD's "Ideal Board"—the board MOCAD will build, leveraging current strengths, to fulfill its long-term programmatic objectives.
 - However, while all board members bring something important to the table, MOCAD will benefit in coming years from several additional members with the ability to make major gifts. At present, Board giving is weighted by 4-5 leadership gifts each year. In 2014, for instance, 83% of board support came from four sources. Should MOCAD lose one or more of these gifts, the aggregate board contribution would drop by 10% or more.
 - This imperative toward diversification is underlined by capitalization needs discussed in the previous section. This effort will rely on the generosity of a number of donors, including, ideally, several lead gifts from Board members. The same can be said in regards to the annual campaign.

- Human Resources and Capacity Building
 - Today, MOCAD is not in a position to expand. It must first build internal capacity before looking to expand programming or offer more services for more constituents. It is constrained both by administrative capacity and program delivery capacity.
 - If it is to grow, it must build essential capacities in its fundraising and marketing operations to ensure that a sufficient financial and visibility base is present before programmatic expansion is undertaken.

IV. Objectives, Strategic Direction and Major Strategic Initiatives

In keeping with its new mission, and as a result of these analyses, MOCAD developed the following, ten primary **Objectives**:

1. To present the best in local, national, and international contemporary visual art in Detroit.
2. To develop, exhibit, and promote emerging and established Detroit-based visual artists, as well as those in select other disciplines, utilizing MOCAD facilities as a creative home.
3. To provide robust engagement and education opportunities for Detroit's youth, teens, and adults, resulting in increased awareness and appreciation for contemporary art in Detroit.
4. To play a significant role in its community, through contributions to the Woodward Corridor development as well as artist residencies, collaboration with other local institutions, socially-engaged work, and thought leadership.
5. To grow a family of audiences, patrons, members, staff, and board members of a size and generosity on par with the scale of programming
6. To market MOCAD aggressively – locally, regionally, and nationally.
7. To ensure the MOCAD facility can accommodate the best art.
8. To achieve and sustain balance in annual finances.
9. To stabilize and grow MOCAD fixed and financial assets.
10. To achieve best practice in museum management.

The plan details a path to accomplish these objectives.

That path begins with a **Strategic Direction**, a “story” for the way in which MOCAD will evolve – over the coming five years – programmatically and administratively:

1. MOCAD investigates and interprets—through contemporary visual art—the social, aesthetic, demographic, and technological changes taking place in our lives today.
2. As a non-collecting institution, MOCAD is not so much a museum in the traditional sense as a high-quality, experimental platform for contemporary art in multiple disciplines.
3. It will continue to employ visual art as its central axis.
4. But it will increase the presence of complementary work in the following, contemporary disciplines: literature, music, the built environment, and film.
5. A fifth public programming effort – ‘critical inquiry’ – will provide thought leadership and context in relation to its exhibitions. Public programming will largely function as deep context for its exhibitions, adding visibility and accessibility.
6. In this respect, MOCAD will assume a posture similar to a PS1, a Walker Art Center, or a Mass MoCA – defining contemporary discourse in a plurality of forms, with an anchor in visual culture. This distinguishes the new MOCAD from a “Museum of Contemporary Art” in the traditional sense.
7. Through aggressive programmatic and institutional marketing campaigns – proclaiming the dominance of its exhibitions calendar and vigorous, multi-dimensional public program – MOCAD

will build an increasingly diverse “family” of supporters: board members, members, donors, and volunteers.

8. Moving beyond a posture of marketing, MOCAD will commit to long-term engagement and collaboration with communities that have had, historically, little access to or, perhaps, welcome within the contemporary discourse.
9. In doing so, MOCAD asserts its capacity to be increasingly relevant, welcoming, and accessible to a broad audience, representative of the city at large.
10. Capitalizing on increased visibility and relevance, MOCAD will develop opportunities for community members of all abilities and capabilities to participate, financially, in the life of the organization.
11. A robust “menu” of opportunities for donors to engage – from entry-level memberships to five-figure major gifts – will provide that family with unprecedented access to MOCAD’s unique assets: artists, process, bespoke experiences and objects, thought leaders, collectors, gallerists, and much more. In doing so, MOCAD will provide a highly-competitive, joyous experience for its family members, at all levels.
12. Utilizing revenue drawn from these relationships – as well as an aggressive earned revenue strategy around rentals, Café 78, merchandising, and other services – MOCAD will invest in key staff capacities. Its first focus will fall to the “revenue-generating” capacities – fundraising and marketing – to ensure that it is positioned to leverage its investments in programming for further gain.
13. It will additionally make critical investments in its physical and financial infrastructures to ensure that the institution can present world-class art without constraint.
14. In summary, by:
 - Consistently producing dominant art and public program; and
 - Aggressively marketing that program, and the institution behind it; and
 - Building and stewarding an increasingly diverse “family” of supporters; and
 - Providing that family with easy and “fun” ways to support the organization; and
 - Making critical investments in staff, physical, and financial infrastructure...
15. MOCAD gains a firm footing as it enters its 10th anniversary year, expanding its relevance and tightening its focus, and positioning its operation to flourish in the five years ahead.

Major Strategic Initiatives include:

Programming

1. As its first priority, MOCAD will continue to **present approximately 8-12 visual art exhibitions each year** featuring local, national, and international artists in its five exhibitions spaces (including the Mobile Homestead). This program will neither grow nor contract substantially over the duration of this plan.
2. MOCAD will **tighten its public programming** focus to provide context for its exhibitions in the form of “program blocks”. To represent more fully the interdisciplinary nature of today’s contemporary art scene, it will focus its programming in the **following four disciplines**:

Music, Literary Culture, Film, Built Environment. To provide more intellectual and conceptual ballast to its exhibition programming, MOCAD will, lastly, develop a **Critical Inquiry / Thought Leadership** track. This track – consisting of lectures, artist talks, debates, and panels – will engage today’s most insightful minds around issues explored in MOCAD exhibitions.

3. As part of Detroit City, MOCAD will create a series of **long-term residencies** for Detroit-based artists – approximately one each year – in visual art and, on occasion, the other public programming disciplines (e.g. music, film, literary, built environment). Each residency ends with a commission. These complement the short-term residencies already in place and cement MOCAD as the dominant provider of long-term, supported residencies for high-quality Detroit-based artists.
4. MOCAD creates a “**Rapid Response Unit**” (working title) composed of local artists, thought leaders, gallery owners, urban planning representatives, community leaders, and students to advise MOCAD on issues of current import and opportunity for engagement.
5. MOCAD actively expands **dialogue and engagement** with the Detroit-based African American, Arab American, Native American and Latino communities, through meaningful, long-term institutional and key influencer partnerships, engagement through the Rapid Response Unit, the Student Docent Program, and increasing board, staff, and reception personnel representation as a priority.
6. MOCAD creates an **Exhibitions Resource Committee** composed of local, national, and international artists, curators, collectors, and critics, to advise leadership on marketing, partnerships, and funding support for exhibitions.
7. MOCAD’s education function invests in an expansion of “**on-ramping**” materials for patrons new to the contemporary art environment. These materials are available prominently on the MOCAD website and promoted heavily through social media. This effort, tentatively entitled “MOCOdex”, is introduced through the 10th Anniversary Institutional Marketing Campaign as a major new initiative. A partnership with a leading contemporary art program is sought to provide content and context (e.g. U of Michigan or WSU).
8. It expands its outreach to **collectors and gallery owners**, formalizing opportunities to engage with curators and artists.
9. MOCAD continues to pursue engagement in the **M1 planning process** and the **Sugar Hills Arts District**.

Marketing

To leverage its investments in programming, MOCAD will make essential investments in its core marketing capacity, including:

1. MOCAD will quadruple its core marketing budget (expenses) in the next two years (from \$7,500 to \$30,000), a necessary investment to help drive earned and contributed revenues in the later years of the plan.

2. MOCAD will hire a full-time Director of Marketing and communications in the first 18 months of this plan.
3. MOCAD will invest in prominent external signage to improve visibility in relation to the M1 and the Woodward Corridor.
4. MOCAD will build a new website (FY17).
5. As an earned and contributed revenue priority, as well as a means to build its “family”, MOCAD will increase membership revenues by 75% in the next five years. This will require increased dedication within the acquisition, stewardship, and renewals process.
6. To support the membership campaign, MOCAD will institute an aggressive patron data acquisition program, making data collection a front-of-house priority at all admissions, events, and merchandising points of sale.
7. MOCAD will invest in a CRM which is able to collect, track and analyze data relevant to both the marketing and development operations.
8. MOCAD will institute a policy of regular source coding to determine its most effective media mix.
9. MOCAD will focus on the enhancement of 5-7 key affinity relationships, particularly in communities where its current relevance is weak or in question.
10. MOCAD will develop the best contemporary gift shop in Detroit, functioning as an exhibition for local makers, artists, craftspeople.

In 2016, and for each year beyond, the Institutional Marketing plan will convey the following Key Messages:

1. MOCAD is a **dominant provider of opportunity for Detroit-based artists, catalyzing careers** through residencies and exhibitions that promote those artists locally, nationally, and internationally.
2. MOCAD is the **dominant location** for international contemporary art in Detroit.
3. MOCAD is **not a museum in the historical sense**. MOCAD is a forum for the presentation and discussion of contemporary art in **multiple disciplines**, anchored in visual art.
4. MOCAD **serves and engages diverse communities** in Detroit.
5. MOCAD is **accessible** – intellectually, socially and financially.
6. MOCAD is a dominant influence in Detroit’s future built environment.
7. **MOCAD “shifts the lens”**, placing importance on issues and artists that would otherwise go unnoticed.

Fundraising

MOCAD will pursue the following fundraising targets, in line with the overall objective to diversify its sources of funding:

1. MOCAD will expand its annual contributed revenues to approximately \$1.87M over five years, from approximately \$1.37M today (for average growth of 7%/yr).
2. Annual Board giving increases by 4%/year for the duration of the plan.
3. Annual individual giving increases by 15%/yr for the duration of the plan.



4. MOCAD expands investment in its nascent “Leadership Circle” effort (annual major gifts of \$25,000+).
5. Corporate support doubles, from approximately \$30K to \$60K.
6. Foundation support increases by 18%, or approximately 3%/yr, assuming modest growth in the sector, and some retrenchment.
7. MOCAD raises an additional \$1M in FY16-19 (approximately \$250,000/yr) to complete renovations to the HVAC system and other essential upgrades. This is sought from a mix of individual, foundation, and city sources. This will place strain on the annual fundraising effort but must be undertaken to address significant structural inadequacies in the building and position MOCAD for growth.

To meet these targets, the development effort will require investments in the following areas:

1. MOCAD will hire a full-time Director of Development in the first 12 months of this plan.
2. The addition of a Manager of Individual Giving and Membership (in approximately FY17).
3. MOCAD development will contribute to the enhanced CRM to track patron data, including previous gifts, attendance and communications preferences, and giving capacity.
4. An enhanced online fundraising presence, including an updated interface on the website.
5. Enhancement of the annual fundraising campaign, including an overhauled membership and major donor program, including revised benefit structure, cultivation calendar, and communications schedule.
6. Investment in a Wealth Screening subscription, such as Wealth Engine, to determine prospects’ ability to give, giving history, and likelihood to give.
7. The development of a 10th Anniversary Campaign to raise \$600,000 (in 2017), to seed:
 - A. The Edge Fund (a new, board protected rotating cash reserve) of \$200,000.
 - B. A Futures Fund, to support new staff capacity (\$150,000) and the first in a series of capital improvements to the MOCAD facility (\$250,000).
8. The development of annual “targeted campaigns” to support specific projects, including the 2017 Venice Biennale/Detroit Architecture show.

At the same time, MOCAD will:

1. Continue its semi-annual fundraising benefits, as well as its highly-successful dinner series.
2. Increase foundation giving by 18% over the course of the plan, amounting to approximately 4 new annual funding relationships, or one each year of the plan.
3. Increase corporate support by 108% over the course of the plan (or by approximately \$32,000), amounting to approximately 2-4 new funding relationships.

Board Development

The board will grow over the course of the plan to raise approximately \$382,000/yr on behalf of MOCAD’s operations. The revised charter for the Board is:

2017	2021
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# Board Members	34	35
Total Contributions	\$323,000	\$382,000
Average Personal Gift	\$10,000	\$12,500
Engagement	1 project/year 2 new "Family" members	1 project/year 2 new "Family" members
Committees	1 committee/year; bimonthly *Nominating/Dev - monthly	1 committee/year; bimonthly *Nominating/Dev - monthly
Board Meetings	4/year	4/year
Special Events	4 tickets (to be included in Gift Total)	4 tickets (to be included in Gift Total)
Membership	1 Membership	1 Membership
Total Time Commitment	6 hours (meetings); 16 hours (project); 8 hours (events): 30 Hours/year	6 hours (meetings); 16 hours (project); 8 hours (events): 30 Hours/year

V. Implementation

Next, the process developed an implementation plan to envisage the human resources required to execute the above strategies, as well as to MOCAD who will execute which strategy and when.

MOCAD's top implementation priorities for the first year of the plan are:

	STRATEGY	PARTY RESPONSIBLE	DATE
1	Finalize list of 50-75 top donor prospects	Development Committee, Executive Director, Development	1-Apr-16
2	Present Board with "projects" for adoption in the Fall of 2016 through Fall of 2017	Executive, Curatorial, Development, Development Committee	30-Apr-16
3	Identify and hire Director of Development	Development Committee, Executive Director	1-May-16
4	Formalize and populate new Board committees; formalize and adopt new Board Charter to define board responsibilities moving in to the new fiscal year.	Development Committee, Executive Director, Development	1-Jun-16
5	Announce 2016-17 MOCAD 10 th Anniversary "Season"	Senior Curatorial, Education, Public Programming, Executive, Marketing	1-Jun-16
6	Finalize and Implement 10 th Anniversary Institutional Marketing Plan	Executive, Marketing, Marketing and Engagement Committee	15-Jun-16
7	Board Members select "their" projects for 2016-	Development Committee	1-Jul-16

2017 Implementation			
8	Identify four new foundation prospects to support work in 2017 and 2018	Development	1-Jul-16
9	Conduct “feasibility study” (wealth screening and preliminary conversations with key prospects) on 75-100 top prospects for capital campaign and Edge Fund	Development Committee, Executive Director, Development	1-Aug-16
10	Identify dedicated media partner(s) for 10 th Anniversary Season	Executive, Development	1-Aug-16
11	Add two new board members with ability to give between \$10-15K/yr.	Development Committee, Executive Director, Development	1-Sep-16
12	Form Rapid Response Unit	Detroit Curatorial	1-Sep-16
13	Revise and re-launch the MOCAD Membership Benefit Structure, branded as a 10 th Anniversary “Edition”	Development Committee, Executive Director, Development	1-Oct-16
14	Formalize and Launch the Edge Fund	Development Committee, Executive Director, Development	1-Oct-16
15	Start search for Marketing Director		1-Nov-16

The full implementation plan is available as an appendix to this document.

VI. Financial Plan

Lastly, a financial plan was developed to balance these aspirations against a budget that is at once realistic and aspirational.

Revenues

1. Earned revenues, in total, increase by 11%/yr over the period (by 69% or \$152,000 in total). Doing so, earned revenues grow from 14% of total revenues to 17% over the duration of the plan.
2. This growth assumes a new Director of Marketing focused on driving new revenues through admissions (from \$15K to \$49K), public programming (from \$18K to \$59K), and rental income (from \$125K to \$160K).
3. Total contributed revenues grow by 7%/yr, excluding special capital fundraising of \$1M (which is raised over the period FY16-19). In total, annual contributed revenues grow from approximately \$1.37M in FY16 to \$1.87M in FY21.
4. Board revenues increase by 4%/yr (or by \$72,000; 23% total), assuming two new members each year, some attrition, and a give/get that grows from \$10K to \$12.5K/yr by year 5. This brings board giving down from 20% of expenses to 18% of expenses over the period.
5. Foundation revenues increase modestly during the period (by approximately \$100,000), but decrease in proportion to total budget size (from 35% today to 29% by year five).

6. At the same time, MOCAD builds reserves for programming and maintenance, makes critical investments in infrastructure, increasing working capital from 3.31 months to 3.77 months and holding deferred maintenance to present-day levels for the duration of the plan.
7. Due to the need for critical infrastructural and programmatic investments, MOCAD is not positioned to build an endowment during the period of this plan. This area of capitalization should receive focus as MOCAD considers its next five year plan, starting in 2020.
8. In summary, MOCAD diversifies revenues, primarily through new earned sources, membership, individual giving, decreasing reliance on foundations, while building essential capital infrastructure.

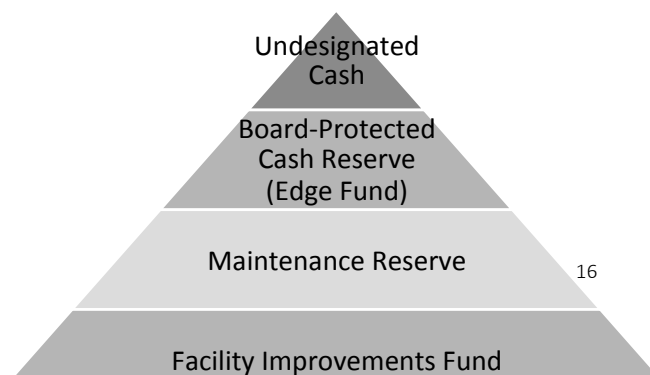
Expenses

1. Expenses, in total, increase by an average of 7%/yr over the five year period (or by \$625K). This brings MOCAD more closely in line with the budgets of its closest comparators in the field, but observes obvious constraints that remain in the Detroit environment.
2. Primary investments include an increased focus on exhibitions (an increase of 40%, or 8%/yr); public programming (64%, or 11%/yr); and marketing (330%, or 38%/yr).
3. Salaries increase from \$921K/yr to \$1.34K/yr (or an average of 8%/yr), largely front-loaded in to the first two years of the plan to expand both fundraising and marketing capacity. At the same time, salaries as a percentage of expenses decrease from 66% to 59% of expenses. It will be of primary importance to the success of this plan that MOCAD and its Board closely watch the return on investment in these new “revenue-generating” capacities; there will be little room for error in the balance between these investments and their return.
4. Over the period, MOCAD is projected to run modest operational surpluses of approximately \$41-75K. Each year, MOCAD assigns these surpluses to (see *Capitalization*, below, for more detail):
 - a. A maintenance reserve (between \$40K and \$45K/yr)
 - b. The Edge Fund (75% of remaining surpluses after maintenance)
 - c. Undesignated cash (25% of remaining surpluses after maintenance)

Capitalization

Over the period, MOCAD builds two instruments to support working capital:

1. A board-protected “Edge Fund” – to support innovation and investment in commissions, education, and community programming. This Fund grows from \$100K in FY16 (from a contribution of undesignated cash) to \$335K in FY21. Capital contributions are made in FY16 (\$50K) and FY17 (\$125K). 75% of all net surpluses go to this fund. This fund functions as a rotating cash reserve, with uses as defined by board policy, and must be replenished each fiscal year.
2. An undesignated cash fund. This fund starts at \$400K in FY16 and drops to \$312K by FY21. 25% of all net surpluses go to this fund.





Between these two funds, MOCAD builds from 3.5 months of working capital (end of FY16) to 3.77 months in FY21. The object of these two funds is to build to 4 months of working capital and then maintain that ratio to what can be expected to be modest growth in revenues and expenses every year thereafter.

Over the period, MOCAD builds two instruments to support capital improvements:

1. A one-time capital campaign of \$1M, conservatively planned to span four fiscal years (16-19). This campaign addresses the facility-related needs discussed below, as well as a website. This fund is spent down by FY19.
2. A maintenance reserve, to address deferred maintenance currently estimated at \$255,649, and to grow to \$457,368 by FY21. This fund absorbs approximately \$40-\$44K/yr in operating surpluses, starting in FY16. By FY21, this fund grows to \$254K.

Essential Facility Investments

Utilizing \$1M in capital identified in the period 2016-2019, MOCAD will:

1. Make critical improvements to AC/HVAC to ensure MOCAD is able to present most museum-quality art.
2. Add prominent External Signage.
3. Add an annual mural on the side of the building facing M1.
4. Add outside landscaping between MOCAD and M1 (to extent permissible).
5. Add 24/7 Security, as well attention to on-site audience flow controls.
6. Add office space to accommodate necessary new staff.

VII. Additional Sources

This Executive Summary is accompanied by the following, additional, sources:

- A PowerPoint deck to be used for both internal and external communication of the plan's primary objectives, strategies, and tactics.
- A complete implementation plan for the five-year period.
- A complete environmental and internal analysis.
- A complete financial plan, with assumptions, for the five-year period.

VIII. Conclusions

As MOCAD embarks on its next five-year journey, its challenges are predictable and its opportunities many. Both demand an optimistic, sober approach.

In this journey, MOCAD, like many cultural institutions today, faces a notable paradox.

Without truly dominant, surprising, and innovative art, there will be no justification for patronage; the organization must nurture a relentless, even furtive, curatorial energy, one that propels its artistic program forward into ever-more adventurous and innovative terrain. This will require a commitment to both long-term planning of major exhibitions – including in partnership with other institutions to increase relevance amongst new audiences – as well as a nimble, responsive posture in relation to a quickly-changing Detroit.

However, the more programming MOCAD offers, and the more adventurous that program, the greater its fundraising challenge is likely to grow. Like virtually all visual arts non-profits, MOCAD's ability to drive earned revenue while maintaining a commitment to access (through nominal admissions fees) is a powerful mission-driven constraint.

This presents MOCAD's most significant challenge – to balance an aggressive programmatic posture with an increasingly diverse platform of earned and contributed revenues.

In its first ten years, MOCAD has managed to achieve a balance between these forces through a resilient entrepreneurialism and the remarkable generosity of several key individuals and institutions. However, this balance has been, and remains, tenuous (as is the case for so many cultural institutions around the country and the world). This is especially true today, as the MOCAD environment changes again, with the introduction of new entrants in the contemporary visual and performing arts and a shifting funding landscape.

Now is the time, while the institution benefits from the largesse of several major institutional and individual supporters, for MOCAD to transition from a remarkable “founding” energy to an equally adventurous, but ever-more balanced, approach to institution-building. This will require, above all, equal and serious investments in its marketing and fundraising operations.

There is one path: MOCAD must aggressively grow its base of supporters so that the loss of any individual gift, or small group of primary financial resources, does not pose a material threat. The development of strong, clear, and enjoyable means for a growing “family” of donors to engage with its program is essential, as are specific, limited, but immediate additions to its fundraising team.

MOCAD's exemplary board must grow in tandem, to maintain its current financial role in relation to total annual expenses. This is a goal that can, and must, be met, as MOCAD also seeks to lay the groundwork for long-term financial sustainability in the development of board-protected cash and maintenance reserves.

While significant renovations and improvements to the building are not a priority of this plan – which favors the development of an increased number of individual, institutional, and corporate sources of support for programmatic and administrative capacity – the question of MOCAD's need for an expanded, or significantly renovated, facility will almost certainly begin to manifest in the later years of this plan, and can be expected to feature prominently in its next.

Each of these efforts will call on the board to play an even more ambassadorial role in the years to come, bridging MOCAD to new communities, partners, and revenues.



The authors of this report are optimistic that, given a serious commitment to capacity building in the first years of this plan, a measured approach to expansion, the ongoing calibration of its marketing and fundraising practices, and the support of a passionate and generous board, MOCAD's healthy, coordinated team will offer years of service to an increasingly diverse body of art lovers, students, and artists – starting in Detroit and increasing relevance, over time, to patrons and partners throughout the region and the world.