ALA Treasurer’s Reflections
(delivered at ALA Council III on July 2, 2013)

As I transfer Treasurer responsibility to Mario Gonzalez, but continue to serve as a member of the Executive Board, I want to share some reflections and some encouragement.

I am reminded of an English saying: At a banquet, it is important to eat wisely but not too well, and to speak well but not too wisely. Let’s see how I do at this Council banquet.

1. It is critical that we implement budget reductions more strategically and less opportunistically. We have weathered the cuts of the last several years through exhaustion of our net asset balances, an expanding number of vacant positions, and one-time budget and accounting adjustments. We need to proceed selectively and with strategy.

2. We must make sure that our resources are aligned with ALA’s vision, mission and strategic priorities. I often observe that if you want to understand what an organization really thinks is important, look at its budget. As resources tighten, it is even more critical to make hard choices.

3. ALA is a complex organization, a maze of offices, divisions, roundtables, and administrative services and member services groups. We need to step back and refresh our thinking about the financial relationships and interdependencies, particularly between ALA and its divisions.

4. We cannot rely looking forward on the revenue generated by our traditional ALA businesses: membership, publishing and conferences. Revenue is flat or declining. We must explore and invest in new revenue opportunities, in new products and new markets, take risks and be innovative.

5. We must find ways to improve organizational productivity and reduce unnecessary redundancy. This means continuing to invest in new technologies and systems, consider outsourcing of operations and cloud solutions where appropriate, sunsetting units and committees and programs that no longer advance mission priorities.

6. ALA operates with a number of units which are income centers and others which are cost centers. We need to move to more program and project based budgeting processes so we can understand clearly the true costs of carrying out our work and understand what we are subsidizing and at what level.
7. It is critical that we sustain our financial reserves and a robust investment strategy. Endowment income increasingly supports the work of the Association, prizes and scholarships. A substantial fund balance is essential to a healthy organization and to our ability to borrow funds and invest in new opportunities.

8. Our commitment and support for the e-participation and work of the Association remains episodic and inconsistent. We have made progress, but our virtuality is limited and our analog dependence remains high. This is an area where a new comprehensive plan and investment is needed.

9. Healthy and innovative organizations generate and launch new initiatives, and ALA and its units certainly meet this definition. But it is important that we manage the number, scope, continuity and impact of such new programs and projects.

10. It is clear that membership, conference, and publishing will remain our core revenue sources. Membership must continue to focus on retention, including those of us who are retiring from our work assignments and on recruitment, particularly new information professionals. Conference must continue to pursue opportunities for enrichment of the experience and the consolidation and reduction of unnecessary meetings and events. And we must carry out a rigorous study of the future of our publishing program.

11. We are not a business, we are a professional association. But we operate important businesses in support of members and the larger community of libraries. And business plans grounded in research, market analysis, and assessment are essential.

12. We must regularize and routinize a program of organizational risk assessment. With the financial and political challenges we face, we must identify trends and developments which erode or threaten our ability to be successful, and then put in place strategies to counter these challenges.

13. We must maintain our commitment to rigorous audit procedures and internal controls. Our financial policies and processes at ALA are characterized by high integrity, appropriate separation in assignment of work, and regular review and audit. We must sustain our commitment and not allow controls to be compromised.

14. We must implement and advance on an annual basis a program of staff compensation increases. ALA staff has been remarkably patient as we have worked through our budget challenges. This is an issue of fairness, and an issue of effective recruitment and retention.

15. The presentation and communication of the fiscal truth to governing bodies and
members is so critical. Honesty, transparency, timeliness, accuracy—these must be the continuing characteristics of our financial reporting and discussion at ALA.

16. Everything we do and the investments we make as an Association must be focused on member value and member engagement. This must be our highest priority.

Carl Sagan, the late astronomer, once noted that if you want to make an apple pie, you must first create the universe. If you want to have a successful association program of professional leadership and member services, you must first have the resources to advance the priorities. We are blessed at ALA to have a great financial team led by Greg Calloway and his staff: including Keith Brown, Elaine Klimek, Denise Moritz, Sandra Lee and Joanne Lee. I thank them for their guidance and support and I thank you for allowing me to serve as your Treasurer.