

**YALSA Board of Directors Meeting  
ALA Midwinter Meeting  
February 9-13, 2018**

**Topic:** Updating YALSA’s Business Plan

**Background:** Generating funds to support services and resources for members is a critical job of the organization. The current business plan, which was approved by the Board of Directors on June 28, 2014, covers the period of FY14-17. The plan serves as a tool to assist the Board in its financial decision-making. It is the responsibility of the Fiscal Officer and the Executive Director to update the plan as necessary. Much of the current revision requires the updating of data to reflect our 2018 status. There are other aspects requiring updating for which Board member input/perspective would be valuable. Clara Bohrer has provided the following information to guide a board discussion.

**Action Required:** Discussion

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**Overview and Progress Made:**

As reflected in the current business plan, “the key strategy for YALSA is to build capacity by means other than product and service sales, including annual fundraisers, planned giving, grant writing, corporate sponsorships and strategic partnerships. While fee-based products and services will remain in the mix of revenue streams, they cannot be the centerpiece.” Actually, all legacy revenue sources (publishing/products, conferences, membership) are under financial stress. This key strategy continues to be relevant in 2018 and for the next iteration of the business plan.

Over the last three years, most of the financial goals in the current plan have been addressed to some level and many will continue into the next plan:

- Interest from the Morris Endowment supports Teen Read Week.
- Interest from the Margaret Edwards Trust is being used to support the Communications Assistant Position, as well as the Alex and MAE Awards.
- As operational practice, YALSA’s portfolio of e-learning offerings are monitored and adjustments made based on customer demand and changing technologies. For example, we created a self-paced e-learning option and switched webinar platforms from Adobe Connect to Zoom.
- Award seals and images are being monitored to ensure that publishers comply with licensing agreements. Revenue potential is uncertain, as not all publishers choose to purchase seals.

- As operational practice, ticketed event offerings at conference are monitored and adjustments are made as needed.
- While there has been exploration of new revenue generating opportunities, no significant opportunity has presented itself to be as effective as legacy revenue sources once were. The exploration effort must continue.
- Member recruitment and retention efforts are a priority and ongoing. In 2015 YALSA tied dues increases to the Consumer Price Index (CPI). In the first year of implementation, no increase was warranted, based on CPI. In years two and three, a \$1 increase each year was warranted. An Association-wide review of existing member models, along with a comparison to industry best practices would be beneficial. Membership remains a key funding stream for both Divisions and ALA, and downward trends must be addressed.
- The Board’s Standing Committee on Fund and Partner Development is now actively assisting in identifying partnerships and sponsorship and should have recommendations to share with the full board in the spring.
- As part of operational practice, the feasibility of new markets for existing products and services is explored periodically.
- Grant opportunities have been pursued with significant success. YALSA is current implementing three grant funded projects (Dollar General, Future Ready with the Library, Transforming Teen Services through CE) and has submitted applications for two more.
- YALSA did re-focus publishing efforts on digital downloads and remixing existing YALSA content; however, publishing revenues continued their downward trend.
- YALSA began selling advertising on its Teen Book Finder app, but vendors and publishers showed no interest. Instead, YALSA has deployed ‘in-house’ ads to promote YALSA initiatives, like donating to Friends of YALSA.
- As operational practice, cost saving opportunities are taken whenever possible and expenses closely monitored. Even with our significant efforts, the fund balance has dipped below the minimum level because it was used to fill gaps in the budget in a given fiscal year when expense exceeded revenue. Our fund balance should be at least the minimum required level, if not at the best practice level.

Our current business plan has assisted YALSA in moving forward our mission and some of the recommendations in “The Future of Library Services for and with Teens: a Call to Action” report. Our work efforts over the last three years are clearly reflected within the plan.

**Challenges and Opportunities to explore before updating the Business Plan (please refer to current plan as background as well as the Organizational Plan’s goals and priorities):**

- Which, if any, fee-based products and services should be eliminated because they no longer are feasible in terms of adequate return on investment?
- Are there any existing fee-based products and services that have shown strong potential for generating additional revenue?
- Are there any new primary competitors that YALSA should be aware of for inclusion in the next business plan? If so, how should we try to address the new competition?
- Have any current primary competitors increased their impact on our ability to raise revenue? How can we address it?
- Should our fundraising efforts be focused more on initiatives that will benefit the entire or a significant portion of our membership versus a small group of individuals in any given fiscal year?
- Donor fatigue: how do we address this, especially in light of the fact that the ALA Development Office has stepped up its efforts? Also related is fundraising fatigue: how can we keep members interested in serving in that capacity?
- Given the downward trend of multiple fee-based products, how best can we minimize our reliance on fee-based products and instead work to expand other streams, such as advertising, sponsorships, donations, grants, strategic partnerships, and planned giving? If so, which of these other funding opportunities have the most potential (keeping in mind also which are subject to overhead and which are not).
- Are we using the interest from our endowments optimally?

### **Next Steps:**

The information gathered from the small group discussions will be used by the Fiscal Officer and Executive Director as they update the current Business Plan. The goal is to bring back a draft for Board approval at the Annual Conference in New Orleans.

### **Additional Resources**

- Growing Associations through Non-Dues Revenue,  
<http://www.csae.com/Portals/0/Membership/Membership%20Promotion/Strategic%20Business/Growing%20Associations%20Through%20Non-Dues%20Revenue.pdf>
- YALSA Business Plan,  
[www.ala.org/yalsa/sites/ala.org.yalsa/files/content/BusinessPlanFY014to17.pdf](http://www.ala.org/yalsa/sites/ala.org.yalsa/files/content/BusinessPlanFY014to17.pdf)