

## CRHA Strategic Plan 2018-2021



### Introduction

In late 2017 the Board of Directors of the CRHA decided that it was time to rethink our strategy to ensure future success. Our previous strategic plan had expired, having been substantially accomplished. In addition the new Executive Director had had time to settle into her new job and was eager to accept new challenges. The Board appointed director Robert Robinson to lead the effort, and ED Nadine Cloutier and CRHA member François Hébert formed the balance of the team charged with writing the new plan.

Consultation meetings were held with full-time and part-time employees, board members, and volunteer supervisors, to get their observations, feelings and suggestions. A survey by mail and on-line was conducted to get the views of CRHA members across Canada. The team members met many times to consider the material they had gathered, and formulated an approach they thought was valuable.

Presentations were made to the Executive Committee and Board of Directors, and at a general session at Exporail attended by all interested employees and volunteers, to outline the direction that was being worked on. Feedback from these sessions was further incorporated into the plan that is being presented here.

### Structure of the plan

In order to make the plan accessible and understandable, a logical approach moving from theory to practice has been adopted. Here are the key concepts underpinning the structure of the plan.

- Vision and Mission

The vision and mission statements outline where we are trying to go and what we are aiming to achieve.

- Critical Success Factors

Our plan incorporates six CSFs which are considered to be those things we must accomplish to deliver on our mission. They are identified by key words which can serve as check points when making decisions about what to do.

- Strategies

Each CSF has several strategies defined to support its accomplishment. Some strategies apply to more than one CSF.

- Action Plan

Action is required to turn strategy into reality, so each strategy has multiple actions which when completed will contribute to strategy realization. An action requires people to perform the activities, so each action requires coordination and implementation taking into account the expected results and the desired timeframes for completion.

The logic of the plan is that the work by individuals doing their part will add up to successful strategy implementation, thus achieving the must-have CSFs, leading to accomplishing the mission and vision.

A strategic plan builds on an existing organization: its facilities, products, people and culture. This means that what we are doing now must be continued—strategies are additive to the current situation. The intent is that, starting from where we are now, the strategic imperatives we adopt, which we are calling CSFs, will take us closer to where we want to be in the future. It is especially worth noting that the emphasis on volunteers in this plan does not in any way reduce the vital importance of a motivated and vigorous professional work force.

### Vision

The CRHA is recognized as the pre-eminent source of knowledge and interpretation of Canadian railway history, and achieves this through the excellence of its research, conservation, museological, educational, archival, and publication activities.

### Mission

There are several mission statements, one for each of the elements of the CRHA.

- Exporail

Exporail delights visitors of all ages by operating a railway museum which is fun to experience, and educates and informs at multiple levels in both official languages. As the leading railway museum in Canada, it strives to be among the best in the world.

- Archives

The archives acquires physical and virtual media relating to Canadian railway history, conserves these for posterity, and promotes their use by making them known and accessible to students, historians, researchers, journalists, and other interested people.

- Publications

The CRHA encourages and facilitates research and interpretation of Canadian railway history. It publishes and promotes its work for the benefit of historians and other interested people.

- CRHA Foundation

The CRHA Foundation supports the CRHA by providing a reliable and steadily increasing annual grant. It achieves this by soliciting and accumulating financial assets, and by investing them with a balanced view towards income and long-term growth, while emphasizing capital preservation.

## Critical Success Factors

The six CSFs may be thought of as the legs of a stool. All legs are equally important and contribute to the robustness and stability of the stool. If one or two are weak or broken, the stool may still stand, but it is not a sound platform and will likely wobble and could collapse under adverse conditions. Similarly, accomplishment of all the CSFs is necessary to guarantee the accomplishment of the CRHA's mission. Recognizing how important these are to success, each CSF starts with the words "we must...".

- Volunteers We must strengthen our volunteer community
- Development We must imagine our future development
- Outreach We must reach new audiences
- Visitors We must provide an exceptional visitor experience
- Collection We must optimize our collection
- Revenue We must build a sustainable revenue infrastructure

The graphic shows how these are all interlinked with each other and the mission.



## Strategies and actions

The following section outlines the strategies identified to accomplish each of the CSFs, and the action items associated with each strategy, and gives a brief description of the strategy. Although strategies are identified with a single CSF, there is actually overlap on many of them. Also, many of the action items support more than one strategy.

Because accomplishing the strategies requires the joint engagement of all of us, each of the strategies begins with our commitment: “We will...”. Actions are by definition active, so the statement of each action item starts with an active verb. Actions will normally be the responsibility of individuals or the leaders of small groups, but their collective effort leads to overall success.

**Volunteers**—our irreplaceable resource: *We must strengthen our volunteer community.*

All the CRHA’s early development was accomplished by volunteers, and even as the professional staff has grown, volunteers continue to play a vital role in the organization. Compared to many other mid-size museums, the CRHA is heavily dependent on volunteers. In fact, the number of hours contributed by volunteers each year is roughly equivalent to the number of hours put in by the full-time salaried employees.

Volunteers not only do a lot of the work, but they also manage some of it. Volunteer supervisors are responsible for the tramway and train operations, much of the maintenance of rolling stock and track, and the model railroad installation. Volunteers assist in administration and finance, archival and collections work, and maintenance of buildings and grounds. *Canadian Rail* is entirely volunteer written, edited and published. And volunteers lead CRHA governance as directors and participate on committees.

Most volunteers have been members for years, a few in excess of fifty. And this highlights the major looming challenge—the aging volunteer team. Where are the volunteers who will take over from the current ones when they are no longer able to contribute?

Hiring people to replace volunteers is not a feasible option. Not only are the financial resources inadequate to do so, but the skills possessed by the volunteers are in many cases not ones which are easily hired. To give only one example, the streetcar operations at Exporail require motormen and specialized maintenance workers who cannot be found in the general working population anymore. And most of the volunteer jobs at Exporail are not full time, making finding paid staff even more challenging.

Our association is one which presents varied and valuable experiences for volunteers, as well as long-term friendships.

What are the strategies we should implement to strengthen our volunteer community?

- We will actively recruit volunteers to expand our capacity.

Because the current level of funding limits our ability to expand our operations by hiring more employees, we need to make more use our well-established method of having volunteers supplement employee capacity. While in the past we have generally passively accepted volunteers who presented themselves to us, we will have to go forward by actively searching for people who can join us as volunteers, and we want to do this in all areas of our activity. A realistic stretch target for this strategy would be to increase the number of active volunteers by 25% by the end of the three-year plan horizon, and to have volunteers working in all areas of our activity. Actions required to move this strategy forward:

- Conduct an inventory of availability and competencies of existing volunteers.
- Assess future resource needs to meet strategic plan objectives.
- Prepare an outreach plan to seek new volunteers.

- Recruit to meet the plan objectives.
- Develop a succession plan for critical positions.
- We will upgrade the status of and increase the opportunities for volunteers.

Attracting more volunteers will require us to be more organized in our dealings with volunteers, to make them feel even more valued and integrated into the team. This will improve our ability to recruit and retain volunteers. At the same time, we cannot lose sight of the primacy of the professional staff and the leading role they play in our success in their own right as well as in guiding volunteer participation.

- Review and reissue volunteer policy, including how they are to relate to employees.
- Develop procedures and publish induction manual for new volunteers.
- Develop formal recognition and support programs.
- Involve all staff members in defining roles for and managing volunteers in their field.

**Development**—our exciting motivation: *We must imagine our future development.*

The CRHA we know today is the product of more than fifty years of dreaming, planning, execution and effort by a team of enthusiastic volunteers and professionals. The fact that they could create in Exporail one of the finest railway museums in the world from scratch is a testament to the value of audacious thinking and hard work applied over an extended period of time. Those who built Exporail have a great deal to be proud of.

Our last major expansion took place in 2004 with the opening of the Angus Pavilion, and it has proved to be a great success. Today, it is still an excellent museum space, and the current project to refresh the permanent exhibit content and presentation will do much to encourage visitors to return.

Now is a good time to build on the legacy of the audacious CRHA thinkers of the past. We recognize that the existing facilities are inadequate to serve us for much longer, and that our vision for the next ten years must involve new building development. Our approach should be to be a leader in sustainable development and in our museology.

While doing this we must remain firmly grounded in the need to build an integrated business case for expansion. We must ensure that new facilities are financially sustainable.

What do we want to create to assure our future?

- We will elaborate a comprehensive development plan.

It is time for us to take definitive steps to define what we want our future to look like. This will require formal work, and may require involving consultants for museological and construction planning purposes. The development plan will cover a period extending beyond this strategic plan, setting the course for later plans.

- Establish a board-member-led widely-based committee to prepare the plan.
- Develop alternative scenarios for what Exporail could look like in 2028.
- Conduct a high-level review of potential projects for infrastructure, technology, etc.

- Assess the desirability and feasibility of a multi-purpose gateway building facing on rue St-Pierre.
- Prepare a comprehensive business plan for our operations.
- We will commence at least one significant project in this 3-year strategic plan time period.

Once the high-level planning is complete, and the highest priorities and likeliest opportunities have been identified, we will get started on at least one development project that will make progress toward our long-term plan.

- Select some projects for detailed evaluation based on objective criteria.
- Develop plans, budgets and schedules for them.
- Select at least one, resource it and launch.

**Outreach**—our source of growth: *We must reach new audiences.*

It is surprising how many people—even south-shore residents—are not aware of our museum. Exporail’s location off the island of Montreal puts us off the radar screen for many potential visitors. And some Montrealers, even if aware of us, think that crossing the river is too much trouble.

Yet there are millions of people who live within a two-hour drive of Exporail. All of western Quebec, including cities like Trois-Rivières and Sherbrooke are in that zone, as is a good part of eastern Ontario—including Cornwall and Ottawa. Plattsburgh, NY and Burlington, VT are within two hours. Expanding the zone to three hours’ drive takes in Quebec City and Kingston. And Montreal is a tourist city which attracts people from all over Canada, the United States, Europe and the rest of the world, for whom a visit to Exporail should be a desirable option.

We have increased our communication and promotional efforts strongly over the last few years, with good success, but largely confined to the Montréal region and Montreal, and primarily in French. We must now reach further afield in our efforts to make potential visitors aware our existence and to want the Exporail experience, and ensure that we reach both language groups. Social media and new communications technologies hold great promise in this regard.

There are also untapped opportunities for targeted programming and marketing to specific educational and community groups.

What should we be doing to create awareness and interest, and thus increased visits, from potential visitors?

- We will expand our use of digital technologies to connect with our audiences.

We have made good strides in developing our website and social media presence, but the further opportunities to expand our capabilities in this area are enormous and largely untapped. In particular the possibility of reaching a younger generation of millennials (age 20-35) who depend largely on digital technologies for their information provides an incentive to make progress in this area. As we gain expertise in this area new opportunities are likely to arise.

- Develop the on-line capacity to become a CRHA member, and buy tickets, boutique items and books.
  - Develop a database of visitors` and other interest group contacts and keep in touch regularly.
  - Expand postings on diverse platforms for informational and promotional purposes.
  - Develop sections of our website devoted to members and volunteers.
- We will develop a comprehensive marketing and sales plan.

We have never taken a marketing approach to our business; rather we have dealt with the various aspects of the four “Ps” of marketing—product, price, promotion, positioning—in a piecemeal manner. We recognize that growing our visitor base substantially requires taking our game to a higher level.

- Create a professional full-time marketing and sales position on staff.
  - Prepare a formal marketing and sales plan targeting market segments (seniors, women, school children, families, tourists, millennials, CRHA members, etc.).
  - Assess the potential attraction of new products and services to appeal to selected segments.
  - Identify and provide the resources required to implement this plan.
- We will promote new products, services and programming to attract additional visitors.

Our programming has in the past largely been focused on school groups, families, and railfans. While this should not decrease, there are chances to promote ourselves to other demographics, which will be revealed once the marketing plan is in place. However, we already know the seniors sector is growing and should be addressed, and the millennial generation has not been considered. A realistic stretch target is to increase annual attendance from its current level of 65,000 per year to over 75,000 by the end of the three-year plan horizon.

- Program revenue-generating visits to senior`s residences to take the museum to them.
- Program senior`s activities and visits to Exporail.
- Develop activities and events aimed at millennials.

**Visitors**—our social licence: *We must provide an exceptional visitor experience.*

Museums earn their right to government support by engaging the public, and they do that by the nature of the experience which brings people to visit.

Exporail has a very good track record of attracting visitors, as can be seen in the growing attendance. But we have the potential to bring even more people to explore the story of Canada`s railway history, and more than that, we believe we have a duty to do so. It should also be noted that the opposite—a decreasing number of visitors—would constitute an existential crisis for us, as revenue and public support drained away.

Of course, visitors have different motivations for coming here. The experienced railfan is looking for something different than the family with children, and we need to be cognizant of the various audiences

that we serve. But there is no doubt that our prime target is families, and secondarily school children in groups.

Research shows that the prime reason people partake in cultural activities is to have fun, and we have anecdotal evidence of that at Exporail. Visitors enjoy learning about what we display, but they enjoy the railway experience we give them even more. That includes watching and riding on moving vehicles, being able to go aboard them, and touching the massive objects up close. Offering visitors the “sounds, smells, and sights” of railroading has been a mantra that has served us well over the years, and there is no reason to believe that this has changed.

Today’s visitors also have different expectations than those who came in the past, and also have a much greater choice of places to go. We must stay relevant and up-to-date in our presentation of themes and use of museological resources.

How can we ensure that visitors go away from Exporail with a strong feeling that they have had a great day, so that they will tell their friends, publicize us on social media, and come back themselves for another visit on another day?

- We will improve site amenities to make visitors more comfortable.

It is important that we continually improve our facilities to keep up with visitor expectations. Because there is so much to see and do at Exporail, having places for visitors to relax and recharge will promote their staying longer and will improve their experience. This will lead to favourable notice and word-of-mouth and on-line endorsements.

- Install public Wi-Fi in our museum space, and make use of it for marketing and museological purposes.
  - Construct an attractive shaded outdoor terrace where visitors can lunch or relax.
  - Install a railway-themed children’s playground with parents’ seating area.
  - Enhance the miniature-train-ride (CFM) experience including paving the access path.
  - Improve public parking.
  - Expand and animate the model railroad exhibit.
- We will provide lively and interactive new experiences for visitors.

The main reason people visit places like ours is to have fun—which is often defined as experiencing something social, lively and interactive. We provide a lot of that already, and visitors continue to appreciate this, but because of limited resources we sometimes are not able to operate all that we can. But there is benefit in expanding our attractions both in terms of visitor engagement and revenue opportunity, and we should take steps to develop even more for people to participate in.

- Develop and launch “motorman-for-a-day” and “engineer-for-a-day” experiences as extra-cost attractions.
- Research and decide on velo-rail as extra-cost attraction.
- Acquire and deploy a second closed tram car.
- Perform on-going surveys of visitors to gain insight into their impressions of their experience, and make appropriate adjustments.

**Collection**—our raison d'être: *We must optimize our collection.*

The CRHA has been collecting railway-related artifacts since soon after its founding. Small objects are the basis of most museums, but what sets Exporail apart from others in the eyes of visitors is the massive nature of the heart of the collection: the rolling stock.

The first vehicle was acquired in 1950, and the number of pieces of rolling stock on the site has now grown to more than 180. The Collections Committee has applied a systematic approach to making acquisitions for many years. Criteria were established to ensure that the collection was broadly representative and to minimize duplication. The result is the largest and most comprehensive collection of railway vehicles in Canada.

Unfortunately, success in acquiring vehicles has not been equalled by success in preserving them. Only the pieces in the Angus Pavilion can be truly said to be properly protected (and even some of them require work) and this is less than one third of the total. And only about one half of the collection is available for public view. Some pieces are stored outside and the remainder are in train shed 6, where they are inaccessible and deteriorating slowly but inevitably. The matter is made worse by the asbestos in many vehicles, which is becoming exposed as the rot progresses; this presents a hazard which must be dealt with. A further issue is that the rolling-stock collection has grown so large as to make moving any one piece of it to a new location into a logistical challenge requiring multiple moves.

Pieces of the collection which are rotting away, hazardous, and not available to be shown to the public are not adding value. Quite the opposite—they are a liability, and represent a failure to adequately perform one of the most important tasks of an historical preservation society.

What steps must we take to optimize our collection?

- We will rationalize our rolling-stock collection into line with our capacity to support it properly.

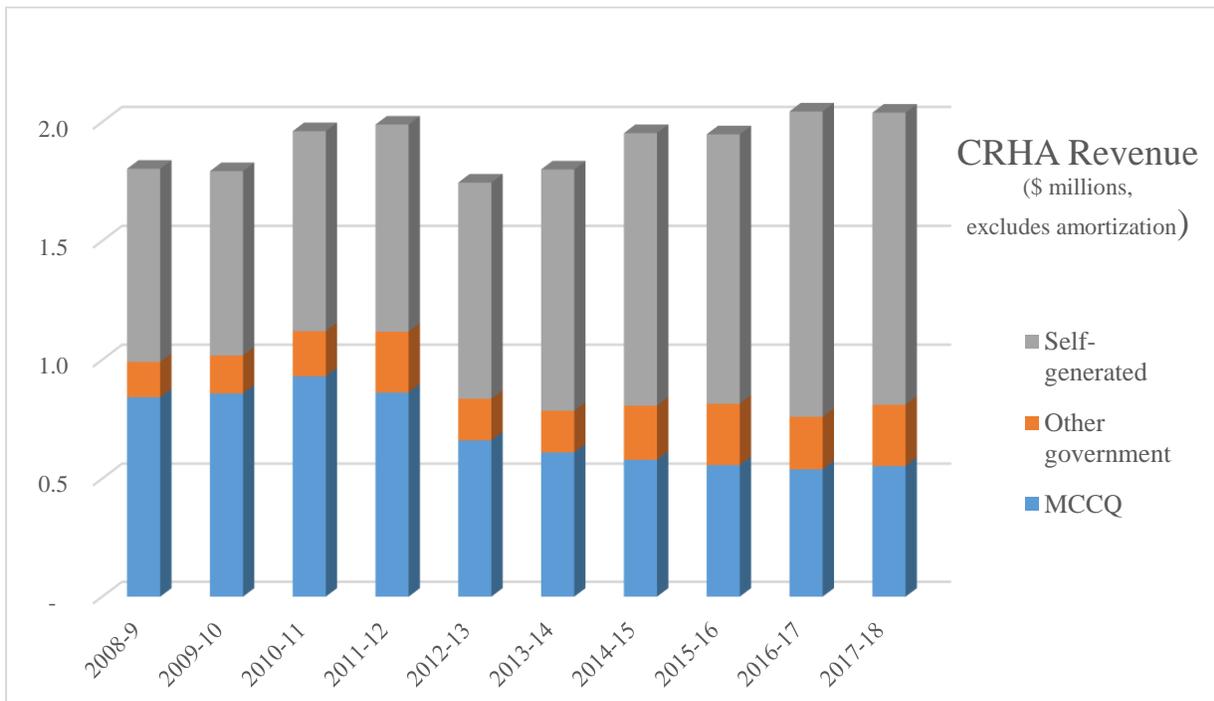
While there are varied views on our collection, it is beyond argument that we will have to take action to protect and preserve those parts of it which are in sadly deteriorated condition. With limited financial resources to do so, we will nevertheless come up with a plan to determine what to save and what to jettison, and how to prioritize fixing what we decide to save.

- Perform rolling stock collection audit of condition piece-by-piece.
  - Prioritize pieces for restoration and deaccession.
  - Review non-Canadian pieces and make recommendations.
  - Decide pieces to be deaccessioned and then remove them from the site.
- We will take steps to protect and preserve our collection.

A prime responsibility of a historical preservation society such as ours is to ensure our collection is properly conserved. We have done well in collecting, but less well in preserving. We will need to be decisive in putting preservation high on our list of work to be done, and defining steps we need to take, so we can go look for the money to undertake this work.

- Define reserve space requirements for rolling stock, other objects, and archives.
- Perform a cost and feasibility study regarding repair or replacement of buildings 5 & 6, and make recommendations.
- Plan and begin restoration work on priority pieces in organized fashion.
- Reorganize small object collection.

**Revenue**—our essential foundation: *We must build a sustainable revenue infrastructure.*



Over the last ten years the CRHA’s revenues have averaged \$1.9 million per year, ranging from a low of \$1.75m to a high of \$2 m. This essentially flat revenue picture hides the dramatic change that took place over this period—the decline of government subsidies that was offset by self-generated revenues. In 2010-11 government grants were 57% of revenues; by 2016-17 they had fallen twenty points to 37%.

This can be looked at as a manifestation of Exporail’s operational success—raising self-generated revenues by over 50%. But it may also be viewed as a desperate attempt to stay afloat during a period of government austerity. Great efforts have been made, but we are in essentially the same financial place as we were ten years ago because in terms of purchasing power, inflation has eaten up the revenue increases.

Generous support from Quebec’s Ministère de la Culture et des Communications (MCCQ) has been crucial to Exporail’s development, but the monetary value of that has been declining steadily and is expected to do so for the next two years, after which we must requalify to even be considered for annual operating grants. The Canadian Parliament recommended in 2007 that the federal government participate in supporting Exporail’s operations, but ten years of lobbying for that to be put in place have failed. Project funding is still available but the federal government will not fund general operations.

In the face of these political realities over which we have no control, it is time for us to take steps to assure our revenue infrastructure is properly built to sustain and improve operations. This strategic plan contains many initiatives which cannot be realized in the absence of a solid and reliably growing income stream. While governments will continue to be an important part of the financial picture, we must aggressively pursue other revenue sources to gain control over our own future.

How can we go about getting the money we need to run the operation we want?

- We will make revenue generation a prime Board of Directors responsibility.

In many organizations similar to ours directors have revenue generation as their prime responsibility. In some there is a “give, get, or get off” requirement for a seat on the board. While this may be going too far, in recent years our board has not taken revenue generation as its prime responsibility, nor even a major activity. This should change, with directors accepting their leading role in getting money. A realistic stretch target for fund-raising should be to increase donations from their current level by a cumulative \$100,000 per year for each of the next three years—i.e., \$100,000 more in the first year, \$200,000 in the second year, and \$300,000 in the third year.

- Establish board-level fund raising committee with chair and members.
- Define financial needs for operations and capital projects and set fund-raising targets.
- Create naming opportunities for sponsors.
- Approach and gain commitment from governments, corporations, foundations and individuals for ongoing support for operations and special campaigns.
- Create a full-time fund-raising position on staff.

- We will grow the assets of the CRHA Foundation to provide long-term stable income.

The Foundation has made good progress since its founding ten years ago, and its contribution to the operations of the organization have been increasing. While continuing its existing approach, the Foundation will also expand its activities to become even more of a support in the future. As members age their potential to become legacy donors presents an opportunity which can be mutually beneficial to the members themselves as well as the CRHA.

- Promote tax-effective gifts and legacies to CRHA members.
- Solicit railways, their suppliers, and other organizations for donations and endowments.

- We will seek out and pursue opportunities to increase operating revenue.

While we look to outside support in the form of donations and subsidies to increase our capacity, we should not neglect the possibility of raising additional revenue from our operations and visitors. Many visitors are under the impression that we are a government museum with large subsidies to cover our costs, so we need to actively communicate the facts. Also we will take steps to gain revenues from people who presently get free access to the museum because of their residency.

- Set targets and actively solicit donations from visitors.
- Develop activities and events that require extra payment.
- Create additional sales points or vending machines for food and drink.
- Increase exploitation of the archives as a source of funds.
- Review pricing of admission, membership dues, and archival access.

## Financial projections

The budget of the CRHA has been constrained for many years now, and it is important if we are to make progress that we break out of this stasis and get access to more money—this is the thrust of the Revenue CSF. The table below shows a projection of where we expect to be able to go in the near future when we successfully implement the strategies in this plan. (These tables do not include any new capital projects and they also exclude amortization).

(\$000)	2015- 2016 actual	2016- 2017 actual	2017- 2018 actual	2018- 2019 projected	2019- 2020 projected	2020- 2021 projected
<u>Revenue</u>						
Operating	823	979	972	1,000	1,050	1,150
Memberships & donations	<u>310</u>	<u>305</u>	<u>256</u>	<u>350</u>	<u>450</u>	<u>550</u>
Total before grants	1,133	1,284	1,228	1,350	1,500	1,700
MCCQ grants	557	539	553	550	550	550
Other grants	<u>258</u>	<u>221</u>	<u>258</u>	<u>270</u>	<u>280</u>	<u>290</u>
Total	1,948	2,044	2,039	2,170	2,330	2,540
<u>Expense</u>						
Operating	593	700	680	750	800	850
Museological & publications	841	830	787	850	900	1,000
Buildings & grounds	354	372	408	450	475	500
Fundraising & development	14	14	14	20	30	40
Other expense	<u>101</u>	<u>86</u>	<u>85</u>	<u>100</u>	<u>125</u>	<u>150</u>
Total	1,903	2,002	1,974	2,170	2,330	2,540

## Annual review

This plan has been established with a three-year horizon, but the planning team has the intention to review progress at the end of every year. This will allow recognition of both achievement and any shortfall, and also provide the opportunity to make any adjustments that are felt to be necessary in the light of changing circumstances or opportunities.

## Conclusion

The CRHA has shown itself to be an organization capable of accomplishing great things in the past when it has decided to act. This strategic plan provides a blueprint for action to make the CRHA even more relevant and vital than it is now. While there are many actions required, which will involve a lot of commitment and hard work, success in implementing this plan will build a base for an even brighter future.