

Impacts vs. Benefits: How Well Do Yours Align?

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Are your supporters and audiences getting benefits that are different from the impacts your mission desires? I believe that museums are valued for a wealth of beneficial results beyond their focused missions, and that studying the alignment between a museum's intentions and its results can improve a museum's impact and performance.

Impacts and Benefits

A museum aspires to have *impacts* on its community, audiences and supporters. The community, audiences and supporters receive *benefits* from the museum. Impacts are the desires of the museum; benefits are in the eyes of the beneficiary.

The benefits can be different from the impacts: A family visiting an aquarium receives the benefit of a quality family experience, while the aquarium's impact on the family is to heighten their awareness of conserving biodiversity. Alternatively, the benefits and impacts can be aligned: New parents bring their toddler to a children's museum to see her develop and learn with new kinds of challenges; the children's museum's mission is also child development. Studying the alignment between a museum's benefits and impacts may illuminate potentials and inefficiencies.

A museum's value lies in its impacts, says museum sage Stephen E. Weil (Weil January/February 2005). However, the museum's value is expressed in terms of the value of the benefits. Since value is in the eye of the receiver, any valuation must first track the value the community and its audiences and supporters place on their perceived benefits. When the desired impact is the same as the perceived benefit, such as the children's museum example, then they are aligned. When they are different, such as the aquarium example, they are unaligned. Some degree of unalignment may be desirable for strategic or advocacy reasons, but too much may be inefficient and unsustainable.

Exchanges as indicators of value

Museums are free-choice marketplace organizations. No one must go to, pay admissions or fund a museum. People and organizations choose to spend time, effort and money on their museum engagements in exchange for perceived benefits. Your museum earns these value exchanges in a competitive economy: There are plenty of alternative missions, programs and leisure activities competing for your audiences and supporters.

A museum's *perceived value* is a qualitative judgment of the value of the benefits and impacts from engaging with the museum's activities by its community, audiences and supporters.

Exchanged value is a quantification of the amount of time, effort and/or money actually exchanged for the benefits they received. Exchanged value can be an indicator of perceived value.

How can we measure these exchanges? We need to start with definitions (Jacobsen 2016), then we can measure consistently using terms that strengthen your measurements and analysis.

A *museum engagement* is defined as one physical person-trip to a museum or a museum sponsored program off-site by a person not employed or contracted by the museum to be there. The person-trip is a measure of *effort* spent by the person. The number of person-trips (aka site visits) is equal to the number of physical museum engagements. Visitor attendance is a subset of total museum engagements.

Money paid to the museum for its operational activities is measured as external operating revenues. The amounts are the monetary value of the museum's engagements to its direct beneficiaries, according to the subjective theory of economics (Menger 1871). *External operating revenues* are indicators of the money the museum's community, audiences and supporters are willing to pay in return for the personal, private and public benefits they receive.

A museum's *business model* is the mixture of activities and benefits provided to its community, audiences and supporters in return for their money.

Changes in the total amounts of time, effort and money a museum's community and its audiences and supporters exchange for their museum engagements may indicate changes in the annual value of a museum's cumulative benefits.

Determine your key service markets

The museum's *key service markets* are its main sources of engagements and external operating revenues, such as visitors, grant-making foundations, government funders, corporate members, etc. There are three umbrella external service markets: 1) the community as a whole; 2) audiences (visitors and program participants); and 3) supporters (public and private). In addition to those three who engage directly with the museum, there is also a market of non-users who still perceive benefits from museums; such non-users value their museums as options to visit, as contributors to a community's quality of life, and as stewards of the legacy of their times (Scott 2007). Table 1 diagrams a full menu.

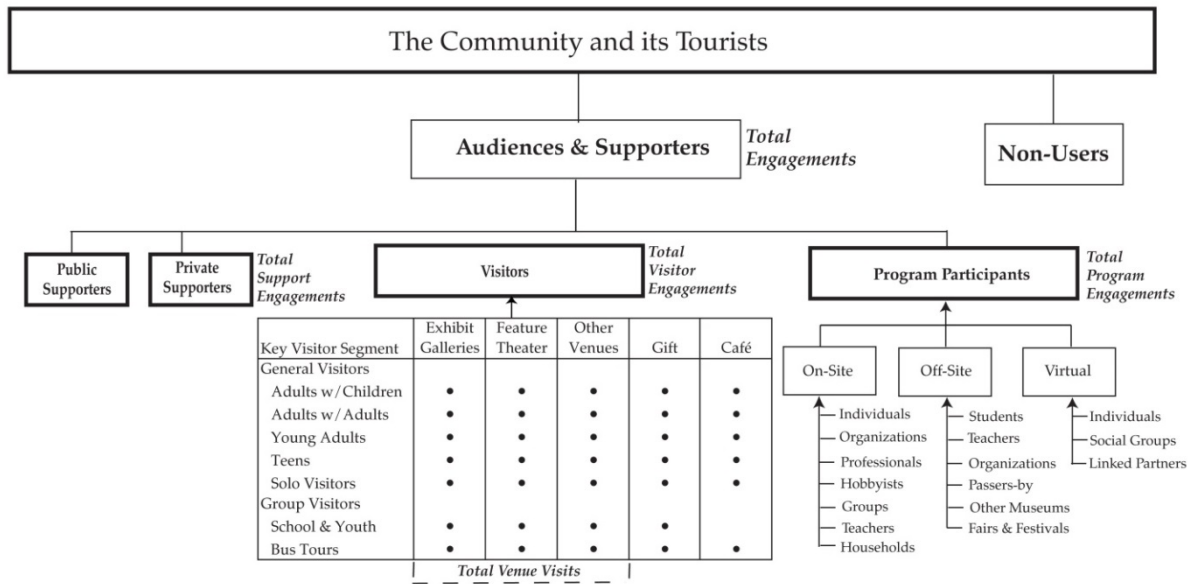


Table 1: The Community and its Audiences and Supporters

Your museum is likely to have different emphases – perhaps school groups are more important to you than their share of attendance or revenues might indicate. Your priorities do not have to align with your key service markets, but they could, and significant unalignments may be difficult to sustain.

To identify your key service markets, review recent internal financial and operating statements to understand the sources of your museum’s yearly operating revenues and attendance. If you have government or university support, include them as another key service market. Record the annual operating revenues for at least one recent year without major anomalies (“Base Year”), and categorize them by sources. Exclude capital asset additions and revenue from those assets such as endowment income. In this exercise, the museum is trying to identify and study the external operating revenues it receives in return for its annual activities. Note any anomalies in each year that might have affected operations, like a blockbuster exhibition or the opening of a new wing.

Do the same for your engagement counts. Most museums keep track of the visitor attendance part of a museum’s annual engagements; some keep track of their program participations; but few document and total all of their engagements, which include board meeting attendance, progress meetings with grant funders, volunteer shifts and more. Use what engagement counts you have, ideally using data definitions shared by your peers, to calculate your Base Year’s annual on- and off-site attendance and other documented museum engagements. Focus first on physical engagements; add virtual engagements later.

Determine what benefits you are providing

The process to determine what benefits your key service markets think they are getting and what else they might want you to provide includes:

- Both qualitative and quantitative surveys that ask what perceived benefits each key service sector thinks it gets from its museum experiences. Put more emphasis on qualitative methods, principally focus groups with public audiences, and personal interviews with representative supporters, stakeholders and government spokespeople. For a first pass, the museum’s development office can report what benefits attract supporters, and the marketing office can report what attracts audiences.
- Research your community’s needs and aspirations. This process can be as simple as reviewing regional visioning documents and your city’s master plan, or as thorough as a multi-modal process involving those documents plus interviews with community leaders and spokespeople, demographic and psychographic market analyses, off-site intercept surveys and other means of finding out: “What are the region’s needs and aspirations? What are [the interviewee’s] needs and aspirations? What might our museum do to help? Who might pay for it?”

Group the categories that account for most of the museum’s operating revenue and annual engagements by similar benefits. Use a version of Table 2 to list your key service markets by their percentage share of external revenues and museum engagements, totaling 100%.

Key Service Markets	Their Perceived Benefits	% Share of:	
		Attd.	\$
Audience			
Visitors			
•			
•			
•			
Program Participants			
•			
•			
•			
Supporters			
Public			
•			
•			
•			
Private			
•			
•			
•			
		100%	100%

Table 2: Valuation of Benefits

The community museum and its multiple purposes

Look strategically at each revenue and attendance stream as an expression of some audience or supporter’s interests, but do it with caution and deliberation: Is it growing or declining? Do we

wish to serve these beneficiaries? Is it branded and consistent with the museum's guiding principles? Can we layer on content or learning outcomes? Does it have a neutral or net positive impact on other revenues and stakeholders?

If the answer is "yes" to such questions, but "no" to "Is it central to our mission and core business?," then consider expanding your mission to multiple missions, reined in by your guiding principles (aka core values), before relegating the revenue stream and its audiences to second class ancillary status. For example, the U.S. Coast Guard proudly declares that it is a multiple mission organization, but it unifies its diverse team and varied efforts under the guiding principle of *Semper Paratus* (Always Ready).

Prioritize your intentional impacts

Now, you come back inside the museum: What do we want to accomplish? This is the familiar territory of museum mission and vision statements, case statements, objectives and strategic plans. This second half of the analysis process results in a prioritized list of your museum's intentional purposes and their desired impacts.

Highlight all phrases from your recent planning that read like purposes and aspirations for the museum. Include the mission and vision statements and the summary objectives (usually three to eight at the summary level, with detail underneath). Also, include quotes from the community that evoke the museum's impact, such as "The museum has transformed the waterfront." Err on the side of inclusion, but do not bother repeating ideas, or get into the details. Avoid concrete plans about means, like expanding a gallery. Your collected highlights should be a list of 5 - 10 of the museum's top-level intentional purposes and desired impacts. Desired impacts are the measurable changes you theorize that will indicate that you are achieving your purpose; for instance: "the waterfront tax base increases, and evaluation finds the museum among the factors."

Through discussion among museum leadership and key stakeholders, categorize and prioritize your museum's intentional purposes and desired impacts—giving each selected purpose a ranking that totals 100%, using a version of Table 3.

Purposes	Desired Impacts	Priority
Intentional Purpose #1 (Mission)	Desired Impact 1.1	
	Desired Impact 1.2	
	Desired Impact 1.3	
Intentional Purpose #2	Desired Impact 2.1	
	Desired Impact 2.2	
	Desired Impact 2.3	
Intentional Purpose #3	Desired Impact 3.1	
	Desired Impact 3.2	
	Desired Impact 3.3	
		100%

Table 3: Priority of Impacts

For instance, the second of a Sample Museum’s (a fictional composite) three intentional purposes is to “Contribute value to the community.” The Sample Museum decided that one of the ways the museum would contribute value to the community is to help “strengthen civic connections.” Museum leadership then theorized that they might see evidence of that desired impact by observing four key performance indicators (KPIs): a) the degree that staff and leadership reflect the diversity of the community; b) changes in their number of partnerships; c) whether the museum’s managers spend 5 – 10% of their time in community projects; and d) the ratio of their regional corporate support to that of their peers—each with a rationale connecting these indicators to the desired impact and back to the intentional purpose.

These KPIs may indicate the desired impacts, but this theory needs to be tested periodically using other evaluation methods, as the numbers may be responding to other forces: Does team diversity actually result in programing and audience diversity? Does the number of partnerships indicate civic connections? Do community leaders see our managers strengthening civic connections? Do our corporate supporters see us as strengthening civic connections?

Measure the alignment between benefits and impacts

Analyze the alignment between your audiences’ and supporters’ perceived benefits (Table 2), and your desired impacts (Table 3). Start to group purposes, desired impacts and benefits that are alike into several umbrella categories, using your best judgement. For instance, if you have a purpose to “further the understanding of your region’s history,” and your K-12 service market values your museum’s benefit of “engaging their students in history,” then categorize both under “history learning and education.”

When the perceived benefit aligns with the museum’s desired impact, then the value of the benefit is proportional to the value of the impact, and year-to-year measures of changes to the value of the benefit may also indicate changes to the annual value of the impact. To return to the examples at the beginning of this article, if the children’s museum knows its family audience visits the museum in part to develop their children and that they leave satisfied that the visit helped their children develop, then the museum can track changes in audience behavior – more

or less visits, repeats, time on-site, spending, etc. – as indicators of changes to the museum’s cumulative impact on child development.

Audience behavior data alone does not indicate that the aquarium is having any impact on conserving biodiversity. However, if formal evaluation studies determine that some portion of the sample audiences experience biodiversity attitude and awareness impacts, then changes in attendance and dwell time may indicate changes in biodiversity impact.

Draft an internal report for leadership’s consideration called something like a “Study of the Alignment between our Desired Impacts and our Audiences and Supporters’ Perceived Benefits.”

Conclusion

Measuring Museum Impact and Performance details several such processes using worksheets with the larger goal of helping any museum increase its impact and performance as an institution and community resource. The steps suggested in this article help you identify who is currently funding and attending the museum’s activities, and why. Then you organize the museum’s purposes and impacts, and compare the two lists. If impacts and benefits are perfectly aligned, great! – your audiences and supporters want exactly what you want. If not, it is up to you whether you use this information to: a) expand your intentional purposes and desired impacts, b) narrow your activities and benefits, or c) accept and defend that for your museum some degree of unalignment is inherently unavoidable but that you can manage it.

References

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Informal Learning Review readers receive a 30% discount on *Measuring Museum Impact and Performance*. To learn more about the book, copy this link into your browser: <http://bit.ly/1Weuuta>. Use discount code **RLFANDF30** (discount expires 12/31/16) to place your order.