

Assignment #3: Seniors Program Review

Organization & Management of Museums

submitted by

Nathan Etherington

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## Introduction

As part of their job responsibilities, staff conducted a review of the changes in the Seniors Program that the Brant Historical Society offers to nursing and retirement homes in Brant County. Using the cost benefit analysis approach, this report highlights both qualitative and quantitative metrics used in the assessment of the program. Finally, four recommendations are made than may enhance Seniors Program to ensure we are meeting the needs of our community.

## Background Information

The Seniors Program offered by the Brant Historical Society has existed since the early 2000s by Ruth Lefler and Stacey McKellar. The program helps in fulfilling an important element of our mandate by sharing the history of our County with its residents. The program also increases the accessibility of the museum to members of our community who would not be able to access the regular museum as the main exhibits are on the 2<sup>nd</sup> floor with no elevator.

In order to complete a comprehensive review of the program, staff accessed the digital archive created on the server to compile a history of the program. Since the beginning of the program, there has been an evolution of the program that has witnessed a number of shifts in its overall purpose and focus.

The Seniors Program was created around 2002 and was run by volunteers as a way of increasing the Brant Historical Society's visibility in the community and to bring revenue into the museum. When this program changed and became the staff responsibility of Stacey McKellar sometime between 2004 and 2006, the purpose became to make a cost-effective program where costs were minimized to ensure the program was revenue neutral. A new staff hire in September 2014 resulted in a revitalization of this program to a more engaging program and has begun to become a small revenue-generating tool.

In the remainder of the report, staff will outline the qualitative costs and benefits of the program, before switching to some more meaningful quantitative analysis. Through this analysis, 4 recommendations are made to continue to improve the great programming that the Brant Historical Society does within our community.

## Results and Analysis

### Qualitative Costs and Benefits

There qualitative costs that can be discussed about the program that we haven't taken into account in our quantitative costs. One assumption in our cost benefit analysis is that the paper cost with the program is considered negligible. Paper costs associated with the program are printing costs for advertisements, paper printing for the program, and administration copying costs. In all, the program likely uses less than 500 pages of paper a year so that these costs are all assumed to be part of general operating expenses.

The other qualitative cost is staff administration time that was not included in the quantitative analysis. This follows the same assumption discussed above that the total amount of administration in processing payments is negligible. The total staff hours for administration for the year total no more than 10 hours.

There are a number of qualitative benefits that the program provides including the fulfillment of our mandate, outreach to the community, and making the museum accessible to the community. The qualitative benefits more than outweigh the qualitative costs of the Seniors Program.

## Quantitative Costs and Benefits

In our quantitative analysis, we looked at the past two years of programming to see what improvements have occurred to the program. As alluded to in the background information, the first 9 months of the year was administered under the revenue-neutral model (RNM), while the final 3 months of the year was administered under the revenue-generation model (RGM).

In terms of quantitative costs, we broke them down into fixed costs and variable costs to create an equation that outlines the operating envelope of the program. The original staff cost was rated at \$12/hour for 2014 to July 2015, increasing to \$14.40/hour until the end of 2015 as a result of a wage increase to account for additional responsibilities for the Program Coordinator.

Our fixed costs of 5 hours of staff time accounts for 5 hours of research and program development. The amount of staff time for program development was detailed in a report by former staff member, Kimberly Harrington, and found on the Brant Historical Society server. It should be noted that in the RNM, significantly less hours were used in this program, about 2 or 3 hours. In the RGM, 5 hours is the average, although the hours varying between 3 and 9.

Our variable costs are the staff time for the delivery of the program. The length of the program is 1 hour and a travel time allowance of 15 minutes each way from the workplace to the program for a total time cost of 1.5 hours per program. Our total costs for the program gives us the equation as  $y = 18x + 60$  at the \$12 hourly rate and  $y = 21.60x + 72$  at the \$14.40 hourly rate, where  $x$  represents the number of programs given in a month. This means our break-even point is 3 and 4 programs for the \$12 and \$14.40 hourly rates, respectively.

The month results from the 2014 and 2015 Seniors Programs are show in Appendices A and B, respectively. The break-even point for the RNM and the RGM are shown in Appendices C and D, respectively.

In total, our quantitative benefits are the revenues and profits generated from the program. Revenue was generated at the cost of \$35/program in 2014 and \$40/program in 2015. This 15% increase was proposed by staff as the program has not had an increase in a number of years. Taking this into account, the 2014 program would have created \$2,485.71 in 2015 dollars for revenue. Even factoring in this adjustment, revenue increased by 85.6% in 2015 to \$4615.

In terms of profits, in 2014 during the RNM, the program would have made an annualized profit of \$56/year. During the RGM in 2014, the new staff and their improvements would have increased to an annualized profit to \$452/year or an

increase of over 700%. Comparing this new standard to the profits from 2015, the program actually increased its profits to \$1556.20/year, a nearly 2800% increase over the RNM results.

### Recommendations

Through their analysis of the program, it is the opinion of the staff members that the program has performed remarkably well over the short term. To that end, the following recommendations are given to improve the long term sustainability of the program.

**Recommendation 1:** That staff will start creating a program bank of current programs that may be used in the future to increase the profitability of the program.

When our new staff member arrived, they discovered that there was very little recorded about past program content. Staff immediately devoted more time to document program development and to start archiving each program made. The hope is that within 3 to 5 years, there will be enough programs in the bank that we can invest in creating only 4 new programs a year and use the bank for the remaining 8 programs. This will further decrease staff costs by \$500/year and continue to increase the profitability of the Seniors Program.

**Recommendation 2:** Staff be instructed to start researching retirement homes in the County to increase the number of programs that we offer a month.

The average number of programs offered per month between 2014 and 2015 increased by an average of 1.5 programs to 9.66 programs per month or a \$60 monthly profit increase. It would be a positive enhancement to add more regular bookings with some occasional nursing homes or increase the number of nursing homes that we visit. We do not currently visit the communities of Burford and St. George and these could be new markets for us to break into.

**Recommendation 3:** Staff will conduct a survey of the seniors program with our nursing home partners to receive feedback on the program.

To further identify the value in the Seniors Program, staff will develop a survey that will be distributed to nursing homes that participate in the program to provide feedback on enhancements or improvements to the program. Once this survey is completed, staff will be expected to prepare a report to the Board of Directors with recommendations to enhance the program going forward.

**Recommendation 4:** The Program should receive another complete review in the next 2-3 years to ensure it is meeting its intended objectives.

While this review highlights many changes to the program in the last year, that doesn't mean that the program will continue to run perfectly. By reviewing the

program on a bi- or tri-annual basis, it will ensure that the program continues to operate in the RGM and not return to the RNM.

### Conclusions

A review was conducted of the Seniors Program offered by the Brant Historical Society to ensure that it is fulfilling its intended purpose. The report takes a cost benefit analysis approach looking at both qualitative and quantitative measures in its assessment. Most notably, the program has evolved taking it from a revenue neutral model into a revenue generation model. Finally, four recommendations were made that may enhance the benefits the program provides and minimize the costs to the organization.

### Appendix A: 2014 Seniors Program Report

Month	# of Programs	Attendance	Income Received	Hours Research	Hours of Delivery (1.5/ Program)	Total Hours	Total Salary Cost	Profit
January	9	191	\$270.00	5	13.5	18.5	\$222.00	\$48.00
February	7	103	\$195.00	5	10.5	15.5	\$186.00	\$9.00
March	5	96	\$110.00	5	7.5	12.5	\$150.00	-\$40.00
April	11	186	\$305.00	5	16.5	21.5	\$258.00	\$47.00
May	10	161	\$215.00	5	15	20	\$240.00	-\$25.00
June	7	99	\$140.00	5	10.5	15.5	\$186.00	-\$46.00
July	7	134	\$230.00	5	10.5	15.5	\$186.00	\$44.00
August	9	120	\$320.00	5	13.5	18.5	\$222.00	\$98.00
September	9	139	\$130.00	5	13.5	18.5	\$222.00	-\$92.00
October	12	195	\$390.00	5	18	23	\$276.00	\$114.00
November	10	152	\$320.00	5	15	20	\$240.00	\$80.00
December	7	123	\$105.00	5	10.5	15.5	\$186.00	-\$81.00
Q1	21	390	\$565.00	15	31.5	46.5	\$558.00	\$17.00
Q2	29	462	\$690.00	15	42	57	\$684.00	-\$24.00
Q3	25	393	\$600.00	15	37.5	52.5	\$630.00	\$50.00
Q4	29	470	\$320.00	15	43.5	58.5	\$702.00	\$113.00
Annual	104	1715	\$2,175.00	60	154.5	214.5	\$2,574.00	\$156.00

Legend	
	Pre-Nathan Era
	Nathan Era

Appendix B: 2015 Seniors Program Report

Month	# of Programs	Attendance	Income Received	Hours Research	Hours of Delivery (1.5/ Program)	Total Hours	Total Salary Cost	Profit
January	3	67	\$110.00	5	4.5	9.5	\$114.00	-\$4.00
February	6	95	\$220.00	5	9	14	\$168.00	\$52.00
March	9	157	\$350.00	5	13.5	18.5	\$222.00	\$128.00
April	9	138	\$355.00	5	13.5	18.5	\$222.00	\$133.00
May	13	190	\$510.00	5	19.5	24.5	\$294.00	\$216.00
June	11	222	\$475.00	5	16.5	21.5	\$258.00	\$217.00
July	12	192	\$475.00	5	18	23	\$276.00	\$199.00
August	11	156	\$440.00	5	16.5	21.5	\$309.60	\$130.40
September	10	149	\$400.00	5	15	20	\$288.00	\$112.00
October	11	160	\$440.00	5	16.5	21.5	\$309.60	\$130.40
November	12	192	\$480.00	5	18	23	\$331.20	\$148.80
December	9	138	\$360.00	5	13.5	18.5	\$266.40	\$93.60
Q1	18	319	\$680.00	15	27	42	\$604.80	\$176.00
Q2	33	550	\$1,340.00	15	49.5	64.5	\$928.80	\$566.00
Q3	33	497	\$1,315.00	15	49.5	64.5	\$928.80	\$441.40
Q4	32	490	\$1,280.00	15	48	63	\$907.20	\$372.80
Annual	116	1856	\$4,615.00	60	174	234	\$2,808.00	\$1,556.20

Appendix C: 2014 Profit Table

# of Programs	Fixed Cost	Variable Cost	Total Costs	Revenue	Profit
0	60	0	60	0	-60
1	60	18	78	40	-38
2	60	36	96	80	-16
3	60	54	114	120	6
4	60	72	132	160	28
5	60	90	150	200	50
6	60	108	168	240	72
7	60	126	186	280	94
8	60	144	204	320	116
9	60	162	222	360	138
10	60	180	240	400	160
11	60	198	258	440	182
12	60	216	276	480	204
13	60	234	294	520	226
14	60	252	312	560	248
15	60	270	330	600	270
16	60	288	348	640	292
17	60	306	366	680	314



Appendix D: 2015 Profit Table

# of Programs	Fixed Cost	Variable Cost	Total Costs	Revenue	Profit
0	72	0	60	0	-60
1	72	21.6	93.6	40	-53.6
2	72	43.2	115.2	80	-35.2
3	72	64.8	136.8	120	-16.8
4	72	86.4	158.4	160	1.6
5	72	108	180	200	20
6	72	129.6	201.6	240	38.4
7	72	151.2	223.2	280	56.8
8	72	172.8	244.8	320	75.2
9	72	194.4	266.4	360	93.6
10	72	216	288	400	112
11	72	237.6	309.6	440	130.4
12	72	259.2	331.2	480	148.8
13	72	280.8	352.8	520	167.2
14	72	302.4	374.4	560	185.6
15	72	324	396	600	204
16	72	345.6	417.6	640	222.4
17	72	367.2	439.2	680	240.8