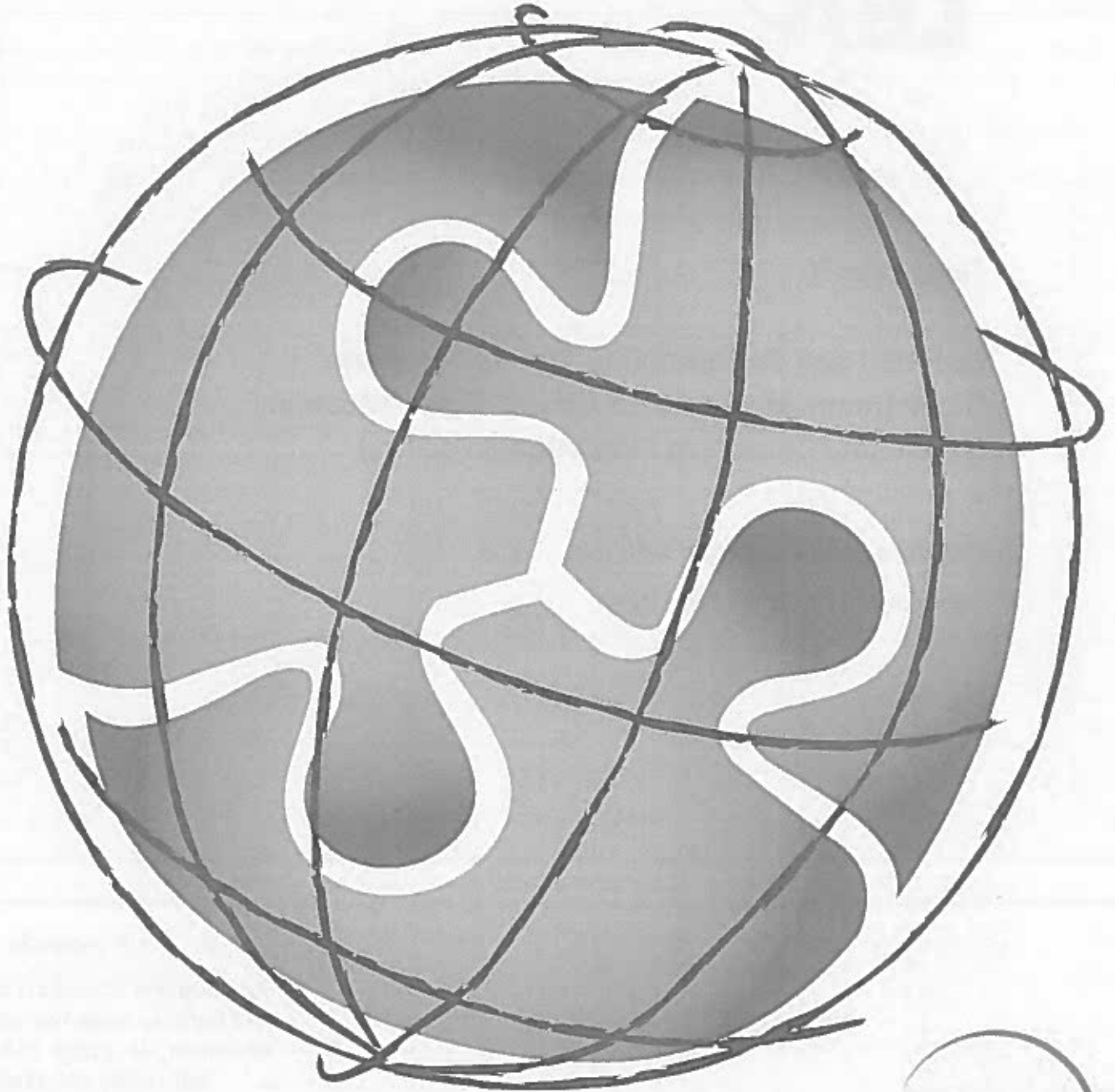


BUSINESS AND SUSTAINABILITY PLAN

New Guam Museum (Guam and Chamorro Educational Facility)



Leisure Business Advisors LLC



Final Report

Business and Sustainability Plan for the New Department of Chamorro Affairs' Guam Museum (Guam and Chamorro Educational Facility)

Prepared in Collaboration with the:

Department of Chamorro Affairs

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Certification

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and represents LBA's unbiased professional analyses, opinions and conclusions.
- This report was performed on a basis of non-advocacy; LBA's consultants have no present or contemplated financial interest in the Guam Museum (Guam and Chamorro Educational Facility) and have no personal bias with respect to the parties involved.
- LBA's compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.
- LBA's analyses, opinions, and conclusions have been prepared in conformity with professional standards.

John Gerner
Managing Director
Leisure Business Advisors LLC (LBA)



1 | Introduction

Leisure Business Advisors LLC (LBA) has been retained as an advisor to develop the initial business and sustainability plan for the new Guam Museum (Guam and Chamorro Educational Facility), which is currently under construction. This report presents the results of that effort.

The new Guam Museum (Guam and Chamorro Educational Facility) is a division of the Department of Chamorro Affairs. Joseph Flores Artero-Cameron, the President of this department, has closely collaborated with LBA in every step of the process involved in preparing this report. Therefore, this report should be seen as the department's initial business and sustainability plan for the new Guam Museum (Guam and Chamorro Educational Facility).

1.1 Report Organization

This report is presented in nine sections. Section 2, which follows this introduction, describes the museum's background and selected key stakeholders. Section 3 provides the market analysis. Section 4 provides the comparable experience analysis. Section 5 recommends the initial marketing approach. Section 6 recommends the implementation approach. Section 7 discusses best practices for sustainability. Section 8 provides the financial analysis. Section 9 recommends the operational approach concerning museum job positions.

1.2 General Limiting Conditions

Every reasonable effort has been made to ensure that the information contained in this report is accurate and timely, and it is believed to be reliable. No responsibility is assumed for inaccuracies from any data source used in preparing this report. It is based on information that was current as of September 2015 or as noted, and LBA has not undertaken any update of its research effort since such date.

Achieving potential financial performance may be affected by fluctuating conditions and future events that cannot be assured. Therefore, the actual results achieved during the forecast period may vary significantly from the forecast. No warranty or representation is made by Leisure Business Advisors LLC that any of the potential values or results contained in this report will actually be achieved. LBA has incomplete knowledge of important future development and management actions on which actual results will depend, and is therefore not responsible for the outcome.

This report is qualified in its entirety by, and should be considered in light of, these limitations, conditions and considerations.



2 | Background and Stakeholders

This section of the report presents the background of the Department of Chamorro Affairs' Guam Museum, which is also known as the Guam and Chamorro Educational Facility. Selected key stakeholders and potential partners are also described.

2.1 Past History

The Guam Museum was established and operated by the American Legion, Mid-Pacific Post No. 1 in 1932. It was completely destroyed during World War II, with many artifacts dispatched for safe keeping to other museums and private collectors around the world.

Without a permanent facility, the museum has faced many obstacles since that time. These obstacles include the continued displacement of Guam's artifacts. Nearly 250,000 artifacts are located in storage, in warehouses, or off-island (Philippines, Italy, Spain, Mexico, mainland USA, and Hawaii) until an adequate facility is available.

A committee formed to reorganize the Guam Museum in 1949. The Department of Land Management dedicated a temporary facility in 1954. The Guam Public Library Board took over management of the museum in 1960. Typhoon Karen destroyed large portions of the museum collection in 1962.

2.1.1 Initial Planning for New Museum (1989 to 1991)

There have been several organizations created with the sole intent of researching and studying the developmental process and financial requirements of building a new Guam Museum. In 1989, the Committee for the Expansion and Accreditation of the Guam Museum prepared a preliminary assessment survey. That committee recommended that the new museum concentrate on Chamorro culture and the influences that have shaped and continue to shape it. It also recommended that the museum work cooperatively with community groups and educators in building meaningful programs. The recommended scope also included botany, geology, anthropology, ethnology, zoology, astronomy, and the arts.

In 1991, a Museum Commission was created by Guam's legislature to engage the services of a consultant and to submit a written report with specific recommendations on the purpose of the museum, its mission, governance, budget, collections management, long range planning, personnel, architecture, and engineering. Two surveys were conducted. Most respondents felt that the new museum should focus on Guam's natural and cultural history, especially emphasizing the Chamorro contribution. A majority also felt that a new museum would be of such general value that the Government of Guam should appropriate funds towards its construction and operation.

The Museum Commission's report was completed at the end of 1991. It concluded:

"The consensus is that the Guam Museum should focus geographically on Guam, provided that Guam's role in the larger biogeographic region and Guam's position in global geopolitical history not be ignored. Since Guam is composed of a tapestry of cultural elements, the Commission dealt with the problem of cultural emphasis. It seems to us that it is both necessary and desirable for the museum to express a bias in favor of Chamorro. A bias does not imply any exclusion of other cultural elements. Certainly the Carolinians have clear historic priority for representation, and there are now probably hundreds of ethnic groups sharing this island and contributing to its dynamic culture and economy. Accepting Guam as a geographic focus and the Chamorro people as a cultural bias would allow exhibits on the innovative ways that the Chamorro people have utilized imported commodities, ideas, art forms, and technology as well as the ways immigrants transform local customs to meet their needs. The topics to be covered in the Guam Museum must include archeology, history, contemporary culture, geology, botany, and zoology. These topics may be covered differently in exhibits, public programs, collections, and research."

The 1991 Museum Commission report also recommended that land surrounding the new museum be used for interpretive uses. These included a botanical garden of native Guam plants, outdoor festivals, art fairs, and living history activities that would increase the visibility of the museum in the community. The commission stressed the importance of the museum's educational role and recommended that it always work closely with schools to develop special children's programs.

This commission also recommended that the new museum should strive to work collaboratively with other organizations that engage in related activities in order to create programs serving their common interests and goals. Potential partners identified at that time included the Guam Council on the Arts & Humanities Agency (CAHA), University of Guam's Isla Center For The Arts, University of Guam's Micronesian Area Research Center (MARC), Guam Visitors Bureau, and the Department of Parks and Recreation.

According to the 1991 Museum Commission report, "it is unreasonable to expect that the museum will ever be self-sufficient; there will always be a need for governmental support especially for building maintenance and staff."

2.1.2

Faniadahan Kosas Guahan - Guam Museum Report (1999)

The Guam Museum became a division of the newly created Department of Chamorro Affairs in 1999. That same year, the Faniadahan Kosas Guahan - Guam Museum report was prepared by Antonio M. Palomo, the museum's executive director at that time. According to this report, "the Guam Museum is obliged by law and tradition to serve as caretaker of Guam's historic treasures and legacies." This report recommended that a new non-profit "friends of" the Guam Museum organization be created. Its primary purposes would be to provide museum volunteers and to spearhead efforts to raise funds for specific museum projects.



During the 1990's, the Guam Museum operational budget grew from \$90,000 in Fiscal Year 1994 to \$450,000 in Fiscal Year 1999. In current 2014 dollars, this 1999 amount would be almost \$650,000 after adjusting for inflation. By 1999, the museum's staff had increased from two to ten, and its exhibit and storage facilities similarly expanded substantially. Unfortunately afterwards, typhoons Chataan and Pongsona damaged museum facilities in 2002. The Guam Museum has not had a permanent facility since that time.

2.1.3 Latest Planning for New Museum (2005 to Present)

In 2005, the Governor of Guam issued an Executive Order that created the Guam Museum Facilities Construction and Cultural Heritage Rehabilitation Task Force, with a mission to coordinate, design and construct a new Guam Museum.

The Guam Museum Foundation filed articles of incorporation in 2006. That same year, the Guam Museum Financial Feasibility Study was prepared by Knowledge Based Consulting Group for the Guam Visitor Bureau.

In 2009, a Guam Museum focus group session was held with educational institutions, indigenous Chamorro cultural organizations, Mayors' Council, and representatives of the Guam Legislature. This session was hosted by the Guam Museum Foundation. The goal was to formally gather the community's feedback regarding the development and utilization of the new facility. Among the comments and suggestions compiled from three groups, participants were most concerned with advocacy of Chamorro history and culture and accessibility of the new facility. Many suggestions were offered. These included offering demonstrations by master artisans and expanding opportunities for collaboration between community organizations.

In 2010, Public Law 30-228 authorized the construction of the Guam Museum and certain other projects that benefit Guam's tourism industry. In 2011, GovGuam issued Hotel Occupancy Tax Revenue Bonds for the purpose of constructing the Guam Museum and other related tourism projects. Up to \$27 million of the 2011 Bond proceeds are appropriated for the acquisition, construction and equipping of the Guam Museum, described as an educational facility that reflects a sense of Guam and the Chamorro culture and will be the permanent home for the preservation and continuance of the Chamorro people. The proposed design includes using a storyline approach to interpret the natural, cultural and social history of Guam. The architectural firm Laguana & Cristobal was awarded the museum architectural and engineering contracts in 2012.

The ground breaking for the new Guam Museum occurred in February 2013. Construction was delayed in June 2014 when 60 of the 260 piles turned out to be damaged or potentially damaged. These are concrete columns driven into the ground to support buildings. Typhoon Dolphin struck Guam in mid-May 2015. At its peak on May 15th, sustained winds were 84 miles per hour (135 kilometers per hour). Gusts reached 106 miles per hour (171 kilometers per hour). Rainfall totaled 9.3 inches (236 millimeters) within a 12-hour period.

Opening day is currently planned to be in December 2015. Notwithstanding potential impacts of this recent typhoon to the construction site, the builder has not yet indicated an additional delay in the planned opening date.



2.2 Purpose, Vision, and Mission

The following pages integrate existing sources of information concerning the current purpose, vision, and mission of the Department of Chamorro Affairs' Division of Guam Museum (Guam and Chamorro Educational Facility). Emphasis has been given to the division's latest strategic plan and to authoritative government sources.

2.2.1 Purpose and Legislative Mandates

According to the current Guam Code:

"Kosas or Guam Museum is mandated to promote increased understanding of Guam's geology, biota, prehistory, history and contemporary culture. As the official repository and custodian of historical artifacts of Guam, Kosas is mandated to acquire, preserve, and make available for public viewing artifacts and archival materials relating to the cultural, historical and natural heritage of Guam."

The Guam Code also requires that the museum ensure that collection storage conditions conform to the guidelines and standards established by the U.S. Department of Interior, Title 36, Code of Federal Regulations, Part 79.

These are currently unfunded mandates from the Guam Legislature because it has not yet provided ongoing long-term financial commitment for these required functions. Future government appropriations for operation of the Department of Chamorro Affairs' Guam Museum (Guam and Chamorro Educational Facility) are uncertain.

In 2010, Public Law 30-179 approved the development of:

"A n educational facility that reflects a sense of Guam and the Chamorro culture and will be the permanent home for the preservation and continuance of the Chamorro people; provides for the display of artifacts and historical documents; stimulates community involvement; fosters research and conveys the results of research to the public primarily through the medium of public exhibits, demonstrations, lectures, public programs and publications using the theme: I Hinanao-ta, the journey of the Chamorro people."

The Department of Chamorro Affairs' Division of Guam Museum provides museum services, preservation of all government of Guam publications, fostering research on the records and its inventory, providing public exhibits, demonstrations, lectures, scholarly activities, television programs, publications, and other public programs contributing to and encouraging an understanding of the Chamorro culture, its language and rich history and promotes Guam's geology, biota, prehistory, history, and contemporary culture. The Guam Museum is also the official repository and custodian of historical artifacts of Guam and the Chamorro people and provides venues for the appreciation of Guam's unique relationship with its sister islands in Micronesia and Asia through the understanding of shared regional cultures, traditions, practices and lore museums.

Guam's Public Law 30-228, approved in 2010, authorized the issuance of bonds for the purpose of "acquiring, constructing and equipping" this educational cultural facility.



2.2.2

Vision and Values

The current vision for the Department of Chamorro Affairs' Guam Museum (Guam and Chamorro Educational Facility) is:

"An excellent civic space for weaving together the living -ta, the spirit of histories of i hinanao place, which the people of Guam will be proud of to showcase their history and culture to all people of the world."

This vision was created during a September 2013 strategic directions workshop. The community envisions the museum to be a place that tells the journey of the Chamorro people, an interactive museum that reflects the skills, abilities, traditions, perseverance and triumphs of Chamorro people yesterday and today.

The Chamorros have been in existence for more than four thousand years and have had a unique civilization in the island chain that came to be known as the Mariana archipelago. This area includes the islands of Guam, Saipan, Tinian, Rota and a dozen other smaller islands extending from a distance of some 500 miles from north to south.

According to the Department of Chamorro Affairs' current guidelines for authenticating Chamorro Heritage, the Chamorros possessed certain attributes and lived according to certain human values. They believed in the after-life and the spirituality of their ancestors. They place great value in the family and the clan and the interdependence of people in their society. Respect for the elderly and the natural environment was paramount.

Interdependence is a vital and requisite part of the Chamorro society's existence. It is their way of ensuring their survival by looking out for one another and caring about everyone else. Each member of the *familia* accepts an obligation to one another; none can survive without the assistance of the others. These ties provide a guaranteed means of support and assistance whenever necessary; it provides a vast dependable network of people to help in times of need. This aspect has become increasingly important. The latest Guam Comprehensive Economic Development Strategy report observed:

"While over time, the island has improved its standard of living; in real economic terms, that same progress has created significant challenges to traditional family values. Loss of these family values has been blamed for rising crime rates, drug and child abuse, as well as increased poverty, welfare dependence, and high school 'drop out' rates. The goal to revitalize traditional family values in island homes and communities has continued through the establishment of cultural programs offered by various public and private organizations. Young people today are subjected to tremendous pressure to conform to modern values that often run counter to the traditional values of local families. This clash of values has often created dislocation and confusion, which has reinforced dysfunctional behavior. For these reasons, the preservation of the Chamorro culture is sought."

The Guam Visitors Bureau emphasized the importance of preserving this culture in its 2005 Request for Proposals to conduct the feasibility study for the new Guam Museum:

"The preservation of the Chamorro history, culture and heritage is a critical component of Guam's society, economy, our appeal to visitors and expansion of Guam's traditional markets through the promotion of our island's hospitality, language, music, performing arts, crafts, artwork, and beauty, reflective of our people and the paradise we live in."

2.2.3

Mission and Objectives

The mission of the Department of Chamorro Affairs' Division of Guam Museum (Guam and Chamorro Educational Facility) is to acquire, conserve, research, communicate, and exhibit for the purposes of study, education, and enjoyment, the material evidence of nature and man on Guam. The museum holds these possessions (natural botanical and zoological collections, artifacts, burial remains, photographs, art work, documents, and more) in trust for the people of Guam and the world, for the future knowledge and welfare of all.

This mission statement is from the current strategic plan, and it reflects principles established by the American Alliance of Museums (AAM) and the International Council of Museums (ICOM). This plan also identified major goals and objectives.

A major goal is to develop a vibrant permanent home to collect, conserve, study and exhibit, stimulate, advance, and perpetuate the knowledge, cultural traditions and materials, and artistic diversity of the Chamorro people and other people of Guam.

Key objectives are to ensure:

- Sustainable development of Guam's tangible and intangible heritage.
- Continuous improvement of visitor experiences.
- Active engagement to maintain and strengthen relationships with the various island communities, thereby ensuring a sense of place, community ownership and pride.
- Diversification and expansion of the Guam Museum funding resources.

Joseph Artero-Cameron is president of the Department of Chamorro Affairs and the chairman of the Pacific Islands Museums Association, which is comprised of more than 45 museums and cultural centers in the Pacific. Guam will be the future headquarters of this association. He emphasized in a 2012 speech that the concept for the new Guam Museum (Guam and Chamorro Educational Facility) is centered on a "living museum" approach:

"Museums of tomorrow must partner with the community at large to address issues of culture, traditions, and social issues that affect the island population. Educational outreach and humanities outreach are very important segments of what museums espouse today. The sustainability –meaning the money it makes –or the financial backing of the community and the constant use of the museum are what will keep the museum open."

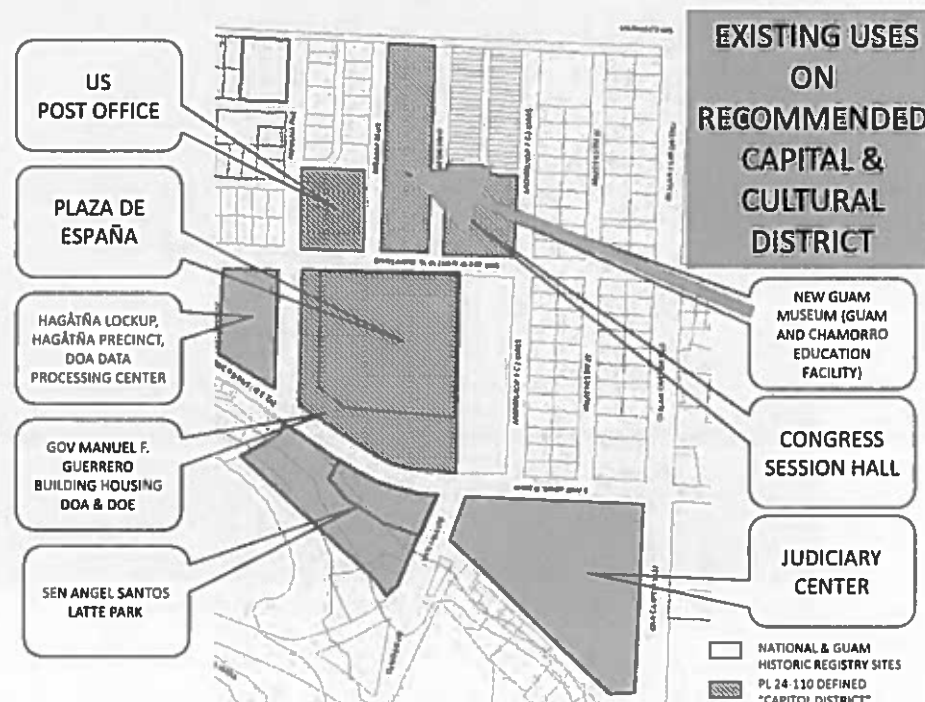
2.3 Site and Building Description

The new Guam Museum (Guam and Chamorro Educational Facility) is located within a capital and cultural district, shown below. The Guam Legislature approved the demolition of the nearby decaying Gov. Manuel F. Guerrero Building in May 2015.

During past testimony, the General Manager of the Guam Visitors Bureau emphasized the importance of the new museum in the revitalization of this district when he said:

"First, it enables Guam to anchor its brand image, thereby differentiating us from other beach resort destinations in the region, and indeed the world; Second, it enables the community to capture a collection of the cultural heritage and history that have shaped who we are today, both collectively and individually; Third, it can be the catalyst to spur the development of "Old Hagåtña" into another major attraction that can invigorate the island's sagging touring industry and broaden Guam's destination appeal to the international leisure and business travel markets; Fourth, an "Old Hagåtña" destination attraction gives reason for tourists to stay longer on Guam, thereby contributing more to the local economy; Fifth, the museum can instill pride and ownership of the Chamorro culture, lending aspirations to future generations and giving reason to study, authenticate, and display with pride Guam's cultural and historical heritage; and finally, it can create a sense of place, and a gathering venue for community interaction, thereby giving renewed vibrancy and meaning to the "Capital City" we know as Hagåtña."

Exhibit 1: Recommended Nearby Development in Hagåtña



Source: Hagåtña Redevelopment & Restoration Update and Briefing on September 6, 2013.

2.3.1

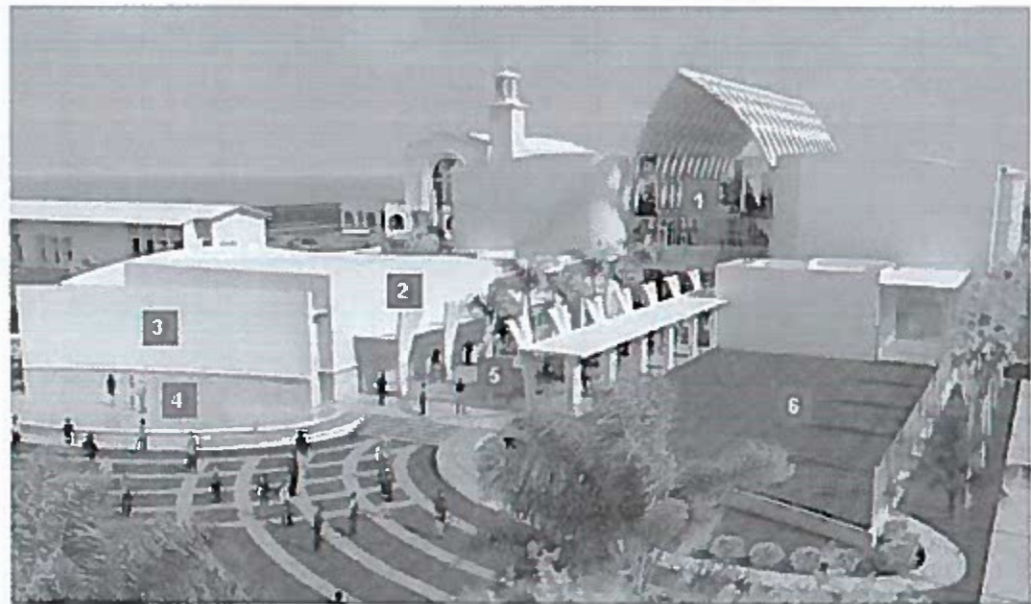
Buildings and Structures

A birds-eye conceptual image of the new Guam Museum (Guam and Chamorro Educational Facility) is shown below. Key currently planned components are described in this section of the report. These brief descriptions are from various sources, including the GCEF Visitor Experience Narrative prepared in July 2013 by Barry Howard Limited. Current sizing estimates are based on the latest source available.

The traditional "museum" function is only one portion of this multi-faceted institution. Its main building (#1) has two wings with a variety of interpretive and service areas. These are described in more detail on the following pages. A raised open-air second level atrium platform is under the canopy arch that spans the two wings of the main building. The shape of the main building's prominent arch evokes the Great Seal of Guam. The complex is elevated two feet to protect its artifacts from floods.

The single-level theater building (#2) offers 160 seats on a sloped floor to enhance viewing. The back wall of the theater (#3) facing Skinner Plaza will be the screen wall for films to be played in the park. This wall also provides the backdrop of an outdoor stage with a combination of grass and paved area for seating (#4). There would also be an outdoor paved arcade area (#5) between the theater building and the herbarium (#6) with local medicinal plants used traditionally by the Chamorro people as part of their healing arts.

Exhibit 2: Exterior Conceptual View of Guam Museum (Guam and Chamorro Educational Facility)



Source: Architects Lagunaña, LLC and Architect Enrico A. Cristobal, AIA.

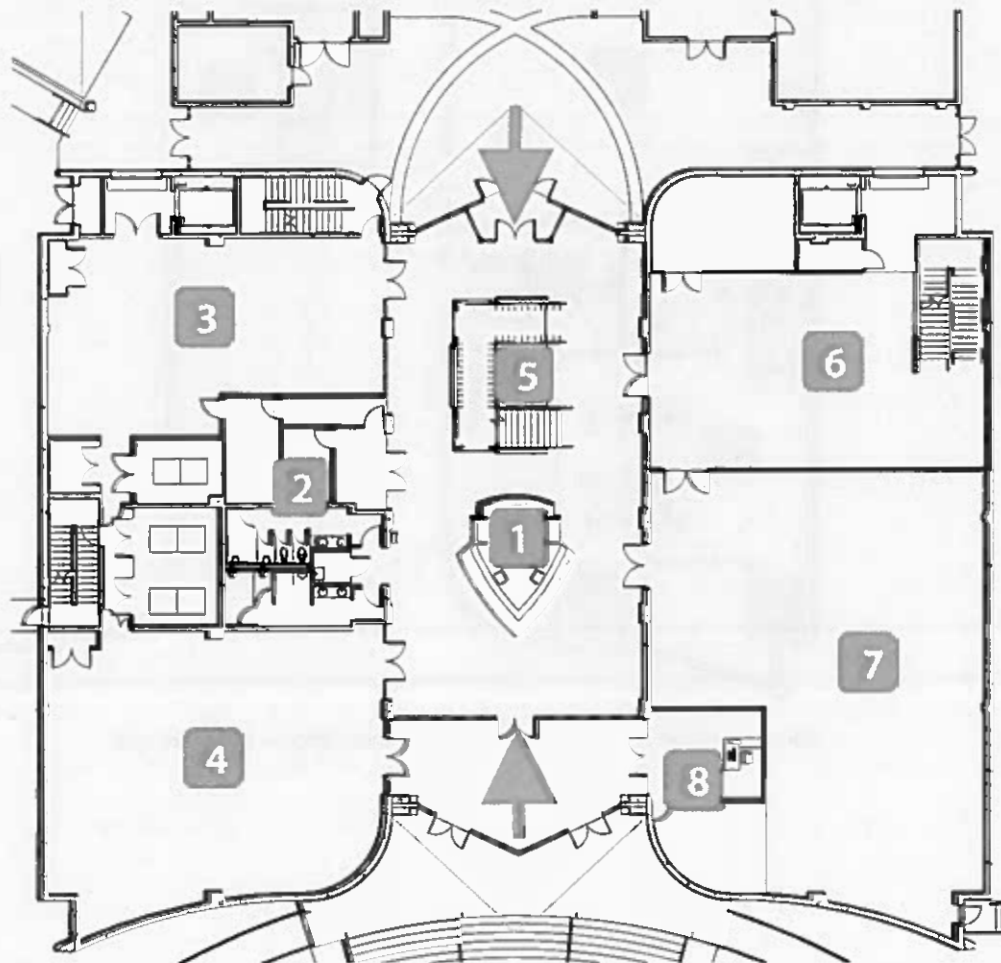
2.3.2

Level 1 of the Main Building

Visitors will typically enter the new Guam Museum (Guam and Chamorro Educational Facility) through its main building entrances (noted by arrows below). Ticketing and information will be available at the central Information Counter (#1). Other visitor services are available nearby (#2), including first aid, security, and restrooms. Also nearby is multi-purpose space (#3) and the combined 2,300 square-foot retail / café area (#4) that would offer unique Chamorro crafts, electronic media, and other gifts.

Ticketed visitors will be directed to the central elevator and stairway (#5) up to Level 2 where the core museum gallery tour begins. That exhibit experience ends with a dedicated staircase down to this 1,400 square-foot exhibit area (#6). Next to this permanent exhibit area, 3,100 square feet of space for changing exhibits (#7) is also provided. Two offices (#8) are near the entrance to the building.

Exhibit 3: Simplified Floor Plan for Level 1 of the Main Building



Source: Architects Laguaña, LLC and Architect Enrico A. Cristobal, AIA.

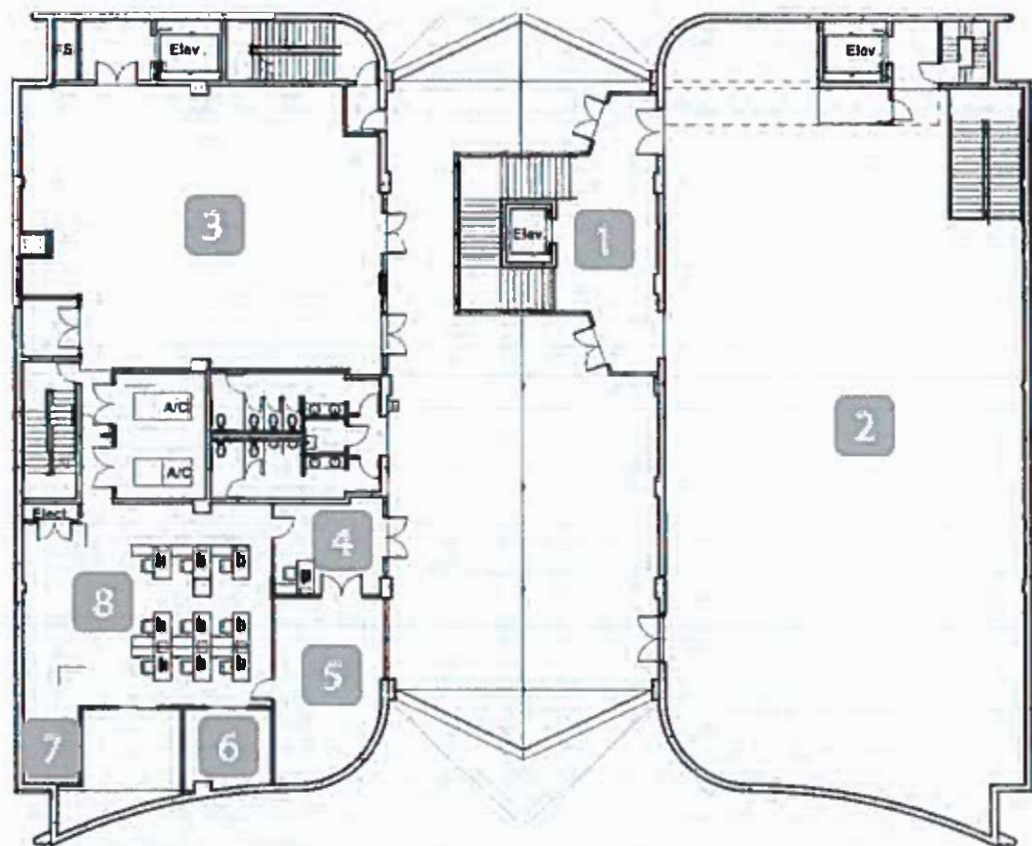
2.3.3

Level 2 of the Main Building

The central elevator and stairway (#1) will typically bring visitors from the first level to the core exhibit area (#2). This area is described in more detail on the next page. Also available on this level is a room for library, research, and curatorial uses (#3).

Administrative space is also on this level, encompassing 2,300 square feet. There is a reception area (#4), boardroom (#5), two offices (#6), and an area for the main server (#7). The large administration room (#8) provides space for multiple workstations.

Exhibit 4: Simplified Floor Plan for Level 2 of the Main Building



Source: Architects Laguna, LLC and Architect Enrico A. Cristobal, AIA.

2.3.4

Core Exhibit Area on Level 2 of the Main Building

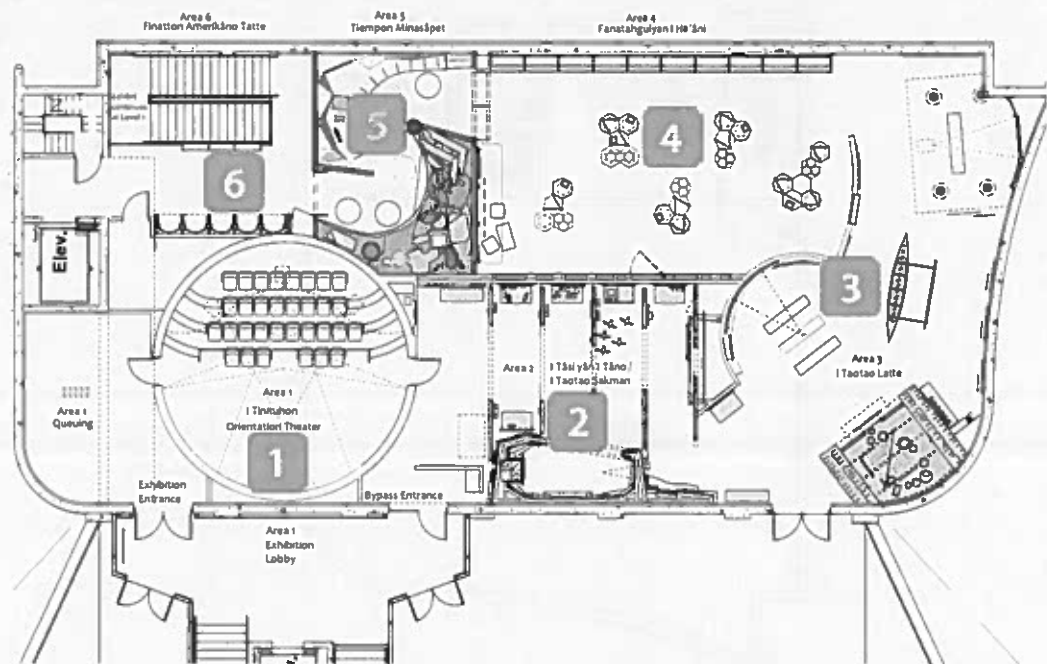
In this historically sequential core exhibit experience, visitors navigate themed galleries, all but the last being in high ceiling spaces on the second level. The final gallery on the first level is accessed via internal stairs and an elevator, which are incorporated into the interpretive experience. Highlights include an orientation multimedia presentation, simulated cave environment, residential structures, replica paddle-driven Galaide' dugout canoe, flying proa sailing vessel, interactive dimensional timeline, traditional Chamorro Lanchu setting, World War II scenes, and interactive personalized "Family Tree" research.

These permanent themed exhibit areas are:

- Area 1: I Tinituhon (Entry, Queuing & Orientation Theater)
- Area 2: I Tasi yan I Tano / I Taotao Sakman (Natural History / Pre-Latte)
- Area 3: I Taotao Latte (Latte Period)
- Area 4: Fanatahguiyan I Ha'ani (Times of Change)
- Area 5: Tiempun Minasapet (Time of Suffering)
- Area 6: Finatton Amerikano Tatte (American's Return)

After Area 6, visitors descend to Area 7: Pago Pago'-Ta (Contemporary Times, 1951 to Present) and Ta Na' Maolek Mo'na (Make Our Journey Forward be Better for the Future).

Exhibit 5: Core Exhibit Area of the Guam Museum (Guam and Chamorro Educational Facility)



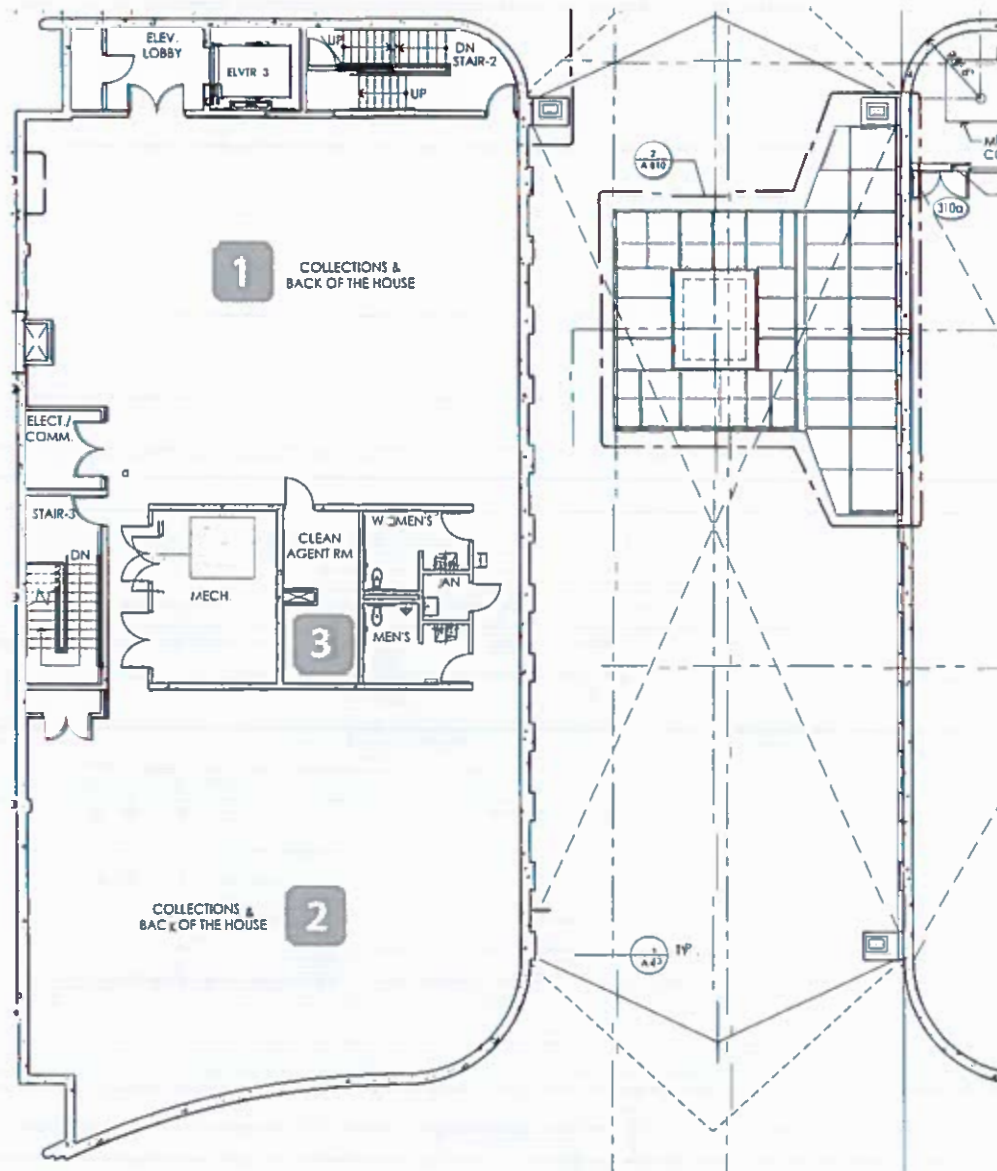
Source: Barry Howard Limited.

2.3.5

Level 3 of the Main Building

Because second-level core exhibit areas have a 20-foot high ceiling, there is no third level for one wing of the main building. The third level for other wing provides 4,600 square feet of collections and back of the house space in two separate areas (#1 and #2). In between, there are a mechanical room, clean agent room, and additional restrooms (#3).

Exhibit 6: Simplified Floor Plan for Level 3 of the Main Building



Source: Architects Laguna, LLC and Architect Enrico A. Cristobal, AIA.



2.4 Programs

In addition to exhibits, the new Guam Museum (Guam and Chamorro Educational Facility) will also offer a variety of programs. This page of the report discusses those currently planned. Other potential programs are described later in this report, based on the best practices established by comparable cultural attractions.

Many of the currently planned programs at the new facility will showcase aspects of Chamorro culture, such as:

- Art
- Chants
- Crafts
- Cuisine
- Dance
- Language
- Music
- Storytelling

Special events, performances, seasonal celebrations, and demonstrations will make the facility a community asset that encourages repeat visitation, not just a place for passive education but also a center for interactive informal learning.

The Department of Chamorro Affairs and one of its division, the Hagåtña Restoration and Redevelopment Authority, jointly made the following statement in 2012 during testimony on Bill No. 454-31:

"We see Guam's museum as providing a rich environment for lifelong learning and a variety of opportunities for adult learners. We also see our museum focused on education on programs for our youth. In this changing educational landscape, we can expect to find rich and varied continuing education programs (art appreciation, drama workshops, art classes, music appreciation, and the like) offered by the Guam museum. Our older citizens are also a valuable museum cultural resource. The personal recollections and shared experiences they have had with Guam history with each other and with the museum staff will enhance our programs as well. The museum will foster links between the schools and the museum as an extension of the classroom. Our Guam museum will be a rich source of lifelong learning opportunities for our adults and children."

Certain programs can be aimed at specific groups. For example, Guam's Civilian-Military Task Force identified these worthwhile orientation programs for military personnel and their dependents to enhance a mutual sense of belonging:

- History of Guam
- Understanding and respecting the Chamorro culture, traditions, language and values
- Mutual respect and understanding of cultural diversity
- Being a part of the Guamanian community

2.5 Key Stakeholders and Organizations

The following pages describe the Department of Chamorro Affairs and potential partners for its Division of Guam Museum (Guam and Chamorro Educational Facility). Cultural attractions have increasingly relied on partnerships to broaden their reach and maximize financial sustainability. Neil Kotler noted this trend in his book *Museum Marketing and Strategy*:

"Museum collaborations and partnerships have become frequent. When a joint activity is well conceived, visitors, museums, business firms, and the community all benefit. By working together, participating organizations attract attention from audiences and the media, and by combining resources, they lower costs. Museums benefit from partnerships in a number of areas."

2.5.1 Department of Chamorro Affairs

Guam's Department of Chamorro Affairs (DCA) has responsibility for the integrity, accuracy, management, and operation of the completed facility that is currently under construction. DCA administers the Division of Guam Museum, which is currently doing business as the Guam and Chamorro Educational Facility.

DCA was created in 1999 through Guam Public Law 25-69 as a public authority of the Government of Guam to implement an integrated program for the preservation, development and promotion of the Chamorro Heritage of Guam, for the public benefit and to provide specific services to the Chamorro people of Guam. The enabling statute further stated that the DCA be the catalyst in the preservation, development and promotion of language, arts, historic and cultural preservation, research, restoration, presentation, museum activities and support programs significant to Guam's history and culture, and to enhance the future of the Chamorro people of Guam. DCA has been an integral component in the promotion of the Chamorro culture and represents a unique effort in government to bring together cultural programs, agencies and divisions within government that have a shared vision.

DCA partners with all entities in Guam involved with Chamorro culture and language. These include the Guam's Department of Education, Guam Community College, and the University of Guam. These partnership efforts help promote and preserve Chamorro culture and language; and increasing the use of multimedia technology in the government and the community that features Guam's language, culture and traditions.

2.5.2 Guam Council on the Arts & Humanities Agency

The Guam Council on the Arts and Humanities (CAHA) is a division of the Department of Chamorro Affairs. CAHA encourages and fosters the opportunity for participation in the arts and humanities with programs designed to benefit citizens of all ages and from every sector of the community. Its activities include the gallery program, performing arts, visual arts, arts in education, folk arts, humanities, media arts and special projects. Current plans are for this division to move its gallery to the temporary exhibit area of the new Guam Museum (Guam and Chamorro Educational Facility) and coordinate this exhibit area.



2.5.3 *PBS Guam*

Guam Educational Telecommunications Corporation (PBS Guam) is a component unit of the Government of Guam that currently operates Guam's Public Broadcasting Service (PBS) station. Its purpose is to present educational television and to involve the people of Guam in its activities to the maximum extent possible. In 2011, the Governor of Guam exercised his Organic Act powers to reorganize certain government functions by merging PBS GUAM into the Department of Chamorro Affairs (DCA) through Reorganization Advisory No. 6. This division will assist the theater in providing video programs for public viewing at the new Guam Museum (Guam and Chamorro Educational Facility). It is anticipated that the use of this space will avail demonstrations for visitors and also be an interactive audiovisual production center.

2.5.4 *Guam Public Library System*

The Guam Public Library System likewise is now a division of Department of Chamorro Affairs through Reorganization Advisory No. 6. This division protects intellectual freedom, promote literacy, encourage lifelong learning, and maintain cultural materials. This division's goal is to extend library resources into the community in collaboration with the University of Guam's John F. Kennedy Library and the Micronesia Area Research Center. It also works closely with the Archives Section of the Division of Guam Museum to enhance Guam cultural and historical data. This division will assist in providing literacy programs for both children and adults at the new Guam Museum (Guam and Chamorro Educational Facility).

2.5.5 *Guam Archives*

The Guam Archives is a division of DCA that serves as the official repository for all government publications. These include any printed or processed paper, book, periodical, pamphlet or map, originating in or printed with the imprint of, or at the expense and by the authority of the government of Guam. The Guam Archives is included in the Guam Museum division on the supplemental schedules to financial statements.

2.5.6 *Guam Museum Foundation, Inc.*

The Guam Museum Foundation, Inc., is a private 501 (c) (3) non-profit corporation that is recognized by the local Department of Revenue and Taxation and the U.S. Internal Revenue Service as a tax exempt charitable organization. It was incorporated in 2006 as a "friends of" support group for the new museum. The foundation's primary purpose is to serve as the private fundraising arm of the Department of Chamorro Affairs' Division of Guam Museum. The Foundation is a legally separate tax-exempt organization. While the Department of Chamorro Affairs (DCA) does not control the Foundation, the resources and fundraising activities of the Foundation are almost entirely for the direct benefit of DCA's Guam Museum division. Contrary to occasional mistaken press reports, the Foundation will not operate the new Guam Museum (Guam and Chamorro Educational Facility).



2.5.7

Guam Visitors Bureau

The Guam Visitors Bureau (GVB) is a nonprofit membership corporation and has existed in its current form since 1984. Its mission is to efficiently and effectively promote and develop Guam as a destination for visitors and to derive maximum benefits for the people of Guam. Membership in GVB is not restricted to any particular group. Recent efforts to promote tourism include a Guam branding initiative, efforts to expand visitor markets through expansion of the visa waiver program, expansion of airline arrivals to Guam, and encouraging longer stays and repeat visits by enhancing cultural aspects of the island. Funding for GVB's operations is appropriated by the Guam Legislature from amounts available in the Tourist Attraction Fund.

2.5.8

Guampedia

The Guampedia Foundation is a non-profit organization based in Guam that has worked to build an educational resource that highlights the unique culture and history of Guam and its people. The Foundation operates guampedia.com, a freely accessible online resource that features informative entries, historic photographs, documents, and lesson plans. The website also provides a variety of audio and visual media that introduces diverse audiences to Guam's rich history and distinct culture.

The Department of Chamorro Affairs supports a contractual agreement with this organization to provide a variety of services that would enhance the educational potential of the new Guam Museum (Guam and Chamorro Educational Facility). These services include creating the initial interpretive plan, educational outreach programs, and docent program.

2.5.9

Guam Territorial Band

The Guam Territorial Band is the official band of Guam, and represents community instrumental music in Guam. The new Guam Museum (Guam and Chamorro Educational Facility) will provide a headquarters for this band and its community programs, such as the Guam Honor Band and the Tumon Bay Music Festival.

Membership spans a wide age range from early adolescence through senior citizens, and periodic auditions are held to maintain the high quality of musicianship. The Guam Territorial Band also serves as an educational outreach for those who desire more than what their school band programs provide.

By Fall 2017, the Guam Band Academy will be fully operational and providing multi-level training in band music from the beginner to instructor levels. Its main mission is to produce high quality band directors to staff the Guam Department of Education and educational districts.

As one of the tenants for the new museum's theater, the Guam Territorial Band will assist in programming, scheduling, and promotion of events hosted within this theater.

2.5.10

Inetnon Gefpa'go

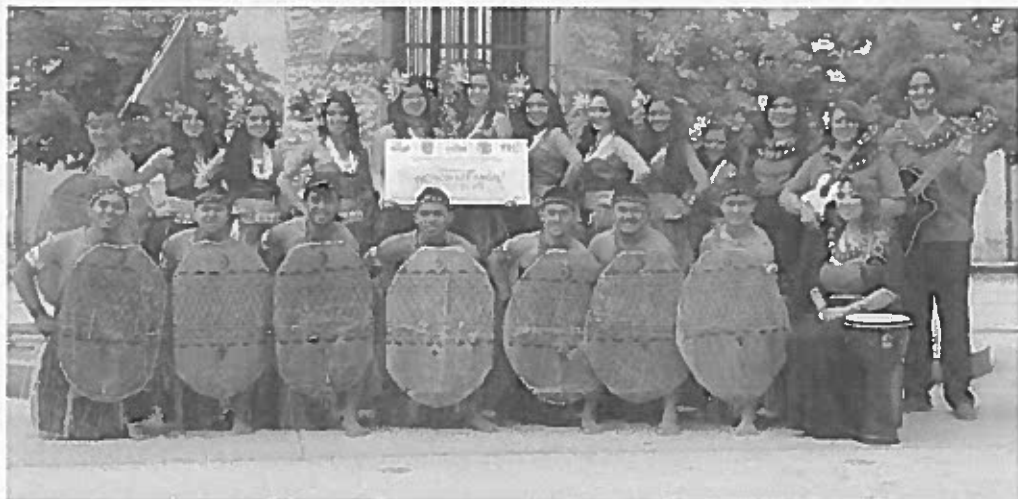
The Inetnon Gefpa'go group has won international awards, headlined the 3rd Annual Chamorro Cultural Festival, and participated in the 2014 international Folklore Festival. It plans to produce cultural performances at the new Guam Museum (Guam and Chamorro Educational Facility) that strive to be the best representation of Chamorro performance arts that Guam can offer. Its mission is to provide a platform in promoting and instilling cultural pride and awareness in the Chamorro heritage through performing arts.

Membership in the group begins in high school, where students undergo extensive cultural arts and dance training to be selected as part of the school's performing group. Members then continue into the community-based, after school and university program where they further their cultural learning, continue performing throughout the island and represent Guam at major tourism promotions and festivals around the world.

The Vision of Inetnon Gefpa'go is to create a true, vibrant, credible, reputable, and successful Cultural Arts Institution where participants and families can learn and practice their culture and language through performance arts and to create cultural dance practitioners who develop a passion for our culture and are able to communicate it through dance with a global perspective and become productive members of society who are recognized locally and globally.

In partnership with the Department of Chamorro Affairs, this organization may develop a National Dance Company along the same model being used by the Guam Territorial Band. This would be in addition to the many school groups that would also have the opportunity to perform as the occasion arises. The proposed National Dance Company would go through an application and audition process based on international folk dance standards. They would be a professionally-trained group to represent Guam at the museum as well as internationally.

Exhibit 7: Inetnon Gefpa'go Performers



Source: Inetnon Gefpa'go.

3 | Market Analysis

This section presents the market analysis for the Department of Chamorro Affairs' Guam Museum (Guam and Chamorro Educational Facility). Target market segments include residents, school children, tourists, and U.S. military personnel.

3.1 Location, Political Status, Climate, and Economic Outlook

Guam is the westernmost territory of the United States of America (U.S), as well as the largest and southernmost island of the Marianas archipelago, and the largest of the 2,000 islands in Micronesia. The island is about 30 miles long and varies from four to nine miles wide. Guam is approximately 3,800 miles west-southwest of Honolulu, Hawaii, 1,550 miles south-southeast of Tokyo, Japan and 1,600 miles east of Manila, Philippines.

Guam was first settled approximately 4,000 years ago. The indigenous Chamorro people first came in contact with Europeans in 1521 when Ferdinand Magellan landed at Guam's Umatac Bay. Miguel Lopez de Legazpi claimed the island for Spain in 1565. As outlined in the Treaty of Paris, signed in December 1898, Guam was ceded to the United States along with Cuba, Puerto Rico, and the Philippines. Guam has since remained under U.S. administration, except for two and a half years of Japanese occupation during World War II. In 1950, the U.S. Congress passed the Organic Act of Guam granting the Chamorro people U.S. citizenship and establishing a civilian government. Guam's current political status is that of an unincorporated territory of the United States of America. There have been efforts dating as far back as 1984 to study the potential for Guam to become a Commonwealth of the United States of America.

Guam's climate is pleasantly warm year-round. The mean annual temperature is 85 degrees Fahrenheit. The general temperature ranges from the low 70s to mid 80s degrees Fahrenheit. Like other Pacific islands, Guam is periodically subject to typhoons and tropical storms. From 1962 to date, the eyes of twelve of these storms passed directly over or just south of the island. Seven of these typhoons caused damage great enough to result in federal disaster relief. Guam also occasionally experiences seismic activity, although no recent earthquakes or tsunamis have caused significant damage on Guam.

Tourism revenues and U.S. federal and military spending contribute to Guam's economy. Guam's proximity to many of the major cities of Asia and the South Pacific greatly contributes to the diversity of the island's population and the visitor industry. The state of the economy of Guam in FY2015 is anticipated to be influenced positively by a continuation of the global economic expansion; America's rebalancing of its strategic focus and posture toward the Pacific; and increased investment and expansion related to resident and tourist facilities, public utilities and infrastructure. The cumulative effect of positive trends in the major drivers of Guam's economy, tourism, defense and construction point the economy in the direction of moderate expansion in FY 2015.



3.2 Resident Market

According to the 2010 U.S. Census, Guam's 2010 population estimate was approximately 159,000. This was an average increase of 0.3% annually over 2000 population of 155,000. Recent and forecasted annual population is shown below. The growth rate is expected to accelerate in future years.

Guam's residents originate from all parts of the Asia-Pacific region in addition to the U.S. mainland. In addition to Guam's indigenous Chamorro people, who comprise approximately 47% of the population, large numbers of mainland Americans, Filipinos, Chinese, Japanese, and South Koreans constitute the bulk of Guam's population. There are also substantial numbers of Micronesian islanders, Vietnamese and East Indians. Guam's diverse population makes it one of the most cosmopolitan communities in the Western Pacific. Median age on Guam during 2012 was a relatively young 29.6 years compared to the U.S. median age of 37.1 that same year.

Guam median household income was \$39,052 in 2010, 24% lower than the \$51,144 median for the United States. Guam's individual and household incomes have fairly equal distributions, as compared to other nations, islands, or territories in similar stages of economic development. Approximately 75% of Guam's workforce is employed in the private sector, with the remainder in government, both local and federal.

Guam currently has 40 public schools, 25 private schools, and four Department of Defense schools. Total student enrolment was approximately 40,000 during the 2011 to 2012 school year.

Both Guam Community College and the University of Guam are accredited by the Western Association of Schools and Colleges. The University of Guam is the only accredited four-year institution of higher learning in the western Pacific, and it offers graduate programs in select areas of study.

Exhibit 8: Past and Forecasted Population of Guam

Year	Number	Percent Change
2010	159,358	---
2011	159,600	0.2%
2012	159,914	0.2%
2013	160,378	0.3%
2014	161,001	0.4%
2015	161,785	0.5%
2016	162,742	0.6%
2017	163,875	0.7%
2018	165,177	0.8%
2019	166,658	0.9%
2020	168,322	1.0%
Average	---	0.5%

Source: U.S. Department of Commerce, Census Bureau.

3.3 Tourist Market

Tourism has represented the primary source of income for Guam's economy for over twenty-five years. It accounts for over 50% to the Gross Island Product and is considered to be the main economic contributor to Guam's economy. Tourism activity sustained 14,000 jobs, both directly and indirectly in Guam during 2010. This represented 29% of total employment. Including indirect and induced impacts, tourism in Guam generated \$150 million in taxes that year. Tourism Economics estimated that each visitor to Guam adds \$125 in tax revenues to the Government of Guam.

3.3.1 Past Growth

Visitor arrivals first rose to over a million travelers in 1994 and have remained near or above that level ever since. The current number of tourist arrivals to Guam are near record highs achieved in the late-1990s. Table 5 sets forth the annual number of visitors to Guam from 2005 through 2014.

There was a small decline in visitor arrivals in 2006, and then a marginal increase in 2007. Arrivals for 2008 declined due to the global recession. Arrivals for 2009 declined due to a spike in diagnoses of the H1N1 virus in Japan early that year. Visitor arrivals rebounded in 2010. Arrivals for 2011 slightly declined following the natural disasters in Japan in March of that year. Visitation increased strongly in 2012, and continued rising in 2013 and 2014.

Exhibit 9: Past Growth of Visitor Arrivals to Guam

Year	Visitor Arrivals	
	Number	Percent Change
2005	1,227,587	---
2006	1,211,674	-1%
2007	1,224,894	1%
2008	1,141,779	-7%
2009	1,052,871	-8%
2010	1,196,296	14%
2011	1,159,778	-3%
2012	1,307,795	13%
2013	1,334,497	2%
2014	1,342,377	3%
Average	---	1.5%

Source: Guam Visitors Bureau

3.3.2

Tourism Forecasts

Overall visitation is expected by the Guam Visitors Bureau to grow about six percent in FY2015. The number of Japan visitors is not projected to increase in this timeframe, but projected growth from all other major markets including Korea, Taiwan, Hong Kong, Philippines, China and Russia may contribute to meeting this projection.

Guam has an international airport, the Antonio B. Won Pat Guam International Air Terminal. It is also the principal air carrier airport serving the surrounding Micronesian islands. The global airline industry is expected to improve in terms of passenger activity and profitability, according to the Antonio B. Won Pat International Airport Authority. Global economies are expected to improve and business travel should rebound. LeighFisher, a consultant for the airport authority forecasted future usage in 2013. These are shown below, and assume that the tourism industry in Guam will continue to develop, commensurate with the expected increase in visitor demand.

Exhibit 10: Past and Forecasted Enplaned Passengers at A.B. Won Pat International Airport:

Fiscal Year	Historical		Forecasted	
	Number	Percent Change	Number	Percent Change
2010	1,469,916	---	---	---
2011	1,439,424	-2%	---	---
2012	1,574,491	9%	---	---
2013	1,667,000	6%	---	---
2014	---	---	1,701,000	2%
2015	---	---	1,735,000	2%
2016	---	---	1,769,000	2%
2017	---	---	1,805,000	2%
2018	---	---	1,841,000	2%
2019	---	---	1,878,000	2%

^{1/} Estimated.

Source: Historical numbers are from A.B. Won Pat International Airport Authority and Guam records; Estimated and forecasted numbers are from LeighFisher, August 2013.

The Guam Visitors Bureau's latest strategic master plan (Tourism 2020) aims to boost visitors to two million by 2020 while continuing to reduce reliance on Japan through diversification. More than half (62%) of Guam's visitors are currently from Japan. However, there was a significant increase in the number of visitors from Korea during 2014 compared to the previous year. Korea now accounts for more than one-fifth (22%) of all visitors to Guam, following expanded air service by South Korean airlines from Seoul to Guam. Chinese visitation has also increased in recent years. The Guam Visitors Bureau plans aggressive marketing in China, and considers the increase in Chinese visitors to be a game-changer for future Guam tourism.

3.3.3

Tourism Characteristics

Visitor arrivals by month to Guam are shown below. There are months with minor peaking, the first is in March and the second in August.

Exhibit 11: Monthly Visitor Arrivals to Guam in 2014

Month	Percent of Year
January	8.7%
February	8.7%
March	9.8%
April	7.3%
May	6.7%
June	7.6%
July	8.2%
August	9.9%
September	8.4%
October	7.7%
November	8.1%
December	8.9%
Total	100.0%

Source :Guam Visitors Bureau.

Selected characteristics from the latest profile of visitors is shown below. Except for Russian visitors, average age in the 30s. A significant percentage of visitors are in Guam as part of a full tour package. Although in the minority, there are many adult visitors traveling to Guam with children.

Exhibit 12: FY2013 Profile OF Visitors to Guam

Characteristic	Visitor Origin				
	Japan	Korea	Russia	Hong Kong	Taiwan
Average Age	32	35	41	33	33
Full Tour Package (percent)	25%	50%	30%	9%	19%
Traveling with Child (percent)	15%	40%	32%	7%	11%

Source: Qmark Research.



3.3.4

Local Tourist Attractions

There are no comparable cultural attractions in Guam and the Commonwealth of the Northern Mariana Islands for the Guam Museum (Guam and Chamorro Educational Facility). Existing attractions in Guam include:

- Chamorro Village
- UnderWater World Guam
- T. Stell Newmann Visitor Center at the War in the Pacific National Historical Park
- Gef Pa'go Cultural Village
- Lina'La Beach and Culture Park
- Guam Pacific War Museum
- Isla Center for the Arts

UnderWater World Guam is a popular local attraction, with reported annual attendance of about 400,000. T. Stell Newmann Visitor Center is a relatively small attraction with educational exhibits. Annual attendance in 2013 was approximately 50,000. In 2014, the Guam Visitors Bureau released its Tourism 2020 strategic plan. It concluded:

"Chamorro culture is the only unique differentiator among other sun, sand, sea, and shopping destinations. To highlight the distinctiveness of the island, the story of Guam's people, land and history is compelling and needs to be told. Guam must compete on a global stage with some of the most well known destinations in the world. Competitors such as Hawaii, Indonesia and Thailand have created strong brands by delivering quality experiences to visitors with distinctive cultural offerings. Although progress has been made, GVB's marketing intelligence still indicates visitors to Guam would like to experience more of the island's unique culture and cuisine, and encourage private sector activity in this area "

P. H.R Ken Asset Management, Inc. (dba Ken Corporation) operates the HI ton Guam Resort & Spa, Hotel Nikko Guam, Pacific Islands Club Guam, Hyatt Regency Guam, Sheraton Laguna Guam Resort, and Country Club of the Pacific. In 2010 legislative testimony, its president wrote:

"For Guam in particular, to be competitive in attracting visitors, we believe that focusing on marketing the unique aspects of the island- namely the island's history and culture- will have a great impact in increasing visitor arrivals and the number of repeat guests to Guam. This can be done effectively by first upgrading current historical landmarks and constructing new cultural facilities to showcase the island's history and culture... Affording our visitors even more opportunities to participate in cultural activities and providing more cultural facilities will have a positive impact on their experiences. Positive guest experiences have resulted in an increase in the likelihood of repeat visits and word-of-mouth recommendation of Guam as a viable tourist destination."

In a 2010 survey of Guam residents conducted by QMark Research, 89% said that they support new tourism development in Guam. Approximately 63% felt that tourism helps to preserve the Chamorro culture.

3.4 Military Market

The growth of the military market is shown below. The level of active duty U.S. military personnel in Guam increased slightly from 2007 to 2010. In the years following 2010, Guam began to experience a decrease in military personnel as a result of the delay in the relocation of the Third Marine Expeditionary Force from Okinawa and Iwakuni, Japan to Guam.

The current plan is to relocate a significant number of marines and their dependents from Okinawa to Guam as soon as the receiving facilities are ready. The U.S. Congress has raised concerns about the cost and feasibility of moving the Marines to Guam and other locations and blocked some funds dedicated to the realignment in military construction legislation.

The Department of the Navy issued a Draft Supplemental Environmental Impact Statement on April 18, 2014. The study planned for the relocation of about 5,000 marines with about 1,300 dependents to Guam over a longer period of 12 years. Two-thirds of the marines will be rotated to Guam, while their overall number will stay at about 5,000. Construction would involve moderate activity spread over 13 years. Guam would see fewer than 10,000 new residents at the peak of the construction boom. Projecting out to 2028, Guam would have about 7,400 additional residents. If approved by Congress, plans and approvals to start construction could take place in 2015.

Exhibit 13: Permanent U.S. Military Personnel and Dependents on Guam

Year	Personnel	Dependents	Combined	
			Number	Percent Change
2007	6,285	6,051	12,336	-
2008	6,531	5,833	12,364	0%
2009	6,432	6,821	13,253	7%
2010	6,408	7,059	13,467	2%
2011	6,272	7,247	13,519	0%
2012	5,315	5,381	10,696	-21%
2013	5,819	7,252	13,071	22%
Average				18%

Source: Guam State Data Center, Bureau of Statistics and Plans.

4 | Comparable Experience Analysis

This section provides the comparable experience analysis for the new Guam Museum (Guam and Chamorro Educational Facility). Topics include typical museum financial performance, a case study on improving financial sustainability, a discussion of comparable cultural attractions examined, and a case study about the Museum of the Cherokee Indian.

4.1 Typical Museum Financial Performance

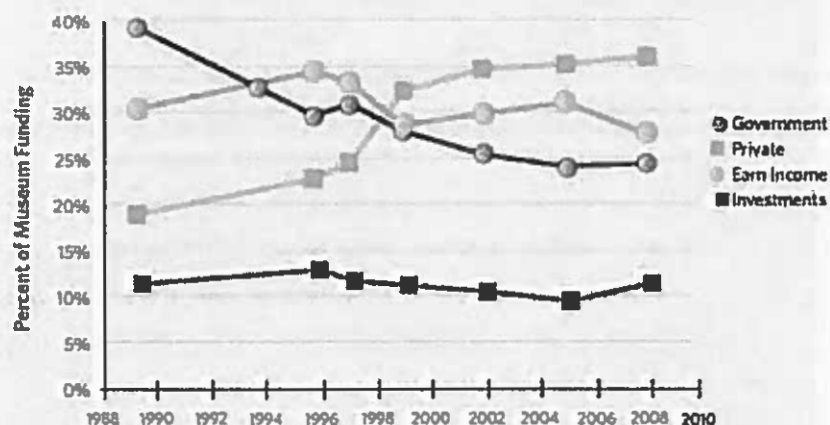
Earned income typically includes operating revenues from admissions, memberships, education fees, gift shop, and other visitor services. As shown below, the typical museum achieves only about 30% of its funding from earned income, and this has been the case for more than 20 years. Although declining over time, government sources still provides about 25% of the operational funding for a typical museum.

John H. Falk and Beverly K. Sheppard discussed the growing financial challenges during the 2000s in their 2006 book (*Thriving in the Knowledge Age: New Business Models for Museums and Other Cultural Institutions*) and observed that:

"In the late 1990s, everything was going great for museums... Everyone seemed to be caught up in their current success and involved in planning elaborate expansions... The atrocities of September 11, 2001, and the following period of economic and social instability clearly initiated a very difficult period for museums... Indeed, cultural and nonprofit institutions across the United States and around the world suffered dramatic declines in audience and funding during this time..."

The Great Recession of the late 2000s added additional financial pressure, which is still being felt today as the economy has since slowly recovered. According to the American Alliance of Museums, more than 67% of their members reported economic stress at their institutions in 2012, ranging from moderate (44%) to severe (15%) to very severe (9%).

Exhibit 14: Long-Term Trend in Average Funding Sources for American Museums



Source: The American Alliance of Museums, 2009 Museum Financial Information.



4.2 Case Study on Improving Financial Sustainability: COSI Columbus (Columbus, Ohio)

One of the museum directors interviewed in the 2006 book was David Chesebrough, who was recruited to lead COSI Columbus that same year as Chief Executive Officer (CEO). This science museum had opened a new larger \$125 million facility in 1999 with hopes of attracting up to two million visitors a year. But attendance peaked at about one million the first year and dropped to less than 600,000 in the following years. Before he arrived, the museum had cut staffers and closed its south wing, but budget cuts alone could not solve its financial situation.

Shortly after he arrived, the museum announced a major fundraising effort. The goal of this "re-engineering" plan would be to draw more visitors, boost income and create a "new COSI." This plan included more educational programs for children, more-frequent changes in exhibits, and new partnerships with local research and technology firms. The CEO pointed out that COSI was not asking for a handout from city and county government. Its plan would be to provide services for the money. "We want to be viewed more as a resource, less of a destination," he said. "Funders don't want to give you money. They want to invest in solutions for the community." In the years that followed, financial performance greatly improved. Current annual attendance is approximately 630,000.

By 2013, COSI Columbus had successfully built partnerships with notable local institutions including Ohio State University, Battelle, TechColumbus, and many others. These accomplishments earned this museum's leader the appreciation of his peers in that city as Large Nonprofit CEO of the Year, which was announced by the Columbus Dispatch newspaper under the title "Partnerships fuel COSI's renaissance." In response, he pointed out that "education is still the single greatest variable that we can control to change people's lives." Parents Magazine has rated COSI Columbus the #1 science center in the country.

Exhibit 15: Entrance to COSI Columbus



Source: Cory Klein Photography.

4.3 Comparable Cultural Attractions Examined

A large number of comparable museums and other cultural attractions were examined for this evaluation, with the goal of finding those achieving the highest level of financial self-sufficiency. The complete list of those considered is provided on the next page. Few achieve a high level of financial self-sufficiency, as shown below. This is defined as the percentage of direct operating expenses covered by earned income. Earned income typically includes operating revenues from admissions, memberships, education fees, gift shop, and other visitor services. Earned income does not include government funding, private contributions, or investment income, as these are separate sources of total revenues for a museum. For the purpose of this evaluation, depreciation and amortization are not included in direct operating expenses because these are non-cash expenses. Occupancy expense has also not been included in direct operating expenses to allow side-by-side comparisons.

The feasibility study for the new Guam Museum (Guam and Chamorro Educational Facility) listed two specific comparable cultural attractions. These were Te Papa Tongarewa museum in New Zealand and Bishop Museum in Hawaii. Earned income for both of these museums cover less than 40% of direct operating expenses, and both rely greatly on government funding and private contributions. This is especially true for Te Papa Tongarewa, which has free admission. The most financially self-sufficient museum in this financial evaluation is the Museum of the Cherokee Indian, described next in this report.

Exhibit 16: Financial Self-Sufficiency of Selected Comparable Attractions

Museum	Annual Attendance	Adult Admission Price	Total Revenues	Earned income	Direct Operating Expenses	Earned income Percent of Operating Expenses
Museum of the Cherokee Indian	100,000	\$11	\$1,565,000	\$1,137,541	\$1,124,000	101%
COSI Columbus	630,000	\$19	\$17,792,000	\$11,895,000	\$13,699,000	87%
Texas State History Museum	445,000	\$12	\$6,085,000	\$4,937,000	\$6,007,000	82%
Heard Museum	200,000	\$23	\$7,120,000	\$4,730,000	\$5,934,000	80%
San Diego Museum of Man	160,000	\$13	\$2,755,000	\$1,729,000	\$2,567,000	67%
National Mississippi River Museum	180,000	\$15	\$4,334,000	\$2,486,000	\$3,682,000	68%
California Museum	65,000	\$9	\$657,000	\$578,000	\$1,032,000	56%
Buffalo Bill Center of the West	190,000	\$18	\$19,021,000	\$3,835,000	\$8,397,000	46%
Tampa Bay History Center	76,000	\$13	\$1,863,000	\$674,000	\$1,523,000	44%
Las Vegas Natural History Museum	92,000	\$10	\$671,000	\$315,000	\$735,000	43%
Anchorage Museum	200,000	\$15	\$8,556,000	\$2,452,000	\$6,150,000	40%
Frazier History Museum	94,000	\$11	\$31,831,000	\$2,519,000	\$6,013,000	42%
Bishop Museum	350,000	\$20	\$12,767,569	\$3,711,000	\$9,486,000	39%
History Colorado Center	190,000	\$12	\$10,867,000	\$3,917,000	\$10,867,000	36%
Te Papa Tongarewa ^{1/}	1,310,000	Free	\$54,069,000	\$12,985,000	\$49,256,000	26%

^{1/} Financial amounts are in New Zealand dollars.

Source: Individual attractions, and the Internal Revenue Service.



Exhibit 17: List of All Comparable Museums Examined

Abbe Museum	Greensboro Historical Museum	New Jersey State Museum
Abraham Lincoln Presidential Library and Museum	H. N. Greenwell Store Museum	North Carolina Museum of History
Acropolis Museum	Heard Museum	Northern Marianas Islands Museum of History & Culture
Adirondack Museum	Historic Arkansas Museum	Northwest Museum of Arts and Culture
Agua Caliente Cultural Museum	History Colorado	Ojibwe Museum
Ah-Tah-Thi-Ki Museum	Hoopa Tribal Museum	Oklahoma History Center
Ak-Chin Him Dak EcoMuseum	Huhugam Heritage Center	Oneida Nation Museum
Alaska Native Heritage Center	Idaho Museum of Natural History	Orange County Regional History Center
Alaska State Museum	Images of Singapore	Osage Tribal Museum
Alutiq Museum	Immigration Museum	Penghu Living Museum
America On Wheels	Indian Caribbean Museum of Trinidad and Tobago	Penobscot Nation Museum
American Civil War Center At Historic Tredegar	Indian Pueblo Cultural Center	Peranakan Museum
American Indian Cultural Center and Museum	International Slavery Museum	Pigeon Island Museum and Interpretive Centre
Anadarko Heritage Museum	Inupiat Heritage Center	Poeh Museum
Anasazi Heritage Center	Iroquois Indian Museum	Powerhouse Museum
Anchorage Museum	Japanese American National Museum	Powerhouse Science Center
Angkor National Museum	Jean P. Haydon Museum	Pyramid Lake Museum and Visitors Center
Anguilla Heritage Collection	Jean-Marie Tjibaou Cultural Centre	Quechan Tribal Museum
Ann Arbor Hands-On Museum	Kaga Museum	Queensland Museum
Aqua Caliente Cultural Museum	Kanza Museum	San Carlos Apache Cultural Center
Arab American National Museum	Kenosha Public Museum	San Diego History Center
Auckland Art Gallery	Kiowa Tribe Museum	San Diego Museum of Man
Auckland Museum	Kura Hunda Museum	Sci Port
August Wilson Center for African American Culture	Kyushu National Museum	Science Spectrum
Autry National Center	Lanyang Museum	Scottsdale Museum of the West
Bahamas National Archives	Las Vegas Natural History Museum	Seneca-Iroquois National Museum
Barbados Museum & Historical Society	Louisiana State Exhibit Museum	Sherman Indian Museum
Barona Cultural Center and Museum	Lyman Museum and Mission House	Shetland Museum
Belau National Museum	Maine State Museum	Shinnecock Nation Cultural Center
Bermudian Heritage Museum	Makah Cultural & Research Center	Shoshone-Bannock Tribal Museum
BioMuseo	Makz Museum of Jewish Heritage	Sierra Mono Museum
Bishop Museum	Mashaucket Pequot Museum and Research Center	Silk Route Museum
Brambuk Living Cultural Centre	Mashpee-Wampanoag Indian Museum	Simon Panek Memorial Museum
Buffalo Bill Center of the West	Massachusetts State Museum	Skokomish Tribal Center and Museum
Burke Museum of Natural History and Culture	Menominee Logging Camp Museum	Sonoma County Museum
Cabazon Cultural Museum	Mesa Verde Museum	Southern Carolina State Museum
Caddo Heritage Museum	Mile Lacs Indian Museum	Southeast Alaska Discovery Center
California Indian Heritage Center	Mitchell Museum of the American Indian	Southeast Alaska Indian Cultural Center
California Indian Museum and Cultural Center	Mo Sheringham Museum	Southern Utah Cultural Center and Museum
California Museum	Mt. Kearsarge Indian Museum	Suquamish Museum
Cayman Islands National Museum	Museo Arubano	Tahiti Museum
Chamorro Museum of History	Museo de las Americas	Tamastlikt Cultural Institute
Cherokee Heritage Center	Museo de Canal Interocéánico de Panamá	Tampa Bay History Center
Chickasaw Cultural Center	Museo y Centro de Estudios Humanísticos	Tasmanian Museum and Art Gallery
Chisholm Trail Heritage Center	Museum of Warm Springs	Te Papa Tongarewa
Choctaw Museum	Museum Center at Five Points	Tennessee State Museum
Chumash Indian Museum	Museum of Alameda	Texas State History Museum
Citizen Potawatomi Cultural Heritage Center	Museum of History and Geography	Tomaquag Museum
Cocopah Museum	Museum of History and Industry	Tribal House of the Bear
Colville Tribal Museum	Museum of Human Evolution	Tumbler Ridge Museum
Corpus Christi Museum of Science and History	Museum of Indian Arts & Culture	Turks and Caicos National Museum
Country Music Hall of Fame and Museum	Museum of Maryland African-American History & Culture	Turtle Mountain Chippewa Heritage Center
Diefenbunker	Museum of Northern Arizona	Viking World
Discovery Center of Springfield	Museum of Tahiti and the Islands	Voyager New Zealand Maritime Museum
Dismal Swamp Museum	Museum of the African Diaspora	Washington Visitor Center and Museum of History and Culture
Durham Museum	Museum of the American Indian	Wanapum Dam Heritage Center
EMP Museum	Museum of the Cherokee Indian	Waponahki Museum and Resource Center
Etpson Museum	Museum of the History of Polish Jews	Wataatchee Valley Museum
Eyaawing Museum & Cultural Center	Museum of the History of Ponce	Wade Museum
Florida Keys Eco-Discovery Center	National Constitution Center	Western Heritage Center
Fond du Lac Museum and Cultural Center	National Mississippi River Museum and Aquarium	Western Science Center
Fort Peck Tribal Museum	National Museum of Bermuda	Wheelwright Museum of the American Indian
Frazier History Museum	National Museum of the American Indian	William Luke Museum of the Asian Pacific American Experience
Frontier Times	National Museum of the Marine Corps	Witte Museum
Garborg Centre	National Underground Railroad Freedom Center	Works, Ohio Center for History, Art and Technology
German Immigration Center	National Waterfront Museum	Yakama Nation Museum
Gettysburg Museum and Visitor Center	National World War II Museum	Yup'ik Piciryarit Cultural Center and Museum
Gilcrease Museum	Navajo Nation Museum	Zibiwing Center of Anishinabe Culture and Lifeways
Great Lakes Science Center	Nelson Museum of the West	



4.4 Museum of the Cherokee Indian (Cherokee, North Carolina)

The Eastern Band of Cherokee Indians is a federally recognized Native American tribe, who are descended from the Cherokees who remained in the Eastern United States while others moved, or were forced to relocate, to the west in the 19th century. It still practices many of the original tribal ceremonies, and many prominent Cherokee historians are affiliated with or are members of the Eastern Band. The Eastern Cherokee Indian Reservation is located in western North Carolina, just south of Great Smoky Mountains National Park. This is a major tourist area. Today the tribe earns much of its revenue from tourism to the area.

The Museum of the Cherokee Indian opened in 1948 and moved to its current facility in 1976. Its main exhibit area was totally renovated in 1998, when a new 12,000-square-foot exhibit was installed. The museum is a component unit of the Eastern Band of Cherokee Indians. It is administered as a non-profit organization with 501(c)3 status, and strives to operate self-sufficiently from admissions revenue and gift shop sales. The museum property is rented under a long-term lease from the tribe, and certain members of the museum's board are elected tribal officials.

Its location is shown below within a cluster of related cultural tourist attractions on tribal land. The museum (#1) is next to a major roadway, and across from the Cherokee Welcome Center (#2) that provides tourist information. It is also across the street from Qualla Arts and Crafts (#3). This is the oldest Native American cooperative, founded in 1946, which sells traditional arts and crafts of the Eastern Cherokee. This artisan store offers locally-made baskets, pottery, wood carving, stone carving, and beadwork. The museum is next to the Cherokee Indian Fair Grounds (#4), home to many cultural special events throughout the year. These include the Festival of Native Peoples, shows, and the century-old Cherokee Indian Fair.

Nearby is the outdoor amphitheater (#5) that presents the cultural drama 'Unto These Hills' that tells the story of the Cherokee people and the Trail of Tears. Also nearby is the Oconaluftee Indian Village (#6), an outdoor living history museum presenting daily life as it was in an 18th-century Cherokee Indian village.

Exhibit 18: Aerial View of Museum of the Cherokee Indian and Nearby Attractions



Source: Pictometry International Corp.

4.5.1

Museum Mission, Exhibits, and Programs

The mission of the Museum of the Cherokee Indian is to preserve the history, culture and heritage of the Cherokee Indians. Total building space is about 30,000 square feet. Inside the building are permanent exhibits, traveling exhibits, archives, artifact collections, and a museum store. Museum programs include festivals, publications, courses, workshops, research, and cultural revitalization projects.

The 12,000 square foot main exhibit area tells the story of the Eastern Band of the Cherokee Indians. This area was renovated in 1998 for approximately \$4 million. At that time, it used state-of-the-art technology (fiber optics, special effects, computer-generated images, and sophisticated audio systems). When the renovated exhibit opened, the museum was called "a cutting-edge museum, one that challenges other museums to examine the way they present themselves." It includes an 80-seat orientation theater.

Financing for the renovated main exhibit area came from several grants and a loan. A total of \$1.7 million was borrowed and guaranteed by the Cherokee Tribe, \$650,000 came from the Economic Development Administration of the Federal Government, and \$647,000 came from the National Park Service. The rest came through a series of smaller grants from private foundations.

In the years following this major renovation, smaller exhibits have been added within the main exhibit area. These focus on the seven clans, dance, stickball, boarding schools, and the role of women in Cherokee society. The museum also offers temporary special exhibits.

Exhibit 19: Interior View of Main Exhibit Area at Museum of the Cherokee Indian



Source: RomanticAsheville.com Travel Guide.

4.5.2

Visitor Services and Traveling Exhibits

The Museum of the Cherokee Indian website sells items from its gift shop, as well as selling memberships online. This website also provides an online catalogue of museum holdings and digital libraries. The museum archives including 4,000 books, 1,000 black-and-white photos from 1800 to 1930, and the William H. Thomas Collection of papers and diaries from 1834 to 1899.

The museum recently expanded in 2010 when it added a new Education and Research Center. This 8,500 square foot wing includes a reading room, multimedia classroom, art studio, offices, and an archives room with the museum's digital libraries. One of these digital libraries holds 2,500 pages of Cherokee language materials from the 1880s that have been collected and digitized with support from a Documenting Endangered Languages grant for \$168,000 from the National Endowment for the Humanities.

As part of its ongoing mission to preserve the Cherokee language, the museum offers a language immersion class that is open to the general public. This class is offered through a partnership with Western Carolina University's Cherokee Studies program.

The museum produced a exhibit named "Emissaries of Peace: The 1762 Cherokee and British Delegations." This traveling exhibit was displayed at the Smithsonian's National Museum of Natural History in Washington DC for five months during 2007. This exhibit included video presentations, interactive displays, and small-scale dioramas. It was funded by the National Endowment for the Humanities, and received a presidential designation as a "We the People" exhibit. At that time, it was the only currently traveling exhibition that was produced by members of an American Indian tribe. This exhibit is available to other museums for a loan fee of \$50,000, and typically needs between 2,000 and 3,000 square feet of space.

Exhibit 20: Gift Shop at the Museum of the Cherokee Indian



Source: Museum of the Cherokee Indian.

4.5.3

Annual Attendance and Financial Performance

Before its major renovation in 1998, annual attendance for the Museum of the Cherokee Indian had flattened after reaching 140,000 visitors annually in the previous two years. At that time, the museum's director estimated that only 5% of the tourists that came through the local tourist area stopped at the museum. He expected annual attendance at the museum would double after the major expansion. Attendance did not substantially change. Today, annual attendance is estimated to be approximately 100,000 annually.

Long-term financial performance for the museum is shown below. It should be noted that this museum moved to its current facility in 1976, so it had years to ramp up to the financially self-sufficient level it was achieving when this period began in 2001.

Overall, operations have been relatively stable over this period, with earned income generally covering 80% to 105% of direct operating expenses. The exception was during 2006, when the museum was creating its major traveling exhibit named "Emissaries of Peace: The 1762 Cherokee and British Delegations" that was later displayed at the Smithsonian's National Museum of Natural History.

This financial stability is encouraging, considering that this museum is located within a tourist destination area and experienced economic recessions in the early and late 2000s. Therefore, this museum is a prime financial role model for the New Guam Museum (Guam and Chamorro Educational Facility).

Exhibit 21: Museum of the Cherokee Indian Financial Performance

Year	Total Revenues	Earned Income	Direct Operating Expenses	Earned income Percent of Operating Expenses
2001	\$1,382,000	\$1,077,000	\$1,028,000	105%
2002	\$1,917,000	\$1,061,000	\$1,066,000	100%
2003	\$1,517,000	\$975,000	\$1,185,000	82%
2004	\$1,485,000	\$886,000	\$1,109,000	80%
2005	\$2,403,000	\$1,020,000	\$1,107,000	92%
2006	\$3,048,000	\$1,259,000	\$2,253,000	56%
2007	\$1,995,000	\$1,211,000	\$1,427,000	85%
2008	\$2,677,000	\$1,142,000	\$1,375,000	83%
2009	\$2,496,000	\$1,145,000	\$1,345,000	85%
2010	\$1,789,000	\$1,189,000	\$1,301,000	91%
2011	\$1,734,000	\$1,140,000	\$1,373,000	83%
2012	\$1,565,000	\$1,138,000	\$1,124,000	101%

Source: Museum of the Cherokee Indian.

5 | Marketing Approach

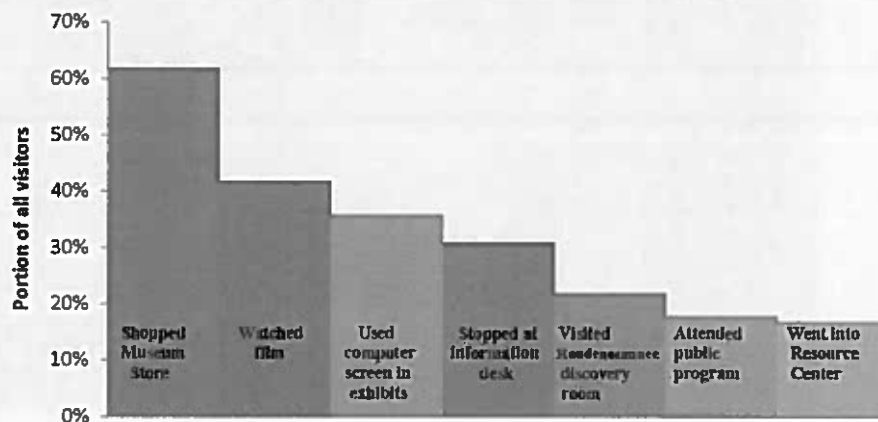
This section provides the recommended marketing approach for the new Guam Museum (Guam and Chamorro Educational Facility). Museum marketing involves more than just advertising. It includes all the efforts that help attract visitors and encourage them to return. Topics include demand analysis, SWOT analysis, competitive position, market positioning, key target marketing channels, cooperative marketing, promotional opportunities, timeline for the marketing plan, and key retail & e-commerce opportunities.

5.1 Demand Analysis

The chart below shows the typical demand for activities at a cultural museum, other than viewing exhibits. This is based on the experience of the National Museum of the American Indian's George Gustav Heye Center. Almost all visitors there viewed at least some of the exhibit areas. Beyond that, 62% shopped at the museum store and 42% viewed a film. This points out the importance of these aspects in the museum. Other activities had lower participation rates. About 36% used computer screens in the exhibits, 31% stopped at the visitor information desk, and 22% went into the Haudenosaunee Discovery Room that provided activities for young children. Approximately 19% attended a program and 17% went into the resource center.

The feasibility study for the new Guam Museum (Guam and Chamorro Educational Facility) was prepared by Knowledge Based Consulting Group in 2006 and updated in 2013. It forecasts that 77% of visitors will be tourists, with Japan being the top country of origin. About 17% of visitors will be Guam residents, 4% military personnel and their dependents, and 2% school children. This forecasted distribution of future attendance is reasonable. The top market segment (Japanese tourists) is examined on the next page, and recommended approaches are provided later in this section for increasing visitation from other potential market segments.

Exhibit 22: Demand for Specific Activities at National Museum of the American Indian



Source: Smithsonian Institution.

5.1.1

Major Market Segment: Japanese Tourists

According to the latest feasibility study, more than half (53%) of the visitors for the new Guam Museum (Guam and Chamorro Educational Facility) are expected to be Japanese tourists. This expectation is reasonable because it is based on current tourism trends for Guam. The average age of Japanese tourists to Guam is 32, and 15% are travelling with a child. One-fourth (25%) of these visitors are visiting Guam through a full tour package.

Nearly half (41%) of Japanese tourists gave positive responses when asked about potential cultural activities on Guam, according to past surveys. Discussions with the principal inbound Japanese tour operator on Guam confirmed that the new Guam Museum (Guam and Chamorro Educational Facility) would be a very attractive destination for their customers in Guam.

There have also been encouraging indicators elsewhere. The Honolulu Advertiser reported that while many are still attracted by beaches and shopping, more Japanese tourists there are looking to experience culture and natural resources. They are also more independent, wanting to explore places on their own. There has been more of an interest in authenticity and culture. Multigenerational travel also has grown, with more families taking trips together. In response, Bishop Museum created a new kumu hula program targeting Japanese visitors and received an increase in those visitors.

Past research on Japanese tourist behavior to all global destinations provides additional insights. Japanese tourists are very sensitive to the problems related to safety, security, and health. They are particularly concerned about cleanliness. They are impatient, and do not like having to wait long. Still, they want experiences that go far beyond a mere gaze.

They are eager to try local dishes, special cuisine and drinks, and they are delighted to learn the origin or background of these items. Most Japanese visitors try to have a few of the most famous foods and drinks wherever they visit. Typically, tourism destinations heavily advertise famous products considered attractive to Japanese visitors.

Exhibit 23: Japanese Tourists at Kamikaze Peace Memorial Museum



Source: National Geographic Traveler.

5.1.2

Recommended Expanded Market Segment: Children and Teenagers

The American Museum of Natural History in New York City is an example of a museum that presents experiences for every age group in order to expand its audiences. Children's programs include a variety of weekend programs, as well as spring and summer camps. All camps include hands-on investigations and behind-the-scene tours.

Despite their prominent role in our culture, teenagers are underrepresented in museums. Through the Teen Chicago Project, the Chicago History Museum brought together teenagers, museum staff, and scholars to study teen experiences across generations, neighborhoods, racial groups, and ethnic communities. Over the course of two years, the fifteen members of the Teen Council collected more than one hundred oral histories about growing up in Chicago. With the help of the teens, Museum staff used these interviews to create this exhibit, develop programs, inform publications, and build a website.

The exhibit strove to capture the essence of the city's teen culture by exploring the history of adolescence throughout twentieth-century Chicago. It opened in 2004 and won an Award of Excellence from the American Association of Museums in the following year. The Chicago Tribune reported the following about the planning process for the exhibit:

"In part, the idea came about while Historical Society workers were thinking of ways to attract teens to the museum, which has not been a popular teen hangout. 'Most people come to history later in life. I'm trying to let people come to history much earlier,' said Lonnie Bunch, president of the Historical Society and the one who conceived the project. 'This becomes a place where teens can find themselves, and they suddenly can see an institution that is viewed as one of the traditional places in the city, as a place that has as much meaning to them as it does to their grandparents.' The multigenerational oral-history project is a way to engage young people in a manner that traditional museums typically do not, he said. 'I thought, wouldn't it be important for teens to get a sense of recognition that there were teenagers before? Also, it would help adults to remember that they were once teenagers,' Bunch said."

Exhibit 24: Teen Chicago Temporary Exhibit at the Chicago History Museum



Source: Chicago Historical Society.

5.2 SWOT Analysis (Strengths, Weaknesses, Opportunities and Threats)

The following aspects for the new Guam Museum (Guam and Chamorro Educational Facility) are based on observations, research, museum industry trends, and discussions with stakeholders.

Strengths

- Unique subject (Chamorro culture and Guam's history)
- Quality interpretative approach
- Relationship with the Department of Chamorro Affairs
- New museum would complement existing tourist attractions in Guam

Weaknesses

- Limited current subject scope
- Lack of personnel
- Lack of operating financial reserves
- Fundraising challenges

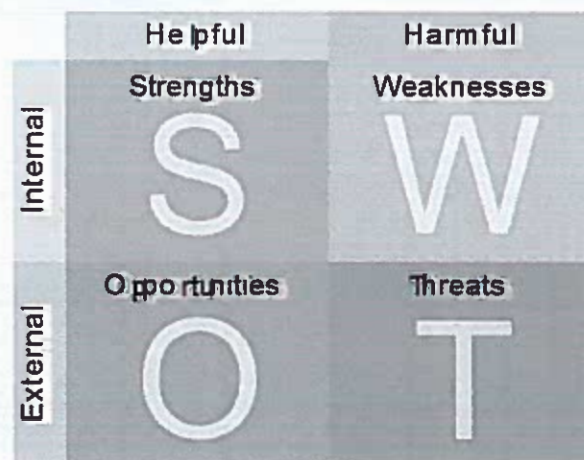
Opportunities

- Growing need for informal learning
- Partnerships for programs and events
- Potential to become a leading cultural institution
- Potential to increase tourism to Guam

Threats

- Future crisis that decreases tourism
- Potential conflicts between public and private sector
- Potential loss of political support
- Lack of confirmed long term operating funding sources

Exhibit 25: SWOT Diagram



5.3 Competitive Position

The new Guam Museum (Guam and Chamorro Educational Facility) has been designed to complement rather than compete with existing tourist attractions in Guam. The main goal is to expand overall tourism by providing more quality historic and cultural experiences. Competition therefore is expected to be minimal and mainly directed towards tourism destinations outside Guam. In the chart below, Guam would become a stronger new entrant for global cultural tourism. Other competitive aspects are:

- **Name Recognition:** The new Guam Museum (Guam and Chamorro Educational Facility) will have some initial name recognition based on the Guam Museum's past operation, but will need to establish a stronger new identity for the much expanded new facility.
- **Image:** Current planning has been aimed towards providing an authentic, educational, cultural experience. This effort should be continued.
- **Quality:** Expected quality level of the physical facility and its exhibits is high, therefore this approach should also be applied to programs and visitor services.
- **Price:** Given the scope and quality of the new facility, standard prices should be near the top of the current range of prices charged by other attractions in Guam. This is especially important since attractions typically offer substantial discounts through promotional partners and tour operators.
- **Value:** Since standard admission pricing should be aimed at tourists, there should be significant discounts available for Guam residents. This approach has been used elsewhere, such as at Bishop Museum in Hawaii. There should also be a strong effort to encourage membership, which would provide value to Guam families.
- **Customer Service:** With the planned pricing approach and quality image, efficient and convenient customer service will be expected.
- **Customer Relations:** The facility will serve multiple roles. Not only is it expected to be a major new tourist attraction, the new Guam Museum (Guam and Chamorro Educational Facility) should also be an important center for informal learning.

Exhibit 26: Five Forces of Competitive Position



Source: Michael E. Porter, *Competitive Strategy*.

5.4 Market Positioning Opportunities

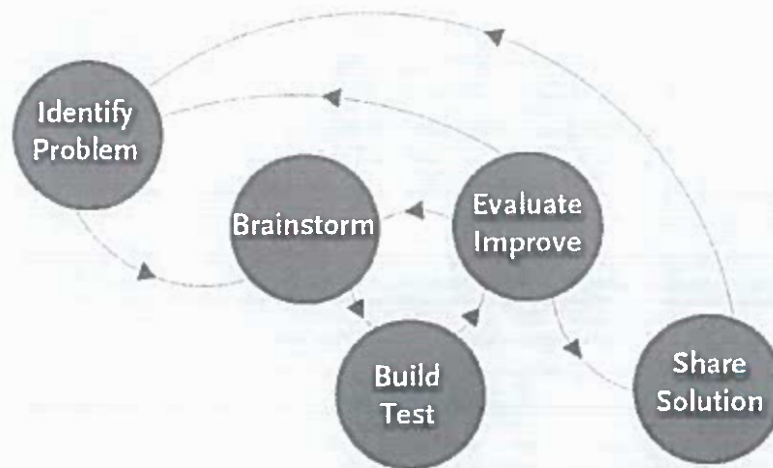
Museum market positioning involves implementing values and offerings so that visitors will understand and appreciate what it stands for. Museums can build an image in different ways. One way is by offering a distinctive collection and popular programs. History museums often position themselves according to the benefits they provide. These museums combine fun and learning that encourage visitors to become active, lifelong learners. Heritage museums are increasingly positioning themselves as places where visitors can participate in history, not just view the past. These museums offer immersion through experiences. The new Guam Museum (Guam and Chamorro Educational Facility) should follow all of these proven approaches. In addition, it should also position itself as a creative and innovative museum that serves as an important place to learn. Museum research has shown the following characteristics to be particularly influential to potential visitors:

- Exciting
- Superior exhibits
- Broad offerings
- Attractive building
- Friendly staff
- Excellent shop

5.4.1 Recommended Expanded Market Position: Innovation

Informal education programs and exhibits at museums now increasingly emphasize processes over facts, especially those involved with innovation. For example, the Design Lab at the New York Hall of Science is a new participatory area that opened this year. It emphasizes that design is when people make things for a purpose. This purpose may be to serve a need, solve a problem, or meet a goal. It promotes the iterative, creative problem-solving process that is illustrated below.

Exhibit 27: The Typical Innovation Process



5.4.2

Recommended Expanded Market Position: Problem Solving

Problem-solving approaches have recently been used in history museums. One example is the Discovery Center program at the Ronald Reagan Presidential Library. This is an immersive, educational experience designed to inspire the next generation of student leaders. It allows students to face the responsibilities and challenges faced by the Executive Branch, military, and media. While visiting the Discovery Center, students have the opportunity to role-play in a realistic, interactive environment. The program is created for students in grades 5 and above (or age 10 and older).

The historical scenario centers on the military action taken on the island of Grenada in October of 1983. Students become advisors to the President, top level military officials, members of the White House Press Corps, or even President Reagan. Along with a combination of pre-visit curriculum materials and post-visit activities, students practice and improve their critical thinking and decision-making skills.

This room is a scaled replica of the Oval Office during the Reagan administration. Students assigned to this module become presidential advisors. Students chosen to be military officers are transported to a situation room aboard an aircraft carrier. Students are tasked with planning "Operation Urgent Fury." Student news reporters find themselves working in a replica of the White House Press Room. They engage in uncovering the details of the highly classified mission. Discussion focuses on international relations, the effects of military involvement in other countries, military strategy, freedoms of speech, and how the press can influence public opinion.

Exhibit 28: Student Role-Playing at the Ronald Reagan Presidential Library and Museum



Source: Ventura County Star.

5.4.3

Recommended Expanded Market Position: STEM Education

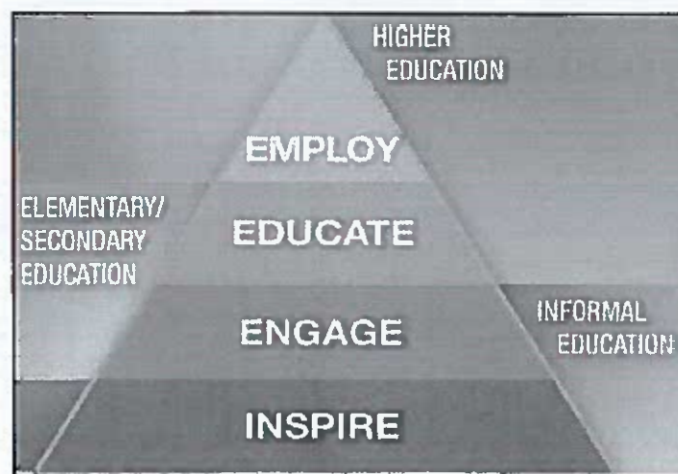
Past planning for the new Guam Museum (Guam and Chamorro Educational Facility) recommended that it not only focus on cultural history, but also on the sciences. Expanding the museum's scope would be beneficial. The U.S. Bureau of Labor Statistics estimates that 60% of the new jobs in the twenty-first century will require the kinds of STEM (science, technology, engineering and mathematics) skills that are possessed by only 20% of the current workforce.

Museums are particularly important for nurturing and sustaining an interest in science, especially for those in underserved populations. A 2009 study by the National Research Council confirmed that exposure to informal science education enables students to grasp concepts faster and more easily. In its strategic planning, the Carnegie Science Center places its recently created Chevron Center for STEM Education and Career Development at the intersection of students, parents, community, formal education, and workforce development.

NASA has developed an implementation framework for its educational efforts, which can also be applied to other STEM initiatives. This framework is illustrated below, and progresses upwards in intensity and usefulness. The traditional role of educational providers in these steps is also shown. This pyramid also symbolically represents the number of museums presently involved at each level. For example, all museums strive to inspire visitors, while fewer actively engage participants, even fewer provide extensive education programs, and very few directly help participants with STEM-related careers.

With the heightened current need for more in-depth STEM education, especially for children, many museums have strongly pushed their efforts upward. Some of these museums have formed partnerships with public school systems and colleges to provide STEM-related programs, especially to underserved populations. This level of commitment has even led to individual museums redefining the mission statement to specifically include science education and workforce development.

Exhibit 29: NASA Education Implementation Framework



Source: National Aeronautics and Space Administration (NASA).

5.5 Key Target Marketing Channels

Marketing channels are the ways products and services get to the end-user. For a museum these typically include:

- Exhibit areas
- Onsite programs
- Special tours
- Student field trips
- School outreach
- Workshops
- Events

5.5.1 *Recommended Marketing Channel: Membership and School Involvement*

COSI Columbus has high membership revenues in relation to its resident market. Its basic family memberships include free year-long admission to the museum, free or discounted reciprocal admission to 300+ other science centers, member express check-in, invitations to member previews & events, as well as discounts on workshops, camps, special exhibits, merchandise, and food items. The museum's premium family membership adds unlimited admission to its adventure exhibit, one free add-on guest per visit, free or discounted admission to nearly 200 children's museums, and exclusive access to Little Kidspace on select weekdays. The supporting family membership adds unlimited extreme screen movies and VIP access to member previews and events.

The Sci-Port museum in Louisiana has a high level of local participation as a percentage of its available resident market. One reason for this situation is the extra effort it makes with nearby schools. The museum offers school administrators the opportunity to provide a museum membership for all of the students in a classroom with the museum's School Pass Partner program. For a one-time fee of \$12 per enrolled student, the students can visit as often as they want with their class during the school year (August through May). As a School Pass Partner, teachers can request special, customized programs specifically designed to meet their teaching goals. These customized programs meet grade level expectations, common core standards, and curriculum requirements developed with teacher input by the museum's education coordinators and staff.

The new Guam Museum (Guam and Chamorro Educational Facility) should offer combination experiences for its temporary exhibit gallery and theaters. This has been particularly popular for school groups and can help generate frequent repeat visits. For example, the Science Spectrum offers the opportunity for school field trips to experience a combination of activities on the same subject. That subject changes annually. In early 2014, the museum offered a temporary exhibit on penguins, a dome theater documentary about penguins, a hands-on experiment, and learning about preserving penguin habitats. The price per student was \$6.50 for just the temporary exhibit and documentary presentation, or \$9 for the temporary exhibit, documentary presentation, and the rest of the museum.

5.5.2

Recommended Marketing Channel: Teacher Training

The new Guam Museum (Guam and Chamorro Educational Facility) should offer multi-day teacher training sessions. This marketing channel would broaden the new museum's interpretive efforts and provide a needed community service.

An existing example is the Colonial Williamsburg's Teacher Institute. It is an intensive, six-day workshop that immerses participants in early American history "on location" in Williamsburg, the restored capital of 18th century Virginia. The institute's programs are designed for elementary, middle, and high school social studies teachers.

Participants engage in a number of interdisciplinary activities with colonial American history as the focus. Participants observe museum techniques that are aimed to actively engage their students. Interactive opportunities include working with museum staff and interpreters, analyzing primary sources, and taking part in historic simulations.

There are daily sessions set aside for participants to meet with a master teacher that reinforces teaching strategies presented during the day and offer lessons and strategies that have successfully been used elsewhere with students. Together with staff, participants prepare new instructional materials for use in their own classrooms.

The program began in 1990 with 44 fifth-grade teachers from two school districts. Today, nearly 7,800 teachers from all 50 states and three foreign countries have participated since the inception of the Teacher Institute

Exhibit 30: Teacher Training Institute Session at Colonial Williamsburg



Source: Colonial Williamsburg Foundation.

5.6 Opportunities for Cooperative Marketing

There are many cooperative marketing opportunities for the new Guam Museum (Guam and Chamorro Educational Facility). The most important of these are joint marketing and promotional efforts with the Guam Visitors Bureau. As noted earlier in this report, this bureau's mission is to efficiently and effectively promote and develop Guam as a destination for all visitors. Since one of the goals of the new museum is to help better establish Guam as a global cultural tourism destination, both organizations would be better served by effectively working together. The new museum should be prominently displayed in visitor guides to Guam and in future advertising campaigns for Guam tourism.

The new museum should also extensively work in partnership with Guam travel and tourist agencies, especially those involved in organizing package tours. The right fit is very important regarding what these tourists seek and what the new museums can offer.

5.6.1 *Recommended Cooperative Marketing Partner: Smithsonian Institution*

Annual attendance at some Smithsonian Affiliate museums have increased by as much as 37% after receiving the benefits of this designation. In addition to artifact loans, Smithsonian Affiliations helps member organizations identify appropriate resources within the Smithsonian to accompany exhibit loans, education and performing arts programs, expert speakers, teacher workshops, and technical assistance. The Smithsonian Affiliations program also offers career development workshops for museum professions. A Smithsonian Affiliate may use the tag line "in association with the Smithsonian Institution" and may use the Smithsonian Affiliations logo according to established guidelines.

A publicly-operated museum interested in obtaining Smithsonian collections can apply to become a Smithsonian Affiliate. The Smithsonian considers proposals from institutions whose missions are parallel to the Smithsonian's and who demonstrate a strong commitment to serving their communities. The Affiliation agreement is intended to establish a long-term partnership between the Smithsonian and the affiliating organization. There is no time limitation on the partnership; it can last as long as both parties find it mutually beneficial. As long as the partnership is in place, the affiliating organization agrees to pay an annual fee of \$3,000 in order to cover administrative costs for the program.

Exhibit 31: Website Image Promoting Springfield Museum of Art's Smithsonian Affiliation



Source: Springfield Museum of Art.

5.6.2

Recommended Cooperative Marketing Partner: PBS Guam

As mentioned earlier in this report, PBS Guam has been merged into the Department of Chamorro Affairs. This division will direct the future operation of the theater building at the new Guam Museum (Guam and Chamorro Educational Facility). Current plans are to use this space as a demonstration theater for visitors and as an interactive audiovisual production center. This will also have marketing value for both organizations.

The demonstration theater at the new museum should be enhanced by adding a video projection screen above a presenter's table. This would allow multimedia content to be part of interactive educational programs that can be televised by PBS Guam.

An example is shown below at an existing museum elsewhere, where students and teachers from across the country experienced an interactive live surgery program. Schools connected remotely by videoconference, or participated on-site as a member of the demonstration theater's live audience. This 90-minute program has been one of the museum's most popular educational offerings for students and teachers.

The current high community participation rate for this particular museum is mainly due to the large number of students participating in televised programs from its on-site video production studio. There should be a similar opportunity for the new Guam Museum (Guam and Chamorro Educational Facility) by adding video and teleconferencing capabilities to its demonstration theater.

Exhibit 32: Demonstration Theater at COSI Columbus



Source: COSI Columbus.

5.7 Promotional Opportunities

The new Guam Museum (Guam and Chamorro Educational Facility) should use a variety of promotional tools that have been successful at other museums. These include:

- **Advertising** (such as brochures, print ads, display advertising, television, radio, billboards, display posters, directories, and web ads).
- **Sales Promotion** (such as discounts, coupons, rebates, and contests).
- **Direct Marketing** (such as direct mail, targeted email marketing, and newsletters).
- **Public Relations** (such as community relations, media relations, press kits, press releases, events, trade shows, sponsorships, interviews, photographs, speeches, and public service announcements).
- **Internet** (such as TripAdvisor, other travel websites, Google+, Yelp, and podcasts).
- **Social Media** (such as Facebook, Twitter, Instagram, Pinterest, and blogs).

5.7.1 Promotional Opportunity: Annual Report with Video Presentation

In the *Handbook for Small Science Centers*, published in 2006, Sci-Port pointed out that:

"To quickly and succinctly acquaint grantors, donors, and the interested public with the progress their support makes possible, we take great care in producing and printing an annual report. Without this report, our constituents would be relying heavily on our Form 990 Information Tax Return filed annually with the Internal Revenue Service or fragmented pieces of information they obtain from the media. Neither source shares a full view of our results and the impact of our programs on the people we served during the year.

Our annual report presents the outcomes of the year more in pictures than words to involve the reader in a comprehensive and enjoyable visual journey of the impact our educational activities had on the lives of young people and families."

In addition to preparing an annual report, the President & CEO of the Milwaukee Public Museum personally gives a video presentation of the year's accomplishments and challenges ahead.

Exhibit 33: Title Image of Milwaukee Public Museum Annual Report Video



Source: Milwaukee Public Museum.

5.7.2

Promotional Opportunity: Preview Center

Before opening, some new attractions offer a small-scale preview center. The goal is to introduce the concept to visitors and potential donors while the larger main facility is being developed. Within the smaller space, quality of presentation is emphasized using participatory multimedia technology tools. Preview centers have been contained in temporary dedicated structures or within existing building space. These have also been presented in trailers.

The National September 11 Memorial & Museum is the not-for-profit corporation created to oversee the design, raise the funds, and program and operate the 9/11 Memorial at the World Trade Center site. Its Preview Site was an exhibition and retail environment developed to educate the public about the progress of the memorial and museum while these were being built. This preview center was conceived, realized, and opened in under two months.

Selected artifacts from the upcoming museum's permanent collection were presented. Visitors to the Preview Site also had the opportunity to be a part of history by sharing their 9/11 stories. An on-site recording booth allowed the public to contribute to the upcoming museum's planned introductory exhibition that would include a soundscape of people remembering, in multiple languages, where they were on September 11, 2001, and how they learned of the attacks. The Preview Site helped collect these remembrances through 3-minute recorded stories.

Highlights from the upcoming museum's digital collection were available through kiosks at the Preview Site. This collection included photographs and written tributes provided by families and friends.

Opportunities to support the creation of the Memorial and Museum were available at the Preview Site through donations and the sale of 9/11 books, DVDs, and merchandise, with all net proceeds dedicated to the development of the memorial and museum. The Preview Site and its for-sale merchandise introduced the visual identity for the new National September 11 Memorial & Museum.

Exhibit 34: Interior Views of the 9/11 Memorial Preview Site



Source: National September 11 Memorial & Museum.

5.8 Timeline for the Marketing Plan

The marketing plan for the new Guam Museum (Guam and Chamorro Educational Facility) should include the following topics:

- Marketing messages, strategies, and methods
- Approaches for market segments
- Developments expected to effect visitation
- Rationale for planned messages, strategies, methods, approaches
- Specific plans for employing outside agencies and media uses
- Sales plan that includes travel industry relationships

A suggested timeline for the initial marketing effort is presented below. It begins 12 months before the committed opening date. Since the opening date is still not definitely known, these tasks will likely need to be compressed into a quicker timeframe. If that occurs, the amount of labor and budget needed to accomplish these tasks remain the same within this compressed timeframe.

It is recommended that the Guam Visitors Bureau (GVB) administer pre-opening marketing efforts for the new Guam Museum (Guam and Chamorro Educational Facility) because GVB has the existing marketing budget and staff to accomplish this effort. After all newly hired museum marketing personnel are in place and a dedicated operational marketing budget for the new facility is available, the Department of Chamorro Affairs should be responsible for marketing.

Exhibit 35: Recommended Initial Marketing Timeline

Task	12 months before	11 months before	10 months before	9 months before	8 months before	7 months before	6 months before	5 months before	4 months before	3 months before	2 months before	1 month before	Opening
Logo													
Select creative agency													
Select PR agency													
Press updates													
Newsletter distributed													
Trade / travel advertising													
Strategic media alliances													
Select media agency													
On-site media tours													
Distribute media kits													
Media on-site special event													
Consumer advertising													
Promotions													
GRAND OPENING													

Source: Leisure Business Advisors LLC.

5.9 Key Retail and E-Commerce Opportunities

According to the 2009 financial survey conducted by the American Alliance of Museums, almost 90% of museums offer an on-site store or gift shop. The median size was about 700 square feet. Visitors typically spend almost \$1.60 each for merchandise, representing more than 5% of a typical museum's gross operating income.

Museum shops also typically partner with artisans and manufacturers to identify, design, and produce specific merchandise items related to museum mission and goals. Tourists and local residents generally have different expectations and impacts. Tourists tend to spend more than resident visitors. They are also more likely to purchase gifts for others since they are likely to be single-time visitors.

An increasing number of museums have set up multiple shops and merchandise kiosks rather than having a single large museum store. Dispersed around the museum, these kiosks encourage visitors to take breaks from the exhibit galleries and spend time and money browsing merchandise. An example is the National Museum of the American Indian. The gift shop located on the second floor mainly offers mementos and inexpensive tourist items, while the museum shop located near the museum entrance offers goods of the highest quality and artisanship. These include textiles, jewelry, baskets, and ceramics.

This approach should be used at the new Guam Museum (Guam and Chamorro Educational Facility). In addition to the museum store, a merchandise kiosk should be placed within the waiting area for the orientation presentation that begins the main exhibit experience. The entrance lobby could also have retail areas, one of which could sell books and other educational materials produced by the Department of Chamorro Affairs.

Exhibit 36: Mill City Museum Store



Source: Minnesota Historical Society.

5.9.1

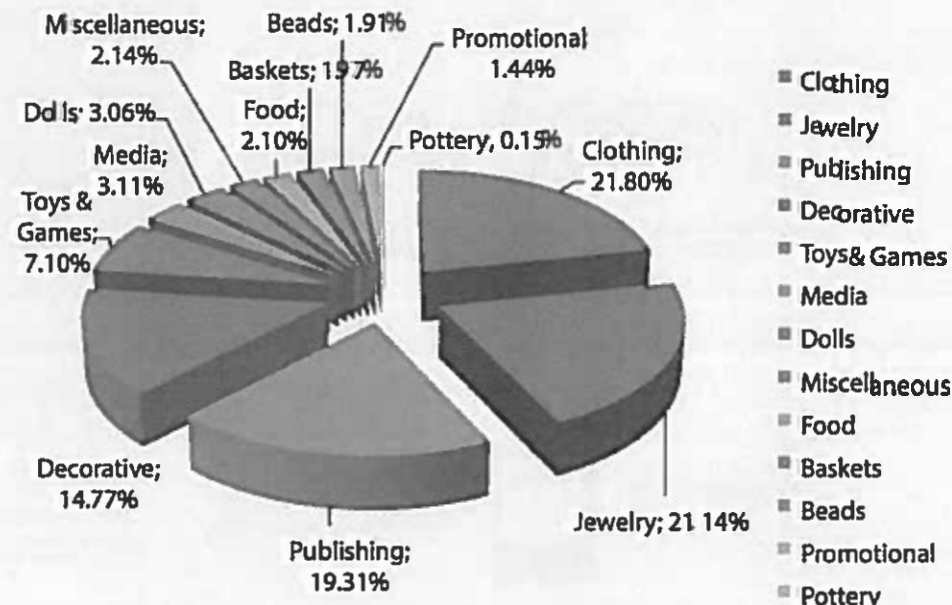
Recommended Types of Merchandise at the Museum Store

Ah-Tah-Thi-Ki is a museum of Seminole culture and history located near Miami, Florida. It is owned and operated by the Seminole Tribe of Florida. The percentage of total sales for each merchandise category is shown below. Clothing and Jewelry generally have higher retail prices. Publications include not only books, but also other printed material such as postcards, prints, and notecards. Decorative items include some that are not handcrafted by Seminole artisans. Food has been a relatively new category and is limited to packaged food items made by tribal members. The top categories are clothing (22%), jewelry (21%), publishing (19%), and decorative items (15%).

This merchandising experience should be used as initial guidance for the new Guam Museum (Guam and Chamorro Educational Facility). As noted earlier in this section, tourist attractions in the Pacific region typically advertise famous products considered attractive to Japanese visitors, and they want to learn the origin or background of these items.

Planned museum merchandising approaches were recently discussed at a March 2014 conference in Guam, and these are in line with those used at the Ah-Tah-Thi-Ki museum and elsewhere. The new museum plans to offer items made by local artists and artisans, especially those that speak to Guam's visitors. Department of Chamorro Affairs President Joseph Artero- Cameron commented that there will be diverse opportunities for local creators and merchants to sell both affordable and high-end cultural products. These include artwork, jewelry, books, puzzles, coconut products, and chocolate. Items developed for the museum store should generally be an extension of Guam, with an emphasis on authenticity.

Exhibit 37: Museum Store Sales by Category at Ah-Tah-Thi-Ki Seminole Indian Museum



Source: Seminole Tribe of Florida. 2013 data

5.9.2

Museum E-Commerce

E-commerce is a museum retail activity with strong future growth potential. Online stores are always open and are available to potential customers worldwide. These can often be operated at a reduced cost compared to brick and mortar stores.

Large well-financed museums typically create their own online store. A popular example is the Metropolitan Museum of Art (<http://store.metmuseum.org/>), shown below. Another example is the National Museum of the American Indian (<http://www.nmai.si.edu/store/>).

Smaller museums often use an outside retailing service to set up the online museum store. A direct link from the museum website provides a seamless process for online users. The Museum of the Cherokee Indian website (<http://www.cherokeemuseum.org/>), for example, has a link on the top of its home page that takes the user to the outside service (<http://cherokeemuseum.mivamerchant.net/mm5/merchant.mvc>).

Online museum stores can also be directly accessed by other websites that specifically cater to customers looking for quality merchandise. An example is the Musee.com website (<http://musee.com/index.php>), which helps shoppers find unique products at online museum shops. This website also helps museum shops find online shoppers.

Exhibit 38: Screen Image of Online Store for the Metropolitan Museum of Art.



Source: Website for the Metropolitan Museum.

6 | Implementation Approach

This section presents the recommended implementation approach for the new Guam Museum (Guam and Chamorro Educational Facility). Topics include practical strategies based on the experience of comparable facilities, and the recommended role of a fundraising organization.

6.1 Practical Strategies Based on the Experience of Comparable Facilities

Many practical museum strategies based on best practices are recommended in other sections of this report. Those in previous sections include:

- Cater to children and teenagers
- Showcase innovation
- Promote problem solving
- Provide Science, Technology, Engineering & Math (STEM) informal education
- Maximize museum membership and school involvement
- Offer teacher training
- Consider cooperative marketing with the Smithsonian Institution
- Establish a close partnership with PBS Guam
- Prepare ongoing annual reports with video presentations

The next section of this report describes best practices in these operational areas:

- Employment and hiring
- Community contributions and involvement
- Education
- Procurement and contracting
- Benefit versus cost of operations outsourcing

The following pages of this section provide additional recommendations for the new museum's implementation approach.

6.1.1 *Create Construction Update Web Pages*

One of the most successful approaches for communicating with the public is the Internet. Beyond basic descriptive information, the website for the new museum can also provide details of the project while it is under construction. Progress can be shown in photographs, live web cams, video segments, audio statements by the director and the architect, and donor acknowledgments. Press releases can be posted online, and email newsletters can provide monthly progress updates.

6.1.2

Begin Using the Temporary Exhibit Gallery on Opening Day

Successful museums elsewhere offer a temporary exhibit gallery because it provides a constant change of content and particularly appeals to members. Over time, this has become a popular area at museums worldwide.

The first floor of the new Guam Museum (Guam and Chamorro Educational Facility) will have 3,100 square feet of space for changing exhibits. This area should be used on opening day along with the permanent exhibits elsewhere in the museum. It should mainly focus on cultural and historical topics. In addition, this space should also showcase current technology with participatory educational experiences. An example is described below.

Case Study: "Take Apart Studio" Temporary Exhibit at the Putnam Museum.

This exhibit is an example of one that could be quickly developed. It allows visitors to explore items using real tools. They could dismantle an item, discover its inner workings and devise a new plan. These included the inner workings of clocks, phones, and printers. A workbench complete with the tools and safety equipment was provided. After dismantling an item, participants could use the uncovered gears, wires and mechanics to create something of their own invention.

This exhibit highlighted the growing "makers" movement happening worldwide. "Makers" take everyday objects, found items and common components and repurpose them. Makers solve problems with unique solutions and create inventions through experimentation, discovery and problem solving. Exhibit parts were donated by the Waste Commission of Scott County, which also served as a sponsor. Other sponsors were St. Ambrose University, QC Co Lab and Tennant Trucking.

Exhibit 39: View of Putnam Museum's "Take Apart Studio" Temporary Exhibit



Source: Putnam Museum.

6.2 Role of a Fundraising Organization for the New Museum

The New Guam Museum (Guam and Chamorro Educational Facility) will have one or more fundraising organizations financially supporting it. As mentioned earlier in this report, the Guam Museum Foundation is a non-profit organization that was incorporated in 2006 as a support group for the new Guam Museum (Guam and Chamorro Educational Facility). The foundation's primary purpose is to serve as a private fundraising arm of the Department of Chamorro Affairs' Division of Guam Museum. While the department does not control the Foundation, the resources and fundraising activities of the Foundation are almost entirely for the direct benefit of DCA's Guam Museum division.

This foundation has operated the Latte of Freedom / Hall of Governors Facility. It is recommended that the foundation not perform this function in the future so that it can provide more internal resources towards private fundraising for the new Guam Museum (Guam and Chamorro Educational Facility).

Museums elsewhere have been successful in fundraising efforts by taking these steps:

- Analyze the position of the museum in the marketplace.
- Concentrate on donor sources whose interests are parallel to the museum's.
- Measure the giving potential of each potential donor group.
- Develop a fundraising plan for each donor group based on its fundraising potential.
- Design a continuous solicitation program for each donor group.
- Generate offerings and benefits that appeal to prospective donors.

6.2.1 *Use a Fundraising Consultant*

The Department of Chamorro Affairs should use an outside professional consultant to assist its fundraising efforts for the new museum. This approach has been successful at other museums. For example, the Putnam Museum in Iowa recently completed a \$1.5 million capital campaign to renovate existing exhibit space for a new participatory exhibit area.

In its FY2009-10 tax return, the Putnam Museum reported that it had retained Benevon because it "consults on sustainable fundraising from individual donors." During that fiscal year, the museum reported approximately \$681,000 in gross receipts from this activity and that it paid the fundraiser \$20,000. This was part of the total \$2.3 million raised in contributions and grants during that period, substantially more than the \$1.4 million raised during the previous fiscal year. According to that Seattle firm's website, Benevon was founded in 1996 by Terry Axelrod, a professional fundraiser and social worker. She designed the Benevon Model for Sustainable Funding after working for more than twenty-five years in the nonprofit sector.

COSI Columbus is another museum that faced past financial difficulties and has used a fundraising advisor. That museum's FY2011-12 tax return reports that it retained the Benefactor Group for "fundraising consultation" and that it paid approximately \$81,000 for this service. According to its website, Laura MacDonald established Benefactor Group in 1999 to serve the needs of nonprofit organizations. It is based in Columbus, Ohio, and serves clients locally and internationally.

6.2.2 *Conduct an Endowment Campaign*

An endowment campaign seeks to raise funds for a museum's long-term financial stability, although these funds can be used for short-term needs if needed. Endowment campaigns mainly financially support programs and services rather than physical buildings.

The fundraising organization should undertake an endowment campaign for the new Guam Museum (Guam and Chamorro Educational Facility). This effort typically begins with a funding study of the community and potential financial supporters. The foundation should understand the donor base within the museum's sphere of influence, who the major givers are, what other organizations they support, how much they give to other organizations, how much other organizations are raising from donors, and which donors can bring in other donors.

This funding study would include research on current philanthropic support in the local area. This initial research is followed by confidential interviews with key members of community, major supporters, and potential individual and corporate donors. These interviews should focus on how well donors and potential donors understand the museum's mission and its programs, how they view the museum as a community asset, and whether they would be willing to make a major financial contribution.

After the funding study has been completed, the next step would be a plan that identifies fundraising goals, leaders, donor targets by type, and estimates of how much the museum could raise from each donor. This plan would also include a timeline, budget, staff, and support issues.

6.2.3 *Aggressively Pursue Partnership Grants and Corporate Involvement*

Grant funding is an important potential revenue source that should be especially emphasized at the new Guam Museum (Guam and Chamorro Educational Facility). These grants can be obtained from both government and private sources.

For example, Sci-Port receives more than \$700,000 annually from grants, the State of Louisiana, and local communities. Examples of Sci-Port's past grants can provide useful guidance. The AEP Foundation awarded the museum a \$78,300 grant to develop a series of programs and exhibits to be used throughout the local community, the state of Louisiana, and by members of a museum association. The Community Foundation of Shreveport–Bossier funded one of its traveling exhibitions by granting it \$77,900 from the Rubye Moss Ratcliff Fund. The Omega Diagnostics Foundation awarded a \$14,700 grant to the museum for an afterschool program. Other grant sources include the American Association of Museums, Institute of Museum and Library Services, Shreveport-Bossier Convention and Tourist Bureau, International Paper Foundation, St. Louis Science Center Foundation, and the Times Gannett Foundation.

Local corporations often financially support museums and derive benefits from this support. A company may sponsor a special event or ask its employees to volunteer at the museum. A corporation can also make in-kind gifts to the museum. In return for this financial support, the museum typically offers discounted memberships to the corporation's employees.



7 | Best Practices for Sustainability

This section presents selected best practices for museums that help financial sustainability. Topics include employment, hiring, volunteers, community involvement, informal education initiatives, procurement, contracting, and outsourcing.

7.1 Employment and Hiring

Fair staff management procedures are both a practical necessity and an ethical obligation for museums. Fairness begins with a clear commitment to equality of opportunity, which should be expressed in a written equal opportunities policy. This policy should cover recruitment, promotion, day-to-day supervision, management, pay, benefits, and training opportunities.

According to the International Council of Museums (ICOM) code of professional ethics, members of the museum profession, although entitled to a measure of personal independence, must realize that no private business or professional interest can be wholly separated from their employing institution. They should not undertake other paid employment or accept outside commissions that are in conflict with, or may be viewed as being in conflict with the interests of the museum.

7.1.1 *Museum Employment Resources*

The following websites allow museums to post job listings:

- American Alliance of Museums (<http://www.aam-us.org/resources/careers>)
- American Association for State and Local History (<http://jobs.aaslh.org/jobs>)
- Museum Employment Resource Center (<http://museum-employment.com>)
- National Council on Public History (<http://ncph.org/cms/careers-training/jobs>).

7.1.2 *Volunteers*

Most museums recruit volunteers, especially small and medium-sized facilities. Volunteers typically operate information desks, serve as docents for group tours, work in gift shops, support curators, and assist with public affairs. According to the American Alliance of Museums, museums typically have seven volunteers for every full-time staff person. Smaller museums generally have a higher ratio of volunteers to full-time personnel.

According to the ICOM code of professional ethics, the governing body should have a written policy on volunteer work that promotes a positive relationship between volunteers and members of the museum profession. It is important to have established processes for recruiting, training, retaining, and evaluating volunteers. There should be a volunteer orientation manual with an organizational chart that shows the chain of command.

7.2 Community Contributions and Involvement

In addition to being a major tourist attraction, the new Guam Museum (Guam and Chamorro Educational Facility) should also serve its community and encourage local involvement. The following recommendations are based on initiatives taken by comparable museums elsewhere.

7.2.1 Offer Multiple Community Events

The new Guam Museum (Guam and Chamorro Educational Facility) will have a multipurpose room, indoor theater, and outdoor stage. These provide flexible physical space that should be used for many educational community events. These could include:

- **Heritage Programs:** For example, the Atlanta History Center has offered a yearly musical heritage program with corporate and philanthropic partners.
- **Career Fair:** This event is open to all area schools with the purpose of exposing students to various careers locally. An example is shown below.
- **National Inventors' Month:** Participation in the annual month-long event celebrating invention and creativity.
- **NanoDays:** Local involvement in the annual nationwide festival of educational programs about nanoscale science and engineering and its potential impact on the future.
- **Career Guidance Day:** Provided for local area secondary school guidance counselors, this event provides guidance counselors with specific examples and strategies for careers in the local area.

Exhibit 40: Community-Oriented Events at Marbles Kid Museum



7.2.2

Collaborate with the Indigenous Chamorro Community

The new Guam Museum (Guam and Chamorro Educational Facility) should work with the indigenous Chamorro community to correct misinformation about Chamorro cultural heritage, add Chamorro names for collection items, and develop protocols for handling culturally sensitive items. The new museum should also work with Chamorro artists to create art that communicates the nature and relative arrangements of places and physical features, Chamorro culture, and diverse ways of seeing and knowing. This community collaboration should be based on traditional practices.

7.2.3

Establish a Local Business Community Advisory Committee

The new museum should not directly compete with local businesses. Instead, it should establish a local business community advisory committee that would work in tandem with the museum in ways that will be mutually beneficial. This collaboration could include joint promotions, special events, and live performances. The new museum is expected to be an anchor development within the Hagåtña capital and cultural district, which is currently being restored and redeveloped. Its presence should therefore enhance surrounding businesses.

It is also expected to become a destination attraction that will give reason for tourists to stay longer on Guam, thereby contributing more to the local economy. There are currently no cultural attractions in Guam and the Commonwealth of the Northern Mariana Islands that are comparable to the new museum.

7.2.4

Serve Underrepresented Groups

In order to increase its visibility within the community, the new museum should offer reduced-price family access memberships to families based on financial need. This approach has been successful elsewhere. For example, the reduced membership price for needy families at COSI Columbus is 75% less than its standard price. This program is a way to increase museum access by children who otherwise would not be able to visit. To be eligible, families typically need to show they are on Medicaid, food stamps or the WIC (Women, Infants and Children) nutrition program.

The AT&T Foundation awarded Sci-Port a \$34,000 grant for an after-school program for at-risk students. High school sophomores met on Monday and Wednesday afternoons to engage in a multidisciplinary curriculum consisting of hands-on projects.

The Science Center of Iowa's Girls in Science Initiative includes informal learning opportunities for girls to meet successful women and learn about careers in a variety of fields. Putnam Museum began an annual "Introduce a Girl to Engineering" Day program in conjunction with John Deere. Fifty 8th grade girls from local area schools join 30 (mostly female) Deere engineers for a hands-on exploration in their field. It currently serves 125 girls annually. Sciencenter strives to build goodwill in its community by offering free membership to families eligible for free or reduced lunches.

7.2.5

Offer Community Competitions

Competitions have traditionally been an effective way to galvanize interest in education, and the new Guam Museum (Guam and Chamorro Educational Facility) should offer these on a regular basis. The new museum could also provide preparatory professional development sessions for elementary and middle-school teachers so that they can better guide their students through the competitions and connect these competitions to lessons taught in their classrooms.

In addition, museum staff should also assist with event logistics and planning for qualifying events. FIRST (For Inspiration and Recognition of Science and Technology) organizes a variety of competitions. One of these is the FIRST Tech Challenge. It is designed for students in grades 7 to 12 and allows them to compete head to head using a sports model.

Teams are responsible for designing, building, and programming their robots to compete in an alliance format against other teams. The robot kit is reusable from year-to-year and is programmed using a variety of programming languages. Teams, including coaches, mentors and volunteers, are required to develop strategy and build robots based on sound engineering principles. Awards are given for the competition as well as for community outreach, design, and other real-world accomplishments. Putnam Museum in partnership with the Quad City Science and Engineering Council (QCESC) hosts an annual FIRST Tech Challenge Regional Qualifier competition.

Exhibit 41: FIRST Tech Challenge Competition at Hill Air Force Base Aerospace Museum



Source: Weber State University.

7.3 Education

In addition to being a tourist attraction, the new Guam Museum (Guam and Chamorro Educational Facility) will also provide informal education experiences to visitors. It should have strong links with local schools and be a resource for lifelong learning.

7.3.1 *Provide a Classroom Environment*

Currently, a multi-purpose room is provided on the first level of the new Guam Museum (Guam and Chamorro Educational Facility). That room should also be used as a classroom for school groups. It should include mobile whiteboards in order to make children at home in their own environment. Comparable museums offer a variety of programs within on-site classrooms.

The best comparable guidance comes from Bishop Museum, which offers many on-site educational programs in culture and science. All of these programs are aligned with state educational standards. These programs range in length from 25 minutes to one hour. There are no additional fees for these educational programs but the museum generally has a limit of no more than two programs per school group. Currently, that museum is not offering off-site outreach programs in school classrooms.

Bishop Museum charges \$5 per student during the school year and \$8 per student during the summer months and holiday breaks. Part of this fee is used to cover the costs needed to provide the on-site educational programs, since its pricing approach includes educational programs. This "one price includes all" approach for schoolchildren reinforces the idea that interpretive programs are an integral part of a student's visit to the museum.

An example of a relevant educational program offered at Bishop Museum is its "The Future is in the Past" program. Through the lens of Pacific voyaging, students explore the works of their ancestors and discover that STEM (science, technology, engineering and mathematics) is nothing new to their culture.

Another example is the Science Center of Iowa. Its discovery labs are available during the school year. These 45 to 60 minute sessions give groups of up to 30 students a hands-on investigative science experience with museum staff members. Sci-Port offers lab programs in robotics, mathematics, physical sciences, and earth science. In its 60-minute robotics lab session, participants learn programming and robotics while conducting missions to test their robot's speed. Its alternative energies lab program teaches problem-solving and team-building skills by programming robots to complete tasks such as powering a wind turbine and closing a dam.

Based on similar museums, the new Guam Museum (Guam and Chamorro Educational Facility) should offer a variety of regular on-site educational programs that are aligned to the Common Core State Standards. These educational standards have been adopted by Guam.

7.3.2

Offer Workshops

The new Guam Museum (Guam and Chamorro Educational Facility) should offer workshops on a variety of subjects, and target some of these to under-served groups. For example, the Science Center of Iowa provides specialized workshops for its Girls in Science Initiative. That museum also offers monthly classes designed specifically for young children age three to five and their families.

During the first year of its education-oriented turnaround strategy, COSI Columbus offered workshops for children as young as 18 months when stimulation can aid brain development. It also provided a Science of Parenting course based on research findings at that time. Putnam Museum offers a popular workshop that meets the first Sunday of each month during the school year, where students in second to sixth grades experience hands-on activities that covering a variety of engaging topics.

7.3.3

Offer Overnight Programs and Multi-Day Camps

Natural history museums, such as Chicago's Field Museum, have witnessed a surge in interest in their family night programs. Overnight programs at museums in general have become increasingly popular, and the new museum should offer these programs. These single night educational experiences allow children to spend the night at the museum.

The new museum could also offer camp experiences in order to broaden its educational programs. For example, the U.S. Space & Rocket Center offers a Robotics Camp for children in grades 4 to 6 and a Robotics Academy for those in grades 7 to 9. Both are five-night programs.

Recently, Putnam Museum began offering an annual Engineering Kids Day Camp. The Science Center of Iowa has day camp programs in meteorology, physics, technology, and chemistry.

7.3.4

Provide Workforce Training

The Cradle of Aviation Museum has many workforce development initiatives. These include a its Job Shadow off-site program. This is a work experience where participants learn about a job by walking through the workday as a shadow to an employee in an occupational area of interest. The goal is that this informal learning experience will lead to more meaningful internships.

Currently the museum has established over 30 industry partners who are willing to assist in providing these job shadow opportunities. Among them are Curtiss Wright, National Grid and Northrop Grumman.

7.4 Procurement and Contracting

The new Guam Museum (Guam and Chamorro Educational Facility) must use procedures prescribed by the Guam Procurement Act. When a specific procurement involves the expenditure of federal assistance or contract funds, or other federal funds as defined by Section 20 of the Organic Act of Guam, this act requires that all persons within the Government of Guam shall comply with such federal law and regulations that are applicable. The museum should therefore adopt a procurement policy that will allow it to qualify for funding from federal sources.

The federal government has established procurement requirements that have affected museum funding elsewhere. For example, the US Department of Housing and Urban Development (HUD) audited its funding for the New Orleans African-American Museum in 2005 and required that part of that funding be repaid due to mismanagement. The audit report concluded that the museum did not have adequate controls over procurement.

Based on existing procurement requirements, the following approaches are recommended:

- **Full and Open Competition** – The museum’s procurement transactions should be conducted in a manner providing full and open competition.
- **Efficient and Economic Purchases** - The museum should review proposed procurements to avoid purchase of unnecessary or duplicative items.
- **Intergovernmental Procurement Agreements** - If this approach is possible, the new museum should enter into intergovernmental agreements for procurement of common goods and services in order to foster greater economy and efficiency.
- **Awards to Responsible Contractors** - The museum should make awards only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement.
- **Ethical Standards of Conduct** - The museum should have written standards of conduct regarding potential conflicts of interest.
- **Written Standards of Conduct** – The museum should maintain a written code of conduct governing the performance of their employees engaged in the award and administration of contracts.
- **Written Procurement Selection Procedures** - The museum should have written selection procedures for procurement transactions.
- **Pre-Qualification Criteria** - The museum should ensure that all lists of prequalified persons, firms, or products that are used in acquiring goods and services are current and include enough qualified sources to ensure full and open competition.
- **Contract Administration System** – The museum should maintain a contract administration system that ensures that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
- **Written Record of Procurement History** - The museum should maintain records detailing the history of procurement.

7.5 Benefit Versus Cost of Operations Outsourcing

Outsourcing offers opportunities to enhance operating efficiency but also has challenges. Therefore, outsourced functions should be carefully managed at the new Guam Museum (Guam and Chamorro Educational Facility).

7.5.1 *Recommended Outsourcing of Entire Museum Operations*

The City of Corpus Christi in Texas has outsourced the entire operation of its Corpus Christi Science and History Museum to a single outside operator. This company already owned other entertainment venues near the museum. It promotes the museum along with these other properties in that area.

This company, Corpus Christi Museum Joint Venture, is run by a local family. It initially operated the museum for a two-year period under a profit-sharing agreement. The company must maintain the museum's certification and accreditation. It also must have professional museum staff members who can manage and care for exhibits.

7.5.2 *Recommended Outsourcing of Visitor Services*

An alternative approach would involve the Department of Chamorro Affairs retaining core functions such as collection, conservation, interpretation, education, and exhibition design. It would then outsource ticketing, admissions, security, and other visitor services functions.

The Imperial War Museum in London is currently outsourcing its visitor services and security functions to an outside company. The museum's public notice for these services stated that the contract covered the appointment of a single experienced and competent contractor to deliver high quality visitor and security related services. These services included interacting with visitors to ensure that the staff enhances the visitor experience when visiting the museum. This is important because visitor services staff are the museum's visible face to the visitor. The contract required that the core staff have good interpersonal skills, be good decision-makers, and have general knowledge of the galleries to ensure that they would be able to properly direct visitors. These services also covered the provision, delivery and management of security services to each building and the outdoor area.

The contract required the appointed contractor to provide visitor services staff and security guards on a 24-hour /seven-day-a-week basis for the entire calendar year, with particular emphasis on providing sufficient staff during the museum's opening hours. The contractor was also required to manage their staff in association with the museum's core management. The contract was for an initial term of three years with the option to be extended for two additional two year periods.

Based on the success of this approach at the Imperial War Museum, the nearby National Gallery pursued a similar outsourcing approach for its visitor services and security. Its public notice for these services was published in February 2015.

7.5.3

Outsource Non-Core Museum Functions

The International Association of Museum Facility Administrators conducted a survey of its members concerning outsourcing specific services. The top services outsourced were:

▪ Equipment Maintenance	87%
▪ Grounds Maintenance	74%
▪ Exterior Building Maintenance	71%
▪ Custodial Services / Housekeeping	50%
▪ Security	37%

Museums have also outsourced administrative activities such as:

- Advertising and Public Relations
- Surveys and Market Research
- Membership Services
- Accounting and Payroll
- Employee Recruitment and Human Resources
- Grant Writing

As noted earlier in this report, museums often outsource retail operations and such an approach has been financially successful elsewhere. For example, the museum store for the Abraham Lincoln Presidential Library and Museum is operated by an outside concessionaire. Per capita retail sales there have exceeded typical benchmarks for comparable museums. A local company also provides catering serviced for special events.

7.5.4

Develop Museum's Outsourcing Procedures

The following approaches are recommended based on best practices at existing museums elsewhere:

- Decide which services can and cannot be outsourced.
- Clearly define the scope of what is outsourced.
- Establish clear roles and responsibilities for the suppliers
- Establish benchmarks and procedures for evaluating performance.
- Maintain regular supplier contact
- Establish a partnering relationship with the supplier.
- Retain responsibility for setting standards, policy and procedures.
- Make the supplier responsible for delivery.
- Retain the right to conduct audits at the supplier's premises.
- Aim for continuous improvement
- Hold regular meetings to monitor achievements
- Encourage the supplier to propose changes based on their expertise
- Have a contingency escape plan covering the outsourcing contract, ownership
- Maintain the right to invite tenders for new work.
- Continue to benchmark the service and consider alternative approaches.

8 | Financial Analysis

This section provides the financial analysis for the new Guam Museum (Guam and Chamorro Educational Facility). Topics include financial assumptions, financial performance of comparable museums, operating pro forma for breakeven operation, and cash flow analysis.

8.1 Financial Assumptions

Key assumptions are discussed below and on the following pages that affect future financial performance. These include admission pricing, educational fees, and membership rates.

This financial analysis assumes that the new museum is directly operated by the government. Should the museum be operated by an external organization through a Request for Proposals (RFP) process, this analysis is provided as suggested guidance.

8.1.1 Admission Price

The 2013 updated feasibility study recommended that general admission prices be similar to those charged by the Bishop Museum in Hawaii, which is a comparable attraction. This is a reasonable approach for pricing. Current prices there are shown below. These prices are in line with those currently charge by popular Guam attractions. For example, the standard admission price for adults at Underwater World is currently \$23. As noted earlier in this report, Guam attractions typically offer substantial discounts through promotional partners and tour operators. This pricing approach has been assumed in this financial analysis, and is reflected in estimated future per capita spending amounts.

Exhibit 42: Standard Admission Prices for Bishop Museum

Category	Adult	Senior ^{1/}	Junior / Youth ^{2/}	Child ^{3/}
Individual:				
General Admission	\$19.95	\$16.95	\$14.95	Free
Resident / Military ^{4/}	\$12.95	\$10.95	\$8.95	Free
Guest of Resident / Military ^{4/}	\$16.95	\$13.95	\$11.95	Free
Group:				
Non-Resident	\$16.95	\$13.95	\$12.95	---
Resident	\$9.95	\$7.95	\$6.95	---

^{1/} Age 65 and over.

^{2/} Ages 4 to 12.

^{3/} Age 3 and under.

^{4/} Hawaii State ID, Hawaii driver's license or active military identification is required.

Source: Bernice Pauahi Bishop Museum.



8.1.2 Education Fee Policy

The best comparable guidance also comes from the Bishop Museum, which offers many on-site educational programs in culture and science. All of these programs are aligned with state educational standards. These programs range in length from 25 minutes to one hour. There are no additional fees for these educational programs but the museum generally has a limit of no more than two programs per school group. Currently, that museum is not offering off-site outreach programs in school classrooms.

Bishop Museum charges \$5 per student during the school year and \$8 per student during the summer months and holiday breaks. Part of this fee is used to cover the costs needed to provide the on-site educational programs. It is recommended that the new museum follow Bishop Museum's pricing approach, which includes educational programs in its student pricing. This "one price includes all" approach for schoolchildren reinforces the idea that interpretive programs are an integral part of a student's visit to the museum.

An example of a relevant educational program offered at Bishop Museum is its "The Future is in the Past" program. Through the lens of Pacific voyaging, students explore the works of their ancestors and discover that S.T.E.M (science, technology, engineering and mathematics) is nothing new to their culture.

Based on similar museums, the new Guam Museum (Guam and Chamorro Educational Facility) should offer a variety of regular on-site educational programs that are aligned to the Common Core State Standards. Guam currently has adopted these educational standards.

8.1.3 Membership Rates

Current membership rates at the Bishop Museum are shown on the next page. General admission fees can be applied towards any membership level within seven days with an accompanying receipt. All membership levels have these benefits for a 12 month period:

- Unlimited free admission to Bishop Museum and J. Watumull Planetarium year-round
- Free admission to Amy B.H. Greenwell Ethnobotanical Garden
- Invitations to special member previews and other Museum programs
- Free/discounted admission to special programs and events
- Subscription to the museum's journal
- 20% discount on Bishop Museum Press books
- 10% discount on most merchandise in the museum's gift shops
- 10% discount on historic print reproductions from the library and archives.

Patron and premier membership levels have additional benefits, which are listed on the next page. The overall goal is to provide more appealing benefits to higher priced membership levels. Many of these involve personal and exclusive privileges.

Exhibit 43: Bishop Museum Membership Rates

Student \$35	For one high school or college student (under age 25) with valid student ID
Senior \$45	For one adult 65 or over and one guest or spouse
Friend \$50	For one adult
Dual/Family \$85	For two adults and up to six children or grandchildren under 18
Patron \$120	All Membership benefits listed above for two adults, up to six children or grandchildren under age 18, plus: • Two free guests per visit when accompanied by a member • Free or discounted admission to more than 300 natural history and science museums worldwide (ASTC Passport Program) • Invitation to attend <i>Museum After Dark</i>, an annual after-hours event exclusively for members and their guests • An additional 10% discount (20% total) on most merchandise in the Museum's gift shops and Café Pulama
Premier Membership	
Benefactor \$250	All Patron benefits, plus: • Invitations to attend VIP Behind-the-Scenes Tours led by Museum experts • Two guest passes to the Museum – great for out-of-town guests (a \$40 value) • Special edition Bishop Museum note card • 10% facility rental discount at Bishop Museum (up to a \$400 value)
Visionary \$500	All Benefactor benefits, plus: • Invitation for two to the annual <i>President's Reception</i> • Two additional guest passes (four total—a \$80 value) • A Bishop Museum Press book for your personal library
Museum Explorer \$1,000	All Visionary benefits, plus: • Invitation for two to the annual <i>Chairman's Reception</i> • Invitations to attend intimate Explorers' gatherings highlighting timely Museum topics • Free admission for a total of four guests per visit—when accompanied by a member • Two additional guest passes (six total—a \$120 value) • A special membership card
Preservation Council \$2,500	All Museum Explorer benefits, plus: • Reserved seating for select Museum events (Traditions of the Pacific, The Sky Tonight, etc.) • Enjoy <i>An Evening With DeSoto Brown</i>, highlighting treasures from the Library & Archives • Two additional guest passes (eight total—a \$160 value)
Charles Reed Bishop Society \$5,000	All Preservation Council benefits, plus: • Invitation to attend an exclusive birthday celebration honoring Museum founder Charles Reed Bishop • Exclusive opportunities to view the Museum's collections at select events • Opportunity to reserve one private docent-guided tour of Hawaiian Hall for up to ten people • One gift Patron level membership for the recipient of your choice
Pauahi Circle \$10,000	All Charles Reed Bishop Society benefits, plus: • Personal updates from the Museum's President • Private collections tour for up to eight people • Exclusive invitation to attend a private event with the Museum's President and Chairman of the Board

Source: Bernice Pauahi Bishop Museum.



8.2 Financial Performance of Comparable Museums

Selected existing comparable museums are examined below. The Museum of the Cherokee Indian is located in North Carolina, and is described in a detailed case study in Section 4.4 of this report. Its mission is to preserve the history, culture and heritage of the Cherokee Indians. Total building space is approximately 30,000 square feet, which is similar in size to the new Guam Museum (Guam and Chamorro Educational Facility). The Bishop Museum is in Hawaii, and has been referenced many times in this report. It is home to the world's largest collection of Polynesian cultural artifacts. The Bullock Texas State History Museum is a history museum that strives to be financially sustainable.

Key business ratios are also shown below. These include the number of annual attendees per square foot of building space, per capita earned income, and earned income as a percentage of operating expenses. These ratios for estimated future breakeven operation of the new Guam Museum (Guam and Chamorro Educational Facility) fall within the range already achieved by the comparable museums.

Exhibit 44: Financial Performance of Selected Comparable Museums

Factor	<i>Bernice Pauahi Bishop Museum</i>			<i>Museum of the Cherokee Indian</i>			<i>Bullock Texas State History Museum</i>		
	Annual Amount	Per Capita	Per Square Foot	Annual Amount	Per Capita	Per Square Foot	Annual Amount	Per Capita	Per Square Foot
Reported Annual Attendance	350,000	---	3.0	100,000	---	3.3	445,000	---	2.5
Total Building Space (square feet)	117,000 ^{1/}	---	---	30,000	---	---	175,000	---	---
Adult Admission Fee	\$20	---	---	\$11	---	---	\$12	---	---
<i>Earned Income:</i>									
Admissions, Programs, and Events	\$1,898,831	\$5.43	\$16	\$674,260	\$6.74	\$22	\$2,280,856	\$5.13	\$13
Net Sales of Inventory	\$534,843	\$1.53	\$5	\$368,635	\$3.69	\$12	\$994,742	\$2.24	\$6
Memberships, Rentals, and Other ^{2/}	<u>\$1,277,142</u>	<u>\$3.65</u>	<u>\$11</u>	<u>\$94,646</u>	<u>\$0.95</u>	<u>\$3</u>	<u>\$1,661,368</u>	<u>\$3.73</u>	<u>\$9</u>
Total Earned income	\$3,710,816	\$10.60	\$32	\$1,137,541	\$11.38	\$38	\$4,936,965	\$11.09	\$28
Percentage of Operating Expenses	39%	---	---	101%	---	---	82%	---	---
<i>Revenues:</i>									
Earned income	\$3,710,816	\$10.60	\$32	\$1,137,541	\$11.38	\$38	\$4,936,965	\$11.09	\$28
Investments	\$7,554,799	\$21.59	\$65	\$399,466	\$3.99	\$13	\$1,148,002	\$2.58	\$7
Other Revenues ^{3/}	\$1,501,954	\$4.29	\$13	\$28,214	\$0.28	\$1	\$0	\$0.00	\$0
Total Revenues	\$12,767,569	\$36.48	\$109	\$1,565,221	\$15.65	\$52	\$6,084,967	\$13.67	\$35
Operating Expenses ^{4/}	\$9,485,723	\$27.10	\$81	\$1,123,520	\$11.24	\$37	\$6,006,817	\$13.50	\$34
Financial Information Year	FY2014	---	---	2012	---	---	FY2014	---	---

^{1/} Includes floor space used for exhibits, public area, laboratories, offices, and library.

^{2/} Includes parking fees and research contracts.

^{3/} Includes fundraising events, sales of assets, and miscellaneous revenue.

^{4/} Excludes occupancy, interest, depreciation, depletion, and amortization costs.

Source: Museum management and Internal Revenue Service (IRS). Financial information is for the latest year available.



8.3 Operating Pro Forma for Breakeven Operation

The operating pro forma for the new Guam Museum (Guam and Chamorro Educational Facility) is presented below for breakeven operation. It is recommended that the new museum be budgeted for this level of future operation until higher performance has actually been achieved. At that time, expanded operations would be justified and higher expenses could be budgeted. The first fiscal year of operation is assumed to end in 2016.

Breakeven annual attendance is based on similarly-sized comparable museums. Visitor per capita spending amounts are also based on the experience of comparable museums adjusted for expected future inflation of 2% annually. The sales of inventory line item includes gift shop sales, online sales, and retail sales from special exhibits. The net amounts are for gross sales less discounts and cost of goods sold. "Earned income" is typically defined as income earned by providing goods or services. Government grants, private contributions and sponsorships typically do not qualify as earned income sources. Earned income as a percentage of total revenues is also based on comparable experience. The remaining revenues would therefore need to come from sponsorships, private contributions, investment income, and government grants. By the end of the first five years of operation, the new museum may be financially self-sufficient and not need government grants or private contributions.

Exhibit 45: Operating Pro Forma for Breakeven Operation of the New Guam Museum

Factor	Year 1 FY2016	Year 2 FY2017	Year 3 FY2018	Year 4 FY2019	Year 5 FY2020
Annual Attendance	89,000	92,000	95,000	98,000	100,000
<i>Visitor Per Capita Spending:</i>					
Admissions, Programs, and Events	\$6.67	\$6.80	\$6.94	\$7.08	\$7.22
Net Sales of Inventory	\$3.65	\$3.72	\$3.79	\$3.87	\$3.95
Memberships, Rentals, and Other	<u>\$0.93</u>	<u>\$0.95</u>	<u>\$0.97</u>	<u>\$0.99</u>	<u>\$1.01</u>
Total Visitor Spending	\$11.25	\$11.47	\$11.70	\$11.94	\$12.18
<i>Operating Revenues:</i>					
Earned Income from Visitors	\$1,001,250	\$1,055,240	\$1,111,500	\$1,170,120	\$1,218,000
Sponsorships, Contributions, Grants ^{1/}	<u>\$371,766</u>	<u>\$345,237</u>	<u>\$316,986</u>	<u>\$286,936</u>	<u>\$268,197</u>
Total	\$1,373,016	\$1,400,477	\$1,428,486	\$1,457,056	\$1,486,197
Earned Income Percentage	73%	75%	78%	80%	82%
<i>Operating Expenses:</i>					
Salaries, Wages, and Services	\$933,651	\$952,324	\$971,371	\$990,798	\$1,010,614
Other	<u>\$439,365</u>	<u>\$448,153</u>	<u>\$457,115</u>	<u>\$466,258</u>	<u>\$475,583</u>
Total	\$1,373,016	\$1,400,477	\$1,428,486	\$1,457,056	\$1,486,197

^{1/} Also includes miscellaneous revenue.

Source: Leisure Business Advisors LLC.



8.4 Cash Flow Analysis

The cash flow analysis for the new Guam Museum (Guam and Chamorro Educational Facility) is shown below. The future breakeven level amounts are from the operating pro forma presented on the preceding page. The potential level amounts are from the 2013 updated feasibility study that was prepared by Knowledge Based Consulting Group. LBA used the feasibility study as a key reference source because it is the only document that previously projected financial performance for the new museum. The goal of a feasibility study is to gauge the potential of a new museum, and this 2013 feasibility study concluded that the new museum has significant potential. The purpose of this business and sustainability plan is to be a practical document for operation of the new museum. By its nature, such a plan will generally be more conservative than a feasibility study, and our breakeven projections follows this typical approach.

It is recommended that the new museum be budgeted for the breakeven level of future operation until higher performance has actually been achieved. At that time, expanded operations would be justified and higher expenses could be budgeted. Although some existing museums are profitable, the great majority need significant private contributions or government funding to operate. LBA has used the actual experience of comparable museums in its breakeven financial projections, such as the Bishop Museum.

This comparison shows that potential operating performance could be significantly higher than the breakeven level. There is potential for additional earned revenue opportunities. These opportunities, which have been discussed previously in this report, include expanded retail and e-commerce operations.

Exhibit 46: Cash Flow Analysis for the New Guam Museum

Factor	Year 1	Year 2	Year 3	Year 4	Year 5
Annual Attendance:					
Potential Level ^{1/}	215,000	195,000	195,000	195,000	195,000
Breakeven Level	89,000	92,000	95,000	98,000	100,000
Percent	41%	47%	49%	50%	51%
Revenues:					
Potential Level ^{1/}	\$3,814,191	\$3,594,572	\$3,666,463	\$3,739,792	\$3,814,588
Breakeven Level	\$1,373,016	\$1,400,477	\$1,428,486	\$1,457,056	\$1,486,197
Percent	36%	39%	39%	39%	39%
Expenses					
Potential Level ^{1/}	\$2,760,244	\$2,815,448	\$2,871,757	\$2,929,193	\$2,987,776
Breakeven Level	\$1,373,016	\$1,400,477	\$1,428,486	\$1,457,056	\$1,486,197
Percent	50%	50%	50%	50%	50%
Operating Surplus / Deficit:					
Potential Level ^{1/}	\$1,053,947	\$779,124	\$794,706	\$810,599	\$826,812
Breakeven Level	\$0	\$0	\$0	\$0	\$0

^{1/} From 2013 updated feasibility study.

Source: Knowledge Based Consulting Group; and Leisure Business Advisors LLC.



9 | Operational Approach

This section presents the recommended operational approach concerning staffing for the new Guam Museum (Guam and Chamorro Educational Facility). Topics include the suggested organizational chart for major positions and job descriptions.

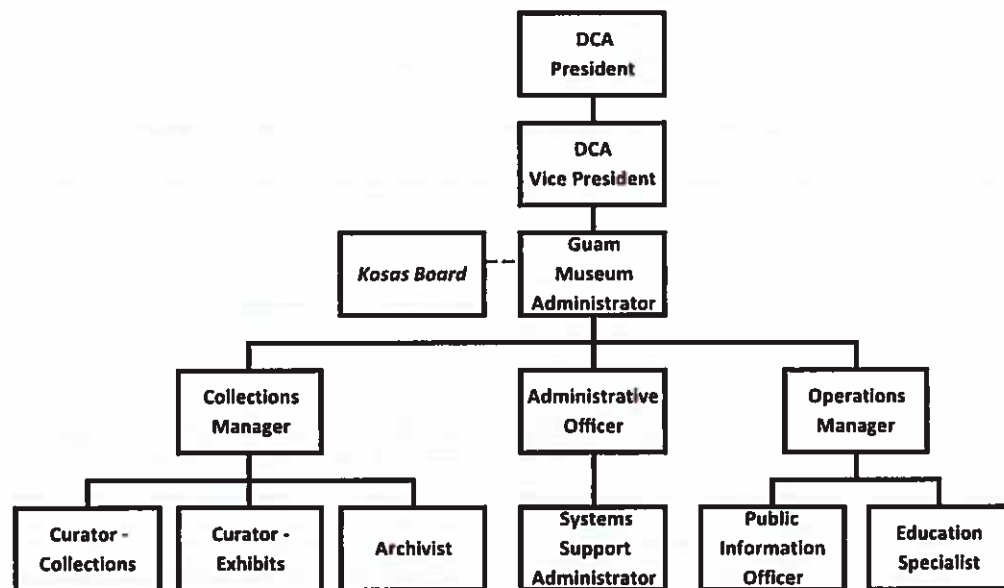
Many of the recommendations in this section are based on the results of the *2014 National Comparative Museum Salary Survey* conducted by the American Alliance of Museums (AAM). Data provided in that report was contributed by 962 museums in response to a comprehensive survey. Almost half of the museums in the sample (46%) were identified as history museums.

This section assumes that the new museum is directly operated by the government. Should the museum be operated by an external organization through a Request for Proposals (RFP) process, this information is provided as suggested guidance.

9.1 Organizational Chart for Major Positions

The recommended organizational chart for major positions is shown below. Job descriptions for these positions are generally grouped by department and provided on the following pages.

Exhibit 47: Recommended Organizational Chart for Major Positions



Source: Leisure Business Advisors LLC.

9.2 Guam Museum Administrator

The new museum's top position would be the Guam Museum Administrator. This individual administers the Division of the Guam Museum under the Department of Chamorro Affairs, and works under the general guidance and direction of the President, Board of Trustees of the Department of Chamorro Affairs, and Guam Museum Board of Advisors as mandated in Public Law 25-69. This position is titled "Director / CEO / President" in the AAM survey. This individual typically provides institutional leadership, works with the board, plans, organizes and directs museum activities. Specific responsibilities may include:

- Realization of the museum's mission.
- Conceptual leadership through specialized knowledge of the museum's mandate.
- Recommendation of policies and plans to the board.
- Implementation of policies and plans.
- Planning, organizing, and staffing.
- Directing and coordinating day-to-day operations through the staff.
- Financial management and funding.
- Liaison with all relevant levels of government, the academic community, and the private sector in the interests of the museum.
- Serve as the overall administrator and liaison for the new Guam Museum (Guam and Chamorro Educational Facility).
- Oversee all management and administrative functions of the collections, administrative, and public programs departments.
- Oversee the direction of the planning and implementation of the Strategic Plan for the new Guam Museum.
- Develop and enforce general policies and procedures for the new Guam Museum.
- Guide the direction and scope of all revenue generating sources.

9.3 Major Job Descriptions for the Collections Department

This department combines the "Collections" and "Exhibitions" job categories in the AAM survey.

9.3.1 *Collections Manager*

The head of this department would be the Collections Manager. It is officially titled "Museum Curator (Collections)" in the FY2016 budget request and "Curator A / Chief Curator" in the AAM survey. This individual typically is responsible for curatorial affairs and exhibitions. Specific responsibilities may include:

- Collection development and management, according to museum standards.
- Interpretation of all collections according to museum standards.
- Preparing plans, policies, and procedures relevant to the collections.

- Design and implementation of a collection research / library program. General and object-specific research and the publication of that research in a form accessible to visitors and other users of the museum.
- Providing consultation in the creation of permanent and temporary exhibitions.
- Providing consultation in the creation of public programming.
- Cooperative and joint ventures of research projects and exhibitions.
- Supervision of collections functions and staff.
- Selection of software programs and hardware to meet collection management and museum standards.
- Determines the conservation needs of the collections and oversees contracts for professional conservation services.
- Prepares the annual request for operating and capital needs for the collections.
- Researching potential grant sources in collections areas.

9.3.2 *Curator - Collections*

This position would report to the Collections Manager. It is officially titled "Museum Curator (Natural History)" in the FY2016 budget request and "Registrar A" in the AAM survey. This individual is typically responsible for the registration of collections, the development and maintenance of record systems, administration of loan transactions involving the collections. Specific responsibilities may include:

- Care of the Guam Collection.
- Digitization of the Guam Collection.
- Public access to Guam Collection.
- Acquisition and deaccessioning of Guam Collection material in all media except archives.

9.3.3 *Curator - Exhibits*

This position would also report to the Collections Manager. It is officially titled "Exhibitor" in the FY2016 budget request and "Chief of Exhibitions" in the AAM survey. This position typically is responsible for planning, design, production, and operation of exhibits. Specific responsibilities may include:

- Planning and producing of exhibitions that meet the museum's exhibitions objectives.
- Preparing plans, policies, and procedures affecting exhibitions.
- Convening and chairing the standing exhibition committee. Appointing exhibition personnel to exhibition task forces and other project teams.
- Planning and implementation of audiovisual and interactive components of exhibits and public programming.
- Production and budgeting of exhibitions including proposals, design costing, construction, scheduling, maintenance, and repairs.
- Circulation of traveling exhibitions and achievement of revenue targets associated with these exhibitions.



- Evaluation of exhibits in collaboration with the public programs department.
- Coordination of technical supplies and creative producers.
- Evaluation of all system, product, and service proposals for exhibitions.
- Supervision and performance of exhibition staff.
- Converting curatorial and educational staff ideas into permanent, temporary, and traveling exhibitions through renderings, plans, designs, specifications, drawings, models, lighting, and layout of exhibition materials.
- Supervising and participating in fabrication and installation of exhibits, setting schedules and budgets, meeting opening and maintenance deadlines, and keeping within budget.
- Dealing with outside contractors and providers of services for exhibition production.
- Working with staff to integrate and implement technical systems and media operations, and to update all warranty requirements.
- Drafting, selecting, and monitoring exhibitions design and fabrication contracts.
- Completing all aspects of both on and off site exhibition development, installation and related materials, including statements, labels and gallery sheets.
- Maintain related paperwork including contracts, shipping, insurance, loan forms, and collection records.
- Care of items in the permanent collection and on loan for temporary exhibits.
- Consulting / assisting with education and exhibition programs.
- Serve as spokesperson for exhibitions. Prepare press releases and promotional materials, including announcements, calls for entry, gallery sheets, essays, and catalogues.
- Work with staff to prepare the exhibition schedule of approved shows.
- Supervise and prepare the storage of all exhibit materials and equipment. Work with the Education Specialist to develop adjunct activities for all exhibitions.
- Assist with training documents for tours of exhibitions.
- Provide gallery talks on a regular basis upon request.
- Maintain the collection. Monitor environmental conditions. Prepare an annual review of collection to detect conservation problems, and condition report each piece.
- Process all loan requests. This includes all correspondence related to booking of touring shows from the collection. Complete registration work in a timely fashion.
- Develop traveling shows. Maintain and update exhibit data base, slide archive and general center archives.
- Write, prepare, and distribute press releases on every exhibition and arrange for photographs and interviews. Prepare the call for entries brochures for all competitions.
- Publicize the collection, including listing shows.
- Help prepare an annual budget for the exhibitions program and collection.
- Assist the Guam Museum Administrator and Public Information Officer with locating grant sources to fund exhibitions and the collection and assist with the preparation of those grants.
- Help prepare all exhibition related reports for grants.

9.3.4

Archivist

The Archivist position would report to the Collections Manager, and has the same name in the AAM survey. This individual typically has physical and intellectual responsibility for archival collections. Tasks include writing, maintaining automated databases, and providing research and reference use of collections materials. Specific responsibilities may include:

- Research and documentation of the museum archives.
- Care of the archival collection in all media.
- Preparing plans, policies, and procedures relevant to the museum archives.
- Digitization of archival text and images.
- Public access to archival resources.
- Public inquiries and requests for archival information.
- Participation in the creation of archival exhibitions and public programs.
- Preparing catalogs or other publications resulting from archival research in all media.
- Acquisition and deaccessioning of archival material in all media.
- Linking of museum archives with national or international networks or databases.
- Development, management, and operation of the museum resource library.
- Research and documentation of the museum archives.
- Care of the archival collection in all media.

9.4 Major Job Descriptions for the Administration Department

This department combines the "Administration" and "External Affairs" job categories in the AAM survey. It includes information technology (IT) functions.

9.4.1

Administrative Officer

The head of the department would be the Administrative Officer, which is titled "Vice President / Deputy / Associate Director" in the AAM survey. This individual typically is responsible for several areas of administration, including finance, personnel, information technology, buildings, security, and retail operations. Specific responsibilities may include:

- Financial management, including budgeting, accounting, purchasing, human resources, salary and benefits, and contracts.
- Operation of the Guam Museum physical plant and its security.
- External and internal auditing.
- Revenue generating activities such as the museum store and rentals.
- Oversight of administrative functions that are outsourced to service providers.

9.4.2

Systems Support Administrator

This position administers the Information Technology (IT) systems at the museum, including the exhibit areas. It is officially titled "IT/Web Master" in the FY2016 budget request and "Manager of Information Services & Technology" in the AAM survey. This individual typically is responsible for information, technology and network management and provides direct systems support. Specific responsibilities may include:

- Create, monitor, and update the official website for the new Guam Museum (Guam and Chamorro Educational Facility).
- Maintain and update website content and statistics.
- Coordinate and convert information with program staff for display on the website.
- Implement website policies and priorities.
- Prepare departmental budget and project reports.
- Explore fundraising and marketing opportunities for support of website development.
- Train and educate staff on creating and presenting information in formats easily convertible to the website.
- Promote departmental awareness of website resources.
- Evaluate and make recommendations for software, hardware, and related equipment purchases.
- Keep abreast of relevant professional literature, attend professional conferences, and serve on external committees.
- Develop, implement, and manage technology "help-desk" to improve customer service by providing a single point of contact for all museum technology support issues.
- Manage all aspects of routine support and disaster / contingency support of critical and non-critical Museum systems and data to ensure stability and to maximize system uptime.
- Provide reports and statistics on support issues and through data analysis.
- Recommend and implement ongoing improvements to Information Technology systems and training.
- Develop and manage museum-wide technology education initiatives to improve computer literacy for the museum's general staff.
- Train the museum's technology professionals.
- Effectively communicate support issues, programs, and status to user community.
- Develop and manage the budget for all hardware, software, and desktop support.
- Provide technical leadership by creating "hands-on" technical solutions for individual project components.
- Provide support to the Guam Museum Administrator for departmental project planning.
- Administer long term Information Technology maintenance schedule of building and facility repairs.

9.5 Major Job Descriptions for the Public Programs Department

This department combines the "Education" and "Visitor Services & Research / Evaluation" job categories in the AAM survey.

9.5.1 *Operations Manager*

The head of this department would be the Operations Manager. This position is officially named the "Volunteer/Docent Coordinator (Program Coordinator IV)" in the FY2016 budget request and "Educator A / Director of Education" in the AAM survey. This individual typically manages the educational function of the museum, and is responsible for general program development. Specific responsibilities may include:

- Management of the Public Programs department, which includes the development and management of audiovisual programming, activities, materials, and events that attract and serve a whole range of audiences, including schools.
- Oversee educational and public outreach programs, such as tours, workshops, lectures, and classes.
- Prepare plans, policies, and procedures affecting public programs.
- Work with educational institutions to prepare lesson plans related to the museum's public programs.
- Liaison with the school system to increase awareness of the museum as an educational resource.
- Liaison with Education Specialist, Public Information Officer, exhibitors, special events coordinators, technical program suppliers, and artists.
- Achieve revenue and attendance targets established in the marketing plan for all areas of the new Guam Museum (Guam and Chamorro Educational Facility).
- Supervise performance of staff within the public programs department.
- Analyze a variety of information sources, and noting patterns and trends. Present the results in an appropriate format.
- Utilize effective and efficient methods for the management of public programs to ensure authenticity and accessibility.

9.5.2 *Public Information Officer*

The position reports to the Program Coordinator, and manages docents, volunteers, and special events. It is officially titled "Management Analyst IV (Program Development)" in the FY2016 budget request and "Outreach Coordinator" in the AAM survey. This individual is typically responsible for special events, rental functions, and community relations. Specific responsibilities may include:

- Planning and providing tours of the museum for groups of all ages, for both permanent collection and temporary exhibits.
- Collaboration with teachers on educational use of the museum, including live demonstrations in the galleries.

- Planning and implementing the volunteer/docent program. Recruitment, training, and supervision of volunteers and docents in collaboration with other departments. Placement, scheduling, and booking of volunteer/docent assistance. Creation and delivery of a recognition program for volunteers with the support of the board and management.
- Design and delivery of a lecture series, musical or theatrical performances, film series, festivals, and other special events to complement exhibitions and other programs. Recruitment and coordination of speakers, instructors, and facilitators.
- Developing and implementing outreach programming aimed at bringing underrepresented groups into the museum as visitors, and extending museum services into the community.
- Promoting and operating a program to rent the museum's facilities for functions such as meetings, conferences, parties, and receptions.
- Handle inquiries and bookings of the rented facilities, and coordinate security and cleaning staff for events.
- Serve as a liaison with community groups, other community services, caterers, furniture rental companies, tour operators, corporations, and other target client groups.

9.5.3 *Education Specialist*

The Education Specialist manages the educational programs, and is officially titled "Interpretive Planner" in the FY2016 budget request and "Educator B" in the AAM survey. Specific responsibilities may include:

- Planning, managing, and delivering learning programs within the museum and online.
- Managing and developing partnerships with schools to offer curriculum-based programs related to the museum's collection within the museum, in schools, and online.
- Setting standards for all educational programming.
- Serving as a liaison with schools, community groups, and other target audiences to arrange educational programs and field trips with guided tours and demonstrations.
- Providing advice on the design of future exhibitions and other public programming that will help enhance educational impact.
- Programming audio guides to the galleries if necessary.
- Striving to achieve school attendance and revenue targets.
- Preparing publications and media-based products for schools.
- Approving future educational programs for the museum.
- Developing and implementing adult education programs related to the museum's collections.
- Planning and providing school field trip tours of the museum's galleries for both the permanent collection and temporary exhibitions.

