



STRATEGIC PLAN

2017 - 2019

Our Mission

Eastern National promotes the public's understanding and support of America's national parks and other public trust partners by providing quality educational experiences, products, and services.

Introduction

Eastern National is a 501(c)(3) not-for-profit cooperating association, supporting the educational, scientific, historical, and interpretive activities of the National Park Service and other public trust partners.

Founded in 1947 by National Park Service historians, Eastern National's vision is to serve as a shared-resource educational retailer for America's special historical, cultural, and natural places. Our sharing philosophy provides all parks that we support – regardless of revenue – with the benefits of a dedicated education-based retail partner.

Today, we serve over 160 national parks and public trust partners across 33 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. We operate museum stores and have historically contributed more than 90 percent of our annual net profit to the partners we serve. Since our founding, we have donated more than \$135 million in direct and in-kind support of our partners' educational, scientific, historical, and interpretive activities.

Eastern National donations have purchased important items for our partners, such as land, artifacts, media, period costumes for living history demonstrations, signage and exhibits, facility renovations and upgrades, interpretive tools and programs, staff training programs, and much more. Donations have also funded archaeological, historical, and cultural research programs that have had a direct impact on the parks, their visitors, and NPS interpretive programs.

The Need for a Strategic Plan

In early 2016, with the help of our board and a strategic planning firm, Eastern National launched an important initiative dedicated to ensuring a strong operational base while increasing support for our partners.

After a comprehensive stakeholder survey to assess our present state; close examination of our mission and core values; a review of our organizational strengths and weaknesses; a determination and prioritization of our goals; and, finally, a financial and infrastructure “reality check” to understand how much could be done and by when – we developed our strategic plan.

The plan features an overarching Central Strategic Challenge:

Strengthen Eastern National's foundation to accelerate mission delivery and growth.

The three-year strategic plan presented here will allow us to meet the Central Strategic Challenge. Our strategic plan will serve as a roadmap toward excellence in operations and mission fulfillment.

In order to simultaneously address strategy, culture, and organizational systems, Eastern National has adopted a phased approach for implementation of the plan:

- 2017: Strengthen the foundation
- 2018: Develop new capabilities
- 2019: Accelerate mission delivery and growth

We anticipate the majority of strengthening the foundation to occur in 2017 and 2018 and to begin seeing returns on these infrastructure investment efforts in 2019.

The Plan at a Glance

Based on feedback and research during the development portion of the plan, the following four Strategic Priorities were identified as key areas of focus for Eastern National: partnerships, people, operations, and finances.



PARTNERSHIPS

- Strengthen relationships
- Increase brand awareness



PEOPLE

- Increase field support
- Support high-performance culture
- Develop talent



OPERATIONS

- Strengthen infrastructure
- Improve inventory management
- Update retail technology



FINANCES

- Build capacity
- Improve financial return
- Fundraise for parks

The following pages provide additional detail on these priorities and goals, along with key objectives for each goal. In 2017, we will begin implementation, including the development of work plans that will drive each goal to completion.

We are pleased to present Eastern National's 2017 -2019 Strategic Plan, and we look forward to working with you in serving the visitors to America's national parks and other public trusts.

Kevin Kissling
President and CEO
October 2016

George Minnucci
Board Chair
October 2016

Partnerships

EN staff will engage more closely with the partner sites we serve and with organizations that support our partners. We will implement a formalized plan for partner relationship-building to ensure that current and future needs are being met. We will establish a stronger leadership role in the partner community.

We will develop a brand strategy to help us define, articulate, and implement Eastern National's brand story. We will develop a communications strategy that clearly defines Eastern National's value in the marketplace, the importance of our educational mission, and how it is delivered.

- **Strengthen Relationships**

- Enhance and formalize working relationships among Eastern National and partner staff to improve communications and to be a more strategic partner.
- Develop orientation and training programs to strengthen operations, relationships, and collaboration.

- **Increase Brand Awareness**

- Develop a brand strategy to define, articulate, and implement the EN brand story.
- Develop a formal marketing and communications plan to guide EN messaging for visitors and partners.

People

We will adjust our organizational reporting structures to better serve our team members, our partners, and our visitors. We will develop our people and enhance our recruitment efforts. And, we will ensure team members have the skills and experience necessary to strengthen Eastern National's foundation and to provide growth in mission delivery.

We will upgrade our Performance Management System and update our compensation philosophy and benefits model to support a high-performing and highly accountable team. We will clarify work roles and develop talent capabilities to align with the strategic direction of the organization.

- **Increase Field Support**

- Adjust field reporting and regional structure to increase capacity and to be more strategic in how we serve our partners and stores.
- Align HQ departments to provide stronger support to the field and to align with our new strategic initiatives.

- **Support High-Performance Culture**

- Design and implement an improved Performance Management System to maintain a high-performing staff and to increase accountability.
- Update our compensation philosophy, along with our total rewards and benefits model, to attract and retain top talent.
- Expand employee recognition programs to increase employee engagement.

OUR PRIORITIES, GOALS, AND OBJECTIVES

- **Develop Talent**

- Develop talent for stronger performance in their current roles and to prepare them for new opportunities inside EN.
- Acquire additional talent to fill organizational gaps in knowledge, skills, and abilities.
- Develop a succession plan for key positions to ensure long-term operational continuity.

Operations

We will streamline, document, and archive key processes to help us work smarter today and to serve as a store of institutional knowledge for our workforce of tomorrow. We will leverage modern collaboration tools and technologies to allow us to function and communicate in high-performance teams.

We will streamline our retail supply chain by centralizing product development and acquisition of key product categories. We will develop assortment-planning criteria, category-management processes, and Open-to-Buy guidelines that will improve inventory selection and replenishment. We will implement a new Point-of-Sale system for our retail and online stores. When practical, we will consolidate or eliminate legacy IT systems in order to run a stronger operation and provide effective reporting tools.

- **Strengthen Infrastructure**

- Document and digitize key processes to codify and archive how EN works.
- Streamline existing processes and develop new, lean processes to gain operational efficiencies.
- Implement a project collaboration and communication solution to work more efficiently as teams.

- **Improve Inventory Management**

- Centralize vendor management and buying of select product categories to streamline our retail supply chain, maximize our buying power, and ensure merchandise quality standards are met.
- Establish assortment-planning criteria and category-management processes to strengthen our merchandise lifecycle and keep products mission-focused.
- Develop Open-to-Buy guidelines to optimize inventory replenishment and revenue.

- **Update Retail Technology**

- Replace current Point-of-Sale system to support future growth and improve retail operations and reporting.
- Develop a disaster recovery strategy for key data to secure our knowledge base.
- Integrate systems to eliminate redundancies and to simplify technology tools and processes.

Finances

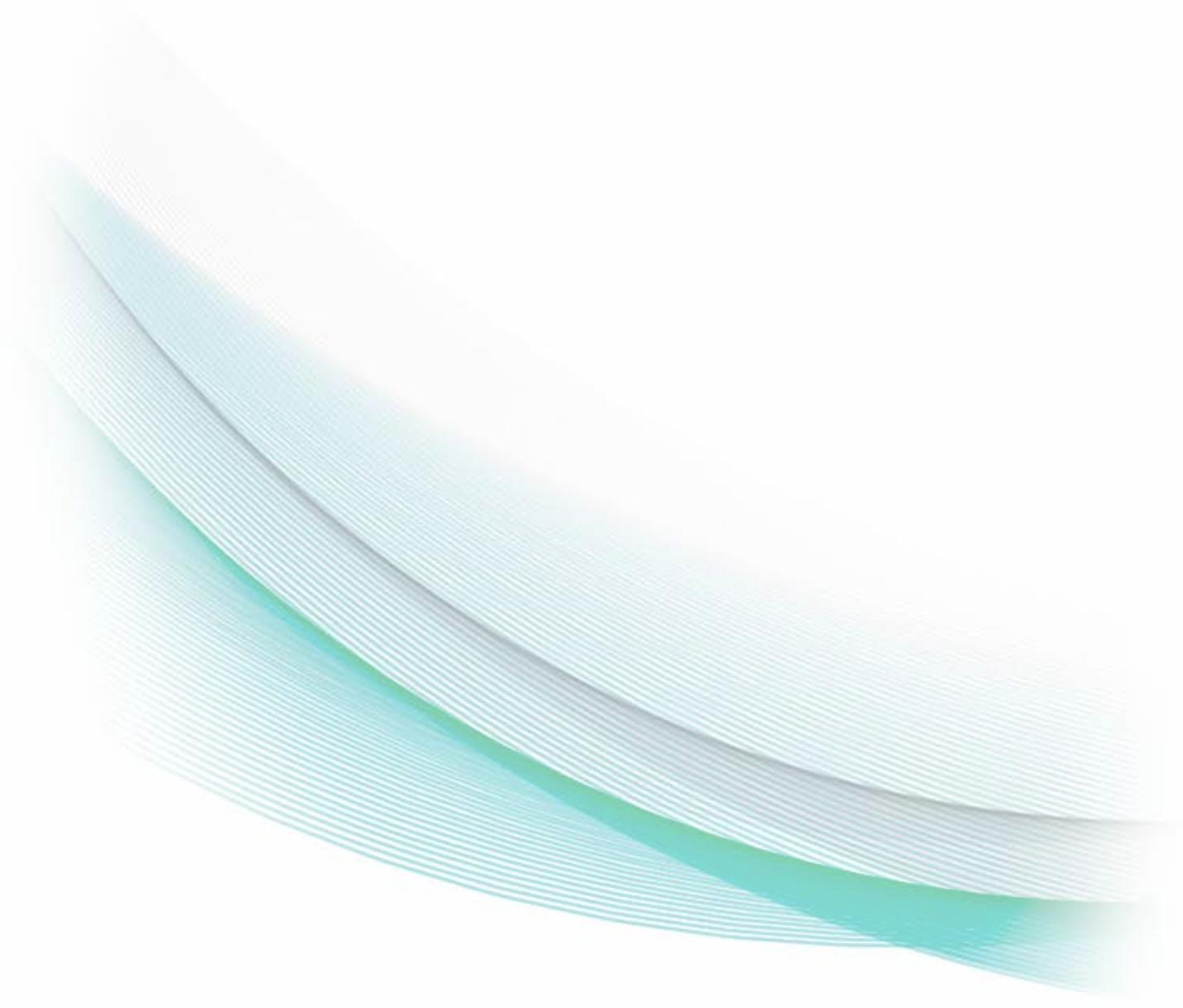
We will strengthen our infrastructure and increase donations to our partners by developing in-kind services to supplement operational expenses. We will grow same-store revenue and profit through greater operational efficiency. And, we will carefully balance how we allocate our financial resources, as we look to maximize our return to partners while making necessary internal investments to ensure long-term stability and growth.

We will participate in the Checkout Counter Donation Program based on the updated DO-21. We will support existing and future fundraising partners at parks. We will build a grant-acquisition program to support park projects, and we will assess the feasibility of becoming the primary fundraising partner at select sites.

- **Build Capacity**
 - Develop in-kind services program to supplement mission-based and operational expenses.
- **Improve Financial Return**
 - Grow same-store sales to maximize retail revenue.
 - Improve our net operating income to provide increased donations to partners and invest in our infrastructure.
 - Increase donations to partners to provide greater financial support for their educational and interpretive activities.
- **Fundraise for Parks**
 - Develop policies to support existing fundraising partners at parks we serve.
 - Participate in the Checkout Counter Donation Program based on the updated DO-21 to increase our financial return to parks.
 - Develop grant-acquisition capabilities to support EN and our partners.
 - Determine feasibility of adopting a greater role in fundraising to support partner needs.

Measures of Success

| Priority | Baseline | 2018 | 2019 |
|---|--------------|--------------|--------------|
| Partnerships | | | |
| Social media engagement | 38,900 | 48,000 | 50,000 |
| Partner communications engagement | 40% | 50% | 60% |
| Partner participation in webinars and surveys | 51% | -- | 75% |
| Regional Office minimum average annual visit to each site | 1 | 2 | 3 |
| Senior Leadership Team visits to WASO, NPS regional offices | 4 | 8 | 10 |
| Senior Leadership Team visits to park management | 50 | 75 | 75 |
| Net promoter percentage from partner engagement survey | 69% | 75% | 85% |
| People | | | |
| Employee Engagement / Satisfaction Index | TBD | N/A | 71% |
| Average performance evaluation score | 2.25 | 1.63 | 1.60 |
| High/Low performance retention differential | 63 | 60 | 54 |
| Turnover percentage | 27% | 23% | 22% |
| Training participation percentage | 45% | 80% | 85% |
| Base compensation to market | 64 | 71 | 75 |
| Extra compensation to average performance score differential | 84 | 50 | 66 |
| Realignment of regions (# of Management) | 16 | 21 | 25 |
| Annual site operating plans (# of parks) | 0 | 28 | 100 |
| Operations | | | |
| Key processes formally documented | 0% | 75% | 100% |
| Records digitized (select departments) | 0% | 65% | 75% |
| Collaboration tool active users | 10% | 100% | 100% |
| Revenue earned through POS system | 86.7% | 88.1% | 92.5% |
| Percent of store level new items developed centrally | 13% | 18% | 20% |
| Number of active vendors | 2,950 | 2,300 | 2,150 |
| Finances | | | |
| Same store sales | \$42,260,000 | \$46,000,000 | \$50,000,000 |
| Gross profit as percent of sales | 53.8% | 55.5% | 58.0% |
| Net income from retail as percent of sales | 9.4% | 9.1% | 10.3% |
| Allocation to interpretive donation account as percent of sales | 6.5% | 7.0% | 8.0% |
| Fiscal year end quick ratio | 1.5 | 2.3 | 2.0 |
| Solicit donations at cash register | \$0 | \$0 | \$629,000 |



470 Maryland Drive, Suite 1 • Fort Washington, PA 19034
PH: 215-283-6900 • Fax: 215-283-6925 • easternnational.org