Into the future

The American Philatelic Society of 2030

Report from the Long Range Planning Committee
Wade Saadi, Chair
Rick Banks, John Barwis, Roger Brody, Jack Flannery,
Ken Grant, Kathryn Johnson, Janet Klug, Ken Martin, Dan Walker
This Presentation

• Background
  – Why a 20-Year Plan
  – Our Process & Assumptions

• Core Functions Review

• Next steps
Introduction

Pages 3 - 9
Why a 20-Year Plan

1942 Donald Lybarger’s Long Range Plan:

- Established central office
- Executive director position
- Doubled membership
Background

- October 2008 Rick Banks Alert
  - budget deficit and negative cash flow
- Winter Show 2009 Barwis “Call to Action”
- Boards requested a long range plan
Introduction

Process

• Long Range Planning Committee formed
• Fact-finding and Drafts - 2009:
  • Real Estate
  • Investments
  • IT
  • Flood Risk & More
  • SWOT* & other exercises (Boards & Staff)
• LRPC developed 20-year plan as directed by both Boards

Note: LRPC used the 8-stage process developed by John Kotter, from his book *Leading Change*

**SWOT** -- acronym meaning **S**trengths, **W**eaknesses, **O**pportunities & **T**hreats
Vision Revision

The LRPC started with the current vision statement:

“The American Philatelic Society encourages and promotes the philatelic arts as endeavors that are relaxing, mentally stimulating and historically and culturally important and is the national center in serving and supporting members who engage in philatelic and related arts. The American Philatelic Society will achieve its vision in a financially responsible way that exemplifies good stewardship of our members’ investments in the Society, and ensures the Society’s long-term continuity.”
The LRPC proposed new vision statement:
“The American Philatelic Society encourages and promotes the philatelic arts as endeavors that are relaxing, mentally stimulating and historically and culturally important. Through its virtual and physical presence, the American Philatelic Society serves and supports a global community of collectors and members who engage in philatelic and related arts. The American Philatelic Society will achieve this vision in a financially responsible way that exemplifies fiscally responsible vision by good stewardship of our members’ investments in the Society, and which ensures the Society’s long-term continuity.”
The proposed new vision:

“The American Philatelic Society encourages and promotes the philatelic arts as endeavors that are relaxing, mentally stimulating and historically and culturally important. Through its virtual and physical presence, the American Philatelic Society serves and supports a global community of collectors and members who engage in philatelic and related arts. The American Philatelic Society achieves this fiscally responsible vision by good stewardship of our members’ investments in the Society, which ensures the Society’s long-term continuity.”
Creating the plan
20-Year Plan Assumptions

- APS/APRL virtual & physical presence
- Remain at APC in Bellefonte
- Stamps collected even if no longer issued
- Much of what APS does now will move to the virtual world by 2030
- 2009’s joint operating budget of $4.65 mm used as a starting point
Creating the plan

20-Year Plan Assumptions

- All APS members will use IT
- Face-to-face interaction will endure
- Membership declines to 13,250 in 2030, following current trends
- Technology will have evolved two generations from current state
APS & APRL Core Functions

**What we intend**

**APS Statement of Purpose:**
- Promote stamp collecting for people of all ages
- Offer services to its membership and to philately in general
- Coordinate new programs
- Represent the USA in the world of philately
- Assist its members in acquiring and disposing of philatelic materials

**What we actually do**

**Core functions:**
- Provide educational opportunities
- Provide marketplace opportunities
- Provide research opportunities
- Promote and grow stamp collecting
LRPC Core Function Review

Core functions:

1. Provide educational opportunities
2. Provide marketplace opportunities
3. Provide research opportunities
4. Promote and grow stamp collecting
Today’s Core Functions under the microscope

1. Providing educational opportunities
   A. Exhibitions
   B. Publications
   C. Educational programming
Creating the plan: Today’s core functions under the microscope

Provide educational opportunities

1 A. Exhibitions

Current Status:

- APS face to members and non members
- Includes dealers, exhibits, social functions, seminars, first day events, youth activities
- 2 annual shows
- Cost of $10.50 per registrant
  Total Cost $623k, Net Cost $64k (Cost less income, 2008)
Today’s core functions under the microscope

Provide educational opportunities

1 A. Exhibitions

Current Threats:

• Possibility of USPS withdrawing partnership
• Rising costs of venues, hotels, food functions
• Fewer dealers attending shows
• Aging membership – cost & difficulty of travel
Exhibitions in 2030

• Existing in physical AND virtual worlds
• Serving members worldwide and 24/7
• Physical Show maintains dealer bourse, seminars and educational events

Today’s core functions under the microscope

Provide educational opportunities
Today's core functions under the microscope

Provide educational opportunities

1 B. Publications: AP and PLR

Current Status:
AP (monthly – all members) and PLR (quarterly – extra subscription required)
Total cost $899k, Net cost $316k (Cost less income, 2008)
Today’s core functions under the microscope

Provide educational opportunities

1 B. Publications: AP and PLR

Current Threats:
• Increasing production and distribution costs
• Advertising revenue uncertainty
• Membership declines
• Foreign membership costs exceed dues
Today’s core functions under the microscope

Provide educational opportunities

Publications in 2030

• Digital delivery of both publications to all members
• Value-added features such as live interviews
• Video advertisements, interaction with authors
• Personalized content
Today's core functions under the microscope

Provide educational opportunities

1C. Educational programming

Current Status:
Total cost $176k, Net cost $96k (Cost less income, 2008)

• Summer Seminar
• Stamp Show seminars
• Postal History symposium with NPM
• Youth activities, internet-based courses
Today's core functions under the microscope

Provide educational opportunities

1C. Educational programming

Current Threats:

• Limited participation by members
• Not Available to all or free with membership
• Increasing costs of “in-person” education
• Limited use of internet options
• Competition, old technology
Educational programming in 2030

- Majority of programs internet-based
- Video conferencing technology
- Available to all members
- “Master philatelist” courses
- Educator resources available electronically
- APS branded certificates & diplomas of educational attainment
Today’s core functions under the microscope

Provide marketplace opportunities

2. Marketplace programs

**Current Status:** Total cost $945k, Net cost $203k (Cost less income, 2008)

- Sales circuits
- StampStore (Internet sales)
- STAMPSHOW, AmeriStamp Expo
Provide marketplace opportunities

2. Marketplace programs

Current Threats:

• APS holding members stamps: risk of loss/damage
• Loss of circuits in mail, mishandling
• Theft
• Storage
• Labor intensive
• Slow process for members to use
• Expense to APS; not a moneymaker
• Difficult/impossible for foreign members to participate
Provide marketplace opportunities

Marketplace programs in 2030
- Circuits move to IT
- Expedited processing technologies
- “Home shopping” style videos online
- APS facilitates stamp swapping programs
Today's core functions under the microscope

Provide research opportunities

3. **Provide research opportunities**
   - APRL research materials
   - Archival materials
   - Reference collection
Today's core functions under the microscope

Provide research opportunities

**Current Status:**
- Library with very limited internet accessibility
- Library used by few members
- Library costly and slow to use
- Staff has limited IT/ library technology knowledge

**Research materials include:**
- Original literature, documents & archival materials
- Reference collection, forgeries, expert certificates
Today's core functions under the microscope

Provide research opportunities

**Current Threats:**

- Lack of finding aids
- Location of APC and risk of flood, fire, mold
- Lack of digital content
- Researchers turning to internet for search & content
Today's core functions under the microscope

Provide research opportunities

Research in 2030

• Finding aids for all research materials uniquely APS/APRL
• Flourishing partnerships with philatelic and other libraries & museums
• Digital content readily available to members worldwide
• Technologically proficient staff available to support members
4. Promote and grow stamp collecting

• Attracting collectors through Stamp Shows
• Technology Outreach – Website
• Partnerships with NPM, ASDA, USPS
• Specialty programs: Postal history symposia
• Utilizing the APC
• Programs held at APC - Stamp Saturday, specialized shows & others
Promote and grow stamp collecting

**Current Status:**
- Membership has declined for over 15 years
- Current: 37,927 end 2009, 66% of peak
- Peak: 57,749 in 1993
Today's core functions under the microscope

Promote and grow stamp collecting

**Current Threats:**
- Stamps loss of prominence in culture
- Economic recession
- Aging population of members
- “Elitist” reputation
- Competition - hobbies, technology
Today’s core functions under the microscope

Promote and grow stamp collecting

**Promote and grow stamp collecting in 2030**

- IT is exploited to showcase philatelic materials and philately
- Technology tools connect members to each other and to the APS with ease
- On-line course curriculum expanded
- Partnerships with museums and educational institutions
Real Estate:

**Current Status:**

- APC provides needed office & function space
- APC renovation costs to date: $9.3 million
- Existing mortgage debt: $4.4 million
- Additional estimated full-site completion costs: $5.8 million
Real Estate:

Current Threats:

• High operating costs
• Declining membership
• Risks of flooding – fire – mold
• Property is illiquid asset
• Resetting mortgage interest rates, fully collateralized
• Potential loss of tenants and income

Promote and grow stamp collecting
Today’s core functions under the microscope

Promote and grow stamp collecting

**The American Philatelic Center in 2030**

- APC is a cost effective, safe, protective home for philatelic assets and functions of APS and APRL
- Income provided by tenant rentals
Next steps

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Deliverables

• 20 Year Plan broken into 5-year segments
• *SMART* deliverables in each segment
• Extensive work required by end 2010
• Good progress to date by APS staff & leadership

*SMART is an acronym meaning Specific, Measurable, Attainable, Realistic and Timely
Next steps

Progress to date

✓ Brought focus to financial stability & prudence
✓ Balanced 2010 budget including depreciation
✓ Departments operating within individual balanced budgets & focused on the numbers
✓ Progress in leasing remaining APC space
✓ Initial planning underway for flood mitigation
✓ Partnerships with other libraries/ union catalog & focus on web library solutions
✓ Testing digital versions of AP & PLR
Where do we go from here?

• Boards review draft of 20-year plan
• APS solicits membership for comments
• LRPC updates plan from inputs
• Boards vote on “final” plan
• Boards review progress at least annually
• *20-year plan updated every five years*
“When we see a more efficient and modern method of handling our affairs, we should examine it open-mindedly and when convinced of its merit, adopt it.

“In short, on occasions such as this we should seek a long range view of the Society and govern our decisions accordingly.”

~ Donald Lybarger, APS President
   September, 1942
Questions & Comments