

WORLD PARK CONGRESS
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U.S. NATIONAL PARK SERVICE BUSINESS PLAN INITIATIVE – GOLDEN GATE
NATIONAL PARKS – A CASE STUDY

Good morning. My name is Brian O’Neill and I serve as the Superintendent of the Golden Gate National Parks – three distinct units of the United States’ National Park System managed under one unified administrative structure. These park areas comprise 76,000 acres of land at the doorstep of the 6.5 million people that reside in the San Francisco Bay Region.

With the exception of the Santa Monica National Recreation Area in Los Angeles, Golden Gate is the largest national park area in America that exists adjacent to a major urban center. It contains a rich diversity of natural, cultural, scenic, and recreational resources. A few brief highlights:

- 19 separate ecosystems, 12 distinct plant communities ranging from towering redwood trees to serpentine grasslands – 1273 species of plant and vertebrates
- Part of Golden Gate Biosphere Reserve, only unit in worldwide system to include marine, coastal and terrestrial resources.
- Third highest number of threatened and endangered species within NPS units (34 species).
- Ten former military bases, among them being the famous Presidio of San Francisco.
- 1250 classified historic structures, approximately 7% of the total historic structures in the entire U.S. National Park System.
- 358 identified and 500 predicted archeological sites
- Second largest museum collection in NPS, with 4.4 million objects
- 59 miles of scenic ocean and bay coastline
- Over 7.5 million square feet of built space (includes Presidio)
- 18 million visitors
- 425 full time employees and volunteer force of up to 17,000 (387,000 hours)
- 2000 program activities per month

I mention these highlights only to provide some context to the complexity of Golden Gate and the obvious critical importance of having a strategic business plan in place that adequately analyzes and defines the current state of the Park’s finances and those funds needed to meet future desired conditions.

The sad reality is that a solid business plan did not exist for Golden Gate until 2001. This was true in spite of the fact that the Park had a reasonably sophisticated financial

planning and management system in place and had a healthy reputation for being entrepreneurial in diversifying its financial base. The culture of the overall National Park Service organization had not embraced, to that point, the full value of a more comprehensive approach to business planning. Nevertheless, time and circumstances demanded change and a more vigorous look at how we were managing parks from a business perspective.

We were very excited to see the commitment made by senior officials in the National Park Service, beginning in 1998, to address long standing deficiencies in the agency's business management capabilities. This included recognition of the critical importance of bringing in outside business talent to the organization and developing enhanced competencies in current NPS employees. We also were very pleased to see the leadership demonstrated by the National Parks Conservation Association. It joined as a full partner with this important new program titled "The National Parks Business Initiative" and was instrumental in raising private financial support for the program. Special acknowledgement and thanks needs to be extended to the generosity of a consortium of private foundations that provided the critical funding in the formative period that allowed this initiative to be launched and be sustained in such a successful manner.

It has been a joy to see how this program has grown and matured each year based upon experiences of the preceding group of parks that developed their plans. It also has been reassuring to see the universal acceptance the program now enjoys within the organization. Golden Gate was one of 13 parks selected to be participants in the class of 2001. We clearly benefited from the experiences of those parks that preceded us.

I do not want to repeat any of the other background of "The National Parks Business Plan Initiative" that already has been covered well by Scott Edwards with the National Parks Conservation Association. What I do want to do is to tell our story – our experience in implementing the business planning process at Golden Gate. Like previous parks that undertook preparation of a business plan, we had to do a lot of prep work so that we could effectively use the limited time and talents of the three outstanding graduate interns assigned to Golden Gate. The interns came from the Lyndon B. Johnson School of Public Administration at the University of Texas and the Graduate School of Business at Stanford University. Their work was led by a previous graduate of the program that was hired permanently by the Park and was overseen by a management level steering group from within the Park.

We could not have been more pleased with the three people chosen for this assignment. They were consummate professionals; they were very respectful of and interacted extremely well with park staff at all levels of the organization; and they brought wonderful enthusiasm and insights into the work they did. We learned much from them but they also learned and benefited greatly from their experience in the Park. By Summer's end, they were as hooked on the mission and values of the Park as most of our long term employees.

The 10 weeks of focused work over the course of the summer led to the completion of a very useful and user friendly document. The report is one we are very proud of and one that was very well received both internally and externally. Importantly, the experience in producing the plan has but a fire in our belly – a fire of wanting to take the plan and park financial management program to the next level. Because of time constraints and the complexity of the park, we had to focus principal attention on: understanding historical funding trends; determining the performance standard for every activity in every function of the Park; determining both the operational and investment requirements needed to meet those standards; and then to establish the “delta” of need from what resources currently are available and the funds needed to reach the desired levels of service.

Unfortunately, there was little time to dig deeply into strategies on how the identified needs could be met over time. What the plan revealed, however, was the degree of resourcefulness of the Park in generating support for park needs from a wide variety of sources. The business plan indicates that various public/private partnerships, volunteer programs and revenue brought in \$0.83 for every dollar of appropriated funds in FY 2002. There is ready evidence that the community is willing and able to offer even more support through new and expanded partnerships, volunteer programs, and philanthropic contributions. Likewise, the plan recognizes that park staff is eager to roll out more revenue generating and cost recovery programs. However, there is strong acknowledgement that additional appropriated funds must be made in order to ensure that adequate NPS staff and resources are available to both guide the talent, resources, and enthusiasm of the surrounding community, and to develop and manage future financial management programs.

Golden Gate is excited about taking its business planning to the next level by developing a comprehensive strategy that both builds broader community engagement in and connection to park values and greatly diversifies its sources of future public and private financial support. We are calling it our “Stewardship Investment Strategy.” It consists of eight separate modules. Each module would have a specific plan that helps address a portion of the “delta” of need addressed in the base business plan. Together, over time, these collective strategies would allow us to meet the full promise of the park in how we steward park resources and fulfill visitor service needs.

The eight modules are:

1. Federal Congressional Appropriations (Interior Appropriations Committee)
2. Other public Funds – Federal, State, local
3. Revenue Generation (direct from Park and from non-profit support group)
4. Cost Reimbursement / Cost Recovery
5. Public / Private Partnerships
6. Volunteers
7. Private Philanthropy
8. Management Efficiencies

Lets then look briefly at each. The goal is to understand how each of these components can contribute to meeting a portion of the identified Park's operational and capital requirement and what is necessary to build the institutional capacity to realize the potential that each can offer.

Module 1 – Federal Congressional Appropriations

First, one must acknowledge that federal appropriations from the principal committees that oversee the National Park Service budget will never generate all the funds needed to meet the desired performance standards defined by a given park. Ultimate success depends upon diversification and less dependence on any one source as the panacea for an organization's financial well being. The idea is to build "many baskets with many eggs." However, there always are ways to enhance funding from this source.

A comprehensive strategy executed over time is important to achieve improved success. It will require much expanded "networking" and a more systematic program of "relationship building" with all stakeholders that ultimately could influence future consideration of funding. The strategy needs to be responsive to current economic realities and position projects or other needs to be more attractive for funding through fund leveraging and other approaches. It needs to address the importance of doing more up-front work to better understand the full dimensions of a project or program; how to better articulate the need both visually and with words to build the case for support; how to get greater internal and public buy-in and ownership of the need and a willingness to advocate for support; and how one encourages adoption of incentives by decision-makers to stimulate more entrepreneurial management at the park level.

Module 2 – Other Public Sector Fund Sources (Federal, State, and Local)

Success here involves creating a completely different mindset about the potential that other public sources of funds offer to help solve your funding needs. One must adopt the view that all public funding programs are a potential source of help whether it be another federal funding source, a state operated program, or a local program.

It involves two key steps. First, getting to know a program's purpose and its funding criteria and, then how to rethink the packaging of a park need to fit within the program's purpose. The second is how to develop and cultivate a personal relationship with the person or people that administer that particular program. People give to people and this relationship building component is essential to success. If one understands and connects with your need at an emotional level, it is amazing how creative individuals can be in finding ways to rationalize funding that need. Even the most obscure program with no real obvious funding potential can end up being a source of help when good homework is done, creative positioning of a need is accomplished, and a strong personal connection has been achieved.

Obviously, it takes years to build understanding of the possibilities and to develop these personal connections. One must start with the most obvious targets of opportunity and extend out from there. At Golden Gate, working with our principal non-profit partner, we are building an impressive program of funding from these other public sources. The return on investment can be great but it does require developing a strategy and committing staff and/or volunteer resources to the effort.

Module 3 – Revenue Generation

There are many traditional and other more innovative ways to generate revenue to address operational and capital needs within a park. It is important to proactively identify and understand these opportunities. It is equally important to get smart on how to structure revenue opportunities to maximize the revenue that comes back directly to benefit an organization. There are all too many examples where an organization has given away revenue potential because they did not bring in good financial advice during the time that a business arrangement was being developed (tell Alcatraz audio tour program story if time permits).

At Golden Gate, we have been reasonably aggressive in seeking out sources of revenue. In the past, these opportunities were initiated on an individual basis without the benefit of an overall long term strategy. More recently, we have pursued, in partnership with our principal non-profit partner, a more comprehensive look at future possibilities. We contracted with the “Bridgespan Group” to work with us in evaluating and quantifying the most attractive initiatives to increase net income to the Park. This is a group specializing in non-profit financing. They addressed three principal questions. What is the status and full potential of the Park’s current earned income sources? What is the full potential for new/additional income sources? What are realistic 3-5 year earned income goals?

Over 35 ideas were analyzed both for mission fit and earned income potential. It involved a five-step process as follows:

1. Identify ideas – determine appropriateness against “Red Face” test (no-drop; yes-consider further)
2. Apply mission fit / earned income matrix – Fit to mission (vertical axis); projected earned income potential (horizontal axis). Those with high fit to mission plus high earned income then went through further consideration.
3. Score each revenue idea against 4 key criteria (scores of 1-5): operational complexity; political /or legal barriers; financial risk; and impact on community positioning.
4. Agreement on short list to undergo detailed economic analysis to access full potential.
5. Examine bundling and multi-site opportunities to increase attractiveness.

This approach is mention only to be illustrative of the value of developing a more comprehensive package of revenue opportunities and an assessment as to how these possibilities fit into an overall “Stewardship Investment Strategy” (give example of Boston Harbor Islands “Realizing the Future – Economic Sustainability Strategy” if time permits).

Module 4 – Cost Reimbursement / Cost Recovery

This piece looks at what opportunities an organization has for cost reimbursements and cost recovery. This would include consideration of everything from utility costs, various fees for services provided, and staff costs of administering permits and special events/activities.

Module 5 – Governmental and Public/Private Partnerships

The possibilities for structuring productive partnerships is almost limitless. Every entity in the community is a potential partner that could potentially assist in meeting needs identified in a business plan. The key here is to proactively determine with whom and for what purpose(s) an organization may want to enter into a partnership arrangement. Partnerships are valuable if done well, but are time consuming. Building a partnership culture within an organization requires a thorough knowledge of factors crucial to success and a buy-in by management and staff of the investment necessary to achieve success.

At Golden Gate, we have been working for over two decades to understand what building a partnership culture really means. We have identified some 20 factors that are key to realizing the full potential of any partnership. We take pride in the fact that we are a park “built on partnerships.” As our knowledge of good partnering has matured and the number of successful partnerships has grown, we are finding that more and more people are seeking us out to pursue partnership concepts. In some cases the ideas being advanced have potential to meet an important park need – in other cases this is not the situation. What we have concluded, however, is the importance of the Park being more proactive – more strategic in determining what we want to accomplish and the partner entities that make the most sense in getting us to the desired objective.

Module 6 – Volunteerism

Every community, regardless of size, has a wealth of talent. In practically all instances people, businesses, and organizations want to give back to the broader community in which they live and work if they believe they can make a difference. The key is linking a need that a Park may have with the talent that exists within the community in which that park exists. It requires good people asset mapping and developing a strategy on how best to tap into the talent that exists. It’s also about creating a work force and organization structure that welcomes and embraces volunteers and is prepared to manage this extended work force. It requires that employees view their job not so much as the “doers” of the

work themselves but as “facilitators and brokers” on how the talent of the community is inspired to become stewards in how the work is accomplished. This approach requires a fundamentally different organization structure to realize the full potential of volunteer support.

At Golden Gate, we currently have a workforce of 425 full time employees that leverage some 17,000 volunteers contributing over 387,000 hours of time in 2002. While we are proud of this success, we recognize there is much more capacity in the community to contribute time and expertise. However, the Park’s capacity to effectively accommodate more volunteers is a reality we must now face.

Achieving growth will require openness to cooking at further organizational and workforce changes. To this end, the Park has been exploring best practice occurring elsewhere that can help inform where we take our volunteer management program. We also are exploring how our wide variety of individual volunteer programs can be revamped in a way that preserves the distinctiveness of each but places them under a unifying umbrella that better communicates the collective value and opportunity for people’s direct engagement in the Park. We are calling this program “Park Corps.” The mission of “Park Corps” is to ensure that the Golden Gate National Parks inspire and equitably serve our communities and that our communities - from generation to generation - value, enjoy, and actively steward and advocate for the parks and the environment. It advances diversity, educational training, stewardship, career preparation and civic engagement as core values.

This more focused strategic planning for volunteers is a component of our overall business planning. It represents a very significant contribution towards how we accomplish the vision for resource stewardship and visitor service.

Module 7 - Private Philanthropy

While the potential for generating private dollars from individuals, foundations, and corporations varies from park to park, private philanthropy should be seen as a core component of any park’s long-term financial planning. A park must strategically address how it intends to build its capacity to raise funds. A park starts by asking the question, what part of raising funds does it see itself performing versus accomplishing through one or multiple support organizations? If help from a support entity is desired, then it raises other questions. Does the park set-up a new non-profit partner to carry out this activity? Does it tie into a related organization operating in the community and ask that they take on this function? Does the park join with other geographically or theme aligned parks to form one entity to serve the collective needs? Or, does the park seek the assistance of a national organization, such as the National Park Foundation, to carry out this activity in partnership with the Park?

A critical next issue is how this activity can be funded until the program matures sufficiently to support a core operational staff. Key to any successful program of private philanthropy is the ability to develop both a strong “earned” income flow of funds and a solid “contributed” income program. The goal is to build the institutional capacity to sustain day-to-day operations in a manner that allows for incremental growth. It is difficult to sustain any non-profit organization over time without dependable sources of “earned” income. Important to my program of private philanthropy is the proper alignment of the public and private entities in setting goals; in establishing roles, responsibilities, and accountability for each initiative; in determining project and/or program priorities; and in establishing effective communications across organizational lines.

Parks need to evolve their business plans dealing with private philanthropy based on long-term goals and a realistic assessment of their interest in and ability to grow a full blown contributed income program.

Elements of a private giving program for a park could include all of any portion of the following elements:

- Individual giving program
- Private and community foundation grant program
- Corporate contributions program
- Membership program
- Special fund-raising events
- Year-end appeals geared to general or project/program support
- Project funding initiatives
- Larger Capital Campaigns
- Planned giving program
- Operational Endowment program
- Specific facility or program endowment

Collectively, these elements have a great potential to engage the community in the values and work of a park as well as contribute substantially in meeting the operational and capital investment needs laid out in the business plan.

Module 8 - Management Efficiencies

The measure of a good organization is how it constantly reinvents itself to improve operational efficiencies without diminishing achievement of mission goals. This requires greater proactivity than many organizations are accustomed to exhibiting. It also requires developing a positive collective organizational mindset and strong desire to seek out best practice in every component of an operation.

When it works best, all supervisors and employees of an organization are motivated to find more efficient ways of carrying out every component of their work program. While this is the goal, it often flies in the face of human nature where repetition of similar functions over time is a more normal reality. Creating an organizational culture that welcomes, embraces and leads change can be greatly enhanced by how it is addressed strategically as a component of the business plan. Implementation can then be stimulated through specific performance measures, incentives and awards, and other recognition efforts.

Simply stated, the goal is to get work done more efficiently consistent with meeting mission goals in order to save money for reinvestment in other needs that cannot be performed within current budget.

For me, a complete business plan for a park would encompass each of these eight elements to the extent they are relevant to that park. Together, they provide an excellent framework for action and a way to address the funding challenges faced by parks in a more strategic, holistic manner. It also frees one from an over-dependence on one source of funds to determine one's fate. It allows one to redirect frustrations and let-downs over years of inadequate direct federal appropriations to greater exploration of funding areas where a manager has greater control of their financial destiny.

But success depends upon the willingness of a manager to engage the community at a much deeper, emotional level - one that leads to individuals/organizations seeing themselves connected to park values and believing they are stakeholders in the stewardship of their national park. It is when connections occur at that deeper level that real progress is made. It also requires that a leadership role redefinition must occur - one in which the manager loosens the reins of control, embraces the concept of joint government/community stewardship and measures success based on degree to which diversification of resource support occurs.

In summary, a broad-based financial management strategy well planned and executed, and one that intersects with all elements of the community, will lead to a strengthened position for a park in terms of political and financial support. The voices of support are expanded because of the knowledge and passion gained from involvement. However, this success ultimately depends upon personal executive level leadership, a commitment to develop and refine competencies essential to good partnering and community building, and the resolve to persevere incrementally over time in this expanded funding paradigm.