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Board of Museums and History

Wednesday, November 16, 2022, 8:15 AM

Meeting Location

The meeting will be accessible via electronic devices (certain cell phones, iPads and computers) connected to the internet with listening and microphone capabilities. Video camera capability will also allow users to watch others in the meeting who are also using a video camera. A physical location to listen and speak via telephone conference call will be available at the Nevada State Museum at 600 N. Carson St.

To Join the Meeting electronically via Zoom conference

Topic: Board of Museums and History Museum Store Committee Meeting

1. CALL TO ORDER AND CONFIRMATION THAT THE MEETING WAS PROPERLY POSTED
    Jan Petersen calls meeting to order and confirms with Myron Freedman that the meeting was posted properly.

2. ROLL CALL AND DETERMINATION OF QUORUM
    Jan Petersen performs roll call.

3. PUBLIC COMMENT
    Jan Petersen – Public comment is welcomed by the Board. A period of public comment will be allowed after discussion of each action item on the agenda, but before voting on the item. Because of time considerations, the period for public comment by each speaker may be limited to 3 minutes at the discretion of the Chair, and speakers are urged to avoid repetition of comments made by previous speakers. Pursuant to Governor Sisolak's Declaration of Emergency Directive 006, Section 2, public comment options may include, without limitation, written public comment submitted to the public body via mail or email.

    Myron Freedman confirmed no public comments via email, text, or phone message.

4. **Online Store Funding Proposal (possible action on this item) Seeking approval for the Online Store Funding Proposal.**

Jan Petersen turned this section of the meeting over to Daphne DeLeon for The Online Store Funding Proposal Presentation.

Daphne DeLeon – What I'm going to do is I'm going to walk through it first on the narrative notes just to explain what we have done in response to our meeting in October and responding to the questions that came up during the last store committee meeting. And then looking at alternatives and discussing the working groups recommended pathway forward and describing and discussing some of the other website platforms that were mentioned, specifically Amazon and Shopify.

The goal is still the same, that the online store is looking to increase revenue, sales revenue, and at the same time increase our profitability rate in our museums. Knowing that some of our overhead costs are really driven by staffing cost, the thought is the online store platform will allow us to maximize existing staffing and add minimal staffing and at the same time significantly increase revenue. So, the working group, which included many of you that are here at this meeting included committee store members from the board and staff, museum directors and also museum store staff. And we had met periodically over the summer to develop certain things. We developed a list of 20 items that each of the museums identified to be put on the online store. We also developed a list of website requirements, what we needed in our online store. We also developed a fulfillment strategy really looking at how quickly we could ramp up so we could get this project implemented at a level where we could get some lessons learned and really think about in the next steps how to make it better. And we also had a metric subgroup that also defined basic metrics for performance as we moved forward.

The costs are split out by temp staff, merchandise transportation, website BHD integration, which is the back integration from the website to our POS system, and operation fulfillment materials that would be needed, and then a vendor fulfillment charge. So, these three options.

> The first one is the Museum Decentralized Fulfillment, and this is the proposal that was originally developed by the working group. It assumes that this project is going to be driven by the museums, and in this pilot phase, each museum would do their own fulfillment.

> If you go to the next column to the right, Museum Centralized Fulfillment, these are the costs that would be accrued if the museums had one centralized spot to do fulfillment during this pilot phase.

> The last column to the right is Vendor Centralized Fulfillment. These are the costs as much as we could gather if we were to have a vendor do our fulfillment from one centralized location.

Robert Stoldal and Daphne DeLeon spoke about how the monthly fee for the vendor website will be allocated for each museum.

Daphne DeLeon – We based that on giving each museum equal space and equal exposure when we were developing the website proposal, and each of the museums were able to select 20 items to put up in this pilot phase. And I believe Catherine did put up 20 so she'll have 20 items while City has 20 items, Railroad-Boulder City will have 20 items, State Museum-Las Vegas has 20 items, State Museum-Carson City has 20 items. There's equal exposure in this pilot phase. We thought this was easiest to share the cost evenly across all the museums, and that's something we can watch in terms of revenue, in terms of perhaps one of the museums doesn't want to keep some things up, they want to reduce their number from 20 to less than.

D. DeLeon then goes over the working group's recommendation and costs.

I do want to go back to page two on the chart in terms of the costs of each of the alternatives. The one that is being recommended by the working group is the first one. It's the Museum Decentralized Fulfillment option. There is also the Museum Centralized Fulfillment option where we would designate a centralized location that would handle all the fulfillment and we would have a full-time person manage that. And the third option is to have a Vendor Centralized Fulfillment, a vendor like Opportunity Village handle fulfillment from a centralized location. The basic costs as we know them are there. As I had mentioned, the website creation cost is – it's estimated to be 13,000. I do not expect it to be more than that. And if you look at the net profit on the bottom, those are very rough, but it gives you an idea. The maximum revenue is based on six months of selling based on the 20 items that were selected by each museum and the price point that they had noted and the quantities that they project to have available for online sales.

The start date would begin in March if board approved and the pilot program period would be six months and then re-evaluate.

Daphne DeLeon then reviewed website platform options with WordPress, Amazon, and Shopify. Then went over the transaction fee options and credit card fees.

Then Tracey Sprague detailed her previous experiences with both Shopify and Amazon ultimately stating she did not think they would work in this situation for a government institution.

Daphne DeLeon then went over a few other items for review. One is limited control of our material (images and descriptions). We already talked about the payment gateway and the confidential information.

Jan Petersen then asks for committee members input – I need responses or thoughts, input, from you, the committee members, on approval or disapproval to proceed with the proposed plan as on page, I think it's page two, this one with the graph. What is the committee's feeling on which way to go so we can have a report for the December board meeting.

Upon questions from Robert Stoldal regarding the final presentation, Myron Freedman went over what the final presentation would look like when presented to the full board in December.

We're looking for approval to get the website setup, so the costs associated with that are the website costs and the Big Harry Dog integration. In addition to that, we'll want to be prepared to do some fulfillment, so there's some supply costs there, and at the same time again in this early phase to fulfill things out of the museums, and there could be some additional costs there in terms of staff hours or temporary staff. Again, all of that's temporary just so we can get the program up and running. So, those costs would be requested for approval, those particular costs.

I think the narrative could include some of these things we've been talking about today. One is that the inventory costs is really a function of turnover and volume and that kind of thing, and that can be reviewed on a quarterly basis once things are up and running. Daphne talked about having all of that tracked through category 48 so it's separate from the store costs, the store budget. And then Bob, I think we keep on the table the idea that Shopify is a possibility. I think Daphne's just pointing out some of the downsides. You're pointing out that other museums use it, but what we do know is that we have a gateway requirement just because we're part of the state, so some of these other museums may not have that kind of requirement and that may be why you don't see that, but we can keep that on the table.

Jan Petersen – This is what I've got that we will report – we, our committee – will report to the board, and I will get with Daphne and/or Myron as to the way out of that, and we'll send it to you for pre-approval. These are my bulleted items:

1. The website setup.
2. The fulfillment setup by each museum and/or temp people as needed.
3. Inventory costs, cat 48, type 1's [ph].
4. A trial period that may include two quarters.
5. A Shopify possibility.
6. Inclusion in this will be a membership and the quarterly I'm going to call them buttons, a full dollar figure cost.
7. There will be a revised board policy including membership.
8. And it will be a six-month time frame to implement as a pilot.

Jan Petersen and Daphne DeLeon propose Motion to Approve Staff and the Committee Develop the Museum Decentralized Fulfillment Option as a Proposal to present to the full board at their December meeting, which will include a membership functionality and a digital subscription functionality. Motion passed by vote of the committee.

5. PUBLIC COMMENT

Jan Petersen asks for public comment. Myron Freedman confirms no public comments.

6. ADJOURNMENT

Jan Petersen adjourns meeting and thanks everyone.

** We are pleased to make reasonable accommodations for members of the public who are disabled and wish to attend the meeting. If special arrangements are necessary, please contact the Nevada Division of Museums and History by calling (775) 687- 7340 at least two days in advance of the meeting.

Our Vision

Recognized as the most trusted stewards and engaging storytellers of Nevada's heritage.