

Preserving and Growing the World's Leading Professional Organization for Journalists

The Strategic Plan for the National Press Club and the Eric Friedheim National Journalism Library, 2009-14

*NPC Strategic Planning Committee
April 2, 2009*

Introduction

For a century, the National Press Club has at times seemed to be one thing to its members, another to its staff and yet another to the world beyond its walls. For members, the Club has served as a great place to bring sources for a drink or dinner, or to meet and maybe interview the world's great newsmakers – while all the while serving as a strong advocate for a free press and the journalistic standards our members strive to meet. For staff, it often is something else: a business that must be maintained and that must grow to provide the financial support that keeps the Club thriving despite its low membership dues. Yet to the outside world, the National Press Club is much more than that: It is, to many, the institution that is at the center of the news industry in the city that makes more news than any other.

Over the past two years, the Board of Governors and staff of the Club have been working to merge these three disparate notions of what the Club is into one consistent vision. And this document, the National Press Club strategic plan for the years 2009-2014, is the product of that hard work. **This plan will take effect upon enactment by the Board of Governors and the Club's membership and will set the Club's strategy through June 30, 2014.**

This plan is, above all, an acknowledgement that members, the Club leadership and its staff must work together to ensure a bright future for the Club amid the most troubled times the media industry has faced in modern history. In addition, this plan recognizes that we all must be bold as we work to shape the Club's future, not so much adjusting our plans to meet changing circumstances but moreover staying ahead of the circumstances. And all the while, we must meet the future with a deep reverence for the Club's past.

The National Press Club is a unique institution. To walk its halls is to walk in the footsteps of presidents, world leaders, corporate titans, artists, actors, athletes, authors and, of course, journalists. The place is thick with the ghosts of our history. It is the acknowledged place where the leaders of the public come to meet with the press. In this country and others it has been imitated but never reproduced. The National Press Club stands for the values of a free press – freedom of expression, the public's right to know and the First Amendment -- but it also makes the transaction of these rights and freedoms possible by providing the public square envisioned by the Founders. The press – in the form of our members and others -- are in the building and in our rooms, halls and restaurants at all times. Newsmakers recognize this and have made the Club a national focal point where news is released. It is “The Place Where News Happens.”

What's more, this rich heritage provides us with an excellent platform for the future development of journalism and with it, global communications. Indeed, despite the uncertainty in the media industry amid this time of media transformation and economic torpor, our history provides us with a great opportunity. We are the world's leading professional organization for journalists at a time of a revolution in journalism – and it is a revolution we must embrace if the Club is to thrive in its second century.

And just as the Club must embrace the future, our members must embrace the Club. And that means much more than using the Club's services: it means that members are encouraged to

participate in the Club's activities, committees and governance. It's true that the Club exists to serve its members, but it's also true that the Club depends on its members to chart its course and to keep it vibrant in these changing times.

This plan is pathway for the Club to follow as it strives to live up to its history in the next five years, as it strives to remain the very embodiment of the American media as the industry's shape shifts all around us. And it starts with acknowledgement of what we are – a mission statement that brings together those three disparate visions of the Club, and a vision that the Board of Governors, the staff and the members of the Club will work to fulfill. It is, in one paragraph, the very definition of the National Press Club:

MISSION STATEMENT: The National Press Club is the world's leading professional organization for journalists. It serves its members through professional development activities that bolster their skills, through services that meet the changing needs of the global communications profession and through social activities that build a vital media community in Washington and across the world. The Club is where news happens in the nation's capital and is a vigorous advocate of press freedom worldwide.

About this plan

The leadership among both membership and staff alike agree that one of the most powerful assets of the Club is its iconic name. Everyone in Washington, much of the nation and a growing global audience know of and hold in high regard the National Press Club. The name attracts new members, newsmakers and working press to the club; audience to our website; clients for our conference business, sponsorships and donations to our 501c-3 and more.

Working two parallel tracks, Club members and staff set out to think about the Club's name – in essence, the power of its name -- what it means and how to unlock its power and potential. And in many ways, this plan is centered on the power of that name, and is an effort to make sure the Club lives up to it.

The Board's Strategic Planning Committee began this effort in 2007 by conducting focus groups of members, followed later that year by a professionally prepared and detailed survey of members. Our goal was to determine how they felt about the club, its heritage, its future direction and its competition. And the results, while very encouraging about the Club's current services, also provided us guidance regarding what our mission statement should be and how we should fulfill that mission.

At the same time, staff began to meet, first on a monthly basis and then more frequently, to discuss the power of the Club's name with a global communications and marketing expert and NPC member, Steve Pain of AVIVA, The focus was on the value of the name and how to identify and leverage significant aspects of it in the conference and hospitality businesses and in other future directions of the organization.

Working together these two groups developed phrases that are central to the mission statement: “The World’s Leading Professional Organization For Journalists” and the tagline “Where News Happens.” Already these descriptions appear on the Club’s website, on press releases and emails, on printed materials and on every introduction from the podium of the Press Club. These statements give voice to our core values in a powerful and unifying manner. These few words have captured our tradition, our status in society and our future and have distilled our core message into an effective communications tool that is helping every day to leverage our most important asset – the reputation of the National Press Club. Most importantly, the mission statement will become a standard to strive toward in all our practices and a shared value to use to prioritize modify, defer or reject proposed initiatives and partnerships.

While we all concur on the Club’s central mission, we also must acknowledge that the Club, like journalism itself, finds itself in the midst of an era of great change. The Internet is creating vast new opportunities for journalists and other media professionals – while destroying the financial model that was the basis for decades of success for the newspaper and television news industries. The great challenge the Club faces in the next five years is to remain not just relevant, but vital in the midst of all this change.

This five-year strategic plan, covering the period from mid-2009 through mid-2014, sets goals and spells out action items that are aimed at fulfilling the vision spelled out in the mission statement. Of course, it is impossible to predict the shape of the media landscape in 2010, much less 2014, so this document will be short on specific programmatic suggestions. Instead, it will be heavy on overall broad-brush goals, to be set and met in the next few years. The goals will be set in blue type throughout the document.

The plan is spelled out in separate chapters on professional development, membership recruitment and retention, member services, Club governance, capital improvements and business operations. And the central goals of the plan include:

- * To develop a more extensive journalism and communications training program, funded by foundation grants and corporate sponsorships, that serves the Club’s members and fulfills the Club’s mission as the world’s leading professional organization for journalists.**
- * To continue to lure the world’s top newsmakers to the Club’s luncheon program and the nation’s top news events to the Club’s conference rooms.**
- * To develop the Library so that it is operationally self-sufficient and funded substantially through an endowment.**
- * To fulfill, in 2009, the cost-effective member service requests revealed in the Club’s 2007 member survey.**
- * To simplify the membership application process and grow the Club’s 2008 membership levels each year through 2014.**

*** To update the Club’s governance structure to clarify and expand the board committees and to enhance the voice of Affiliate-Associate board members.**

*** To build the Club’s financial reserves to \$1 million in July of 2009 (as mandated by the board) and to \$3 million by July 2012.**

*** To improve profitability in all business units, especially in Banquets and the Broadcast Operations Center, through a strategy that includes the following: improved sales and marketing; cost cutting; and a profit sharing plan.**

The goals will be accompanied by a series of “action items,” highlighted in boldface throughout this document. In most cases these action items include recommendations or, in some cases, instructions to the Board, its Committees, and staff.

Action items that require board or membership action, such as constitutional and bylaws changes, are outlined as proposals. In other words, board approval of the Strategic Plan will not automatically constitute board approval of these important steps. These items would have to be approved separately, by the 2009 Board of Governors and the general membership.

This plan is a living document. It includes steps that serve as guidance for the Board of Governors and staff in years ahead. The Board Strategic Planning Committee will be expected to monitor the implementation of these action items, to adjust the plan as needs arise, to make quarterly progress reports to the Board of Governors – and to begin work on a follow-up five-year plan in 2012, covering the years 2014-2019.

One common thread links all of these goals and all of the action items in this plan. They are aimed at helping the Club be what it says it is. After all, we can’t just proclaim ourselves “the world’s leading professional organization for journalists.” We have to be that every single day.

“The World’s Leading Professional Organization for Journalists” it is both a description and an aspiration. Living up to this rather ambitious set of words is a good benchmark against which to answer questions of priority and purpose within the organization. It is important that membership embrace this description and that its use be consistent. It will be a powerful asset for the Club if used well and often. It will help us understand our own identity. It will help us grow our business – and our membership. And above all, if we continue to be what we say we are, we will have a vital future for our second century.

Professional Development and the Library

The Club’s professional development efforts have made great strides in the past two years as the Eric Friedheim National Journalism Library has been remade into the Club’s training center. The survey results, which show a great deal of interest in professional development among both current and prospective members, clearly indicate that this was a wise decision for the Club leadership to make.

Now, then, the Club faces the task of building on the work it has already done and further improving its professional development offerings – and most importantly, making them as widely available as possible to both resident and nonresident members.

More than any other facet of the Club, our Professional Development activities will determine whether we meet our aspiration and truly serve as the world's leading professional organization for journalists. If we offer journalists and other media professionals the training, networking and intellectual growth we can offer, more journalists from around the world will join the Club, and that motto will remain a reality.

Our training efforts matter so much because technology is changing the working lives of journalists all over the world. Cable has created 500 channels. Every newspaper and magazine has a website that craves multimedia content. Print reporters are being asked to shoot photographs, front, voice and sometimes edit video packages. Broadcast reporters are being asked to write print stories for their websites. The lines between photographers, reporters and editors are blurring. The market has grown, splintered and converged.

At the same time the traditional business models have failed. The news industry is beyond the recession that is impacting the rest of the economy. It is in a desperate and spiraling depression. Layoffs are coming at an unprecedented pace, bureaus are closing, longstanding print operations are going online only. It is a grim scene – one that calls for a bold response on the part of journalists everywhere, and on the part of the Club.

Journalists' survival and, possibly, that of journalism as we know it, depends largely on the ability of reporters to embrace change and develop new skills to allow them to continue as the nation's great storytellers and the writers of history's first draft. At this very time when training is so critical employers are not financially able to offer training to their remaining staff. As a society we risk the loss of one of the bedrock principals of democracy – a vibrant free press – unless journalists, collectively, act to save the profession and its best traditions while reinventing it for the new era. Hence this goal:

- [The National Press Club will develop a more extensive journalism training program funded by Foundation grants and corporate sponsorships that helps fulfill the Club's mission as the world's leading professional organization for journalists. Our journalism training program will reflect the changing professional needs of its members in what it offers them and in how it positions the organization for the next five years as the recognized leader in the global communications industry.](#)

Given that this is the age of “convergence,” in the short term at least, meeting the changing professional needs of the Club's members will mean ensuring that they have the multimedia skills they will need to survive in this new media world. Offering training in this area, through partnerships or on its own, will be central to the Club's near-term future. Proof can be found in the study of journalism training programs nationwide in 2006 that was prepared in conjunction with this strategic plan. That study found a surplus of writing training programs and a great need across the country for convergence training. Hence the following action item:

- **By the end of 2010, the National Press Club, either on its own or in partnership with another organization, will sponsor a national “Convergence Conference” aimed at giving journalists the basic multimedia skills they need to acquire to meet the needs of their changing profession.**

Such a conference will do much to establish the Club in the minds of any doubters who don't recognize us as the world's leading professional organization for journalists. But of course, one conference, in one year, will not fulfill the Club's mission. The Club must work to fulfill its mission every day of every year. Which prompts the following action item:

- **In every year from 2009 through 2013, the National Press Club, either on its own or in partnership with another organization, will sponsor a major national journalism training event geared toward addressing the most pressing professional development needs journalists face at the time.**

In addition to the need for more skills training, the 2007 NPC member survey indicated a desire on the part of the membership for more panel discussions on journalism issues. Of course, the notion of mandating more programs of one type or another is too specific and programmatic to be dictated in a strategic plan. However, the AVIVA-sponsored seminars on the future of journalism, conducted coast-to-coast as part of our centennial celebration, are a good model for us to follow as we pursue the following action item:

- **In every year from 2009 through 2014, the National Press Club, through its library and its Professional Development Committee, will sponsor panel discussions on journalism issues, public affairs and communications issues that will feature leading worldwide experts and will preserve and expand the Club's role as a leading center of thought about the future of journalism and mass communications worldwide.**

Programs of the type described above will be very useful both for members and for journalists worldwide who do not belong to the Club – but of course one of the goals of our professional development program must be to expand the Club's membership. Clearly to do that we have to offer programs both for Washington-based journalists and new members everywhere – which leads us to the following action item:

- **By the end of 2010, all the Club's professional development events will be available via video on the members-only section of the web site.**

In addition, it's notable that a large percentage of respondents to the NPC survey -- 75 percent -- said they would have an interest in using the Web site for research. This should be a priority for the Club, especially as more members are losing their jobs and may become freelance writers. And it prompts the following action item:

- **In 2009, the Eric Friedheim National Journalism Library will enhance the research offerings available for its members through its web site, and will communicate those offerings to members via the Wire and other means.**

It's also notable that both current members and prospective members surveyed stressed the importance of professional networking as one of the most important reasons for Club membership. The Club can capitalize on this member need by developing commercial opportunities for freelancers such as a clearinghouse for assignments including speechwriting or script writing as well as more traditional writing. There have already been some steps taken in this area but it is clearly going to be a big opportunity which members will sort through. This prompts the following action item:

- **In 2009, the Freelance Committee and management will together deliver to the Board a report on the cost and viability of establishing an online clearinghouse for freelancers, including the possibility of offering members a web page of their own on the NPC web site.**

Of course, freelancers are by no means the only members who seek additional networking opportunities. In general, the demand for such opportunities calls for this action item:

- **The Club's committees will work to enhance the Club's professional networking opportunities in 2009 and the succeeding years.**

It is also important for us to remember and acknowledge that journalists are not the only communications industry professionals. Affiliates and Associates are valued members and contributors to the life of the Club and more should be done in the future to provide programs, symposia and training opportunities for their benefit and professional advancement. In fact, the Club also needs to offer training opportunities to public affairs professionals – our Affiliate and Associate members, and prospective Affiliate and Associate members. One idea translates to the following action item:

- **By the end of 2010, the Club will consider sponsoring a Communications Summit for senior corporate communication leaders.**

Our close association with journalists and our world-class facilities make this an attractive possibility. It would have the added benefit of bringing to the Club the people with the largest budgets for communications. They would see the Club at its best as a conference facility and would be encouraged to use our services in the future and perhaps make valuable contributions as Associate members.

Still, our main focus must remain on what we are: the world's leading professional organization for journalists, and on offering programs that fulfill that mission. Emphasizing skills training and professional development is a significant opportunity and while much progress has been made in this area we have just scratched the surface. There are certainly opportunities to obtain grants and funding from sponsors for these activities.

In fact, obtaining grant funding will be essential for the Club (through its Library) to be able to fulfill its professional development mission. The Club's business operations, which do so much to make NPC membership such a great value, in doing so operate on a very narrow overall margin. Hence this goal:

- **In 2009 and beyond, the Eric Friedheim National Journalism Library will build relationships with major grant-making organizations (McCormick, Ford, etc.) in an effort to win support for its journalism training programs.**

As a 501 (c) (3), the library not only has the capacity to seek and win grant funding, but it also can seek corporate contributions and other donations – and has done so in the past two years. So far our experience tends to be that donors will give generously to the library when it is part of a mutually beneficial relationship – our partnership with AVIVA, for example, or our relationship with donors who gave to this year’s Fourth Estate Dinner. For the library, the trick will be developing other relationships like these – and finding the proper fundraising venues that maximize revenue while keeping costs to a minimum. Hence this goal:

- **By 2011, the Eric Friedheim National Journalism Library will be operationally self-sufficient and entirely funded through a significant endowment created by an effective development program.**

The library, working with the Professional Development Committee, will play the central role in positioning the NPC as “the” professional organization for journalists worldwide. This is an incredible opportunity. It is hard to believe this opportunity is before us and available right now! Simply by building on the efforts we have made and the relationships we already have, the NPC can put itself at the center of the most daunting, yet exciting, communications revolution since the invention of the printing press. Doing so would be the greatest member service we could offer.

Membership Services

Of course, the Club is much more than a training center. It is, for many members, the very center of their social lives. And this strategic plan and the Club leaders who implement it in the coming years must respect and honor that tradition by preserving and building upon the member services we already offer.

The Club’s 2007 member survey serves as our guide here, as we try to shape member services for the coming years in response to member needs. We do so with one important caveat: what a member needs from the National Press Club in 2009 may well be very different than what a member will need in 2014. Therefore this section of the plan, more so than any of the others, will be heavy on short-term recommendations, leaving it up to the future Club leadership to plan programs along the way.

However, the survey also found a great deal of satisfaction with the services currently provided – and with the people providing them. About 90 percent of those surveyed were pleased with the professionalism, courtesy and attentiveness of NPC staff. That is a credit to all the fine people who work at the NPC, and it points us to one overarching membership services goal.

- **The Club’s staff has set a high standard for itself in terms of professionalism courtesy and attentiveness, and it will continue to meet that high standard.**

And our survey also pointed us toward this goal:

- **The Club will fulfill the cost-effective member service requests revealed in the Club's 2007 member survey during the 2009 calendar year.**

Finally, it is important to reiterate the fact that the Club is a Club – and that membership has its privileges. Hence the following goal

- **The Club will continue to offer its members discounts for meals, beverages, services and events.**

However, while the Club is a member organization intended to provide good services at discount prices to our members, we cannot let member services be implemented without considering their financial impact. Hence the following goal:

- **Club Committees and the Board of Governors will evaluate new member services, and re-evaluate existing services, on the dual basis of their value to members and their cost impact on the Club.**

Restaurant services

One of the most heartening findings of the membership survey was the response to the Club's restaurants. The Club's restaurants received some of the highest satisfaction levels from the membership survey and should continue to be a priority. Most notably, 92 percent of those surveyed said they were satisfied with the Fourth Estate, and 68 percent of members said it was important for the Club to keep the a separate white-tablecloth restaurant at the Club.

Of course, the Fourth Estate, like the Reliable Source, is not a money-making venture for the Club – but in past times of financial trouble, the Fourth Estate has been closed to help the Club save money. Given the importance members place on the availability of the restaurant, such closings should not occur in the future.

Instead, the Club should pursue the following goal.

- **The Club will continue to maintain the Fourth Estate Restaurant as a top quality fine-dining establishment.**

Meeting that goal could prove to be a challenge, however, without a well-designed plan to minimize losses at the Fourth Estate while maximizing usage. In other words, the Club must devise a way that prevents the restaurant from being a drain on Club finances while growing its business and ensuring that it's not empty to the point where its emptiness discourages customers from returning. Therefore, the following action item is necessary to guarantee the Fourth Estate's future success:

- **By July 15, 2009, Club management will present to the Board of Governors a plan that evaluates how best to minimize losses at the Fourth Estate. Options to be evaluated should include higher prices for nonmember diners, advertising in local theater programs and other venues, and possible cost savings. The plan should focus as much as possible on maximizing usage of the Fourth Estate.**

The member survey also found the Reliable Source to be a very popular member service. While overall member satisfaction does not approach the levels of the Fourth Estate, some 91 percent of those surveyed said they were satisfied with the bar and grill. Moreover, any member who knows the Club well knows that the Reliable Source is its heart and soul, which leads to the following goal.

- **The Club will maintain the Reliable Source at its current high standard, or improve its services to better serve members.**

The survey offered a detailed analysis of the food and drink offered at both of the restaurants, and both received very good grades in most areas. However, 13 percent said they were dissatisfied with the menu selection at the Reliable Source – an unusually high number in the context of the survey – and 64 percent of those surveyed said it would be important for the Reliable Source to include more healthy menu items on its menu. That finding points us to the following action item:

- **By July 15 2009, Club management will work with the House Committee to review the Reliable Source menu and devise a way to include at least two more healthy alternatives on the lunch menu and at least one more healthy alternative on the dinner menu.**

Survey findings were far less conclusive about the always-controversial question of whether the Club should remain open on Saturdays. Some 38 percent of respondents said it was important for Saturday openings to continue, while 22 percent said it was unimportant. Nevertheless, a 38 percent plurality of Club membership is not a small plurality, and it conflicts with the declining Saturday usage the Club has experienced in 2008, which has led to a drain on Club finances.

This raises the possibility that while the Club is right to be open on Saturdays – but that it is not open in the right way. Perhaps more members would use the Club on Saturdays at happy hour and for dinner than they do for brunch, which points us to the following action item:

- **The Board of Governors and management will, in 2009, explore and consider alternative ways of keeping the Club open on Saturday to maximize member usage.**

The survey also showed relatively strong member interest in the idea of an all-day coffee bar where snacks and light beverages would be available. Some 58 percent of members said they would be interested in an all-day coffee bar. This did not seem to be as high a priority as some other action

items involving other parts of the Club, so it should not be the highest priority in this plan, but it does call for this action item:

- **Management will explore the financial viability of opening an all-day coffee bar in the Reliable Source or elsewhere in the club by the end of 2010.**

Events and Programs

The member survey also found strong rates of satisfaction with most Club events and programs, with the Club's signature Speakers program receiving some of the highest marks. Newsmakers also proved to be very popular with the Club's membership, as did most of the Club's social activities. That points us to a simple goal:

- **The Club will maintain or improve the quality of its luncheon speaker series and other Club programming.**

No specific action items are required to accomplish that goal, which is best left in the hands of the Club's committees. But some action items are necessary to ensure that members have the best possible access to Club events.

Three-fourths of those surveyed said discounted parking near the Club would add value to their membership – yet 63 percent were not aware that discounted parking is already available. That prompts the following action item:

- **The Club will immediately send an email to members who receive “The Wire” that makes it clear that evening and weekend discount parking is available.**

And while the Club's current phone-in reservation system received relatively good grades in the survey, the survey alone is not enough by which to judge it. Our younger members in particular are used to transacting a great deal of business online, and in the interest of serving them – and in developing a more reliable reservation system for all members – the following action item is necessary:

- **The Club will implement an online reservation system to complement the current phone-in system by the end of 2009.**

Additional Services

The Club has long been successful at partnering with other organizations and should continue to do so. Which points us to this action item:

- **The Club will continue to seek affiliations with clubs and other entities as a way to expand member benefits at little cost.**

Communications

The survey, along with informal communications among members and recent presidents, made it clear that the Club needed to improve its communications with members.

Much has already been done to do just that. The Web calendar has been improved, and a weekly “This Week at the NPC” email has done much to help members plan how they will use the Club. And most importantly, the Club this year established “The NPC Wire,” an email newsletter to members that serves as a first-alert system that far outstripped the Club’s earlier efforts as an effective means of communicating with members.

These improvements coincided with a decline in volunteer interest in putting out The Record, the Club’s newsletter. The future of the Record depends not on this strategic plan, but on member interest in volunteering to publish it.

Nevertheless, it is clear that the Wire will be the key means of communication between Club leadership and the membership. And to that end, we set the following goal.

*** The National Press Club’s Board of Governors and staff will continually strive to improve communications with its members, and will annually review communications efforts to see how they can be improved.**

Membership Recruitment and Retention

Maintaining the Club’s membership will be among the Club’s most challenging goals in the next five years. Membership has remained steady in recent years, which is an astounding accomplishment and a true credit to recent membership secretaries, Membership Committee chairs and the membership staff. But maintaining the momentum of recent years will be important if the NPC is to meet the following goals:

- **Membership of the National Press Club shall grow in each of the next five years (2009-2014). The Board Membership Committee will review the membership numbers quarterly and plan recruitment programs and other adjustments aimed at meeting this goal.**
- **Nonresident membership shall grow in each of the next five years.**
- **The Club will make a special effort to reach out to bloggers and others who work in the New Media.**

Making membership more accessible

To start the Club on a path to meeting these goals, the Board of Governors will, in 2009, consider two major changes.

- **The Board shall consider this resolution: “The National Press Club will immediately eliminate all initiation fees charged to membership applicants.”**
- **The Board and the membership shall consider eliminating the following sentence from Article III, Section 1 of the Bylaws: Candidates proposed for membership must be sponsored in writing by at least two members in good standing, including at least one Active member.**

Both of these current requirements – the initiation fee and the signatures required for membership applications – are unnecessary impediments to potential applicants for Club membership.

The board waived the initiation fee for 2008, and board members and staff alike believe this waiver is one of the reasons the Club has been able to maintain its membership despite the economic downturn and the structural changes in the news business. Given this experience, it only makes sense to permanently eliminate the initiation fee.

As for the requirement that two members, and one active member, sign all membership applications, this is an unnecessary contrivance that proves to be an especially difficult handicap for newly arrived Washington media professionals who may not yet know two NPC members. Frequently in such situations, two members of the Membership Committee simply sign these applications, meaning there is by no means any additional “seal of approval” coming from those two signatures. Furthermore, recent membership secretaries note that they have frequently encountered new members who said they delayed applying for membership because they didn’t know any NPC members. Clearly, then, this archaic requirement is an impediment to membership growth, and should be eliminated.

However, it is important that the membership still have the ability to recruit members, which is why we recommend that the membership application include, in place of the two required signatures, the following:

Members spread the word about the National Press Club better than anyone else, so if an NPC member refers you for membership, be sure to include their name and signature below. Anyone referring a member here will be automatically enrolled in our “President’s Club,” making our most successful recruiters eligible for prizes as year’s end:

Sponsor _____
Name Membership category

Sponsor _____

Name

Membership category

Other membership recruitment and retention initiatives

With the number of journalists in Washington shrinking, the Club needs to look beyond the nation's capital in its effort to maintain or grow its membership – and it also must work harder to retain the members, both resident and nonresident, that the Club already has.

To that end, the Board Membership Committee will do the following:

*** By the end of February of each year (2010-2014), the Board Membership Committee, in concert with the Membership Department, will develop and submit to the Board of Governors and staff a membership recruitment and retention plan for the coming year that includes the following:**

- Efforts to recruit nonresident members.

- Two recruitment drives, one in the spring and one in the fall, aimed at specific target communities in the Washington, D.C., area.

- Plans for two new member receptions, to be held after the spring and fall member recruitment drives.

- A program to reach out to current members who may be in danger of ending their membership. In particular, this program should focus on members who are reaching the end of their first year of membership and may be renewing their membership for the first time.

This recommendation largely formalizes something that has been past practice under several different boards and membership secretaries. Annual membership plans are nothing new, but in the past they have been done at the call of the membership secretary and nothing else. This goal makes an annual membership recruitment and membership plan mandatory, and a board-level priority, while striving to increase retention activities.

Governance

Constitution/Bylaws issues

The Club will continue to be led by a Board of Governors as spelled out in the Club's Constitution. While this governance structure has served the Club well for many years, the current Constitution and Bylaws leave some parts of Club governance too unstructured. For example, while the Bylaws call for a creation of a board Audit Committee, there is no mention of other board committees. Yet

some Board committees are absolutely critical to Club operations and should not be left unmentioned and unstructured in Club governance documents.

In addition, the current governing documents have caused considerable controversy among Affiliate and Associate members because they only permit the Affiliate and Associate Governors to vote as part of the Committee of the Whole. While full voting rights remains a divisive issue at the Club, efforts should be made to expand the voice of Affiliate and Associate Governors by adding a third Affiliate-Associate Governor, by expanding the term of Affiliate-Associate Governors to three years, and by mandating that all Board Committees include an Affiliate-Associate Governor who has voting rights in Committee.

That calls for the following goal:

- **The Club, in 2009, will work to improve its Constitution and Bylaws to strengthen the role of the Board Committees and to expand the voice of Affiliate and Associate board members.**

The Club will do so by considering amending its Constitution as follows

** Article III, Section 3. The Board of Governors shall have the right to suspend or expel a member for cause. This shall be done only by a majority of all the members of the Board entitled to vote, after a hearing before the Board Ethics Committee, at which the accused member shall have the right to be present and in conformity with rules that the Board shall adopt. This provision notwithstanding, under House Rules that the Board shall adopt and from time to time revise, a temporary suspension of a member for reasons of disorderly or disruptive conduct within Club premises may be imposed. This suspension may remain in effect until the next regularly scheduled meeting of the Board of Governors.*

** Article IV, Section 3. The Board of Governors shall consist of the officers of the Club, each of whom shall be elected for a period of one year, and seven other Active members, each of whom shall be elected for a period of three years. In addition, there shall be three members elected for a three-year term by the Affiliate members and the Associate members voting as a single class. These Board members shall not vote unless otherwise specified in the Constitution or Bylaws. The immediate past president of the Club shall be a non-voting member of the Board. No person shall be simultaneously an officer and a Governor. The terms of the Board of Governors shall be staggered so that as nearly as possible the same number of full terms shall be filled at each election. Unless otherwise provided by a majority of all the members of the Board entitled to vote, officers and Governors shall be elected on the second Friday in December of each year. Those elected shall take office on the third Friday of the following January at the annual membership meeting. Each Governor and officer, including any appointed or elected to fill a vacancy, shall hold office until his or her successor is appointed and qualified, excepting earlier resignation or death.*

The Board of Governors will add the third Affiliate and Associate board seat in the December 2009 election. To ensure that the terms of the Affiliate/Associate board seats are staggered, with one seat up for election each year, two seats will be open for election in December 2009: One for a three-

year term, and one for a two-year term. The third Affiliate-Associate seat will be up for election in December 2010 for a three-year term.

In addition, the Club, in 2009, will consider amending its bylaws as follows:

*** Striking the current Section 7 of Article II, which reads as follows:**

Committees of Governors: (a.) The Board of Governors may designate one or more committees, including an executive committee, each committee to be composed exclusively of Board members. As provided in Section 1, the Chair of the Board of Governors shall appoint the members and chairmen of such committees. Except as restricted by law, any such committee, to the extent provided in a resolution of the Board of Governors, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Club, and may authorize the seal of the Club to be affixed to all papers which may require it. Each committee shall apprise the Board of Governors of its actions and activities. Affiliate and Associate Governors will be permitted to vote in committee.

(b.) The Board shall establish an audit committee to meet with the club auditors three times a year. The audit committee shall be chaired by the Board Chair, who shall name two other Board members to the panel.

*** Replacing the stricken Section 7 with the following (changes in boldface):**

Committees of Governors:

*(a.) The Board of Governors may designate one or more committees, including an executive committee, each committee to be composed exclusively of Board members. As provided in Section 1, the Chair of the Board of Governors shall appoint the members and chairmen of such committees. Except as restricted by law, any such committee, to the extent provided in a resolution of the Board of Governors, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Club, and may authorize the seal of the Club to be affixed to all papers which may require it. Each committee shall apprise the Board of Governors of its actions and activities. Affiliate and Associate Governors will be permitted to vote in committee. **Every Board Committee, including the permanent committees established below, shall include at least one of the Affiliate and Associate Governors.***

(b.) In addition, the Chair of the Board of Governors shall, upon taking office, shall appoint the following permanent committees:

**** The Budget Committee, which will oversee Club finances on a monthly basis and review and forward an annual budget for the Club to the Board of Governors for its approval. The Budget Committee shall be chaired by the Club treasurer and will consist of four other Governors, including the Club President.***

** The Audit Committee, which will meet with the club auditors three times a year. The audit committee shall be chaired by the Board Chair, who shall name two other Governors to the panel.*

** The Strategic Planning Committee, which shall meet at least four times a year to review the Club's progress toward meeting the goals spelled out in the Club's Strategic Plan, delivering a quarterly report to the Board of Governors. The Strategic Planning Committee shall be chaired by the Club Vice President and shall consist of four other members of the Board of Governors, including the Club President.*

** The Board Membership Committee, which will meet at least four times a year to review the Club's membership trends and set policies for recruiting and retaining members. The Board Membership Committee shall be chaired by the Membership Secretary and shall consist of four other members of the Board of Governors.*

** The Ethics Committee, which will meet as needed to review and process ethics complaints against members. The Ethics Committee shall consist of a chairperson and two other members appointed by the chairman of the Board of Governors and confirmed by a vote of the board. All meetings of the Ethics Committee shall be in executive session. The Ethics Committee shall have the power to suspend or revoke Club membership based on violation of the Club's Code of Ethics. Suspensions and expulsions may be appealed to the Board of Governors, which shall consider such appeals in Executive Session.*

Improving Club Governance

While the 2007 member survey found members to be generally satisfied with Club governance, one crucial element of a successful Board of Governors is missing from the Club's way of doing business. There is no method in place for training incoming board members about the Club's intricacies and their own duties.

That fact calls for the following action item:

- **Every year, between the NPC election and the swearing-in of the new president, the outgoing Board chairman will set up an orientation session for new Club board members, to be conducted by at least one former Active and one former Affiliate board member along with staff members designated by the general manager.**

Business Operations

Financial Overview

Without a thriving and profitable business operation, it is virtually impossible for the Club to be "The World's Leading Professional Organization for Journalists." The Club's business operations and the profits they generate can provide financial stability – which is necessary for the Club to

achieve virtually all of its goals. The Club's business operations prospects have improved remarkably in recent years, what with the opening of the Broadcast Operations Center and additional rental space, and performance has turned upward as well. The central business operations mission of the Club over the next five years will be to build on that performance. Accomplishing that will result in true financial stability. While the Club has not faced a major financial crisis in many years, it is currently operating in a less than ideal state because its reserve funds are not nearly adequate to cover an emergency. True financial stability will be achieved when the Club has reduced debt and built its reserve funds to the point where it can operate comfortably without fear of the ramifications of a temporary but sudden loss of business or unexpected major expense.

That prompts the following goal:

- **Through improved business operations, The Club will meet budgeted projections for annual surpluses starting with \$625,000 in 2009 and growing each year thereafter, with a goal of \$3.5 million in reserves by the end of 2013.**

The pursuit of a reserve fund is both a short- and a long-term goal. The board has mandated that business operations generate reserve funds of \$1 million by July 1, 2009. Reserves of \$1 million at that time will provide the resources needed to maintain normal operations through the slow summer months. As the Club should end 2008 with about \$400,000 in reserves, if the Club is able to meet budget in the first two quarters of 2009 an additional \$600,000 in profits will be generated for a total of \$1 million by July 1 – enough to guarantee that the Club will not have to resort to borrowing to carry it through the slow summer months. Beyond that, the Club will also reduce long term debt from \$1.6 million to \$1.3 million during 2009 through a program of regular monthly payments.

But that is just a start toward long-term financial stability. By following a consistent practice of generating profits as budgeted, building reserves and paying down debt the Club can greatly improve its financial condition over the next three to five years. In 2009 the Club is budgeted to exceed \$600,000 in profits. If it is successful, this will be the third consecutive year that the Club has generated a profit – each one larger than the last. It is this practice that must be maintained and encouraged among staff and members for the Club to obtain financial health and security.

Improved Profitability

The Club will achieve improved profitability through a three-point action plan that will work across all the club's business centers:

* **Generating New Clients:** In 2008 the Business Operations created a new position, Director of Business Development. This employee will meet with prospective and underperforming clients to build and improve client relationships and, from those relationships, generate revenue and profit growth. The Club has not had this kind of outreach position in the past. These sales efforts and the marketing that will support them are much needed in the Club's newest business areas such as the Broadcast Operations business and the emerging web advertising business as well as the more traditional Events and F&B businesses.

* **Improving Profitability Via Cost Reductions:** In 2008 Business Operations created a new internal Task Force designed to review business practices for the purposes of reducing costs. The Task Force will meet monthly and will look for examples of waste and other cost cutting options. The Task Force will review vendor relationships with respect to best practices. It will interview Department heads in discussions of operational efficiency and look for interdepartmental resource sharing opportunities. The Task Force will find at least \$50,000 of cost savings in 2009.

* **Focusing Organization On Profit Through New Incentives:** The Club must improve its focus on profit generation by reviewing the existing staff bonus and incentive programs that are almost entirely focused on revenue generation and to look to replace them over a two year period with a profit-sharing plan. BB&T Bank has provided management with information about administering such a program and management has initiated a discussion with the board and with staff about the values of this approach.

The Impact of This Plan on the Business Unit

The Club has five distinct business units or centers: Banquets/Food & Beverage; Broadcast Operations Center; Membership; Library (501-c3); and Newsmaker Events (Marketing). Each can play a major role in adding to the profit generated by the Club – either by growing their high margin revenues or managing their costs. Each is uniquely positioned to have substantial impact on the Club and its financial future. Also each unit has distinct opportunities to work with and help other units in a cooperative manner. Following is a review of the business units, the issues they are confronting and the opportunities they have for improved performance.

Improved Performance in the Banquets and Food and Beverage Business

In 2008 management invested resources in outfitting two new and attractive spaces that can generate new revenue for the Banquets Business. We now have seven attractive spaces rather than just the five we had in the past and significantly more flexibility. This will help us increase revenues – particularly in the busier months when our high quality spaces are in great demand. In addition, a new pricing policy will allow us to capture more revenue from room rental than in the past. Finally, the climate for our services may be very strong as Washington adjusts to a new Administration over the next several months/years. Working with the Director of Business Development this business unit will find new ways to use technology to improve their workflow and service to clients.

Improved Performance in the Broadcast Unit

The Broadcast unit, which is a start-up entering its fourth full year of operations, has, like most start-ups, been focused on revenue growth to this point. This strategy has not yet produced the desired profits. Management has continued to invest in new and upgraded technology and in full staffing for the unit. Now the unit must begin to focus on generating profit from the revenues that are generated. This will mean new incentive plans for the unit managers and a general focus on cost as one of the drivers of profit. The unit will continue to seek new clients and will receive much needed support from the new Director of Business Development. In addition the unit will use the

new GSA status, new webcasting agreements and new video conferencing equipment to generate better results and improved margins as well as new sales.

Profitability in this unit is essential as increased investment in the future with HD will be required soon. We are looking at possible solutions including providing our facility as a showroom/training area for manufacturers who want to showcase their products.

Finally, in the event of low growth in broadcast sales the studio is also an outstanding space of news conferences. The Club has been able to place more than a dozen events in the studio during 2008 and is well positioned to be able to do more in 2009 if needed.

Improved Performance in the Membership Unit

Prospects for Membership growth do face challenges with the downturn in the economy and the revolution in the media industry, but despite these circumstances new membership and membership retention were both strong in 2008, and opportunities for growth remain. The Club will seek to grow its membership, as spelled out in the Membership Recruitment and Retention chapter of this plan.

Improved Performance in the Library

Great progress was made in 2008 in the area of financial independence as the 501-c3 instituted two new fundraising events and made efforts to improve the performance of the others. In addition funds were attracted for key needs like new laptop computers, database resources and the general renovation. Individual donors among the membership responded as never before to appeals for support in our Centennial Year. The unit looks to build off these successes in the future with new ideas for fundraising and revenue generation.

The Library has also redesigned its staff to provide the same or improved services with fewer full time staff and increased intern support, which should lower overall costs in the future. Also the flexibility in the new classroom allows for it to be used in the catering operation as well, which will create a new and ongoing revenue stream for the Library.

Improved Performance in Marketing/Newsmaker Events

The Club's signature newsmaker luncheons and newsmaker programs continue to operate at a high level, attracting important guests and substantial news coverage across the nation and around the globe. These events encourage new members, clients and even donors to consider the NPC in their future plans. Understanding this important role in the overall health and progress of the business is a key to future growth and financial stability. Marketing the Club to the world through club-sponsored events provides an outstanding vehicle for communication of our brand through the branding statement "The World's Leading Professional Organizations for Journalists".

This unit must coordinate effectively with the F&B operation to provide needed flexibility for space to ensure that the Club's most attractive asset is used in an efficient manner. New efforts are being made for coordination and the results should benefit both this program and the Club's financial results.

Finally, the Club's website is increasingly playing an important role in communicating these signature events to the public via photography, audio (via members programs) and streaming video. These new and upgraded forms of outreach will allow the Club to further leverage the value of its signature programs and obtain revenue through traffic growth on the Club's website and advertising served to that growing audience.

Capital Budget Strategy

As we are focused on building reserves, we will keep capital expenses to a minimum.

Among the projects we know we must undertake in the short term are: kitchen grease interception system (\$75,000); acquisition of AV equipment including upgraded projectors (\$40,000); refurbish conference rooms (\$60,000); refurbish bathrooms (\$80,000). Longer term projects include: refurbish 14th floor kitchen (\$170,000); replace chandelier (\$85,000); conversion to high-definition technology in the Broadcast Operations Center (\$500,000). That prompts the following goal.

- **The Club will budget an average of between \$300,000-\$375,000 per year for capital projects between 2009 and 2013, allowing it to get to all its needed capital projects in that time frame.**

Five Units, One Goal

Taken together, all the Club's business units are able to contribute to the goals of improved profitability, building cash reserves and reaching financial stability. Acting upon the Club auditor's recommendation that the Club's financial reserves are insufficient for an organization of this breadth and scale, the board has mandated that the Club build cash reserves. Through new revenue opportunities, cost efficiency and coordination all the units can function together to help the Club continue on the financial path that will allow it to be The World's Leading Professional Organization for Journalists.

Conclusion

This plan is the product of much hard work on the part of hundreds of Club members. Thanks go out to every member who attended focus groups, who took part in the member survey, and who provided feedback to members of the Strategic Planning Committee over more than two years of work on this document. Thanks are also due to staff members such as General Managers Bill McCarren and John Bloom, as well as to David King, Joshua Funk, Melinda Cooke and Julie Schoo.

In addition, the Strategic Planning Committee owes a special debt of gratitude to Steve Pain, formerly of AVIVA, who was indispensable in helping craft the parts of this plan that rebrand the Club as “the world’s leading professional organization for journalists.”

Thanks are also due to Public Opinion Research Inc., which conducted the focus groups and survey research that contributed so much to this strategic plan, and to Keith Hill and Lou Priebe, past members of the Strategic Planning Committee whose contributions to this effort were invaluable.

Yet the success of this plan depends not on what has been done, but on what members of the Strategic Planning Committee, the Board of Governors and the Club do in the future. It is the Strategic Planning Committee’s job to meet regularly and to monitor progress toward the goals set forth here, and it is the Board’s responsibility to always govern the Club with this plan’s mission statement in mind. Finally, it is the responsibility of our members to get involved and stay involved and insist that the Club always meet the high standards we have set.

To that end, this is a living document. It is not designed to sit on a shelf or filed away on a computer hard drive. It is designed to be followed and implemented – and perhaps most importantly, it is designed to set a precedent.

As the committee that prepared its final version, we expect our successors to build on our work – and to begin, no later than 2012, work on a successor five-year strategic plan for the Club that we hope will be the second in a long series of plans that will make the Club’s second century every bit as successful as its first.

NPC Strategic Planning Committee, 2009:

Jerry Zremski, Strategic Planning Committee chair, 2007-2009

Donna Leinwand, NPC President

Alan Bjerga, NPC Vice President

Jennifer Sergent, chair, NPC Board of Governors

Shawn Bullard, NPC Board of Governors

John Donnelly, NPC Board of Governors

John Hughes, NPC Board of Governors

Theresa Werner, NPC Board of Governors

Sylvia Smith, NPC Board of Governors (ex officio)

Staff Liaisons: Bill McCarren, David King, Joshua Funk, Melinda Cooke, Julie Schoo.