By Tim Grove

The Importance of a Digital Strategy [Part One of Two]

Interview with Rose Sherman and Nik Honeysett

Strategic planning for technology is crucial in today's landscape where technology seemingly changes at the speed of sound and technology resources are constantly squeezed in all directions. Since this is a challenge for most history organizations, I decided to pick the brains of two people who constantly think about the topic and work at organizations considered leaders in the history/museum/humanities worlds. They are decision makers at two very different organizations: Rose Sherman is the Director of Enterprise Technology at the Minnesota Historical Society in St. Paul and Nik Honeysett is Head of Administration at the J. Paul Getty Museum in Los Angeles. While they represent large institutions, their advice works anywhere. Below are excerpts from my conversations with them about this important topic.

The *2011 Horizon Report, Museum Edition* stated that "creating a digital strategy is critical for institutions today." Do you agree?

HONEYSETT: I think I would classify it as foolish not to have one rather than critical. The business of the institution won't grind to a halt without one. It definitely depends on scale. If you're a small historic house with no staff or resources, a digital strategy may be unrealistic outside of a commitment to Facebook. If you're a large institution and you don't have a defined strategy, that is problematic. Not to have a strategy, basically says you don't think this is important and if that's true, you will have an increasing issue with relevancy.

SHERMAN: I do agree. A digital strategy is the game plan, or course of action, for how you will prioritize projects and investments in information and communications technologies. Without a plan, you won't know where you're headed, how much it will cost you to get there, and what it will cost to maintain your technology environment.

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How would you define a comprehensive digital strategy? Does it include electronic marketing and/or philanthropy, revenue generation, digitization, etc.?

HONEYSETT: The question that most institutions struggle with is what the strategy looks like. A digital strategy does not have to be an all-encompassing document that describes everything, but it should be detailed enough to provide a framework of where the institution is heading and maybe state some pre-agreed guidelines for technology adoption, containment, development, or response. A fifty-page strategy may not be useful, but a one-page social media strategy that describes what platforms are important to the institution, a commitment of update frequency, and maybe some benchmarks about when to drop them or when to adopt an emerging platform would be very helpful. The question to ask oneself is: what's the most effective way to reconcile institutional memory loss?

For me, a digital strategy is the framework for things like e-marketing and e-philanthropy to happen within. I think it's a mistake to separate out electronic marketing from "regular" marketing. E-marketing is an aspect of one's marketing strategy—the same is true for e-philanthropy and e-commerce. We have to be very careful not to lead with the technology or the digital aspect of an initiative because it promulgates the technology/non-technology divide and that is one of the major problems with successfully embedding technology into cultural institutions.

Digitization projects are classic examples. The focus is so often on the digitization itself, with the implication being that it is a project with a start, middle, and end. Digitization should be embedded into your collections management strategy, where part of the acquisition process is digital capture. Sure, there may be some backlog, but separating it out as a specific strategy is problematic.

To specifically answer the question, I would much rather see separate marketing, revenue, development, and collections strategies, which included embedded digital strategies, than an institution's "digital strategy."

SHERMAN: A digital strategy consists of the technology infrastructure of hardware (including massive data storage capabilities, phones/VOIP, and mobile devices or tablets), software, networks (e.g., Internet, LAN, and WiFi), security and disaster recovery options; back-office business and productivity applications such as collections and membership/donor management, finance, human resources, email, calendars, facility management, and digital asset management; customer facing applications such as e-philanthropy, retail point of sale, ticketing, group scheduling, interactive videoconferencing, websites, e-publications, customer relationship management, social media and mobile applications; collaborative tools such as file sharing, intranet sites, wikis, project management tools, content management systems, and desktop videoconferencing; *and* technology and digital marketing professionals to support all of the above.

Does your institution have a digital strategic plan that you follow?

HONEYSETT: Yes, but we have separated our technologies and initiatives into two broad components, based in part on how

we are organized institutionally, but also because the underlying philosophy is different. We refer to these components as Administrative and Programmatic computing. Administrative computing covers things like telecoms, network infrastructure, desktop computers, servers, and finance and business applications. Programmatic computing covers the museum's collections management system, digital asset management system, in-gallery and mobile technologies, collections-related social media, etc. Administrative computing has to be very structured and stable, to provide a framework for our Programmatic computing which should be more nimble and responsive. Consequently each strategic plan looks different, with Administrative plans being very structured and oriented toward deliverables and Programmatic planning much looser and more of a narrative. Administrative plans are updated annually in line with budget processes, Programmatic plans only when necessary. I know we're a large institution with extensive resources, but the principle of separating out in this way is very helpful.

SHERMAN: Our digital strategic plan flows from our institutional strategic plan with annual operational or work plans. Our annual work plan covers both ongoing core operations and projects. In the absence of formal criteria for prioritizing projects, I use criteria such as alignment to the institutional strategic plan, available funding, whether funding is time limited (such as grants), if existing technology needs to be refreshed, or if the project will increase revenue, improve service to customers, or avoid/reduce operating costs.

Why is it important for funding for technology projects to be part of an institution's core operational budget?

HONEYSETT: I prefer not to use the term "projects." This thinking is at the root of the lack of tech funding in cultural institutions, because it creates the impression that you do something digitally or you create some digital "thing" and you're done. That's rarely the case. I think creating a "digital strategy" signals that the digital aspect of something is somehow different or separate. So, rather than having a digital strategy for marketing, an institution's marketing budget should include funding for things like Google keywords, social media, or a visitor app, alongside regular print or street advertising. Similarly, digitization might be part of an acquisition budget or the registrar's department, in the same way that loan fees or rights and reproductions might be.

SHERMAN: When investing in technology, it is important to consider the Total Cost of Ownership (TCO). Often, management includes in the initial costs the purchase costs of the hardware, software, professional services, implementation, and training. However, they may not include annual costs for support and maintenance, online data hosting costs, security, disaster recovery, and the replacement costs for when hardware or software becomes obsolete in five years. The replacement cost is particularly important for digitization and digital preservation projects because hardware will need to be refreshed and the content will need to be verified to ensure it is available for future generations. Also often missed in the TCO calculation are the technology professionals, preferably on staff but they can be contracted, as well as the program staff who manage social media, edit websites, and manage user-generated content. These are *all* facets of TCO.

Often project funding will cover the initial costs described above but grantors won't cover the ongoing maintenance or replacement costs. Because of this, the institution's core operational budget must cover the maintenance and replacement costs. There should be no "set it and forget it" mindset in a digital strategy. ◉

"History Bytes" is a forum for discussing Web issues facing all types of historical institutions. Tim Grove can be reached at grovet@si.edu.

Part 2 of this interview in the next issue: anticipating new technologies, experimenting and taking risks with technology, funding sources for technology

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