

MINNESOTA TECHNOLOGY ASSOCIATION

2021 Operating Plan Summary

Key Objectives:

1. Grow Membership & Revenue
2. Increase Member Engagement
3. Maximize Impact of Events
4. Build Our Brand
5. Operationalize Key Pillars
6. Optimize Organizational Effectiveness

Objective #1: Grow Membership & Revenue

Goal: Generate \$120k of new member revenue from at least 20 new companies.

Strategies:

- A. Work with Revenue Committee to identify top company prospects with focus on larger enterprise accounts.
 - Map and assign CIO/CTO relationships for outreach by Jeff and others
 - Complete initial outreach to Top 50 prospects by March 1
 - Complete meetings with at least 2/3 of prospects by April 15
- B. Create new member recruitment digital pitchbook and other promotional assets.
- C. Attend relevant CIO events/gatherings (e.g. Evanta, HMG, Think IT) to maintain visibility and create opportunities for targeted follow-up.
- D. Leverage speaking opportunities at MnTech events to engage new prospects.
- E. Review current membership dues structure with an eye towards simplification and equity. Perform financial sensitivity analysis to assess economic impact.

Objective #2: Increase Member Engagement

Goal: Reduce membership revenue attrition to 12% through deeper and more varied member engagement opportunities.

Strategies:

- A. Sharpen and sustain current program offerings.
 - Create consistent gathering cadence for MnTech communities and peer forums, secure higher quality speakers, provide more opportunities for members to share their thought leadership, etc.
 - Launch 1-2 additional communities and peer forums based on member interest.

- B. Establish a consistent member-onboarding experience to ensure new members engage early and impactfully.
- Group sessions for smaller companies and individualized meetings with larger companies.
 - Share opportunities to join steering teams, form champion teams, sign up for member newsletter, etc.
 - Equip members with tools for promoting the MnTech membership as a professional development and networking opportunity for their teams.
- C. Form “Champion Teams” at larger member companies equipped with member toolkit to expand reach and awareness.
- Help Champion Teams set goals, maintain quarterly touchpoints with MnTech team, and more.
 - Host “cross-champion team gatherings” to bring various member champion teams together to share best practices, connect, and deepen their networks.
 - Develop Champion Team “score cards” to measure goals and engagement throughout the year.
- D. Launch monthly community discussions: informal connection and learning opportunities for expanding members’ networks and staying current with technology trends/issues.
- Connection-focused engagement that gives members the opportunity to build relationships in a semi-structured fashion. Members are missing the “connection” piece that come with in-person events, providing an opportunity for facilitated sessions geared towards connecting over technology topics of interest.
 - Discussions will kick-off with a thought-leader speaking for 5-10 minutes (a member speaking opportunity) with the remainder of the event spent in breakout rooms of 10-15 people facilitated by a member or MnTech staff.
- E. Launch MnTech digital community campaign & drive engagement on Slack.
- Slack will be used to sustain connection and community across steering teams, across champion teams, within communities and peer forums, and facilitate virtual discussion and connection.
- F. Retool “Member Monthly” to become a more personalized “Member Quarterly” newsletter.
- Generate quarterly newsletters containing general MnTech content as well as company-specific engagement and highlights. This will serve as a place to spotlight member engagement numbers, sponsorship recognition, event satisfaction data, and leadership/speaking opportunities that will not be visible to non-member companies.
 - The quarterly member newsletter will also feature industry & community insights, white papers, environmental scans, etc.
 - Member quarterlies will go out to champion teams and other key contacts within all member companies.
- G. Revamp the TECHtuesday weekly newsletter to include more member stories highlighting both companies and the individual contributors driving technology innovation in our community.

- H. Establish steering/advisory teams for most MnTech programming.
 - Signature events, peer forums, community discussions, communities of interest, and other programming will have their own advisory teams that help drive the content of programming and provide leadership opportunities for members.
- I. Launch ACE Leadership Alumni Board and re-ignite alumni engagement.

Objective #3: Maximize Impact of Events

Goal: Generate \$260k in net income from events while delivering member/community value.

Strategies:

- A. Produce three first-class signature events in support of MnTech mission:
 - 1) TechTalent – Forum to address issues and share best practices related to inspiring, hiring, developing, and retaining tech talent (March 4th).
 - 2) Tech Connect – Opportunity to showcase Minnesota companies deploying technology in innovative ways and foster community conversations on technology topics of interest (April 28th).
 - 3) Tekne Awards – Honors the innovations and innovators fueling Minnesota's technology success in a gala evening of celebration (November 17th).
- B. Leverage CIO Forums, CIO Panel, and WLiT events as means for creating peer-to-peer networking and learning opportunities and sponsor visibility.
- C. Elevate the production quality of virtual events with more creative graphics and content.
- D. Take advantage of virtual nature of events to invite industry thought leaders from outside Minnesota to present at MnTech events (ex. Sheryl Sandberg's recent WLiT remarks).
- E. Create sponsorship prospectus and event packages that encourage early commitments and reduces reliance on individual ticket/table sales.

Objective #4: Build Our Brand

Goal: Elevate MnTech's brand presence and amplify our impact through effective marketing and communications, specifically through use of segmented social media channels and a cohesive design strategy.

Strategies:

- A. Launch new/revised MnTech assets, visuals, and graphics: ready-to-use templates for each COI, signature events, social channels, etc., all with proper branding guidelines, updated colors, fonts, icons, and adherence to standardized pre/post event communications.
- B. Re-skin web site with revised sitemap, fresh imagery, and more concise, impactful content, particularly in copy-heavy areas.
- C. Establish MnTech as a tech thought leader through op/eds, speaking engagements, etc.

- D. Create a story-telling culture that highlights and celebrates member company success and technology innovation in Minnesota via social media channels.
- E. Share stories, personal anecdotes, inside/behind-the-scenes looks at MnTech and member companies through TECHtuesday newsletter, Membership Monthly, social media channels, website, etc.
- F. Optimize social media presence and output by creating more engaging/interactive content: polls, Q&As, direct interaction with member companies' marketing teams, etc.
- G. Build out strong Instagram presence to position MnTech as more youthful, fun, and vibrant: connect with younger millennial tech talent in order to drive visual appeal and spur interest in tech careers.

Objective #5: Operationalize Key Pillars

Goal: Create and implement work plans for three pillars of Talent, Advocacy, and Community.

Strategies:

- A. Develop more intentional plans to drive impact in the areas Talent and Advocacy (much like what has been done with Community over past year).
- B. Leverage Tech Talent Community Steering Committee for advice/direction on initiatives.
- C. Produce high-quality research report on the state of tech talent in Minnesota to address key workforce issues, skills gaps, promising practices, and calls to action related to public policy and programming recommendations.
- D. Partner with and amplify the work of organizations focused on developing tech talent such as MN STEM Partnership, Code Savvy, Technovation(MN), Genesys Works, Blacks in Technology, CS4ALL, etc.
- E. Better utilize board's Policy Committee to create a more robust legislative agenda and MnTech public policy positions ahead of the 2022 session. Assess need for staff member focused on public policy or contracted resource.
- F. Ensure MnTech programming, events, and resources properly align with key pillars.
- G. Learn from and leverage work of other TECNA councils in the creation of strategies and programs in support of key pillars.

Objective #6: Optimize Organizational Effectiveness

Goal: Fulfill mission and meet organizational needs while meeting budget goal of \$10,000 in net income in FY2021.

Strategies:

- A. Maintain smaller, leaner team of high-performing individuals.
- B. Build and sustain a positive team culture through team events, celebrations/recognition, flexible work schedules, etc.

- C. Minimize office occupancy costs as we embrace more flexible, remote work.
- D. Move all applications and files to the cloud and sunset legacy in-office servers.
- E. Expand bundled membership/sponsorship packages for enhanced revenue visibility.
- F. Explore ways to barter for goods and services through MnTech memberships and/or sponsorship recognition.
- G. Identify new home for MNSBIR consulting practice before September.
- H. Explore new ways to effectively utilize and leverage the MnTech Foundation.
- I. Create plan to more effectively utilize and leverage MHTA Foundation assets.

2021 Operating Budget

Key Assumptions

Revenue:

- Revenue from new memberships is budgeted at \$120K. In comparison, new member revenue was \$83k in 2020, \$53k in 2019, \$57k in 2018, and \$65k in both 2017 and 2016. While the 2021 budget goal represents a 45% uptick from the past year, we believe that with a focused new member recruitment campaign targeting larger companies and supported by Revenue Committee and board member outreach, that this goal is realistic and attainable.
- Renewal membership budget is based on an 88% renewal rate. While this is the same attrition rate we had budgeted for in 2020 and fell modestly short, we believe this is an attainable goal. While we lost several large renewals in 2020 due to lack of engagement and budget reasons, we feel the current renewal base has grown more stable. With an increased focus on member engagement and the enhanced value proposition we are now providing, we believe the 12% attrition rate is a reasonable assumption.
- Overall membership revenue budgeted at \$553k. This compares to \$506k in 2020 and 2019 and \$573k in 2018.
- Event revenue is budgeted at \$528k compared to \$427k in 2020, mostly as a result of the assumption this year's Tekne Awards and CIO Panel can be live in-person events in November and December. All events before then are assumed to be virtual and generally offered as free to members, with revenue primarily a function of sponsorship support. While we believe the sponsorship assumptions are valid given recent and historical experiences, the appetite for tech vendors to sponsor virtual events with limited networking opportunities remains a question.
- The grant program of SciTech has reduced funding for FY2021 – 22. This is reflected in the internship awards that are given out while operating costs remain the same.
- The FAST SBIR/STTR Grant program was awarded in September of 2020, this grant cycle will run through September of 2021. We have also secured additional funding through DEED, the University of Minnesota and Mayo to help offset the FAST program grant match amount. The budgeted amount of \$40K includes DEED and U of M funding.
- Other revenue items such as advertising and interest income have been reduced.
- Total 2021 revenue is budgeted at \$2,119,940.

Expenses:

- Total administrative expenses are budgeted at \$136k vs \$144k in 2020. Most of these line items are similar to 2020 with the primary reduction stemming from our reduced office space expenses now that Scitech and MNSBIR are consolidated into MnTech's main office suite. Most other professional fees and expenses are expected to remain flat for 2021.
- Staffing and compensation has been increased to \$1,035m to reflect the the two new positions (Marketing Manager and Member Engagement Coordinator) that were filled in January .

Benefits and tax expenses were adjusted and a lower rate for accrual of bonus and profit-sharing was budgeted.

- In terms of member outreach and meetings expenses, our expenditures were down significantly in 2020 due to COVID and we have planned for some travel and activity in the second half of 2021.
- Event expenses have changed in conjunction with revenue. With increased expenses in the second half of the year planned, other events will maintain a low expense rate due to being virtual. 2020 event expenses were \$192k and we are budgeting this at \$269k for 2021, mostly as a result of increased costs of hosting in-person Tekne and CIO Panel events towards the end of the year. Event expenses are budgeted using a detailed bottoms-up approach for each event and we are happy to share all detail for anyone interested.
- SciTech and SBIR expenses remain in alignment with income.

Contingency Planning

In February of 2021, MnTech applied for and received a Payroll Protection Loan from the SBA for \$183,000. This loan was processed through Sunrise Bank. The Payroll Protection Program is an SBA (Small Business Administration) loan that helps businesses keep their workforce employed during the COVID-19 crisis. While this loan amount is not reflected on the P&L budget for 2021, we believe there is a good possibility we will qualify for loan forgiveness for most, if not all, of this loan amount.

Loan forgiveness is applied for after a 24-week period and if forgiveness is approved, the forgiveness of debt would count as unbudgeted income to help with any unforeseeable shortfalls or be available for other strategic investments. For now, the funds are deposited in an account at Sunrise Bank. Any amounts not forgiven by the SBA convert to a five-year loan at a 1% interest rate.

While unforeseen events can (and will) take place, we feel there is enough flexibility in certain expense categories to ensure we have positive net income this year. For example, we have a budget accrual of \$40k for bonus payments and \$28k for retirement plan/profit sharing contributions that would not likely be paid if the net income goal is not reached, leaving \$68K of expense accruals that can be a buffer against any loss or other extenuating circumstances.

Minnesota Technology Association Profit & Loss 2020 Budget Performance & 2021 Budget Proposal

	<u>Jan - Dec 20</u>	<u>Annual Budget</u>	<u>\$ Over Budget</u>	<u>2021 Annual Budget</u>
Income				
Membership				
4010 · New	83,248	85,500	(2,253)	120,000
4011 · Renewals	422,639	448,207	(25,569)	433,179
Total Membership	505,886	533,707	(27,821)	553,179
Promotion / Events				
4084 · ACE Leadership	79,400	89,450	(10,050)	83,750
4090 · CIO Panel	4,000	35,370	(31,370)	36,065
4102 · Seminar - Lunch & Learn	0	0	0	0
4088 · CIO Forum	11,500	16,000	(4,500)	16,000
4125 · Legislative Event	0	0	0	0
4110 · Tech Connect	87,575	172,295	(84,720)	74,000
4126 · TechTalent	88,325	75,590	12,735	44,000
4121 · Tekne Awards	100,560	206,325	(105,765)	208,350
4123 · Women Leading in Technology	55,550	61,400	(5,850)	56,000
4180 · Promotion Other	0	12,000	(12,000)	10,000
Total Promotion / Events	426,910	668,430	(241,520)	528,165
Grant/STEM Programs				
4240 · SBIR/STTR	127,298	93,750	33,548	93,185
4241 · SBIR - Spons/Bus Dev Grant Reim	33,072	25,700	7,372	40,000
4226 · STEM Projects/Donations	10,000	10,000	0	10,000
4232 · Foundation STEM support	40,000	40,000	0	40,000
4235 · SciTechsperience Grant				
4236 · SciTechsperience Grant Match	670,214	660,000	10,214	560,000
4235 · SciTechsperience Grant - Other	310,073	348,844	(38,771)	293,932
Total 4235 · SciTechsperience Grant	980,287	1,008,844	(28,557)	853,932
Total Grant/STEM Programs	1,190,657	1,178,294	12,363	1,037,117
Other Income*Sales & Marketing				
4325 · Misc Contribution Income	120	0	120	120
4340 · Advertising Income (TechTues)	830			1,000
4310 · Interest earned	1,189	4,000	(2,811)	360
4324 · Miscellaneous Income	0	0	0	0
Total Other Income*Sales & Marketing	2,139	4,000	(1,861)	1,480
Total Income	2,125,592	2,384,431	(258,839)	2,119,941
Expense				
5090 · Strategic Planning	0	0	0	0
Administration				
5040 · Dues & Subscriptions	2,900	3,650	(750)	2,900
5065 · Leases - Equipment	8,170	7,500	670	9,443
5010 · Bank Charges	300	500	(200)	300
5020 · Board of Directors	1,233	764	469	1,000
5030 · Business Insurance	3,447	4,000	(553)	4,000
5126 · Telecom	6,351	7,875	(1,524)	5,700
5150 · Storage	1,308	940	368	532

Minnesota Technology Association Profit & Loss 2020 Budget Performance & 2021 Budget Proposal

	Jan - Dec 20	Annual Budget	\$ Over Budget	2021 Annual Budget
5310 · Courier	0	50	(50)	0
5235 · Postage	296	500	(204)	295
5410 · General Office Supplies	3,512	8,000	(4,488)	3,200
5220 · Office Rent- MGEX				
Fueled Collective Rented Office	7,910	7,911	(1)	0
5220 · Office Rent- MGEX - Other	49,909	49,920	(11)	49,909
Total 5220 · Office Rent- MGEX	57,819	57,831	(12)	49,909
Pro. Services				
5115 · Merchant Card Service Fee	13,095	18,000	(4,905)	16,800
5300 · Annual Audit	14,067	14,000	67	14,313
5350 · Payroll	4,423	3,000	1,423	2,887
5355 · 401k	1,000	1,125	(125)	1,000
5390 · IT Service/support/subscription	6,886	3,000	3,886	6,886
5390 · IT Subscription - Job Board				4,950
5392 · Website Maintenance & Support	12,083	7,400	4,683	6,000
5394 · Legal Service	420	3,000	(2,580)	500
5501 · Consultants/Contract Services	7,164	24,000	(16,836)	5,000
Total Pro. Services	59,138	73,525	(14,387)	58,336
5190 · Misc	0	2,000	(2,000)	0
Total Administration	144,474	167,135	(22,661)	135,615
5000 · Association Staffing				
5502 · Gross Wages	751,203	732,935	18,268	786,928
5550 · Tax Expenses	62,548	58,635	3,913	66,890
5540 · Profit-Sharing/Retirement	28,186	32,172	(3,986)	28,482
5515 · Bonus	48,500	55,500	(7,000)	40,000
Insurance & Benefits				
5524 · Health	60,241	62,355	(2,114)	72,504
5520 · Dental	4,728	4,680	48	6,480
5528 · Vision	850	1,044	(194)	1,152
5522 · Disability	9,236	8,820	416	10,080
5526 · Life	2,450	1,947	503	3,168
5450 · Mobile phone/ Emp reim	6,470	8,160	(1,690)	7,716
5236 · Emp IT/Transportation Exp	5,450	5,485	(35)	8,190
5580 · Workers Comp	931	3,000	(2,069)	1,500
Total Insurance & Benefits	90,355	95,491	(5,136)	110,790
5610 · Prof Dev Seminars/Education	280	1,000	(720)	1,000
5620 · Staff Recognition	0	1,000	(1,000)	600
Total 5000 · Association Staffing	981,072	976,733	4,339	1,034,690
5400 · Sales & Marketing				
5802 · Direct Marketing/support services	4,469	8,000	(3,531)	7,500
5804 · Community Relations	0	2,500	(2,500)	0
Outreach & Meetings				
5850 · Meals	147	1,800	(1,653)	600
5864 · Mileage	466	3,000	(2,534)	775

Minnesota Technology Association Profit & Loss 2020 Budget Performance & 2021 Budget Proposal

	Jan - Dec 20	Annual Budget	\$ Over Budget	2021 Annual Budget
5866 · Parking	117	1,500	(1,383)	275
5862 · Meals - Traveling	0	100	(100)	0
5861 · Lodging	0	2,300	(2,300)	1,000
5860 · Car	0	500	(500)	0
5859 · Airfare	473	1,475	(1,002)	1,000
5856 · Events/Dinners	50	500	(450)	150
Total Outreach & Meetings	1,253	11,175	(9,922)	3,800
Total 5400 · Sales & Marketing	5,722	21,675	(15,953)	11,300
Promotion / Event Expenses				
5805 · ACE Leadership	30,544	42,330	(11,786)	21,000
5918 · CIO Panel	750	11,501	(10,751)	13,002
5921 · Member Networking Event	0	533	(533)	0
5907 · CIO Forum	315	1,081	(766)	325
5906 · Seminar/ Lunch & Learn	0	1,000	(1,000)	0
5925 · Legislative Event	0	0	0	0
5930 · Sponsorship/ New Mem Breakfast	226	1,000	(774)	500
5954 · Tech Connect	36,297	95,030	(58,733)	36,645
5968 · TechTalent	41,417	45,960	(4,543)	8,220
5962 · Tekne Awards	56,716	165,857	(109,141)	168,316
5924 · Women Leading in Technology	25,374	43,096	(17,722)	20,962
5964 · Cvent registration	526	500	26	0
Total Promotion / Event Expenses	192,166	407,888	(215,722)	268,970
STEM Program expense				
5958 · SciTechsp general Expense	51,497	69,500	(18,003)	23,170
5956 · SciTechsperience Co. Reim.	670,212	660,000	10,212	560,000
5991 · SBIR/STTR Program Expense	32,926	31,300	1,626	30,000
Total STEM Program expense	754,635	760,800	(6,165)	613,170
Public Policy				
5972 · Government Relations	46,000	46,000	0	46,000
Total Public Policy	46,000	46,000	0	46,000
Total Expense	2,124,068	2,380,231	(256,163)	2,109,745
Net Income	1,525	4,200	(2,675)	10,196