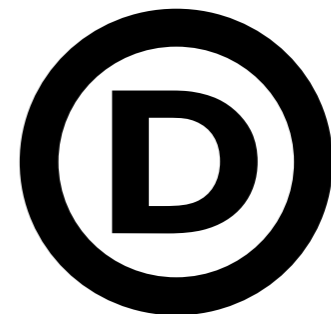




DESIGN EXCHANGE
CANADA'S DESIGN MUSEUM

November 24, 2015



PRESENTATION CONTENTS

- 1** 2015 Strategic Plan Update
- 2** 2015 Programming Update
- 3** 2015 Financial Update
- 4** 2016 and Beyond:
Addressing Economic Sustainability
- 5** EDIT:
Expo for Design, Innovation, Technology
- 6** Conclusion

1. 2015 STRATEGIC PLAN UPDATE



Strategic Plan Update

DX has successfully implemented Phase 1 (2012-2015) of its Strategic Plan by:

- Securing new leadership
- Strengthening and diversifying DX Board
- Generating an additional \$500,000 in net revenue
- Developing a plan for long-term economic sustainability



Strategic Plan Update

A real estate analysis undertaken by DX determined the best use of the facility:

- Generating additional rental income to support programming
- Using the 234 Bay Street location to expand design programs and events
- Adopting a satellite strategy to expand programming beyond our physical location

2. 2015 PROGRAMMING UPDATE



2015 Programming Onsite

- A comprehensive programming plan with direct connections to a marketing plan was developed
- Work to implement a new/young patron strategy is underway



2015 Programming Onsite

Onsite programming includes:

Permanent Collection

- The collection was assessed and DX re-established a Permanent Collection presence in the lobby, providing for free public access
- A grant was secured to expand the Permanent Collection



2015 Programming Onsite

Onsite programming includes:

Design Competitions

- DX Sears High School Design Competition
- Connect: EnAbling Change Post-Secondary Design Competition
- RBC Emerging Designer Competition
- + **Talks, Tours & Workshops, and Design Camps**



2015 Programming Offsite

TD Community Outreach Program:

Centre for Addiction & Mental Health (CAMH)

- Helping at-risk adults and youth in recovery programs for psychotic episodes

The Remix Project

- Helping at-risk youth enter creative industries



2015 Programming Offsite

TD Community Outreach Program:

John Polanyi Collegiate Institute

- Toronto's most advanced engineering program

Skills for Change Youth

- Helping immigrants secure employment
- + High schools, community centres and day schools



2015 Programming Offsite

In 2015 two major DX exhibits were held offsite:

3DXL

A Large Scale 3D Printing Exhibition

Smarter. Faster. Tougher.

An Exhibition on Sports, Fashion + Tech





Press & Social Media

- More than 158 million impressions through media coverage in national and international print, digital, radio, and television news outlets for major programs including *Smarter. Faster. Tougher.* and *3DXL*
- Following on major social media platforms grew by 59%

3. 2015 FINANCIAL UPDATE



2015 Fundraising

Two new fundraisers were launched and generated significant financial returns for DX:

Monogram Dinner by Design

In Support of Casey House and Design Exchange

- Net \$50K

DX Design Auction

- Net \$100K

DX Intersection: Kismet

Annual Fundraiser

- Net \$155K
- Additional board contributions are approximately \$250K per annum



2015 Financial Performance

Higher net rental income (up 11%*) was secured through the satellite approach, along with increased:

Membership Revenue

- Up 43%*

Donations, Contribution, and Sponsorships

- Up 33%*

Public-sector Project Funding

- Up 59%* due to Pan Am Games

* *Board of Directors provided \$65K in loans to DX in October 2015 to ensure continued day-to-day operations.*



2015 Financial Performance

Design Exchange anticipates significant improvement in reducing our annual deficit and moving into a surplus position in 2016.

Net operating surplus/(deficit)

2013 = (\$596, 800)

2014 = (\$373, 900)

2015 = (\$47, 500)*

2016 = \$91, 900*

* *Forecast as at 2015-10-15*

4. ADDRESSING ECONOMIC SUSTAINABILITY



Addressing Economic Sustainability

- DX has not yet been successful in securing operating funding from other orders of government, however programming grants continue to be reliable
- Rental revenue continues to be a strong revenue stream



Addressing Economic Sustainability

- Exhibitions are transitioning to interventions and installations held in public/community spaces funded by sponsorship. This has allowed DX to benefit from an increase in rental revenue
- Philanthropy has increased but is not yet at the level to make a significant impact
- Corporate sponsorship is strong when tied to programming



Loss of \$500K
Developers Grant

Resolved in 2015 as follows:

- \$200K City of Toronto
- \$100K Net Design Auction (Fundraiser)
- \$100K Net Rental Income
- \$50K Dinner by Design (Fundraiser)
- \$50K Corporate Membership Drive



Moving Forward and Beyond: **2016/2017**

If any of the above funding streams are not fully realized in 2016, DX will adjust programming to accommodate levels of funding:

- The Board has agreed to continue the DX Satellite strategy in 2016 – a focus on design interventions in public spaces, interactive experiences, along with rental exhibitions and expanded programming at 234 Bay Street location
- DX will incur lower rental costs effective November 1, 2015, having returned the basement to Cadillac Fairview. This will provide almost \$100K in annual savings going forward
- The satellite approach has also lowered DX occupancy and facility labour costs



Moving Forward: 2016/2017

The cost savings will allow DX:

- To achieve a budget surplus in 2016
- Expand its design projects and programming
- Hire a full-time Development Manager to help with sponsorship and fundraising
- Reduce accumulated deficit to less than 15% of annual revenues by 2018
- Refocus energy to launch EDIT: Expo for Design Innovation and Technology in June 2017



EXPO FOR DESIGN, INNOVATION, AND TECHNOLOGY

TORONTO, JUNE 2017

