



# **Canton Palace Theatre Association**

## **Strategic Plan**

**2024 – 2029**

## **Vision**

The Canton Palace Theatre Association is an independent non-profit that consistently delivers positive impact to the Northeast Ohio community and enriches the lives of audiences through its premier and historic theatre.

## **Mission**

The Canton Palace Theatre Association maintains the architectural integrity of its historic theatre while partnering with others to present diverse programming that engages audiences with extraordinary entertainment and educational experiences.

## **History**

The Canton Palace Theatre opened on Monday, November 22, 1926, as a gift to the community from Canton entrepreneur and industrialist businessman Harry Harper Ink. He owned the Canton based Tonsiline Company.

The Theater was designed by the noted Austrian born architect John Ebersson of Chicago, who achieved fame during the 1920s through his creation of "atmospheric" theaters located in cities across the United States. The Palace seeks to recreate a Spanish courtyard on a midsummer night. Its ceiling, a starry sky with wisps of clouds, creates a dream effect. The Palace still has a "cloud machine" that makes the clouds continuously move across the sky.

The Theater includes an ornate columned proscenium arch over its stage, an elaborate fly system for the numerous stage curtains and theatrical backdrops, eleven dressing rooms, a chorus room, a musician's lounge, a music room, one shower room, and an orchestra pit with seating for eighteen musicians.

One of the most famous attractions of the Palace Theatre is the mighty Kilgen Pipe Organ. It was originally used to provide background music for the silent movies shown on the Palace Theatre screen. The Canton Palace Theatre's Kilgen Organ is one of only a few left in the country, but the only one in the country that remains in its original home and is still played.

The 1960s and 1970s brought about a period of neglect and decay to Canton's downtown area. Businesses and stores migrating to the suburbs and the growing popularity of television affected the Palace's regular patronage. The theater's doors were locked to the public and its marquee darkened on its 50th Anniversary in 1976.

Just one week before the structure was doomed to a wrecking ball, the Canton Jaycees stepped forward to act as the holding organization until a search committee could be formed to see if there were enough people interested in making The Palace Theatre a viable business once again. Rescued by a group of concerned citizens and the City of Canton, the Palace was held in trust until The Canton Palace Theatre Association could be formed.

Since the reopening of the Theatre in 1980 the restoration has been ongoing. From 1980 to 2016, approximately \$6.3 million had been spent to restore the building. The most current project began in October 2012 and was completed in August 2015.

## **Business Model**

The current business model, shown in Appendix A, provides for three basic functions:

Theatre Association – Ensures the integrity and condition of the historic Theatre while supporting operations. Raises funds to enable maintenance and upgrades during normal operation and when operations are paused.

Theatre Operations – Performs all functions necessary to conduct business on a day-to-day basis. Hosts events that drive revenue and net income to the Association.

The Palace Theatre – Exists as the hub of activity and revenue vehicle for the Association. Beneficiary of funds from the Board for maintenance and upkeep to provide a suitable venue for productions managed by the Theatre Operations.

Chartered as a 501(c)3, the Association organizes staffing and labor in the following groups:

Theatre Staff – The Association has three full-time staff positions – Executive Director, Technical/Building Director, and Marketing/Membership Coordinator. Supporting the full-time staff are three part-time positions – Bookkeeper, Security, and Projectionist.

Volunteer Staff – The Theatre benefits from the services of over 100 volunteers, who donate thousands of hours annually. Key responsibilities include box office and concession sales, house management, and ushering.

Board of Directors – The Association requires a highly active, working board of directors with annual terms that run from October 1<sup>st</sup> through September 30<sup>th</sup> each year. The Board may include up to 21 members, including 5 officers, with the ability to serve two consecutive 3-year terms. Primarily, the Board provides managerial oversight and support to the Executive Director and Treasurer. In addition to governance, it also offers support through committees in the areas of volunteering, finance, and marketing/membership. The Board also

contributes endowment and/or capital funds for future maintenance of the Theatre. Ultimately, the Board has the final say in determining which events the Association will host each year based on alignment to strategy and objectives.

The Board is comprised of the following committees:

Governance Committee – Acts on behalf of the Board to oversee the bylaws as they apply to all members. Keeps all records for attendance and financial obligations outlined in the Board manual. Seeks to raise the level of involvement through education of requirements. Staff liaison to this committee is the Executive Director.

Membership & Marketing Committee – Leverages available resources to showcase various aspects of the Canton Palace Theatre and determines better ways to attract additional members, donations, and funding. Methods include promotion of upcoming events and movies, education on the theatre's history and architecture, opportunities available to the public through membership, volunteerism or rental of the space, and general awareness of the theatre. Marketing strategies include free and paid advertising in the forms of social media, our website, online listings, print ads, radio spots, direct marketing pieces, and more. Seeks trade opportunities with advertisers and community partners. Deploys campaigns to reach target audiences for each opportunity. Audiences include ticket buyers, renters, individual and corporate members, community partners and businesses, volunteers, and more. Staff liaison is the Membership/Marketing Coordinator.

Finance Committee – Provides financial oversight and support to the Association from budgeting and financial planning to financial reporting and accountability policies. Responsible for communicating the Treasurer's Report and Working Capital Report to the Association and Board. Staff liaison to this committee is the Executive Director.

Volunteer Committee – Supports Canton Palace Theatre operations through the promotion and recruitment of volunteers. Leverages marketing tools such as free and paid advertising in the form of social media, website, online listings, print ads, direct marketing pieces, and more. Honors featured volunteers for their support and time commitment through special events, dinners, and monthly appreciation activities. Staff liaisons to this committee are the Event Staff and Membership/Marketing Coordinator.

## Objectives

In October 2023, the Association announced the approval of a \$16M capital project to address competitive opportunities from a 2023 market study conducted by Keen Independent Research. A SWOT Analysis summarizing these findings is shown in Appendix C. The unveiling of the expanded Theatre will take place in November 2026 to coincide with the 100<sup>th</sup> anniversary.

Due to the expansion, this strategic plan covers a somewhat unique 6-year horizon. The first three years of the plan are pre-expansion including a pause in operations due to construction. The final three years are post-expansion.

The objectives below are aspirational over the strategic plan horizon and necessary to achieve the vision. The X-Matrix document for the Association details how these objectives interact with strategy, goals, and metrics.

1. Revenue – Achieve \$1.4M annual revenue by July 31, 2029.
2. Net Income – Earn \$225k annual net income (before depreciation) by July 31, 2029.
3. Community Impact – Reach \$8.5M annual financial contribution to Greater Stark County by July 31, 2029.

## Strategy

To achieve the objectives of this plan, the Association will deploy the following high-level strategy:

1. Community Impact: Increase our financial contribution to Greater Stark County through responsive programming that serves broader audiences over an expanded geographical reach.
2. Artistic Excellence: Renew The Palace as a hub of creativity and innovation for established and emerging talent in performing arts and entertainment.
3. Financial Stability: Drive sustainable financial health and growth with a simple, diversified business model.
4. Cultural Strength: Elevate The Palace to a leading employer that attracts and develops top talent in a culture that stimulates creativity.
5. Prudent Investment: Leverage our funding by making sound investments in facilities and technology to support artistic and community goals.

## **Goals**

The strategic plan will be updated annually to capture any shifts in objectives and strategy necessary to achieve the vision. Annual goals will be updated to ensure alignment to objectives and strategy. For fiscal year 2024, the following goals are being pursued by the Association:

1. Achieve 2024 financial targets: \$862k total income with positive net income. Refresh breakeven estimate.
2. Increase community engagement: Secure 150 new memberships with at least 10 corporate. Reach 90% board involvement in meetings and annual Give-or-Get. Obtain 25 new volunteers.
3. Improve customer experience: Transition to all electronic ticket system. Refresh bottom 10 performing concessions to boost sales.
4. Optimize event mix: Host 40 events with at least 30 selling more than 800 tickets.
5. Advance 100Y Project: Raise \$8.5M from at least 100 new donors.

## **Metrics & KPI**

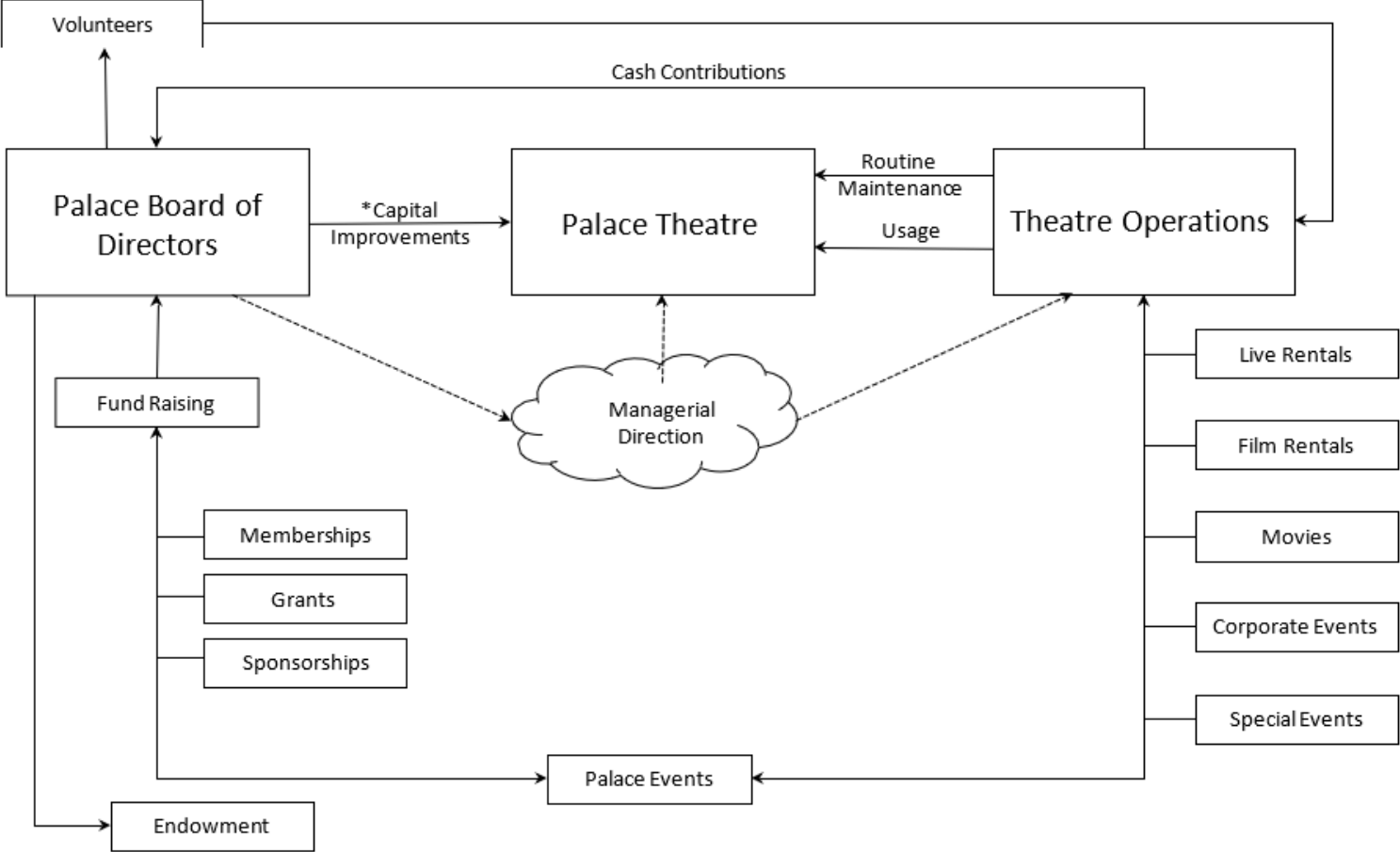
Measuring progress towards annual goals is key to staying on track to meeting objectives. Below are the quantitative achievements that the Association is targeting for fiscal year 2024.

1. Increase revenue by 13% over 2023.
2. Raise net income by \$85k over 2023.
3. Increase individual memberships by 30% and corporate memberships by 32% over 2023.
4. Grow live events by 81% and events with more than 800 tickets sold by 600%.
5. Boost board meeting attendance by 3% over 2023.
6. Double Give-or-Get achievement versus 2023.
7. Raise volunteer base by 25% over 2023.
8. Fund 50% of 100Y Project total cost.

## **Appendices**

Appendix A | Business Model

Palace Theatre Business Model  
2024



\* Capital Improvements are funded by donor designated funds, grants, sponsorships and other contributions.



## Appendix B | X-Matrix

X-MATRIX   2024 Q1   v4 CANTON PALACE THEATRE ASSOCIATION					PRIORITIES THIS QTR					PRIORITIES NEXT QTR							
•	•	•		•	<b>Community impact</b> - Increase our financial contribution to Greater Stark County through responsive programming that serves broader audiences over an expanded geographical reach.	•	•	•	•	•	•						
	•		•	•	<b>Artistic excellence</b> - Renew The Palace as a hub of creativity and innovation for established and emerging talent in performing arts.			•	•	•	•						
•			•	•	<b>Financial stability</b> - Drive sustainable financial health and growth with a simple, diversified business model.	•	•				•						
	•			•	<b>Cultural strength</b> - Elevate The Palace to a leading employer that attracts and develops top talent in a culture that stimulates creativity.			•	•	•	•						
			•	•	<b>Prudent investment</b> - Leverage our funding by making sound investments in facilities and technology to support artistic and community goals.						•						
Achieve 2024 financial targets - \$862k total income with positive net income. Refresh breakeven estimate.	Increase community engagement - Secure 150 new memberships with at least 10 corporate. Reach 50% board involvement in meetings and annual Give-or-Get. Obtain 25 new volunteers.	Improve customer experience - Transition to all electronic ticket system. Refresh bottom 10 performing concessions to boost sales.	Optimize event mix - Host 40 events with at least 30 selling more than 800 tickets.	Advance 100Y Project - Raise \$8.5M from at least 100 new donors.	<div style="display: flex; justify-content: space-between;"> <div style="writing-mode: vertical-rl; transform: rotate(180deg);">HOW/WHY?</div> <div style="text-align: center;"> <p>STRATEGY</p> <p>W N</p> <p>S E</p> <p>LONG-TERM OBJECTIVES</p> </div> <div style="writing-mode: vertical-rl; transform: rotate(180deg);">HOW/MUCH?</div> </div>	Increase revenue by 13% over 2023.	Raise net income by \$85k over 2023.	Increase individual memberships by 30% and corporate memberships by 32% over 2023.	Grow live events by 81% and events with more than 800 tickets sold by 600%.	Boost board meeting attendance by 3% over 2023. Double Give-or-Get achievement versus 2023.	Raise volunteer base by 25% over 2023.	Fund 50% of 100Y Project total cost.	Georgia Paxos	Laura Strader	Chris Lesho	Kellie Lesho	
•	•	•	•	•	<b>Revenue</b> - Achieve \$1.4M annual revenue by 07/31/29.	2024 = \$862k   2025 = \$431k   2026 = \$391k   2027 = \$1.09M   2028 = \$1.29M   2029 = \$1.38M					<b>SUPPORT RESOURCES</b>						
•	•	•	•	•	<b>Net income</b> - Earn \$225k annual net income (before depreciation) by 07/31/29.	2024 = \$1k   2025 = (\$175k)   2026 = (\$175k)   2027 = \$30k   2028 = \$153k   2029 = \$226k					•	Primary					
•	•	•	•	•	<b>Community impact</b> - Reach \$8.5 annual financial contribution to Greater Stark County by 07/31/29.							○	Secondary				

## Appendix C | SWOT Analysis

### Strengths

- Preserved, historical theatre
- Professional, accommodating staff
- Lower cost for promoters than CLE
- Fair pricing for attendees
- Positive community impact

### Weaknesses

- Often short-staffed
- Limited accommodations for performers and attendees
- No ability to hang equipment from grid
- Lack of space in key areas

### Opportunities

- Untapped population density
- Open schedule capacity
- Combine historic theatre with modern amenities
- Strong local funding and support
- Shift to modern ticketing and admin

### Threats

- Increased competition in Northeast Ohio
- Market size and demographics expected to change
- Lack of modern amenities will reduce competitiveness

**Appendix D | Financial Plan**

	<b>Budget</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
	<b>23-24</b>	<b>24-25</b>	<b>25-26</b>	<b>26-27</b>	<b>27-28</b>	<b>28-29</b>
<b>Ordinary Income/Expense</b>						
<b>Income</b>						
<b>Restricted Grants</b>	45,000	75,000	75,000	75,000	75,000	75,000
<b>Unrestricted Grants</b>	32,484	54,000	54,000	54,000	54,000	54,000
<b>Direct Public Support</b>	40,000	40,000	40,000	40,000	40,000	40,000
<b>Special Event Fundraising</b>		50,000	50,000	50,000	50,000	50,000
<b>Membership Income</b>	65,000	75,000	75,000	75,000	75,000	75,000
<b>Box Office Admissions</b>	76,000	21,875	43,750	65,625	78,750	87,500
<b>Live Event &amp; Rental Income</b>	413,300	87,125	17,500	478,850	624,170	671,300
<b>Concession Income</b>	189,500	23,500	35,000	230,250	276,300	307,000
<b>Merchandise Sales</b>	400	2,500	-	2,500	2,500	2,500
<b>Other Types of Income</b>	400	2,250	1,000	21,000	21,000	21,000
<b>Total Income</b>	<b>862,084</b>	<b>431,250</b>	<b>391,250</b>	<b>1,092,225</b>	<b>1,296,720</b>	<b>1,383,300</b>
<b>Expense</b>						
<b>Movie/Event Expenses</b>	390,400	114,250	82,000	425,750	498,500	507,000
<b>Concession Expense</b>	51,375	23,875	15,375	65,000	72,500	77,500
<b>Administrative Expenses</b>	268,003	297,450	297,450	373,700	375,200	375,200
<b>Contract Services</b>	15,350	18,000	18,000	18,000	18,000	18,000
<b>Operating/Maintenance Expense</b>	94,990	117,100	117,100	130,100	130,100	130,100
<b>Other Types of Expenses</b>	8,345	8,000	9,000	10,300	10,300	10,300
<b>Payroll Expenses</b>	32,997	27,370	27,370	39,100	39,100	39,100
<b>Total Expense</b>	<b>861,460</b>	<b>606,045</b>	<b>566,295</b>	<b>1,061,950</b>	<b>1,143,700</b>	<b>1,157,200</b>
<b>Net Income before Depreciation</b>	<b>624</b>	<b>(174,795)</b>	<b>(175,045)</b>	<b>30,275</b>	<b>153,020</b>	<b>226,100</b>
<b>Depreciation</b>	179,042	180,000	475,000	475,000	475,000	475,000
<b>Net Income</b>	<b>(178,418)</b>	<b>(354,795)</b>	<b>(268,900)</b>	<b>(444,725)</b>	<b>(321,980)</b>	<b>(248,900)</b>