

CHARTING
NEW PATHS
THROUGH
INNOVATIVE
COLLABORATION

Chicago Arts Organization Needs Study

Charting New Paths Through Innovative Collaboration

CHICAGO ARTS ORGANIZATION NEEDS STUDY

Prepared for the Arts & Business Council of Chicago
and the Illinois Arts Council by Slover Linett Strategies

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INTRO DUCTION

Over the last few years, Chicago’s arts service organizations (ASOs)—the many organizations that provide professional development and technical assistance to the arts and cultural community¹—have been coming together to discuss the changes that are afoot in the cultural sector and to think together about how the needs of the arts organizations they serve are shifting in response. This initiative was born out of those discussions, with the broad goal of arming ASOs with new insights and tools to help arts organizations chart new paths toward sustainability and success in an uncertain economic climate and rapidly changing cultural landscape.

Led by the Arts & Business Council of Chicago in partnership with the Illinois Arts Council and executed by research partner Slover Linett Strategies, this initiative began as an opportunity to paint a thorough, systematic, and up-to-date picture of the needs of Chicago’s arts organizations, particularly those scaled at under \$1 million. Along the way, it grew into something even richer: a sector-wide dialogue about how small and mid-sized arts organizations and ASOs could work together to transform the local ecosystem to become less cash-strapped, more relevant, and more sustainable for the future.

In this document, we summarize the key “findings” that emerged from the multiple steps of this initiative. We will outline arts organizations’ primary needs—both as perceived by the ASOs and other cultural leaders and as expressed by the arts managers themselves—and sketch some of the potential solutions generated in ideation sessions held with arts managers and ASO leaders. But this report is by no means the most important output of this process. The animating purpose of this initiative has been to move beyond the identification of challenges and calls for change that have become familiar in the arts sector and chart a path toward real, actionable solutions. So the true capstone of this process will be the new projects, programs, and strategic initiatives that are already beginning to be developed in collaborations among Chicago’s ASOs and arts organizations. This document is merely a signpost along that path.

The picture that emerges from this initiative is of a vibrant Chicago arts ecosystem that is led by thoughtful, passionate individuals whose reach (to paraphrase the poet Robert Browning) laudably exceeds their grasp. They have ambitious goals, seeking not just to make their organizations—and indeed the whole arts community—more sustainable but also to remain animated by their missions, be innovative in their artistic programming, and become more essential to their communities. Though they may sometimes wish that

the environment around them would change in ways that make those goals easier to achieve (for instance, more money in the system, more donors and audience members just like the ones who already value what they do, and so on), they are also genuinely ready to embrace their own responsibility—individually and collectively—to adapt, evolve, and grow.

Though each of the solutions that emerged from this dialogue is unique, the boldest share two central principles: a commitment to **rigorous and intensive experimentation** and the cultivation of a **community of risk-taking and learning** within the Chicago cultural ecosystem. In the eyes of the practitioners themselves, sustaining the cultural sector will require that organizations be supported—not just through operating support and risk capital, but also by an encouraging network of leaders, trusted advisors, and fellow risk-takers—in trying out new ways of structuring and organizing their staffs, making decisions, engaging their audiences, and creating new earned revenue streams.

This initiative, and the projects that it is helping catalyze, would not have been possible without a tremendous national and international body of work on the economic, social, and cultural shifts affecting our sector and on the myriad solutions being proposed and put into action throughout the sector. The list of individuals and organizations to whom we are indebted is endless but would certainly include: ARTS Action Research, Ben Cameron, EmcArts, Fractured Atlas, Helicon (particularly its recent report, “Bright Spots and Hard Bargains: Leadership in the U.S. Nonprofit Performing Arts Sector”), John Holden, the Nonprofit Finance Fund, Diane Ragsdale, Nina Simon, TDC (particularly “Getting Beyond Breakeven: A review of capitalization needs and challenges of Philadelphia-area arts and culture organizations”), and WolfBrown.

The Slover Linett team would especially like to thank Andrew Micheli and the Arts & Business Council; Jennifer Armstrong, Rose Parisi, and the Illinois Arts Council; Janet Carl Smith; and Peter Kuntz, for their leadership, vision, and stewardship at critical points throughout the development and execution of this initiative. And, finally, we thank the many arts managers, ASO leaders and staff, and other stakeholders who contributed their time, energy, passion, and strategic thinking to this effort. In so many ways, they are the true authors of this report.

¹See Chicago Artists Resource to learn more about ASOs: <http://chicagoartistsresource.org/dance/node/37590>.



METHOD
OLOGY

We launched the Chicago-Area Arts Organization Needs Study in summer 2011 with **Phase 1: Information Scan**, a synthesis of existing knowledge about the needs of small and mid-sized arts organizations in the region. We designed this initial phase as a review of what was already known about organizations' needs, not as a new data collection effort, and we were eager to include the undocumented knowledge that is "stored" in the minds of ASO leaders and other stakeholders.

To that end, we conducted in-depth interviews with 14 ASO leaders and other stakeholders, selecting leaders who could speak to the needs of organizations across a variety of disciplines, geographies, and organizational sizes and longevities. We also convened and facilitated an informal discussion group with 9 representatives from Chicago-area funders.

To complement this qualitative information, we reviewed existing research studies on Chicago-area arts organizations and individual artists and developed brief case studies of the Arts & Business Council, Arts Work Fund, and Chicago Cultural Alliance by closely examining their project files and databases to better understand the demand for services among these organizations' constituents.

The Information Scan pointed toward 10 critical and primary areas of need among arts organizations (see next section). It also brought to the surface some bigger-picture questions about our community—questions which became the focus of early dialogue among ASO leaders and staff. These included questions about the inherent limitations of organizations operating within a cash-strapped context, about maintaining relevance in the minds and hearts of changing audiences and communities, and about organizational development and human resource challenges that have been made all the more acute by the extended economic downturn.

To engage the Chicago arts community in tackling these questions and envisioning new solutions to these long-standing challenges, we designed the second phase of the initiative as an iterative sequence of creative and dialogic sessions with the area's arts managers and arts service organization leaders. We invited nearly 70 managers from small and mid-sized arts organizations, from all parts of the city and representing a wide variety of disciplines, to participate in **Phase 2A: Dialogue-and-Brainstorming Sessions**. Held in April 2012 at the Little Black Pearl Art Center, these were three, 3-hour long sessions with arts managers from 22 organizations. We used a variety of

exercises to help participants envision success, identify what needs to happen in order to achieve that success, and explore the challenges that sometimes get in the way.

We summarized the key highlights of the April sessions in a working document (also incorporated in this report) keying in on three critical open questions:

- *How can the arts service sector work with arts organizations to develop and experiment with new organizational structures and decision-making processes?*
- *How can the arts service sector work with arts organizations to support and manage the process of institutional change?*
- *How can the arts service sector work with arts organizations to develop and experiment with new, mission-relevant, and sustainable sources of earned revenue?*

We circulated this working document to the original list of approximately 70 arts managers plus an additional 30 leaders and staff from local service organizations, inviting them all to participate in **Phase 2B: Solution-Crafting Session** in May 2012 to begin to answer these questions. Approximately 50 arts managers and ASO leaders joined us at Catalyst Ranch on May 15, 2012 to creatively and collaboratively develop solutions to the first and third of those questions. (We also encouraged participants to discuss the second question in small groups over lunch, but did not formally generate solutions to this question.) These solutions are summarized later in this document.

Throughout the summer of 2012, we will extend this initiative to the rest of the state. We plan to conduct additional in-depth interviews with cultural leaders in other regions throughout Illinois in order to gauge the relevance of the solutions generated in this initiative to other parts of the state.

The following sections summarize findings and outputs from the steps we've taken to date.

PHASE 1

INFOR MATION SCAN

Through the information scan, we identified ten primary areas of need that cultural leaders agree are common among Chicago-area arts organizations. Most interviewees see these as needs that are shared by most arts organizations around the country, regardless of their discipline, size, and longevity; though some noted that these needs may be expressed differently in, for example, a dance organization than in a visual arts organization, or in a small, emerging organization than in a larger, more established one.

FINANCIAL RESOURCES

Nearly all interviewees mentioned money, fundraising, and/or revenue generation as a major—and ongoing—challenge for arts organizations. The grant-writing process gives rise to a particular set of needs around writing competitive grant narratives and understanding how to appropriately balance the time-cost of applying for funding against the potential “payoff” of receiving funding. Beyond grant funding, however, organizations also need support in cultivating their individual and corporate giving programs and in generating sustainable earned income streams. A number of leaders also pointed to the cost side of organizations’ ledgers, noting that many are in need of the tools and skills to more effectively manage their expenses. Not surprisingly, many interviewees discussed financial resources as organizations’ most fundamental need, suggesting that other areas of need stem directly from organizations’ perpetually cash-strapped condition.

HUMAN RESOURCES

Many Chicago-area organizations rely on part-time staff or volunteers to manage key aspects of their business, stretching thin the time and capacities of full-time staff. Both full-time and part-time staff may be relatively unseasoned and have little formal training in their job functions, giving rise to a pronounced need for professional development support. Some interviewees also noted a need to both minimize and prepare for staff turnover in key positions. And because many executive directors are often juggling artistic and administrative roles, they perceive an acute tension between their desire to focus on their art and the need to focus on their business.

AUDIENCE DEVELOPMENT & MARKETING

Though local arts groups have always needed support in developing and diversifying their audiences, these needs seem to have grown more urgent in recent years as organizations are faced with declining arts participation rates in general and an aging arts & culture audience. To counter these challenges, organizations increasingly need dedicated marketing expertise, including knowledge of how to leverage both the technologies and the cultural trends of social media.

BOARD DEVELOPMENT

Though board development is a challenge for all types of organizations, the need takes different forms depending on where an organization is in its developmental trajectory. Emerging organizations are putting a board together for the first time, hence their needs center on finding and recruiting board members. More established organizations, however, need to focus on ensuring that their boards run smoothly by managing relationships with specific members and replacing members when necessary.

SPACE

While both prior research and interviewees cite space as a top need among organizations, there was less consensus about which specific space needs are most urgent. Some pointed to the affordability of live/work space, office space, and rehearsal space as the primary challenge, particularly for small organizations and individual artists. Others emphasized the quality of the available spaces or the availability of an appropriately-sized space for a particular organization. Some also discussed the difficult tradeoffs embedded in organizations’ decisions of whether to rent or own.

PROGRAMMING

Relatively few interviewees touched directly on organizations' programmatic and artistic needs, and only did so to note that programming is often seen as a "sacred cow" that should be protected from the commercial aspects of the organization. But the funder group, in particular, argued that the most successful organizations integrate the artistic and business sides of their organizations—rather than keeping the former insulated from the latter—and felt that many organizations needed support in how to achieve that integration.

VISION & IDENTITY

Relatively few organizations currently have a formalized strategic plan to guide their business; but many leaders argue that developing an overarching vision and identity is critical to organizations' future growth and success. Some perceive arts managers to be, out of the sheer necessity of survival, too focused on their current challenges to spend the time identifying a long-term vision and strategy for their business.

PARTNERSHIP & COLLABORATION

While there are a number of networking and information-sharing opportunities within the community, many noted a lingering need for greater and more substantive collaboration, particularly between newer and more established organizations or between organizations from different disciplines. This was most commonly discussed as a need for peer mentoring, strategic partnerships, best-practice sharing, or resource sharing. Some cautioned, however, that collaborations require their own time and resources to be effective and that organizations may need support in determining whether a particular collaboration is worth it or how to make the collaboration work to all the organizations' advantage.

INNOVATION

Many suggested that what organizations need most are new ways of thinking about their organizational structure or business models. Because resources will always be scarce, leaders argue that organizations need to get creative about finding solutions to their challenges and to experiment with new approaches. But discussion of this need also focused on the barriers within organizations to the kinds of risk-taking that innovation requires. Few organizations have sufficient "risk capital" to be able to experiment with new internal practices or forms of audience engagement or other products. Organizations that have built a successful brand may also be wary of undermining their reputations by engaging in an experiment that proves unsuccessful. And the over-worked reality of many arts practitioners can squelch the internal spirit of, and drive for, experimentation.

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IMPLEMENTATION SUPPORT

To fully benefit from the services provided by the arts service organizations, many arts groups require not just new knowledge but enhanced support implementing that knowledge. Some leaders wonder whether the standard workshop-based model of service delivery by ASOs inherently makes implementation a challenge for arts organizations; perhaps they might benefit most from one-on-one coaching and support.

PHASE 2A

DIALOGUE-
AND-BRAIN
STORMING
SESSIONS

Over the course of the three facilitated dialogue-and-brainstorming sessions in April, arts managers articulated clear, ambitious, and exciting goals for what they want their organizations to look like in five years. Each participant had a unique and vivid vision for her organization, but all shared some common goals:

TO BE FINANCIALLY STABLE AND SUSTAINABLE

Arts managers want to develop new and more stable sources of funding; to grow their endowments; to acquire multi-year, flexible funding; and to be able to invest in and support expanded programming, new “product” lines, and institutional growth.

TO DEVELOP INNOVATIVE PROGRAMMING AND TO BE RECOGNIZED AS AN “INNOVATOR” IN THE FIELD

Arts managers want their organizations to develop and experiment with diverse, creative, and genre-defying artistic and educational programs; to create innovative performance formats—including offsite programming, online programming, and formats that give audiences enhanced opportunities for participation; and to be leaders with respect to their specific discipline or programmatic focus.

TO ENGAGE IN INSTITUTIONAL GROWTH

Arts managers want to grow their staff and ensembles; to expand their service to new audiences and audiences in different parts of the city or nation; and to increase their physical footprint, often by acquiring or building new physical facilities.

TO SERVE A LARGE, DIVERSE, AND DEEPLY-ENGAGED AUDIENCE

Arts managers want to provide programming that matters deeply to their audiences and makes them rethink the relevance of art in their everyday lives; to develop a loyal and committed fan base that comes back frequently; and to be a vital part of their communities.

TO SUPPORT EXCELLENT, VITAL, AND RELEVANT ARTISTIC PRODUCTION

Arts managers want to commission and support the development of new works; to be powerful hubs of artistic activity and creation; and to innovate new models of arts production and performance.

TO HAVE A TANGIBLE AND IMPORTANT IMPACT ON THEIR COMMUNITIES AND THE INDIVIDUALS THEY SERVE

Arts managers want to transform their neighborhoods; to play a pivotal role in the character and professional development of young people; to be leaders in the local, regional, and national dialogue around issues of importance to them; to change perceptions of their artistic discipline; and to promote arts literacy and participation.



Though no single sentence can fully encapsulate the ambition, complexity, and vivid detail of these visions, we might summarize the dialogue by saying that arts managers want their organizations *to be sustainable, mission-driven, artistic innovators that are essential to their communities*. This is a big vision and not all organizations may be able to do and be all of these things. Some may need to make some difficult decisions about what is feasible and when it can be expected to happen. A few of the participating arts managers felt that their organizations were close to achieving this vision, though the majority felt that there was still considerable ground to cover in order to get there.

So what do they need to move in that direction, and what obstacles lie in their path? Again, the recipe for success will be different for each organization, but many are in need of similar ingredients to move from where they are currently to where they want to be. These areas echo the ten primary areas of need identified in Phase 1; but dialogue with the arts managers clarified the most critical needs within these areas and provided a more complicated—but also more realistic—understanding of the deep interdependencies between these needs.

The participating arts managers told us that it will take:

MORE STABLE, DIVERSIFIED, AND FLEXIBLE SOURCES OF FUNDING

Participants were unanimous in citing funding—particularly multi-year, unrestricted funding—as a critical need in order to achieve their goals. Many spoke of a need for greater access to sources of contributed revenue, for instance needing to develop relationships with a broader and more diverse set of funders (including the city and state, corporate funders, and national philanthropic organizations), or to optimize board composition toward fundraising goals or to enhance the capacity of their development staff (in terms of both the size and skill level of their development teams) to increase individual philanthropic support. But most also cite a need to refine their earned revenue strategies, such as experimenting with new programs that can be self-sustaining, developing a more robust business model, and being more realistic about earned revenue assumptions when engaging in longer-term strategic business planning.

A STRONGER, HEALTHIER TEAM AND ORGANIZATIONAL STRUCTURE

Most participating organizations face some type of challenge in how their teams are structured, how they work together, and/or whether they have the “right” human resources in place. A number of participants noted that their organizations would need strong, committed, and visionary leadership, both on staff and on the board, or that they would need to invest in their teams, both by hiring more staff and by supporting the professional development of current staff, in order to achieve their vision of success. Many also cited a need for clearer roles and responsibilities within the organization and for leadership to more proactively seek “buy-in” on the organization’s strategic direction from staff members and to empower individual staff members. More holistically, many suggested a need for a clearer articulation of the board’s responsibilities and greater autonomy from the board to make decisions and take action more swiftly.

A CLEAR AND COMPELLING MISSION, SUPPORTED BY A FEASIBLE AND REALISTIC STRATEGIC BUSINESS PLAN

To be successful, most arts managers recognize a need for their organizations to have an essential purpose animating their work and a well thought-out plan for carrying out that mission. Many believe that the mission should make their organization essential and relevant to the communities that they serve, but that it must also be shared by the board, leadership, and all staff—and some see a need for greater alignment within their organization behind the mission. Most note that the mission alone is not enough to be successful, but must be supported by a strategic business plan that is realistic about earned revenue capacity, deliberate in identifying and developing sources of contributed revenue that are on-mission, and clear in tying each individual’s role back to the mission.

BETTER STRATEGIES FOR UNDERSTANDING, COMMUNICATING WITH, AND ENGAGING AUDIENCES

Participants, particularly those from organizations that provide programming for a paying, public audience, cited needs around developing and engaging larger and more diverse audiences. Many feel that they need to understand their current audiences and their market potential better, in part to refine their strategic business plans. Most feel that they need to develop greater capacity to reach out to and communicate with their audiences, either through a stronger brand platform, more targeted marketing tactics, and a better grasp on how to leverage social media as a communications tool. Others noted a need to understand their audiences and their competitive landscape better in order to hone program development so that their offerings are differentiated from others in the marketplace and so the programs they provide are vital, essential, and relevant to their audiences.

A STRONG NETWORK OF PARTNERS, STAKEHOLDERS, AND COLLABORATORS

Many organizations recognize that they cannot achieve success alone and that, even beyond their board, their funders, and their audiences, they need a committed network of stakeholders to help them carry out their work. Some believe that they will need to foster more and stronger relationships with organizations who can be potential programmatic partners or audience development partners. A great number of the participating organizations rely on teaching artists or venue partners to do what they do, and see expanding those networks as critical to future success. Still others see partnering and collaborating as a way to engage more deeply with their communities and establish their organizations as essential to the Chicago arts ecology.

FACILITIES AND TECHNOLOGICAL INFRASTRUCTURE

Though infrastructure was not a primary concern for all arts managers, many cited a need for improved facilities and improved technological systems for their organization to advance to the next level. Some face a substantial deficit in terms of high-quality practice and performance spaces for their ensembles and artists and believe that their organization may need to renovate existing space or build new facilities to achieve success. Others need to develop new amenities in their current spaces to make their programming more accessible to audiences—better parking facilities, for instance. And a number cited a need for better IT infrastructure to ensure that their organization could run as effectively and efficiently as possible.

EXCELLENT ARTISTIC PRODUCTS AND PROGRAMMING

The vast majority of participating arts managers feel that their organizations are already producing, presenting, or supporting the production of excellent art. Nevertheless, they acknowledged that they will need to continue to make artistic excellence a priority in order to achieve their visions of success and emphasize the critical need for funding, the right organizational structure and decision-making processes, the audience, the partner network, and the infrastructure to be in place to support and sustain high-quality artistic production. Some also cited the need for programmatic planning to occur in a more intentional and deliberate way, and for such planning to be done in concert with the organization's strategic business and financial planning and with respect to what's relevant to the audiences and communities they serve.



When we asked participants to reflect on the needs that are most critical and fundamental to their organizations, the first three areas—*stable and diverse funding, a strong organization, and a clear and compelling mission and strategic plan*—appear to be among the most important to address. Moreover, arts managers do not see these as three separate and distinct needs. Rather, success requires each of these to be in place and to be in alignment with the other two. When these three are not working together, conflicts and tensions arise that make it difficult for organizations to make effective decisions, to plan for the future, and to change. For instance, when an organization is not properly capitalized to achieve its mission, organizations often find themselves “chasing” funding opportunities in order to secure short-term viability—but may dilute or sacrifice the mission in doing so. Similarly, when the organizational structure fails to engender cohesion and commitment to the mission and strategic plan throughout the staff and board, organizations may develop a culture of short-term, reactive decision-making rather than a culture of forward-looking, proactive, and deliberate planning and execution.

A number of participants suggested that the greatest threat to organizational success of these three areas being out of alignment is that the organization itself becomes fearful of change and averse to taking risks and experimenting with new ways of working, of serving and engaging their constituents, and of finding reliable sources of revenue.

PHASE 2B

SOLUTION- CRAFTING SESSIONS

The solutions that arts managers and ASO leaders and staff developed together in the culminating, solution-crafting session of this initiative suggest a hunger for exactly the kind of experimentation that can be hard to make time and space for in the normal course of business. Many of the solutions developed—in response to both the need for new organizational structures and decision-making processes and the need for new sources of earned revenue—recognize that experimentation doesn’t just happen. Rather, these solutions create structures that foster experimentation while mitigating the risks of experimentation to an organization’s traditional programming and structures: seeding and incubating new projects; submitting experimental models to testing and refinement; disseminating the results of experimentation (the failures *and* the successes) to the community; and so on.

Below, we briefly summarize the solutions developed in the Phase 2B session, first looking at responses to the question, “How can the arts service sector work with arts organizations to develop and experiment with new organizational structures and decision-making processes?” and then at responses to the question, “How can the arts service sector work with arts organizations to develop and experiment with new, mission-relevant, and sustainable sources of earned revenue?” We used a different combination of exercises to brainstorm, develop, and assess the solutions developed in response to each question. For the first question, in addition to summarizing the solution, we report participants’ ratings of each solution on three dimensions: novelty, usefulness, and feasibility. We did not ask participants to rate solutions to the second question. (Each dimension was assessed on a 10-point scale.)

We want to stress that these solutions are, at this stage, only a beginning. In the coming months and years, we hope that these solutions will be built upon, subjected to rigorous scrutiny, and refined—all with the goal of being made more tailored to meeting the needs of the region’s arts organizations. Some also echo projects that are being developed in other parts of the country (or globe)²; as these ideas are developed further, it will be important to draw on and learn from these existing models.

²See for instance Project Audience, a California-based pilot project that is similar to the “Online Arts Market” described below.

How can the arts service sector work with arts organizations to develop and experiment with new organizational structures and decision-making processes?

RESEARCH: WE'RE ALL IN THIS TOGETHER

Develop a risk-free system where arts service organizations conduct, synthesize, and disseminate research about different organizational models from across different sectors and across the globe. Components could include: looking at other cultures and societies to discover how culture is supported in those places; researching models in other sectors and assimilate best practices from across a diverse range of industries; facilitating testing and rigorous assessment of new models; offer incentives to organizations to engage in data-driven planning processes; providing leadership development for artists.

(Ratings: Novelty: 5.5; Usefulness: 7.3; Feasibility: 7.9)

ORGANIZATIONAL STRUCTURES: SAME BUT DIFFERENT

Establish a centralized administrative office to support all participating organizations in specific functional areas (technology, accounting, etc.), as well as provide training, advocacy, and consulting services. Components could include: providing more intensive and hands-on consulting which would include consultants shadowing the organization before identifying biggest areas of need; incubating a new employment model with greater stability and which provides basic employee benefits; coordinating advocacy work for employee benefits, funding, health insurance; providing board training.

(Ratings: Novelty: 6.0; Usefulness: 7.4; Feasibility: 7.0)

SUPPORTING RISK: WHO GOES FIRST?

Establish a centralized hub of information, resources, and strategic support to help an organization that is willing to “be the first” to try out a new organizational model within their business. Components could include: facilitating cross-discipline and cross-sector conversations about new potential models; providing resources to organizations who are trying to integrate their artistic and administrative sides in new ways; publishing the results of experiments with new models; offering executive coaching; and developing a “reverse capacity building” model where short-term consultants are provided to an organization to manage day-to-day functions while leadership engages in long-term visioning and strategic planning.

(Ratings: Novelty: 7.1; Usefulness: 8.0; Feasibility: 6.1)

CULTURAL PRACTICE INNOVATION LAB

Create a “testing center” to design and build new models for organizational structures. Components could include: sharing best practices from different industries and countries; fostering communication between and within organizations (especially across different levels within an organization); providing instruction in how to foster innovation and how to break unproductive internal habits; helping staff and board to accept change; helping new and emerging organization to identify appropriate structures to support their mission/goals.

(Ratings: Novelty: 8.1; Usefulness: 8.3; Feasibility: 6.5)

How can the arts service sector work with arts organizations to develop and experiment with new, mission-relevant, and sustainable sources of earned revenue?

EARNED INCOME INCUBATOR

Create an incubator program that would select a small number of organizations by application to work with outside experts to identify and leverage new or hidden revenue streams. Components could include: mentoring by prior years' participants; assessing mission-relevance of potential revenue streams; matching assets with the appropriate market/audience through the help of a consultant; providing yearly evaluation and re-strategizing opportunities; developing a website ("artdepot.org") to share best and worst practices; cultivating a "for profit mindset" within non-profit organizations.

ONLINE ARTS MARKET

Create a centralized, membership-based, and profit-generating online platform for building and selling experiences to audiences. Components could include: building a Facebook-like algorithm for finding experiences that your friends like; fostering information sharing so that organizations can find and partner with other organizations who are developing similar programming; selling packages of experiences that combine programs from different organizations; helping organizations think like a profit-making organization; enabling ticket and merchandise sales through the online platform.

MICROFINANCE MODEL

Establish a cooperative "social investment club" in which individual organizations can buy shares and get access to group resources (IT, space, etc.) and to shared experience and knowledge. Components could include: fostering partnerships between arts organizations and businesses; creating a physical space where organizations can come together to share knowledge and find partners; enabling resource sharing across different organizations.

R&D PROGRAMMING LAB

Develop a physical and/or virtual space for organizations to incubate new programmatic ideas and safely share the results of their experimentation with other organizations. Components could include: providing access to rapid and safe idea-testing and prototyping; encouraging "cash mobs" to support local arts organizations; developing an information bank about experimentation; facilitating access to technical support for business planning, marketing, branding, etc.

CULTURAL CORPORATE CONNECTION

Bring together arts organizations and private sector stakeholders to identify and leverage assets across the two spheres. Components could include: helping organizations to monetize what they're currently "giving away for free"; connecting business experts with organizations in need of expertise; providing funding to offset start-up costs associated with developing new programs.



IN
CON
CLUSION

This report is not the end of this important dialogue.

It is an inflection point at which we, as an arts community, take these ideas and turn them into real, implementable solutions. There are a number of tactical questions that will need to be discussed and grappled with—what other stakeholders need to be involved? what training will arts managers need to implement these solutions and what’s the best way to deliver it to them? who is already experimenting with new practices?—as these solutions take shape.

Moreover, many big-picture questions remain beyond those addressed in this process for arts organizations and arts service providers, not to mention funders, policy-makers, and other cultural leaders. Perhaps the most important of these is how, exactly, to bring real strategic alignment to organizations’ missions, models, and business plans. But there are also important questions about how this picture reflects the situation in, and how to collaborate with, other parts of the cultural ecosystem (individual creatives, the for-profit arts, larger cultural institutions) and other parts of the state; how to preserve artistic freedom and excellence while becoming more “for-profit-minded”; whether, when, and how to share cultural and artistic authority with the audience; how to take advantage of the innovative hybrid business models and new legal structures that are proliferating today.

We look forward to seeing our community bring the same energy, passion, and insight to these questions that they brought to all of the phases of this initiative.

APPENDIX

PHASE 1 (INFORMATION SCAN) INTERVIEWEES AND DISCUSSION GROUP PARTICIPANTS

Jackie Taylor African American Arts Alliance
Andrew Micheli and Peter Kuntz Arts & Business Council of Chicago
Ra Joy Arts Alliance Illinois
Marcia Festen Arts Work Fund
Carol Fox Audience Architects
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Rebecca Sanders Chicago Cultural Alliance
Eva Silverman and Michelle Bibbs Chicago Office of Tourism & Culture
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Eunita Rushing Garfield Park Conservatory Alliance
Arthur Pearson Gaylord and Dorothy Donnelley Foundation
Allan Dennis Illinois Council of Architects
William E. Rattner Lawyers for the Creative Arts
Deb Clapp League of Chicago Theatres
Deepa Gupta MacArthur Foundation
Frank Baiocchi Polk Bros. Foundation
Benna Wilde Prince Charitable Trusts
Joanie Friedman South Side Arts & Humanities Network
Suzanne Connor The Chicago Community Trust
Angelique Power The Joyce Foundation
Sydney Sidwell The Lloyd A. Fry Foundation

PHASE 2 PARTICIPATING ORGANIZATIONS

826CHI	Elastic Arts
Access Contemporary Music	Garfield Park Conservatory Alliance
American Indian Center of Chicago	Illinois Arts Council
Americans for the Arts	Illinois Music Educators Association
Archi-treasures Association	Illinois Presenters Network
Art Resources in Teaching	Institute for Arts Entrepreneurship
Arts & Business Council of Chicago	Intuit: The Center for Intuitive and Outside Art
Audience Architects	Jazz Institute of Chicago
Beverly Arts Center of Chicago	Joel Hall Dance Center
Black Ensemble Theater	Lawyers for the Creative Arts
Cerqua Rivera Art Experience	Lifeline Productions
Changing Worlds	Little Black Pearl Workshop
Chicago Artists' Coalition	National Museum of Mexican Art
Chicago Children's Theatre	Natya Dance Theatre
Chicago Cultural Alliance	Near Northwest Arts Council
Chicago Jazz Philharmonic	Remy Bumpo Theatre Company
Chicago Music Commission	Segundo Ruiz Belvis Cultural Center
Chicago Office of Tourism & Culture	Snow City Arts Foundation
Collaboraction	Sones De Mexico Ensemble
Center for Community Arts Partnerships	South Chicago Art Center
Congo Square Theatre Company	South Shore Drill Team
Cultural Policy Center	South Side Arts & Humanities Network
Department of Cultural Affairs and Special Events	The Dance Center of Columbia College
Eighth Blackbird	threewalls
	Woman Made

FOR MORE INFORMATION, PLEASE CONTACT

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