

CAPACITY BUILDING: *Oregon*



*Building successful,
sustainable arts
organizations in a
crowded, shifting
cultural marketplace.*





*Chinese New Year's parade preparation
at the Oregon Historical Society
entrance at the south park blocks.*

Cover photos left to right:

Milagro Theatre Dia de los Muertos production. (Photo: Russell J. Young)

Northwest Film Center screenings annually including more than 2,000 high school students who come to the Whitsell Auditorium through our Global Classroom program.

Disjecta Contemporary Art Center installation: View Portland 2014 Biennial

CAPACITY BUILDING: Oregon

The Program

Capacity Building: Oregon was an outgrowth of conversations among Oregon foundations regarding a shared, growing concern about the relevance and longevity of arts and cultural organizations and their role in the health and vitality of Oregon. After a yearlong discussion among themselves and with DeVos Institute leaders, a collective of eight foundations agreed to support a program of formal seminars, online master classes, and individualized consultation in an effort to foster sustainability and long term growth of cultural nonprofits that deliver quality programs and services to Oregonians.

The majority of the organizations selected by the DeVos Institute were headquartered in Portland, many of which provided services at times throughout Oregon. Selecting organizations in close proximity to one another was desired to facilitate increased interaction and shared learning with the goal of benefiting communities throughout the state. This two-year effort was to provide area arts and culture organizations with intensive training in areas such as long-term artistic planning, board development and engagement, marketing, fundraising, and strategic planning.

The program ran from spring 2014 through spring 2016, launched with the first of five seminars led by then-Kennedy Center President Michael M. Kaiser. Additional DeVos Institute senior staff led the next three seminars, and Michael Kaiser returned in September 2015 to close out the formal sessions. Twelve online master classes augmented the seminars, which allowed participant organizations to drill down more deeply on the application of program components. One-on-one intensive consultations rounded out the program,

pairing DeVos Institute professionals experienced with various aspects of cultural nonprofit management with the 12 organizations, based on their respective, specific goals over the two years.

The “Cycle”, the DeVos Institute’s central philosophy for creating and sustaining healthy arts organizations,

permeated the training, peer-to-peer learning, and personalized consultation. It contends that when bold art is marketed aggressively, an organization attracts a “family” of energized ticket-buyers and patrons. The income produced by this family is then reinvested in more art and— when marketed well— builds a larger, even more diverse family. When this cycle repeats year after year, the organization incrementally and sustainably builds capacity, presence, and health.

“Keeping everyone engaged and clear on what they can do to help is a big and continuous job.”



Bold, transformational art and programming take time to fund and to market. A commitment to long-term planning is essential. Program components included:

SEMINARS: Focused on topics crucial to building a successful, sustainable nonprofit arts organization in a crowded, shifting cultural marketplace.

Session I: Mission and Introduction to “The Cycle” (April, 2014)

Session II: Institutional and Programmatic Marketing (July, 2014)

Session III: Strategic Planning (November, 2014)

Session IV: Fundraising from Individuals (March, 2015)

Session V: Building Stronger Boards (September, 2015)

ONLINE MASTER CLASSES: Offered extended instruction and greater depth to the concepts discussed in the seminars in an environment that also facilitated peer-to-peer learning.

Session I: Mission (June, 2014)

Session II: Long-Term Artistic Planning (June, 2014)

Session III: Programmatic Marketing (July, 2014)

Session IV: Asset Inventories and Institutional Marketing (September, 2014)

Session V: Social Media (October, 2014)

Session VI: Institutional Marketing (October, 2014)

Session VII: Environmental and Internal Analyses (January, 2015)

Session VIII: Financial Planning and Implementation (February, 2015)

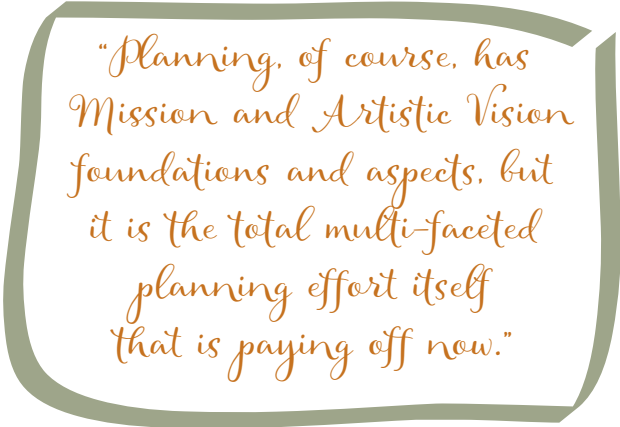
Session IX: Identifying Cultivation Opportunities: the M.A.S.S. Index (May, 2015)

Session X: Crowdsourcing (June, 2015)

Session XI: Targeted Campaigns (July, 2015)

Session XII: Membership Programs (August, 2015)

MENTORING: Provided intensive, monthly consultations with an advisor for tailored support and feedback. Participants established a “work path” of desired outcomes tied to a timeline that concentrated on individual giving, board development, strategic planning, and an additional area of focus identified by each organization. Advisors tracked progress, troubleshoot challenges, and helped staff and board members refine strategies related to the work paths.

A quote in a decorative frame. The frame is a light green, rounded rectangle with a dark green border. The text inside is in a brown, cursive font.

“Planning, of course, has Mission and Artistic Vision foundations and aspects, but it is the total multi-faceted planning effort itself that is paying off now.”

The Results

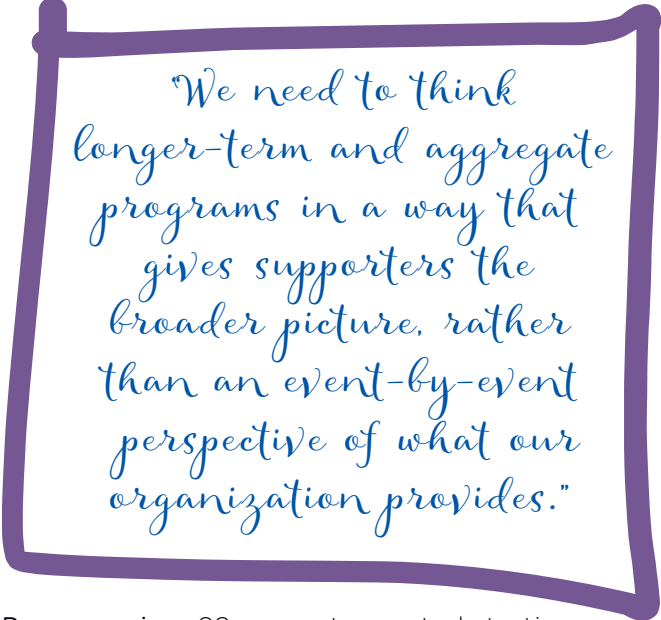
Collectively, the cohort made significant advances in artistic planning, board development, marketing and fundraising and evidenced particularly strong progress in institutional marketing. The program

has helped participant organizations to develop a common language for thinking about the challenges they face on a day-to-day basis and in the long term. Their progress was evaluated by the conducting of a Cycle Audit mid-way and at the close of the program to assess pre and post-program capacity. Qualitative and quantitative metrics help tell the story of this two-year effort, a brief summary of which follows.

- **Planning Horizon:** All organizations reported an increase in their planning timeframes that allowed for more meaningful, long-term artistic planning that will lead to producing the type of high quality programming necessary to attract the best artistic collaborators, market the offering, engage a “family” of supporters, and attract new donors.
- **Board Engagement:** 88 percent reported that at least 90 percent of board members were engaged in a project in support of the organization’s mission, and additionally, 86 percent noted increased financial contributions by board members, both in dollar value and as a percent of total contributed income, for a combined net increase of more than \$125,000.
- **Strategic Plans:** 75 percent had a formal strategic plan in place at the close of the program, double the number from the outset.
- **Audiences Served:** 71 percent noted an increase in total individuals served (audiences, patrons, students, etc.), ranging from 7 to 100 percent increases. In aggregate, the organizations increased the number of individuals served by 4 percent.
- **Growing Supporters:** Participants made meaningful advances in increasing the size of their

“families”—those who feel an affinity for the group and its programming. With bold programming and aggressive marketing, the number of people who want to support an organization—through patronage, time, and contributions—grows naturally.

- **Strategic Offerings:** Organizations are in a more primed position to translate artistic and programming advancements into a “menu” of options to maximize the chance of finding the optimal—and logical—opportunity to engage corporate donors.



“We need to think longer-term and aggregate programs in a way that gives supporters the broader picture, rather than an event-by-event perspective of what our organization provides.”

- **Programming:** 88 percent reported starting new programs, events, and/or community-based engagement efforts.
- **New Works:** 75 percent commissioned or created a total of 31 new works.
- **Individual Giving:** 71 percent noted an increase in total contributed income, and 86 percent noted an increase in the percent of total con-

tributed income attributed to individuals. This is particularly noteworthy because individual giving represents the most promising path to financial stability and revenue diversification for an organization. Increases ranged from 19 to 79 percent, with a median increase of 47 percent, or \$75,050.

- **Institutional Giving:** 57 percent noted an increase in grants from foundations (median increase of 32 percent), while slightly fewer (43 percent) increased support from government sources (median increase of 12 percent). Only 29 percent reported increased contributions from corporate donors. Corporate contributions, in aggregate, declined by 23 percent among participating organizations.
- **Large Gifts:** 86 percent increased the total value of their five largest gifts with a median increase of 44 percent or nearly \$44,000. This advance is double-edged: funding portfolios become more fragile the more dependent an organization becomes on its top five sources if they represent a disproportionate percentage of an organization’s contributed income. A loss of even one of these top sources could present a material threat to the organization’s sustainability.
- **Earned Revenue:** 71 percent reported an increase in earned revenue, with increases ranging from 5 to 41 percent (median increase of 15 percent or nearly \$45,000). In aggregate, the organizations reported a 9 percent increase in total earned income, or \$513,400 over the two-year period. Earned income is an important indicator of fiscal health. Participants attributed the majority of this growth to program sources, citing increases in ticket sales, enrollments, touring, and fees for educational programming.
- **Staff Capacity:** 75 percent noted an increase in

full-time employees (median increase of 22 percent). Fifty-seven percent noted an increase of dedicated staff in marketing, and 71 percent noted such increase in fund-raising staff. The next area of growth will be in improving the productivity of these staff members and increasing the return on marketing investments.

- **Growth Opportunities:** Organizations cited board growth, data analysis, resource development and staff capacity and retention as areas to concentrate on next.

The Cycle Audit

Participant organizations ranked the quality of their plans in place before the inception of the program and evaluated it at one year and at the close of the program. The indicators included 12 areas the DeVos Institute believes are essential to organizational success. Organizations were asked to provide evidence to support their rankings, citing specific examples of their advancements and remaining challenges. The specificity of this feedback was then woven into their respective work paths as counseled by their individual advisors. Key organizational and financial statistics from their fiscal year completed before the beginning of the program and their most recently completed fiscal year provided the basis of an objective analysis of organizational capacity at each stage.

The 12 capacities in the Cycle Audit included:

- Art/Programs
- Institutional Marketing
- Programmatic Marketing

- Board of Directors
- Family and Community Engagement
- Individual Donors
- Corporate, Government, and Foundation Donors

Profile Theatre. Pictures Victor Mack and Seth Rue in Tanya Barfield's Blue Door



We need to foster collaboration so as to fulfill the advice about not only visionary programming at an institutional level, but about transformative programming at a city-wide level."

- Earned Income
- Staffing and Succession
- Space and Facility
- Implementation
- Financial Management

The Feedback

Participant organizations independently addressed several questions regarding their experience with Capacity Building: Oregon. Many experiences were shared, regardless of size or arts discipline. At other times, such factors influenced their reaction to the volume and intensity of the programming. A summary of participant comments follows.

Value of Program Aspects

Formal Sessions:

- Impartial voice of authority and credibility speaking to characteristics of a well-functioning board
- Strategic plan framework was easily modifiable for individual organizations' needs
- Shared experiences among organizational participants

- Seasoned, well-prepared professionals presented important information in an organized manner, ensuring the formal sessions were productive
- Exchange between participants helped to drill down on fundamentals in an organized, disciplined way to move discussions from the theoretical to on-the-ground experiences
- Clear distinction between, and benefits of, institutional and programmatic marketing
- Armed with tools (M.A.S.S. Index, Asset Inventory, Ideal Board Criteria) to be applied over time

Organizational Consulting:

- On-call consulting helped to incorporate program elements into operations and served



Metropolitan Youth Symphony 13 ensembles for Orchestra, Band and Jazz students

as a sounding board and source of advice. Individualized attention to organizational needs was productive

- Wonderful reality check that put challenges into perspective and offered solutions and support to move organizations forward
- Long-range thinking about institutional viability and growth balanced with counsel on priorities and strategic design of a bold new artistic initiative
- Affirmation that remaining work was on target and recommendations of adjustments to optimize it

Program Learning Model

- Program comprehensiveness: in-person training, homework, webinars, and one-on-one consulting

- Completeness and ongoing nature of the program made much more of what was learned “sticky”
- Focus on fundamentals and building a common information base—creating a common context for conversation and planning between board and staff—was a real strength. Group sessions offered a macro consideration; mentoring conversations helped apply the thinking to specific situations.
- Combination of group sessions, followed by webinars, created an effective cohort and made efficient use of participants’ time—a scarce resource
- Seminars and personal mentoring components were the most valuable
- Logical, easy to follow, and brought results

Photo: Blaine Truitt Covert

Oregon Ballet Theatre dancers in the company premiere of August Bournonville's Napoli, one of two works on the Theatre's Amore Italiano program that ran in October, 2015.



Columbia Center for the Arts board members, staff and volunteers

- Involves a significant time commitment, but the trade-off is useful ideas from seminars and mentors

Program Model Effectiveness

- None of the concepts were brand new to many, but the program set them in a context that helped managers pull themselves out of “execution” mode and understand the strategic impact of the work. It helped to elevate the thinking around bold, transformative art and how that can transform both programming and the fiscal health of an organization.
- Mentors were deeply experienced, savvy analysts, and skilled at helping organizations with both “big picture” and “what do I do next” questions

- Cycle concept was a significant, positive change in organizations’ thinking. “It seems obvious once you learn about it, but it has helped us organize our strategic plan and has tangibly affected the boldness of our artistic mission.”
- Participating has brought greater health and discipline, allowing organizations to invest further in their missions.
- In-person workshops were energizing for both board and staff.
- Two years allowed for exploration and experimentation in implementing a broad range of topics
- Personal consultation element was the lynchpin in making this program successful.

Philosophy of Institutional Marketing as a Keystone to Greater Organizational Strength, Productivity and Success

- This is one of the big ideas taken away from the process and acted upon by participants.
- Key takeaways: focus on marketing the institution—what it does for the community and why—while making it easier for people to find/anticipate programming.
- Re-thinking how an organization presents itself versus focusing solely on a succession of produced events and programs.
- Helped organizations consider not only what they want to do but how to better allocate staff and resources to accomplish their goals.
- “It now shapes everything we do: program growth, repertoire, performance locations, and themes.”

Process and Curriculum Changes Point of View and Approach to Work

- Moving from a reactionary to a thoughtful, strategic environment
- Organizations are rallying around common goals that are more future-focused
- Staff and board now realize there is a dynamic balance to maintain—rather than rigid rules—between budgets and the need to invest resources in strategic growth
- Far more focused and intentional about everything: board recruitment, major gifts, artistic programming, and programming marketing
- Multi-year artistic plan contains “spikes” around which organizations can perform institutional marketing, and fundraising is energizing and provides supporters with options and greater financial projections
- Growing the “family” through exciting performances, events, and marketing/relationship is organic and financially productive
- Gained more resolve with regard to boards and their financial obligations

Suggestions for Program Refinement and Ongoing Organizational Challenges

- Offer more time for group interaction
- Share examples of specific issues that better relate to the Portland or Oregon environment
- Provide broader perspectives that include experiences from small and mid-size organizations and organizations of color. While ideas often travel across borders, their application may not.
- Create cohorts with similar budget sizes. Larger organizations tend to have more specialization in

professional roles (artistic planning, marketing, fundraising), so the levels of sophistication between large and small organizations can be significant at times.

- Reconsider the number of topics and plans that are required to be created over the two years. It can be a bit overwhelming to small and mid-size organizations with only one person (or fewer) managing each area. Optimize opportunities to succeed by tailoring the volume of information and work involved.
- Rethink the content and presentation of the online master classes for better participation
- Form breakout sessions to allow participants to more fully engage with one another and to take deeper dives into specific topics



Photo: Tom Emerson

Chamber Music Northwest's Miro String Quartet

- Ongoing challenges: staffing levels, time, board recruitment, fundraising, dedication of additional resources to fully implement a comprehensive institutional marketing plan, and finding a solution to address the lack of interest by the corporate community.



Photo: Blaine Truitt Covert

*Oregon Ballet Theatre's 2015 production of
George Balanchine's The Nutcracker*

The Future

Participants reflected on their purpose for existing, evaluated whether individual programming met their respective missions, and more fully embraced the Cycle concept of future planning that lays the groundwork for bold new initiatives that translate into growth in audiences and stakeholders in the years ahead. Still, much work remains. In closing, participant organizations shared their highest institutional priorities moving forward and what assistance they would benefit from to build on the work of the past two years:

Highest institutional priority moving forward

- **Creating** big, bold programming and artistic endeavors years in advance
- **Focusing** on leadership development and succession planning and codifying the roles and responsibilities of all staff positions relative to the board
- **Enhancing** human capacity, honing and making the best use of available tools, and ensuring financial and physical stability in anticipation of succession
- **Fulfilling** our new strategic plan that outlines our reinvestment in and our reframing of our mission, allowing us to revitalize the organization as we move into our third decade
- **Building** artistically excellent, interesting, and innovative performance and education programming that is compelling to students across all demographics
- **Completing** our strategic plan, aided by this process, has given us a strategic framework from which

to develop our case for support and a clearer idea of the needs this campaign will address.

- **Marketing** our organizational assets to elevate visibility, create loyalty, and build enthusiasm.

Capacity Building Needs Moving Forward

Board Capacity (75 percent): Building future boards comprised increasingly of a new generation of potential leaders—individuals who are enthusiastic about being advocates, have resources and connections, and are willing to advance both the organization's mission and programming. Organizations are continually challenged to recruit individuals whose skills and talents align with the

needs of the organization and who have the financial and time capacity to help it reach the next level.

Institutional and Programmatic Marketing

(50 percent): Making more strategic use of limited resources about how to best market the organization as an institution, as well as its program offerings.

Strategic Planning (25 per-

cent): Many organizations embarked on or completed strategic plans during their participation, but some still need to more fully flesh out their future direction and draw the roadmap for achieving their goals.

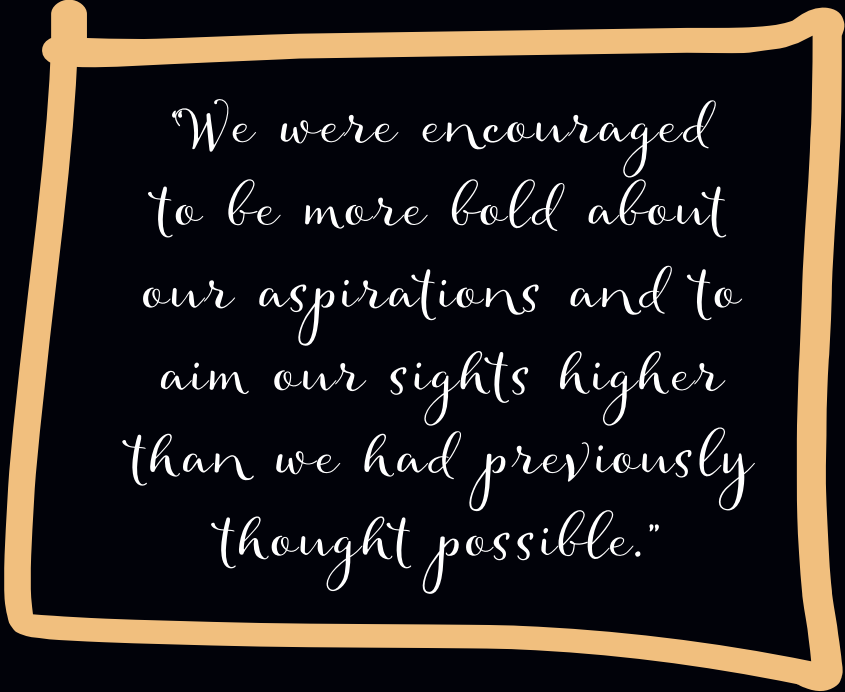
Fundraising (50 percent): Planning and execution, including strategic partnership development and cultivation of board leadership as resource ambassadors and a new generation of donors.

Financial Planning (25 percent): Infrastructural sustainability and resources to invest in artistic vision that translates into exciting and demanding programming.

We are eager to increase the percentage of earned income. However, we are also aware that our decision to take some programmatic risks in our selection of artists may put us at odds with this goal."



Northwest Film Center supports filmmakers at all levels through filmmaking classes for adults and youth, equipment rentals, scholarships and fellowships.



*"We were encouraged
to be more bold about
our aspirations and to
aim our sights higher
than we had previously
thought possible."*



Participant Organizations

Artists Repertory Theatre
Chamber Music Northwest
Columbia Center for the Arts
Disjecta Contemporary Art Center
Metropolitan Youth Symphony
Milagro Theatre
NW Film Center
Oregon Ballet Theatre
Oregon Historical Society
Oregon Symphony Association
Profile Theatre
Tears of Joy Theatre

Capacity Building: Oregon Funding Collaborators

Paul G. Allen Family Foundation
The Collins Foundation
The Ford Family Foundation
Meyer Memorial Trust
James F. and Marion L. Miller Foundation
M. J. Murdock Charitable Trust
The Oregon Community Foundation
Harold & Arlene Schnitzer CARE Foundation

The DeVos Institute of Arts Management

Founded in 2001, the DeVos Institute of Arts Management and its leadership team have extensive expertise in strategic planning, artistic planning, board development, marketing, fundraising, and financial management. Organizational leaders leverage this expertise to train, support, and empower arts managers and their boards. Today its senior staff continues to provide consulting services, training, and support for the arts leaders in the United States and in over 80 countries on six continents.