

## **THRIVING IN AN UNCERTAIN WORLD; ARTS PRESENTING CHANGE AND THE NEW REALITIES**

**By Kenneth Foster**

On October 3, 2008, the organization I direct, Yerba Buena Center for the Arts (YBCA) hosted its biennial fundraising event. Two years earlier, the event had netted \$100,000 for the organization and the goal this time was \$150,000. It had not been easy to get to this night. Table sales had slowed. Sponsorships and in kind donations were much more difficult to get and were smaller in size. Still, we were hopeful that auction sales and last minute dance ticket purchases would bring us to profitability. It was not meant to be. That night, especially as I sat and watched the lackluster response to the live auction, in contrast to the buying frenzy of two years ago, I knew that something in the world had changed. It was clear that, at least in the short term, we were going to face some tough challenges. It turns out, I was only partially correct.

One year later, following the meltdown of the local, regional and national economies, it's important to understand what has really happened, what the true scope of societal change has been, how that has affected arts organizations both in the Bay Area and around the country, and what we, as arts presenters, can and should do in response to these events. It is my contention that, more than just an economic collapse, we are at the moment of a potential cultural shift, one that has important implications for the work that we do.

### **WHAT REALLY HAS HAPPENED**

Much has been written over the last year about the nature of the economic collapse, its potential causes, its nightmarish effects, and what it portends for the future. It is vital for us to understand this larger context because there are implications for all arts organizations coming out of this cultural shift that demand our attention.

The first, and perhaps the most significant implication of the current crisis is that the accepted models for generating consistent revenue and creating a stable and enduring funding base for an arts organization is not as certain as was once believed. For years, creating an endowment has been seen as the key to long term stability and success. In the current environment however, organizations dependent on their endowments were some of the most devastated as they watched its value drop. Today, many are "under water" and while some value is being rebuilt it is destined to be a long, slow process back to viability. Meanwhile, operation budgets have been decimated, programs cut and staff laid off.

Contributions, which are at the heart of the nonprofit arts funding model have plummeted in every area. Corporate sponsorships disappeared first. Individual giving, the core of most sophisticated development programs, also saw a dramatic downturn. As individual net worth declined, contributions to arts organizations also dropped, in some cases significantly. With donors looking at changed priorities in their own circumstance, arts organizations are being sacrificed for "real needs" like hunger, poverty and homelessness. Foundation giving is a ticking time bomb for arts organizations. Program officers have made it clear that, while they may have squeaked through intact this year, endowment payouts are generally based on a rolling three year average of rate of return so the real impact will be felt over the next 2-3 years. And, whatever government support there was, particularly at the state and local level is significantly reduced and in some cases, gone. Thus, even those of us who smartly diversified our

development revenue sources have seen dramatic decreases in all areas. No one and no source was immune.

The picture in earned revenue is not any better. Ticket sales are down, merchandise, restaurant and bar sales are down, consumers, at least those who are still employed (and in California the unemployment rate is over 10% now), are saving, not spending. In short, in all areas of revenue generation for arts organizations, the news ranges from serious to disastrous.

If this were merely a recession, the strategies that have worked in the past - tighten up, reduce expenditures and wait this out - might be effective. Certainly these have been, and continue to be, our initial response to the situation and with good reason as these are the limited tools available to an arts organization for a short term response. In many cases, a winnowing effect has occurred that has not been all bad, both for individual organizations and arts communities as a whole. Most of us have never been "fat" with resources, but all of us have places within our organization that were less vital than they might have been. Hopefully, these are the ones that got cut or simply disappeared from the landscape.

I believe however that since something larger and more complex than simply an economic downturn is occurring. To my mind, the economic collapse is simply the last, most visible consequence of a gradual deterioration in the methodologies of cultural production and dissemination that has been occurring at least since the 80's and perhaps even before. A more sophisticated and deeper response is demanded of us if we are to not just survive this particular moment but emerge from the crisis as a stronger, more vital arts ecology than we previously had been. To do so will require, I believe, letting go of some long held assumptions and adopting an entirely new approach to the way that we function. In so doing, I believe we can advance the vitality of the arts in the United States in important ways. If this is to happen, we have to do two things that this paper will address. The first is to reframe and rethink the current situation and the context within which it is occurring. The second follows from that reframing which is to rethink how our organizations operate and how we need to manage them in ways quite different from what our previous experience has been. Nothing less than a revolution in our approach to arts management is required if we are to create a transformative and lasting response to the financial crisis and what it represents.

## **AN HISTORICAL PERSPECTIVE: FORTY YEARS OF CULTURAL PRACTICE NO LONGER OPERATIVE?**

For those of us who have been working in this field for a long time, our historical perspective is both an asset and a liability. Since the creation of the NEA in the mid 60's and the explosive growth of arts organizations that it engendered, the arts field has evolved in the decades since within a dramatically changing socio-political-cultural environment. Gradually but inexorably, and almost without our realizing it, what began as the very essence of being a nonprofit – addressing a public need that by definition cannot be supported in the marketplace and so must be supported in alternative ways, largely through what we un-ironically have termed "unearned" income – has shifted to a corporate business model. In our dedicated search for the ever increasing funding needs for our organizations, we have adopted and internalized the idea that a successful nonprofit should "behave like a business" and that to be more successful should behave more like a business. What does that mean in real terms?

Behaving like a business started out as adopting certain organizational practices that seemed both necessary and desirable. Administrative oversight, sophisticated marketing strategies, maximizing earned income, developing alternative revenue streams seemed helpful at first, but soon became

necessary and, over time, core to the organization's definition of itself. We have built enormous administrative structures to support the creation and dissemination of art, even as we have diminished the resources going directly to artistic creation and artists. Marketing strategies became vital to our success and then began to infiltrate the artistic production process as we sought to create or present "stuff that sells." As organizations grew and became larger and more complex they required ever more sophisticated managers to make them run successfully. The MFA was out and the MBA was in. Boards sought leaders with successful business credentials that would bring discipline and order to unruly artistic types and their unreasonable expectations. Evaluation became less qualitative – we hardly have words to discuss artistic quality, intention or accomplishment – and numbers ruled. Tickets sold, return on investment and always, budget (and thus organizational) growth as a measure of success. And on top of all that, what we couldn't do with money we tried to make up for with human capital – repeatedly pushing ourselves and our employees to "do more with less." Subtly but inevitably, business practices were superseded by business values. Art became a product, audiences were consumers, artists became labor and maximizing return on investment became the primary criterion for success.

When the crash came, and we began to realize that we needed to "do less with less" we couldn't figure out how to make that happen. Exhorted to "go back to mission" we noted that returning to mission meant eliminating people and programs that had become our core. The speed of the economic meltdown caught us off guard; its intensity made reasonable solutions elusive and disaster was at hand for many organizations. Surely the hard work and sacrifices we had made to build our organizations over the last several years were not going to come to such a rapid and ignominious end? And why did we not have the tools to respond more creatively to the crisis?

## **NEW REALITIES**

Just as important as the historical perspective is a deeper understanding of the current situation and what the new realities are that we now face.

First, most of us have passed the "emergency" phase. One way or another, we have figured out how to get through 08-09 and into 09-10. While we have many immediate challenges, the crisis phase has passed. This is actually a dangerous time since the passing of the crisis can lull us into a sense that the worst is over and we can rebuild in the paradigm of the past. That would be a huge mistake.

In December of 2008, Arts Presenters hosted a convening of Bay Area arts organizations at YBCA to find out what was happening and how people were responding. That early in the crisis, people were still shell shocked, still trying to find their way through. As consultant Laurie MacDougal pointed out in her report of that time people were in one of three stages about the crisis. The first was denial. In various ways they thought they would either escape the devastation or, if they didn't, they would ride it out essentially unchanged. "We've been through these kinds of downturns before; cut the budget, maybe lay off a staff person or two, wait for the recovery." Another group was a step further and, having accepted the crisis, was making drastic, perhaps organizationally life threatening choices as a learned response to what was happening. Cut expenses. Cut staff, cut programs, especially cut discretionary spending like marketing and donor cultivation activities. When that wasn't enough, then cut even further. I have literally heard people say they were doing "nothing" until this passes over and they can somehow "restart" former activity. And of course, as we always do, wring more work out of an already overworked, understaffed, demoralized and now scared staff. It's hard to see how this strategy could produce anything but further devastation.

But there were a few people at this convening who were thinking past the immediate moment and recognizing that in this drastically changed world, a new way of thinking about our organizations was required if we were to survive. In December 2008 when this meeting was taking place it was hard to imagine what this new way would be. Trapped in our business-like models, we knew that something entirely outside our experience was going to be required, but what exactly that would be we could not tell. A few inchoate thoughts came up at the session but even with Laurie's urging, most of us weren't able to think yet in those terms. We just knew that something in our world had profoundly changed and we were going to have to invent a new way of thinking and working.

## **THINGS HAVE FUNDAMENTALLY CHANGED – BUT HOW?**

Very early on, many voices were in fact saying that “things have fundamentally changed” and that past practices would no longer serve. Few were saying either exactly how the environment had “fundamentally changed” or what new approaches would be required. Answering those questions could provide the key to our future survival.

Since we are talking about dramatic cultural shifts that have impact for our future in ways we don't quite understand, there is guess work involved here. Still, there are some revelations that have come about which, if we understand and accept them, can provide a foundation for our future.

### **1. There are no more knowns**

As much as we would like to have the assurance of some “givens” some “facts” some received wisdom that is immutable and unchangeable, it is quite clear that these no longer exist. I would contend in fact that they never did exist, but that certain assumptions proved true for a long enough time that we believed they were facts. The new reality is that the ground beneath our organizational feet is not at all solid. Since we are in California, I like to use the metaphor of surfing to describe the current environment in which we are operating. We are riding a wave that for short periods of time feels something like solid, but we must acknowledge is in fact not solid at all and requires every possible skill we have and some muscles we are not used to using, to stay on top of that wave.

As noted earlier, revenue sources in particular continue to be the biggest uncertainty of all and since we need revenue to sustain our activities we need to be continually creative about getting access to it. Suzie Orman, the pop financial wizard says that money is like air – no one sets it as their life's work to get air, but no one can live without it. That is a good way to think about the need for revenue for arts organizations. It's not why we exist, let's remember that. But we can't exist without it either.

### **2. Permanence is not permanent**

The lack of knowns leads to a displacement of permanence; a lack of stability and inevitability not just for our funding but for our organizations themselves. For years we have known that there are more arts organizations clamoring for support – whether financial or audience – than there are the people, the interest or the money to sustain them. Now we are faced with the reality that for many, the ride is over. How much energy and resources will we spend sustaining organizations on life support rather than allowing them to expire as perhaps they should? In an arts ecology, change is dynamic and ongoing. Nothing lasts forever, nor should it.

### 3. Environment matters most

Sometimes in talking with colleagues, it's as if the environmental changes of the last decade have not even occurred. With print media in full throated decline, many are still obsessing over whether the major daily will give a review or not. Looking out at a sea of white hair in our audiences, we still worry about whether our core audiences will accept "new forms" and whether programmatic change will alienate these core supporters. We want younger, more diverse audiences but we want them on our terms and many cannot understand why diversity initiatives that fundamentally change nothing, don't seem to work.

It is not a new phenomenon that the country is changing demographically and yet too many arts organizations stay focused on the dreams and demands of older, upper middle class white people. Demographics, politics, socio-economics, technological and cultural shifts – the environment is changing rapidly and dramatically. The organizations that survive will unquestionably be the ones that recognize these changes and are willing to reinvent their organizations for a new world and its new audiences.

### 4. Sustainability is the new growth

It will be interesting to see if America, the country of manifest destiny, space exploration and endless optimism can remake itself into a country that has sustainability as its core value rather than unlimited growth. It is growth as our highest value, growth as our destiny, growth as inevitable, growth or die, that has brought us to this point. Ever so slowly, Americans are beginning to recognize that this value bears with it the seeds of our destruction not our salvation and that we cannot grow our way out of the current dilemma. The economic crisis is an early warning for us – a wakeup call that if we continue to pursue a strategy of unlimited growth, that we are destined for failure. We must take on a new value, the value of sustainability, as strong and equally as motivational, if we are to survive.

Sustainability, I hasten to add, is not stasis. Our destruction is just as assured if we become rigidly fixed as it is if we seek endless growth. Sustainability means working just as hard as we ever have done to find a way to continue to achieve our goals within a dynamic but finite environment. It means trade offs for sure, and it also means rethinking our values and what really matters to us. Is the concert experience really better in larger and larger venues or is it now our challenge to find ways to support artists and audiences in more intimate experiences? Artists, as we know, create great work not with unlimited resources nor with unlimited potential but within limitations. As arts organizations, we need to embrace our limitations more fully and create vital organizations that can thrive within a similar smaller context. Making this change will require us to examine deeply our core organizational values. As arts presenters, as different as we all are, our shared value is our commitment to connect art, artists and audiences and create transformative experiences for audiences. The new realities demand that we create ways of accomplishing this goal that do not depend on endlessly expanding resources. We must understand our work within the context of sustainability, focusing on impact and quality of experience rather than growth.

### 5. Experiences matter more than the accumulation of material goods

There is no end of evidence to show this to be a new reality, including, I believe, social networking sites which are building a whole new world of mediated experiences. People still want to gather with other

people. What's more, they still want to be together while they connect with art. In visual arts, the stratospheric prices of purchasing art have dropped dramatically, but people are still going to museums in droves. Free days have become a literal "free for all" as individuals pack museums; arts centers who have seen this phenomenon are maximizing it to their benefit. While we have to find creative ways to fund these types of activities, we don't need to worry that the arts experience itself has declined in value. Quite the contrary.

#### 6. It's a world of mashup and mixtapes now

All of this uncertainty and change is already evident in places that we in institutions, ironically, often overlook, the world of the artist. We are living in an artistic world of mashups, a seemingly random combining of disparate samplings to create something entirely new, while our organizations behave as if artistic creation is a linear process. The concept of the mashup carries within it the seeds of a new way of thinking about the world that is, in fact, exactly right for the 21<sup>st</sup> century. I first recognized this shift in thinking about the world when I started visiting Africa in search of contemporary performance work. Immediately I was struck by the mashup of traditional work and contemporary aesthetics; of simple living conditions and technological advancements. People can, and do, hold contradictory ideas and experiences in their heads at one time. It's a level of complex thinking and perceiving that will define the 21<sup>st</sup> century.

The mixtape is the narrative that arises out of this series of mashups. It is a coherent body of work – but it defies classification by conventional measures of aesthetics, genre, or linearity. It's a hybrid creation of multiple expressions from multiple sources linked by an idea or a concept. It looks like theater, it sounds like music, it draws on mashups of pop culture and profound ideas and creates a new experience. It is the single most powerful metaphor for the contemporary world. And it is our future.

#### **WHAT IS TO BE DONE: NEW WAYS OF THINKING AND DOING**

In 2001, APAP published my book, Performing Arts Presenting; from Theory to Practice. With that work, I wanted to establish a theoretical framework for the field of arts presenting, something I felt was long overdue. With this paper, and specifically with this section, I want to build on what I have previously written there in response to a dramatically changed environment and provide a more fully realized framework for thinking about the art of presenting, one that makes sense for this changed world.

In January 2009 at the annual APAP conference, I listened attentively to Robyn Archer talk about the arts in the context of the environmental movement. The idea of an arts ecology is not a new one. But Robyn was pushing this idea even further, intertwining arts and environment in ways that not only made sense but illuminated an ethical and moral as well as strategic foundation for our professional practice. Her ideas were especially intriguing to me in the way that they acknowledged the new realities while providing a new way to think about the art of presenting.

For her talk, Robyn drew on the work of Brian Walker and David Salt and their book Resilience Thinking: Sustaining Ecosystems and People in a Changing World, an extraordinary book about environmentalism which serves as a metaphor for art and life as well. The Age of the Unthinkable; Why the New World Order Surprises us and What We Can Do about It by Joshua Cooper Ramo is another work that examines the current environment and draws some startling and provocative conclusions. Since first hearing

Robyn Archer in January of 2009 I have also spoken with many colleagues both in the Bay Area and around the country to try to get their individual take on the current environment. What follows are some ideas culled from these readings and conversations as well as my own real experience managing YBCA through the most challenging environment for the arts in recent memory. I have drawn from all of these sources and then attempted to distill the disparate ideas and information into a framework of thinking about arts presenting for the 21<sup>st</sup> century. I believe a new way of thinking about art and arts presenting can reshape the field in important ways. I begin with the concept of *resilience* as a new way to understand organizational design and methodology.

## **RESILIENCE THINKING: AN ECOLOGICAL MODEL**

### *WHAT IS RESILIENCE THINKING?*

While it may seem unusual to be looking to environmentalism for clues to the survival of arts organizations, in the context of the current environment, it is probably the most appropriate model for us. If you believe, as I advocate in my book, that art is not a frill, not just something to be enjoyed in the good times and discarded as expendable in the tough times, but rather is the very heart of civilization, indeed what defines us as a people and a culture, then the parallel with the environment becomes both logical and potent. Sustaining the environment is about sustaining life, just as sustaining culture and cultural production is also about sustaining life. We believe that the work we do is vital to the life of our nation, our culture, our world. If we really believe that, then there is much we can learn by better understanding the environment and how it works.

When we think about resilience, we tend to think in terms of the ability to bounce back – to come back to the previous mode of operation after a setback of one type or another. While that is one way of thinking about resilience, the one that is more vital for us as arts organizations is to think in terms of creating an organizational structure and way of working that is able, by its very nature, to absorb shock, recalibrate and continue existing and moving, without substantially changing the underlying purpose of the organization. So our first shift in thinking is to understand our organizations as dynamic and flexible entities that work organically to sustain themselves in a constantly changing world rather than fixed institutions with immutable business models.

The second point of resilience thinking is to recognize that as arts organizations, we live and operate in social and cultural systems that are inextricably linked with the ecosystems within which they are embedded. For most of us, the primary construction that we have thoroughly absorbed as 20<sup>th</sup> century arts workers is that we are engaged in a singular and exceptional enterprise that, while we think all people SHOULD want to participate in, in fact only a minority do. We long to be part of the fabric of American life; we proclaim that we are central to that life, but we continue to behave in our exceptional way. That exceptionalism has placed us outside of American life to such a degree that the arts are widely seen as peripheral rather than central. Thus, our ongoing battle for arts in the schools, for a place at the funding table and a place at the power table.

As the recent events have shown however, we are inextricably linked to the “real world”, sometimes in ways that we don’t recognize. The effect of the economic downturn on arts organizations has certainly demonstrated how entwined the arts sector is in the economic ecosystem of the country. Perhaps nowhere was this more starkly evident than in the NEA’s stimulus program to use the funding simply to

sustain jobs in the arts. For a period of time, it seemed as if every day brought news of another arts organization closing, some of them quite venerable, due to economic forces. Clearly the arts were as entwined with the economy as any business.

But more than economics, we are intrinsic to the social, political and cultural life of the nation. When an arts organization closes, we lose more than jobs. We lose an historical connection to our heritage; an opportunity to expand the bounds of cultural understanding; the glue that holds a community together. The body politic may be continuing to function but its artistic soul is devastated, a loss far more important and deeper in impact than the closing of a retail outlet, debilitating as that is for the individuals employed there.

Unfortunately, our culture as a whole, including many of us, view art as a commodity, a product to be bought and sold, consumed and discarded. This way of thinking, which we have embraced through our organizational structures and strategies, has resulted in an equivalency of art and any other commodity, rendering us powerless and disposable.

If however, we begin to think of and understand art and arts organizations as integral to the socio-cultural reality of life in America, we accomplish two important changes in thought and subsequent action. One is that we eliminate the need for us to argue about the centrality of the arts to cultural life, a defensive posture that, despite decades of advocacy work, has done nothing to change this perception of the arts in America as a “like to have” rather than a “need to have.” This is an argument we can never win so long as we broach it on commodity terms. By viewing our work in this larger, interdependent context, we take the first step in establishing the centrality of art to life.

The second is to acknowledge that the arts ecosystem, as well as the larger systems in which we are embedded, are complex and adaptive systems. They do not change in a predictable, linear, incremental fashion. Unpredictable things happen at unpredictable times and speeds and not according to our carefully crafted strategic plans. This complex and unpredictable arts ecosystem requires non linear thinking and an adaptive capacity to survive. Resilience thinking is about embracing this unpredictability rather than denying or constraining it. It is the capacity to absorb disturbance; to undergo change and still retain essentially the same function. This is how we need to understand our organizations. If we do, then there are some additional insights that become clear and that are key to reshaping our thinking.

One is that there is no stasis or “finished state” to aspire to. There is no moment in which we “get it right” that will last for any appreciable time. This is even more true now than ever before. We should appreciate those moments of quiet when they appear because we know they will not last. Change is coming, probably sooner and more frequently than you think. Are you a resilient organization that is able to withstand whatever comes your way, staying true to your mission throughout? In their book, Walker and Salt point out that efficiency breeds vulnerability and that strength comes through chaos and diversity; that stability rests in our ability to embrace instability as a way of life.

Particularly at this moment of crisis, this is completely counter-intuitive to what we think and, I daresay, what most of us are doing. After decades of thinking that when times are tough we need to “streamline” and become “more efficient” Walker and Salt point out that this very idea makes our organizations even more vulnerable than they were. Efficiency means fewer “safety nets” – fewer alternatives when something goes wrong. When we’ve got a system down to its most efficient operation it is the most vulnerable to disruption if ANY aspect of the system is changed, shocked or otherwise immobilized.

Separation of duties, the silo effect, slavishly working to job description – these are all business-like values of efficiency that we have absorbed over time and made our own. Yet they run counter to the artistic process itself, which is how we need to be thinking of our organizations, and they run counter to an ecological way of viewing our work. Creating a resilient organization requires that we let go of these well developed values in favor of a more creative, more chaotic, less smoothly functioning organization which can absorb blows without damaging the core of the organization.

The last component of resilience thinking to consider is the role of innovation in creating a sustainable organization. Clearly, what we know from the past and what we are doing for the present are guides and learning tools for us. And on some level, we can only build on what we know. But we must also build for what we don't know and this is where innovation must be inherent in every arts organization that hopes to survive. Along with innovation comes the need for bold thinking – not just the crazy new ideas we might generate but the systems and procedures to bring those ideas to fruition – to make innovation happen and happen continuously in order to become an adaptive arts organization, one that responds to the times and presages for the rest of the culture, what is to come.

This is what our artists do. They see into the future for us. They experiment, they try new things, they fail and they keep going. They pay attention to the external environment and respond accordingly. And the best of them realize this is why they are put on this earth; the restless search for the next and the next and the next – however they wish to define it. It is what keeps them alive and it is what will keep us alive as well.

And so, we return to where we began – that the artistic process itself contains within it the seeds of our organizational survival. We acknowledge our centrality to the socio-cultural ecosystem within which we exist. We recognize the constantly changing environment and adapt and respond accordingly. We know we are thought leaders for our culture, so we innovate, we try new ideas and approaches and view each endeavor not as a success or failure but simply another incursion into a deeper understanding of who we are. In so doing, we provide leadership to our world. And we behave like the artists we are.

## **PRACTICALLY SPEAKING – OPERATING WITHIN THE RESILIENCE MODALITY**

The presenting field is too broad and too diverse to set down any prescriptions or formulas to follow that wouldn't be contradicted by another organization at another time and another place. And if we are in this endlessly changing world, then anything said today as a pronouncement of what to do would likely become untrue and unhelpful tomorrow. Still, each day we face the real world challenges and dilemmas of too much aspiration and not enough resources; of competing points of view of Board and staff and artists and the myriad of details that comprise the job of performing arts presenting. So here are a few thoughts about how to work differently in his new environment.

1. Behave like an artist, not like a business.

We have a moment right now in which we can remake our organizations into arts organizations that navigate the business world rather than organizations that are “in the art business.” All of the suggestions that follow emanate from the idea that the creative process followed by artists is the appropriate “management tool” for arts organizations. From planning to implementation to evaluation we need to let go of the rigid businesslike approach that so many of us have adopted (strategic planning,

systems of efficiency, linear thinking, quantitative evaluation) in favor of creativity, experimentation, flexible organizational structures and systems that respond more easily and more quickly to a changing environment, intuitive thinking and qualitative evaluation. Todd Brown, Artistic Director of the Red Poppy Art House in San Francisco explicitly claims his work as a presenter as his artistic practice. Once we do that, decision making processes become clearer, we stay true to our core intent as an organization and, I think for most of us, we enjoy the work more.

All around us now we see the devastating effects of “behaving like a business” – the passionate devotion to “creating shareholder value” has caused the near collapse of our economy and similar devastation even within the arts sector. Why would we follow this model? Artists see the big picture, think holistically, create, innovate, and provide joy – our version of shareholder value – to the community within an ethical and humanistic context. Our arts organizations must do the same.

## 2. Privilege experimentation.

No matter how counter-intuitive it may seem, now is the time to innovate. Adopt a paradigm of “try-fail/succeed-move on.” Question all of the basic assumptions about how we do our work and ask “why?” making sure the answer leads directly to an engaged experience by an audience with art. How difficult is it to try a new idea within your organization? Can you remove barriers to experimentation and innovation in order to stimulate creative thinking? Reassess structures that support siloed thinking in favor of a more web based approach within your organization with lateral communication the rule, not the exception. Ever since the web became a factor in all of our lives, hierarchical organizational structures of working and thinking have been in conflict with the web like methodology by which we all now interact with the world. It’s not just a matter of flattening out your organizational structure, though for many that might be a first step. It really means a shift in internal culture that creates a fertile breeding ground for new ideas to arise, be embraced and tested and then implemented. Innovations can come from anyplace in the organization and not always from the most senior person nor the most deeply knowledgeable person who is often trapped by his/her own expertise. Reward those who have the courage to experiment. Marginalize or move out “the blockers” – those who stop change from happening.

Do you have the courage to extend your commitment to innovation to your audiences? The rise of “self-curated art experiences” (think iPods) is obvious, but in arts presenting we still tend to want to talk to our audiences rather than listen to them. Is cultural participation for your audience “watching the show” or is it really engagement with art in direct and profound ways that go well beyond spectatorship? And is that the core of your arts practice or is it an “extra?” Today’s audiences want an interactive experience with art. Create it for them.

## 3. Embrace and engage diversity.

You can’t get innovation and you can’t get change unless you have diversity. Welcome contrasting and contrary opinions into your organization and make room for conflict to flourish. This idea is anathema to most of us, but neither innovation nor great art has ever risen from a comfortable place. It is always born in an atmosphere of (respectful to be sure) conflict - of differing points of views working towards a common goal. The unifying factor for your organization is your vision; the more people you have engaged in this endeavor coming from as many different backgrounds and points of view as you can possibly muster, the more vital your organization becomes.

With diversity comes innovation but also resilience. Because you have embraced multiple points of view, you have multiple ways to respond to external change and you aren't trapped by tunnel vision that allows you to repeat the same mistakes over and over. That resilience is what will enable your organization to thrive in the new reality and adapt to the changing environment.

#### 4. Strategize

Develop a system to quickly vet new ideas and take them to pilot or implementation stage. You actually want an ideology and a system that sustains the creativity and resilience that should be the hallmark of your organization. You do not want a strategic plan. While the initial idea of strategic planning for nonprofits was a good one – attain and accept some control over your destiny rather than believing you are simply a victim of outside circumstance - the linear assumptions of traditional planning – that change happens through a systematic straightforward accomplishment of one objective or goal after another - is not helpful to a resilient, adaptive organization.

Our need is for strategic thinking, which is something else entirely from strategic planning. Start by assessing what you have to work with. Inventory your assets - human, financial and programmatic; tangible and intangible. Don't neglect the value of your reputation, your history, specific staff and/or Board members who add value to our organization. These are the tools with which you can create.

With a deep feel for and understanding of the external environment coupled with the vision for your organization, explore potential ideas for adapting your assets to the changing environment. Here is where diversity really matters as you welcome new ideas and new operational strategies from multiple sources. Try things. Settle on those that seem to have the most potential of moving you towards your vision and get them going. At YBCA we are experimenting more and more with the research/pilot/implement model to do this, but with an eye towards speed. We don't have time to study ideas for a year before we develop a strategic implementation plan. We trust our intuition and a certain amount of intuitive research (just as valuable as quantitative surveys I would argue, maybe more so) that we might be on to something and then we try it out. Immediately afterwards, assess with the "check, plus, delta" system: what worked, what didn't work, what do we want to change? Adjust the strategy based on the pilot and move on, knowing full well that you have not established a "policy" or a "precedent" but rather a practice that is working. For now.

Constantly monitor what you are doing and adjust. Don't get too attached to any one idea, system or structure because as soon as you do, the environment will change and it won't work anymore. You can do this over and over and over. You want to keep Board, staff and external constituencies involved in the process. You want rigor in the process as well so that you have mitigated risk and so that ideas that are piloted are thoroughly tested. But you don't want to fall in love with any part of what you are doing – except for the connections you make between art, artist and audience.

As if this approach isn't unsettling enough to those of us used to the comfort of a five year strategic plan that purports to tell us what we are doing, you need to have multiple options available to you at any given time. If one idea fails or falls by the wayside, you have other possible approaches. Learn to love, "If not this, then this" as a management strategy.

Finally, for strategic thinking and action and especially if you are the organizational leader, always keep the current context – the big picture – as well as the projected future in mind. Those doing the work on the ground are always focused on the immediate. You can help them be better at their own decision making if you bring to organizational thinking and discussion the larger context, both as it is now and where you think it is headed. Your job is to know the contours of the world in which we are operating, how that will affect the organization and how you might need to alter current practice to reflect that context. Success rests in your ability to see this larger picture and steer the organization strategically through a complex, changing environment. This is not something that can be done by a strategic plan document. It requires active management by a leader.

#### 5. Focus on relationships

Creating art – sustaining an innovative, resilient arts organization within a changing environment is a people business. It is based on building and sustaining relationships. Most managers complain about the amount of time they spend on “personnel matters” which just means they are deeply engaged in the process of managing and working with the other creative people that are engaged in this endeavor with them. It’s not easy; it requires endless work and patience and if your staff is truly as diverse as you want and need it to be, it’s especially challenging to positively manage the endless energy of growth and conflict. But it is the key to our organization’s success and so it is worth everyone’s time to work at it. Businesses spend incredible amounts of time and money seeking to develop the level of loyalty and commitment that is at the heart of a successful nonprofit arts organization. People come to work for your organization because they are committed to its vision. That is the source of an amazing amount of talent and energy that can be brought to bear on behalf of your organizational vision. Use your leadership skills to share the exhilaration of the artistic process with your staff.

#### **CONCLUSION**

These five points represent just the beginning of my own thinking, and I hope yours, about how to operate in the new reality. I have tried to structure them to provide some parameters around which you might reshape your own thinking about working in a changed world.

I recently wrote a “dear friend” letter for our quarterly newsletter in which I took the position that this is not the worst of times for the arts, it is in fact the best of times. It is not only the best of times, it is possibly the most important moment for the arts in our lifetime. The current circumstance demands from us what we all know about the arts – that they stimulate creativity, passion, new ideas, new thinking and new ways of looking at the world. There is indeed a new world emerging from the wreckage of the economic crisis. The arts can, and should, be at the center of creating this new reality.