

# **EVALUATION OF THE ARTS ADVANCEMENT PROGRAM**

**FINAL REPORT TO THE CLEVELAND FOUNDATION**

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## EXECUTIVE SUMMARY

### The AAP Program

Arts Advancement (AAP) ran from September 2003 to December 2006. The purpose of the program was “to strengthen established mid-sized cultural organizations that already have many core capacities and see themselves as potential leaders in the arts community, but are undercapitalized, at risk from recurring financial crises, and have financial limitations to their ability to excel”.

The program provided:

- **Financial support.** AAP provided some \$3,492k across five arts organizations split 44% to operating support, 28% to working capital and 28% to specific grants. The average funding to each arts organization was \$698k.
- **Consultancy support.** Arts organizations had access to lead and specialist consultants who provided help with diagnosing and addressing organizational issues. Consultancy was organized through a national specialist in Advancement, National Arts Strategies (NAS).
- **Educational seminars.** NAS delivered two day educational seminars in Strategy, Managing People, Financing the Future, Strategic Marketing, Building Evaluation Capacity, and Creative Alliances.
- **Peer support.** The CEOs of the five participating arts organizations had monthly breakfast meetings to share experiences.
- **Evaluation advice.** The evaluator was appointed at the beginning of the program and helped produce a logic model, define program and individual organizational indicators, and compile baseline data.

### Evaluation Brief

The evaluators, Annabel Jackson Associates are specialists in the evaluation of capacity building programs. The objectives of the evaluation were:

- To provide insight into the achievements of AAP.
- To provide technical assistance to help the five participant organizations to define measures of success for their AAP work.
- To provide six monthly feedback from participants about their experience of AAP.

### Findings from the Process Evaluation

AAP exemplified many aspects of international good practice in Advancement programs:

- **Selection was clear, transparent and thorough.** The application process was highly selective. The program took account not just of the organization’s need for funding, but also of its capacity to engage with an Advancement program, its commitment to change, and whether the timing was right. Rejected applicants received feedback so that they could use the experience for their own development.

- **Learning was delivered through complementary approaches.** Participants had a mix of individual and group learning, some with other arts organizations, and some on their own. Attendance at group seminars was good. Involving executive, staff and board members from the same organization in each seminar was good from a learning perspective, but very onerous on the people involved. Inevitably organizations preferred individual attention, but the group approach had benefits in peer learning and networking. The seminars were open to arts organizations outside the Advancement group, which spread the benefit and laid the foundations for later capacity building programs.
- **Consultancy was of a high quality.** Arts organizations chose their own specialist consultants (with help from their lead consultant, if needed), which is good practice. Participants did not become dependent on their advisors. Considerable effort was made to find experienced consultants, often down to the level of art form, or sub art form, combined with specific functional areas.
- **Peer support has been good.** This is an element which is often neglected on capacity building programs, because participants do not always see the benefits of sharing experiences with organizations from different art forms or with different strategic issues. In Cleveland peer support has been consistent, well appreciated, and mirrored by collaboration and practical partnership. This is a model for other Advancement programs.
- **Funding was customized to the needs of the participants.** There is a common dilemma in Advancement programs that funders need to set their budgets at the beginning of the program, yet participants' needs only become apparent once their strategies are completed. AAP adopted a good compromise on this issue where organizations had a fixed budget, but were given considerable flexibility over how this was spent. The funding has been well spent, with no identifiable sources of waste.
- **Working capital grants encouraged matched funding.** Advancement programs provide a strong opportunity to tie in funding from other sources. AAP took advantage of this opportunity for the working capital element of the funding.
- **The Foundation strengthened its relationships with participants.** The Foundation found a balanced approach between being too distant and too close; being supportive but, not too prescriptive.
- **Evaluation ran alongside the program rather than being retrospective.** From the evaluator's perspective, this meant the quality of the data available at the end of the program was far higher than usual. From the funder's perspective, the evaluation provided feedback and help with contextualizing the program as it progressed.
- **Advancement dealt well with the one organization that was not progressing.** Suspending participation put positive pressure on the organization.

### Findings from the Outcome Evaluation

All of the five participants made step advances in their organizational development during, and partly as a result of, AAP. Apollo's Fire completed an East Coast Tour as part of a strategy to raise the profile of the organization and increase its earning

capacity. Cleveland Film Society started a regional marketing campaign to Pittsburg, Akron and Columbus, Ohio which has already increased the income of the organization. Great Lakes Theater Festival and the Museum of Contemporary Art are both engaged on facility developments that should greatly increase their profile, quality of operation and financial position. Young Audiences has expanded from Greater Cleveland to Northeast Ohio as well as repositioning itself towards longer term educational programs.

There is evidence of progress on all the key program objectives:

- **Greater growth potential.** All of the five participant organizations increased in confidence and aspiration. These step changes have been, or are likely to be, translated into a higher scale of operation.
- **Growing audience participation.** Three of the arts organizations increased their audience or participant numbers. Four increased their customer loyalty.
- **Greater financial sustainability.** All of the five participant organizations have stronger balance sheets in part because of the working capital provided by AAP and the requirement that it be matched.
- **Greater non financial sustainability.** All of the five participant organizations addressed areas of operational weakness. However, all have activities identified at the start of AAP which have yet to be carried out.
- **More cohesive arts community.** The seminar program provided networking opportunities. More could be done to spread the learning from AAP. The need for this additional work arises in part from the successes of AAP participants and their potential as role models and mentors for other arts organizations.

## Conclusions

All Advancement programs bring value because they balance the short term and capacity consuming characteristics of project funding. AAP had added value because it was an exceptionally well conceived and well run Advancement program: it was focused, flexible, high quality, synergistic, value for money, and empowering. Its weaknesses, which were far less significant than its strengths, were that support could have been better integrated and linked to implementation.

The results of AAP are an endorsement not only of The Cleveland Foundation's approach, but also of Advancement programs in general. The case studies, given at the end of the main report, amply demonstrate the value of strategic thought, market orientation, collaboration and strong financial control.

All Advancement programs end with a need for continued financial support. The need for continued funding to program participants on AAP is, if anything, somewhat higher than usual because of the step changes they made. This investment will be repaid by long term public benefit in terms of raised levels of arts activity, increased audiences, and a further boost to the already high status of Cleveland as an arts location.

# 1 INTRODUCTION

## 1.1 Introduction

The Cleveland Foundation Advancement program is a type of capacity building support. Capacity building programs comprise three classes of activity (Backer, 2001):

- **Assessment.** There are two areas of assessment: inside the organization, and assessment of its environment.
- **Intervention.** There are four types of intervention: information, training, consultancy and facilitation. Information could include the provision of Internet resources. Training refers to group seminars aimed at developing specific skills or areas of knowledge. Consultancy means the provision of advice and support. Facilitation is a hands-on, site-based process that helps with the implementation of advice.
- **Financial support.** There are three types of financial support: core grants, specific grants and working capital. Core grants are applied to general management functions. Specific grants cover purchases such as new equipment or systems. Working capital is money for development.

## 1.2 Evaluation Brief

In April 2004 Annabel Jackson Associates were appointed by The Cleveland Foundation to evaluate the Arts Advancement Program (AAP). The objectives of this work were:

- To provide insight into the achievements of the program.
- To provide technical assistance to help the five participant organizations to define measures of success for their Advancement work.
- To provide six monthly feedback from participants about their experience of the program.

## 1.3 Program Objectives

The Cleveland Foundation designed the Advancement program with two primary objectives:

- **Leadership Advancement** to create a network of learning organizations with capabilities for capturing and sharing knowledge internally in the organization and externally among peers.
- **Organizational Advancement** to improve organization's financial sustainability, strategic risk management, and potential to take their ideas and missions to scale.

The logic model for the program is as follows:

**Table 1: The Cleveland Foundation's Arts Advancement Program Logic Model**

<b>STRATEGIC GOAL</b>			
Strengthen the mid-sized core of organizations in the cultural community in two key areas:			
<b>Leadership:</b> Foster a network of continuous learning organizations with staff who set the standard for excellence among their peers.			
<b>Organizational Advancement:</b> Improve organizations' financial sustainability and strategic risk management capacity and growth potential.			
For the purpose of increasing civic benefit.			
<b>PROCESSES / ACTIVITIES</b>	<b>OUTPUTS</b>	<b>INTERMEDIATE OUTCOMES</b>	<b>ULTIMATE OUTCOMES</b>
Assessment Customized consultancy Quality peer exchange Regularized professional development 1.) Seminars 2.) Follow-up group sessions Annual operating grants Advancement grants	Effective fundraising Effective technology use Effective board engagement Continuous planning Long-range financial forecasting Effective marketing Effective learning systems	Growing audience participation Stronger balance sheets Attraction and retention of capable visionary leaders Improved community confidence More productive collaboration Reduced financial dependency on single source support Appropriate artistic risk taking	Greater financial sustainability Greater risk management capacity Greater growth potential Continuous learning organizations Role models of leadership excellence More cohesive arts community

## 1.4 Methodology

### 1.4.1 Introduction

There were three stages to our work:

- **Baseline evaluation.** Carried out in October 2004.
- **Interim process evaluations.** Carried out in June 2005, February 2006, and August 2006.
- **Final evaluation.** Carried out in January and February 2007.

### 1.4.2 Baseline Evaluation

The baseline evaluation had five elements:

#### 1.4.2.1 Producing an Outcomes Evaluation Framework

This had four stages:

- We produced an Evaluation Framework of the 100 objectives relevant to Advancement. This retained the structure and broad set of objectives we have used to evaluate other Stabilization and Advancement programs.
- We adapted these objectives to those in NAS' Assessment Questionnaire, which was consolidated two years back by Annabel Jackson Associates.
- We reviewed the six assessments of the Cleveland Advancement participants to ensure key points were covered in the list of objectives. Several objectives were re-worded as a result.



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- We marked key points from each organization's assessment on the evaluation grid so as to prompt discussion if these issues did not arise in the discussion.

The rationale for this stage was:

- Having a consistent structure and number of objectives allowed us to make comparisons between Advancement participants and across Advancement programs.
- Having a customised list of objectives allowed us to reflect local conditions.

#### *1.4.2.2 Mapping Previous Support*

We used a short table listing the headings from the evaluation framework to record the presence or absence of external change management support in the last two years. For this and the next two stages we worked through group participation, discussing objectives and indicators with the Advancement team in each organization.

Attendance from the team was extremely good in all organizations, with the vast majority of the team present. We were extremely impressed by the strength of these group meetings: by the level of debate, ability to build consensus and the willingness to commit to action.

The rationale for this stage was:

- To give background on the origin of current objectives.
- To help with attribution: ensuring that our evaluation did not take the credit for the achievements of other programs, in particular BASICs.

#### *1.4.2.3 Mapping Objectives*

This had two stages:

- For each organization we recorded which of the 100 standard objectives was perceived to be an issue. An issue is defined as a limiting factor or problem which is constraining the organization. This was different than asking about importance. For example, ongoing concerns like staff compensation and artistic quality are invariably important to organizations, but vary in the extent to which they are limiting factors.
- We asked the team to identify whether each of these issues was expected to be resolved (in part or whole) through Advancement.

The rationale for this stage was:

- The average number of objectives gives a measure of the extent to which the program is holistic.
- The number of objectives expected of Advancement indicates the compatibility of the organization with the program. Organizations that score under 30 of the 100 objectives are likely to find Advancement a cumbersome process for dealing with their relatively narrow agenda.
- The pattern of objectives shows the linkage between different areas of work. Generally speaking, successful Advancement programs are associated with

commitment to key strategic objectives, with follow through in other subject areas.

- The overlap between subject areas or specific objectives across different Advancement participants indicates whether they share interests and by implication the extent of customization that is needed.

The process was intended to be helpful to the Advancement participants:

- The process clarified objectives. Weak articulation of objectives is one of the reasons for poor progress on Advancement type programs.
- The process built consensus around objectives. The depth of the objectives demands precision in objective setting which might expose differences in assumptions not seen in a broader discussion.
- Precise objective setting allowed for the client and the delivery partners to check that expectations were realistic.
- The process clarified the boundaries of Advancement. It encouraged organizations to consider other work that they might need to pursue, rather than assuming that Advancement would deal with all of their organizational development needs (which has been a problematic assumption in some Advancement programs).

Our previous work has found that in the absence of clear objectives, organizations have a tendency to state that what happened was what was intended. This is not to say that initial objectives were applied rigidly at the end of the program: as evaluators we distinguished between objectives that became obsolete, those that were too difficult and those that were given insufficient resource or attention.

#### *1.4.2.4 Clarifying Tasks and Setting Targets*

The fourth part of our work was to generate precise tools to measure the achievement of objectives. Our work consisted of:

- Grouping objectives into linked subjects. We did not require a measure for each individual objective.
- Deriving task indicators or performance indicators for each action area. A task indicator states the task and stage of completion (whether to consider options, produce plans, implement plans or achieve qualitative outcome). A performance indicator is a quantitative measure usually relating to ends rather than means (e.g. increasing audiences by X, rather than printing X brochures).
- Identifying and clarifying any definitional issues around the target. This mainly consisted of considering the data elements that could possibly be included, and recording whether they should or should not be included in this form of the indicator.
- Compiling baseline data.
- Leading the group into a commitment to, or commit to setting, benchmarks.

The rationale for this stage was:

- 
- Program end evaluation of Advancement can be hampered by a lack of baseline data. This is especially the case where staff turnover in the participating organizations has been high.
  - Where meaningful, the evaluator encouraged common definitions of performance indicators across the portfolio of Advancement participants.
  - Familiarity with the performance measurement structure of participating organizations helped with setting meaningful global performance indicators.

As with the previous stage, this process was designed to be of benefit to the participating organizations:

- The process acted as an element of technical assistance around target setting.
- The session increased organizations' commitment to setting and tracking performance indicators.

#### *1.4.2.5 Helping to Define Global Performance Indicators*

We contributed to two sessions, one with The Cleveland Foundation and NAS, and one that included participant organizations, which derived global performance indicators for the program.

Our work consisted of:

- Helping to structure the different objectives for Advancement into a model of change.
- Identifying key areas that were most likely to yield meaningful quantification.
- Considering the different forms that possible performance indicators could take.
- Thinking about the definitional challenges presented by each performance indicator.
- Taking part in the initial training on Impact Manager so as to identify whether it was able to compile the global indicators.

The output from this work was the logic model given in Table 1.

#### **1.4.3 Process Evaluation**

We interviewed each participating organization three times during the program to ask about:

- Their activities over that period.
- Their learning.
- Any difficulties in taking part in the program.
- The value of different elements of the program.
- Relationships with the key stakeholders in the program.
- The strengths and weaknesses of the program.

## 1.4.4 Final Evaluation

The final evaluation had five elements:

### 1.4.4.1 *Measurement on Progress with Individual Outcomes*

We visited each organization and carried out a group interview of executive, staff and board members, which:

- Asked them whether AAP had contributed to each of the 100 objectives. The analysis was not limited to the areas identified as objectives at the baseline stage because of the desire to measure positive and negative unintended consequences as well as intended consequences.
- Obtained evidence for each area of progress. This evidence was qualitative or quantitative and related to, but was not be limited to, the indicators of success identified in the baseline analysis.
- Scored progress on objectives. The intention was to give arts organizations their score in the meeting so that they could comment on it. This did not happen because none of the organizations had all the data available in the meeting.
- Analysed the results. The data showed which arts organizations had met their objectives and the elements which had been most successful across the program.

### 1.4.4.2 *Measurement of Progress on Program Outcomes*

In discussion with The Foundation, we distilled the intermediate and ultimate outcomes in the program logic model into a small number of indicators relevant to all organizations. We collected comparative data on these indicators in the group interview, above, as well as considering the importance of these outcomes.

### 1.4.4.3 *Process Evaluation*

We asked arts organizations about their views of the strengths, weaknesses and lessons from each element in the program: application, budgeting, consultancy, professional development, peer support and management.

We also interviewed The Foundation in order to understand the reason for program design choices and their perspective on its strengths and weaknesses.

### 1.4.4.4 *Compilation of Background Information*

We compiled background information on each arts organization to help inform case studies. The case studies are intended to illustrate lessons for good practice as well as helping to communicate the messages of the program to a wider audience.

### 1.4.4.5 *International Comparisons*

We set the findings against the background of our knowledge of good practice in Advancement programs and the achievements of participating arts organizations.

## 2 PROCESS EVALUATION

### 2.1 Introduction

Arts Advancement (AAP) was launched in September 2003. The purpose of the program was “to strengthen established mid-sized cultural organizations that already have many core capacities and see themselves as potential leaders in the arts community, but are undercapitalized, at risk from recurring financial crises, and have financial limitations to their ability to excel” (Arts Leadership Program Announcement).

Support provided included:

- Money.
- Consultancy.
- Educational opportunities.
- Peer support.

Continued eligibility requirements were:

- Stable Advancement teams.
- Active participation throughout program.
- Progress against program goals.

AAP was a development of The Cleveland Foundation’s earlier BASICs program in two ways:

- **Work with undercapitalized mid-sized arts organizations.** The BASICs program confirmed The Cleveland Foundation’s experience and research that mid-sized organizations offer special benefits to the local community (e.g. affordability, training ground for staff, aggregate employment), while also suffering the greatest environmental threats.
- **Capacity building support.** A Subcommittee report on the Civic Study Commission on the Performing Arts (1997) commented that an “escalating cycle of dependency prohibits us (TCF) from looking beyond the needs of the community’s most fragile organizations to forward-moving opportunities with these and other groups, and the needs of the community as a whole.” Both BASICs and AAP clearly changed this balance.

AAP learned from BASICs in four ways:

- **Competition for inclusion.** BASICs was offered to all eligible organizations and replaced other grant making support to this group. By contrast, AAP used a competitive process to identify those organizations most suited to the program.
- **Focus.** AAP had five (originally six) participants where BASICs had 17 (14 of which stayed the course). The large number of participants for BASICs stretched the technical assistance and financial support available.

- **Engagement.** Organizations that were small (under three members of paid full time staff) or in crisis lacked the capacity to engage with BASICs. Selection criteria for AAP filtered out these eventualities.
- **Emphasis on developing stronger leaders rather than building organizational skills.** The BASICs program was most effective “where there was strong and capable leadership that fostered a culture of openness, honest self-evaluation and a commitment to learning” (Handout on Advancement).

## 2.2 The Application Process

The application and support processes described below were designed in collaboration with NAS, who have experience of delivering capacity building programs across the United States.

There was a two stage application process between October 2003 and March 2004:

- The program rationale, eligibility criteria, application guidelines and FAQ documents were publicized and placed on the Foundation’s website in October 2003. 23 applications were received by the deadline of December 2003. In January 2004 the expert panel met in Cleveland for an all day session at the end of which 11 applications were selected to move onto the second round of application. Those organizations that scored poorly were offered written or in-person feedback.
- Each of the 11 semi-finalists was subject to an external financial analysis, carried out by NAS. In February and March 2004 the 11 were interviewed by an expert panel in two-hour face-to-face sessions over two days. Six applicants were recommended for participation in AAP, one of which, Cleveland Public Art, subsequently withdrew. The Foundation accepted the panel’s recommendation.

The rationale for this process was:

- The use of an expert panel was intended to produce a demonstrably fair and transparent process.
- The level of detail required was intended to filter out organizations that did not have the capacity or commitment to take advantage of AAP, or those for whom the timing was not right.
- The feedback stage was intended to be of benefit to applicants, including those that failed to pass onto the second stage.
- The two stage process was intended to minimize the amount of work for those that were not suitable to the program and did not make it through to the second stage.
- The application process asked about the applicant’s strengths and weaknesses, which gave the Foundation a picture of the organization’s self awareness.

The success rate on application was 26%. This is lower than the two other Advancement programs for which we have comparable data (Northern Ireland, 46%; Scotland, 55%), which shows the care within which The Foundation selected participants.

Participants were universally positive about the application process. None could remember any problems in writing the application. All thought that the criteria were clear and that the application process was at an appropriate level of detail. One organization said they would have liked additional information before they started. In their words “There was a period of six to ten months where we were wishing that someone would tell us what was going to happen.” All thought that the decision process was fast enough. The amount of time spent on writing the application was considerable; one respondent thought they had taken “hundreds” of hours in dedicated time. All organizations except one had involved their board and staff in the application. All thought that the application process was helpful in itself, for example in clarifying organizational priorities or producing material that has since been used in other funding applications. All organizations said that this was the right time for their organization to be joining AAP. All said that their organization was committed to AAP. The only negative comment was that the first stage deadline was inconsiderate, spanning the holiday period.

The Cleveland Foundation Program Director described the application process as “one of the best parts of the program” and we would agree. Advancement programs often use political rather than political criteria during the selection process, which can result in unnecessary stress for these unsuitable participants and low value for money for the grant makers. We endorse The Foundation’s conclusion from BASICs that capacity building programs tend not to be suited to small organizations, those in crisis, those with no commitment to change, or those with unstable leadership.

### **2.3 The Funding**

AAP provided financial support to participating organizations in three categories:

- Operating support.
- Working capital.
- Other support, including research and capital.

The total budget for AAP was \$3,492k. These figures work out as 44% operating support/core grants, 28% working capital and 28% specific grants (using Backer’s classification on page 5). The average funding to each arts organization was \$698k, which is similar to the Northern Irish and Scottish programs (\$650k and \$538k respectively, 2002 figures, not allowing for inflation), but lower than the figures for the English Stabilisation Programme (\$1,034k, 2002 figures).

Operating support was calculated as 5-10% of the average audited operating income for the three years FY 01-03, with smaller organizations receiving the higher percentage. In most cases the operating support was similar to the grant historically provided by The Foundation. The Foundation required organizations to match working capital and to pass a board resolution about the use and replacement of the funds.

Organizations were given considerable flexibility in how funding was spent, subject to the condition that expenditure had to be signed off by their lead consultant. Flexibility is good practice in Advancement programs. During interviews none of the participating organizations could identify any areas of financial waste during the AAP program. In all other Advancement programs we have evaluated, commitment of

expenditure early in the program had created one or more areas of waste identified retrospectively.

**Table 2: AAP Grants**

	<b>Operating Support \$K</b>	<b>Working capital \$K</b>	<b>Other \$K</b>	<b>Total \$K</b>
Apollo's Fire	110 (June 04) 72 (June 05) 35.5 (June 06)	132 (including technology; June 06)	87.5 (technology, touring and broadcasting; Dec 05)	437.5
Cleveland Film Society	85 (June 04) 85 (June 05) 85 (June 06)	150 (Dec 05)	150 (regional marketing)	555
Great Lakes Theater Festival	225 (June 04) 150 (June 05) 75 (June 06)	300 (March 05)	50 (technology upgrade; March 05) 150 (market study and audience development; Sept 05) 30 (facilities study for theater renovation; Dec 05) 120 (pre-capital campaign planning and associated technology)	1,100
Museum of Contemporary Art	150 (June 04) 100 (June 05) 50 (June 06)	200 (Sept 05)	170 (management capacity; Sept 95) 30 (part time campaign management staff; June 06)	700
Young Audiences	150 (June 04) 100 (June 05) 50 (June 06)	200 (June 06)	150 (marketing initiative; Sept 05) 50 (earned income development project; June 06)	700
<b>Total</b>	<b>1,522.5</b>	<b>982</b>	<b>987.5</b>	<b>3,492</b>



## 2.4 Consultancy

There were two elements of consultancy:

- Lead consultancy.
- Specialist consultancy.

The first element was carried out by NAS. The second component was carried out by NAS or other local consultants. Participating organizations were allowed to choose their own specialist consultants, although the contractual relationship was with The Foundation.

The technical assistance budget for AAP was \$670,000, some 16% of total program costs. However, this includes the seminar budget (\$300k-\$325k), 60% of whose participants came from outside the AAP program. Taking off this 60%, (\$187k), produces a figure of 11% of total budget for AAP. This compares to 4.2% for Northern Ireland, 10.8% for Scotland and 14.9% for England as at 2002. None of the other Advancement programs used group training such as that provided by NAS seminars; all relied on one-to-one consultancy. That AAP managed to provide this additional element without increasing the proportion of program funding taken up by technical assistance suggests high value for money from NAS.

The lead consultants had three roles:

- To prepare assessments of each organization. These were confidential to the participating arts organization and not automatically shared with The Foundation.
- To help organizations prioritize their needs.
- To help organizations identify and utilize specialist consultants.

The rationale for these design choices was:

- The NAS assessments gave organizations an independent view, setting their performance in a sectoral context. The Lessons from the BASICS Program concluded that “an external and in depth evaluation is the best place to impartially identify core challenges, develop consensus on strengths and opportunities and focus on appropriate capacity-building steps”.
- Confidentiality enabled arts organizations to be open about their weaknesses, without feeling that their future funding from The Foundation might be affected.
- The participants were intended to take the initiative in their technical assistance, rather than relying on NAS or The Foundation, or feeling that their strategy was dictated by The Foundation. NAS emphasized that “interventions have a tendency to increase organizational passivity.” Following NAS’ advice, AAP had been carefully designed to avoid this risk. One of the Lessons from the BASICS Program was that “Self-chosen goals are better motivators than externally mandated best practices.”
- The lead consultants helped arts organizations to think through their needs.

There are mixed views on the initial assessments. Two organizations disagreed with some of the findings in the reports. Others were more positive. For example, one said that “this was one of the best parts of the program for us, we learnt a lot.” Three of the five organizations thought that the assessments identified the key issues for the

The third design point above, about avoiding dependency, was not always understood by the participating group. Typical comments include:

*“It took me a while to understand the procedure. NAS were not in the least bit proactive. I had expected it to be a partnership not a one way street.”*

Early in the program three of the organizations thought that the contact with lead advisors should have been closer or more structured, for example, at regular two monthly intervals. Comments from the feedback interviews included:

*“We don’t hear from NAS, but we don’t have anything to hear about. If things weren’t going well we might be in touch more.”*

*“Our contact with NAS is minimal, but that is not bad. We are both busy.”*

*“I think it is a measure of our success that I have spent a lot less time talking to NAS this year.”*

*“I am never sure who should be calling whom.”*

*“There has been a dramatic drop in engagement from NAS, which I think is positive. It shows that all the heavy lifting we were doing in year one, we got right. We are less engaged with NAS consultants now.”*

*“We are using NAS less. We are now at the stage of using consultants for very specialized advice rather than general.”*

Participants were generally positive about their specialist consultants. Comments from the interviews included:

*“The consultant is totally with us.”*

*“The time with our consultant has been the best part of Advancement so far – the board say that they understand the organization much better after the board retreat”.*

*“All the consultants were brilliant, but we needed more time with them for it to be meaningful.”*

*“The best thing we did was the appreciative enquiry with Hallie Preskill. It was the first thing we did that involved the whole organization. There is lots of value in working with the full group (of AAP participants), but I now see the benefit of working with our organization on its own.”*

## **2.5 NAS Seminars**

NAS organized six subject specific seminars for board, staff and executive to attend. These typically ran over a two day period and involved preparation of case study material or reading in advance. As mentioned above, seminars were open to other arts organizations not on AAP.

The rationale for these design decisions was:

- Including several people from an organization was intended to increase the capacity for, and commitment to implementation, as well as giving an important opportunity for internal debate.
- Using expert faculty gave the participants access to the highest level of knowledge in the subject as well as giving a message that “arts organizations deserve the best”.
- Including arts organizations not on Advancement spread the benefit for Cleveland, as well as giving The Cleveland Foundation a picture of which organizations were interested in capacity building.

Attendance at seminars was good. Participants sent two to seven people to each seminar.

Happy sheets from the seminars (which included non Advancement participants) were relatively positive. On average, more than 80% of the respondents thought the seminars were well organized and well structured; more than 70% of respondents thought that the seminars were clear, well paced and appropriate in depth. A lower percentage, on average 63%, thought the seminars were relevant to them.

Interviewees’ views on the seminars were more mixed. The strengths of the seminars were seen as:

- **Networking opportunities.** “It is good to be in the room with other arts organizations. It gives a sense of cohesiveness in the community. Everything we do is fundamentally about building relationships with people and organizations.”
- **Interest.** “I don’t really like strategic planning but this was a very refreshing, practical approach”. “I enjoyed several of the technical workshops and felt that the quality of instruction was extraordinary.”
- **Receptivity.** “The great thing about NAS is that they are always open to making changes to the seminars to reflect our input.”

Interviewees expressed the following concerns about the seminars:

- **Difficulty in identifying who should attend.** “It is not always easy to identify who should attend from the NAS brochure. I have not always made the best decision. I happened to attend one seminar in another city before it comes to Cleveland and this has really helped me to decide who should come.” “There is a lot of attrition – people not turning up the second day of the seminars. Could NAS marketing be clearer about what the seminars are about?”
- **Need for more help with implementation.** “I wish there was a bit more structure to the programme. I wish it had more guts. Seminars once in a while are not enough.” “The seminar was highly intellectual and not practical for us.”
- **Concern about the time taken.** “The NAS case study methodology does not apply to every topic and some seminars are too long. They are all interesting, but they could be made relevant more quickly.” “Two days is a huge commitment for board members.” “The preparation time is way too much and not balanced by the learning benefits.” “The seminars are too theoretical and disconnected from the real world in which we live. They should be shorter and more relevant.”

The main concern was the time taken to attend the seminars relative to the benefit. Respondents suggested two alternatives: having shorter evening sessions for board members across the Advancement groups; and having the chance for whole organization sessions away from the group. Obviously these two methods would have had cost implications for the operation of Advancement.

**Table 3: Timing and Attendance at NAS Seminars**

Seminar	Strategy	Managing People	Financing the Future	Strategic Marketing	Building Evaluation Capacity	Creative Alliances
Date	9-11 June 2004	15-16 October 2004	4-5 February 2005	4-5 November 2005	20-21 April 2006	20-21 October 2006
	Number of people attending					
Apollo's Fire	4	4	4	4	2	3
Cleveland Film Society	6	7	3	3	3	5
Great Lakes	7	6	4	4	4	4
MOCA	6	6	4	4	4	2
Young Audiences	7	4	4	4	4	4
<b>Total</b>	<b>36</b>	<b>33</b>	<b>19</b>	<b>22</b>	<b>17</b>	<b>18</b>

**Table 4: Summary of Evaluation Feedback for NAS Seminars**

Seminar	Strategy	Managing People	Financing the Future	Strategic Marketing	Building Evaluation Capacity	Creative Alliances
The depth was right	-	-	63	74	69	87
The right balance	-	-	-	71	57	67
Highly relevant	-	-	-	61	74	53
Well structured	-	-	-	87	80	80
Well paced	-	-	-	87	60	80
Clear	-	-	58	87	83	87
Well organized	-	-	70	100	80	100

## 2.6 Program Management

Interviewees were very positive about their relationship with The Foundation during Advancement. Three out of the five organizations thought that The Foundation gave them reasonable expectations of Advancement. All thought that The Foundation gave them the information they needed. None said that they needed more contact with The Foundation than they got. All said that the amount of monitoring was about right.

The Foundation's view about relationships with participants was also highly positive. AAP created distance in a positive way, a more equal partnership based on trust, where organizations were less concerned with pleasing the Foundation and more focussed on achieving their strategic goals.

Comments from the feedback interviews included:

*"I really feel that The Cleveland Foundation is a partner with us. This is different from the beginning of Advancement. The relationship has developed through familiarity and increasing trust."*

*"We know that The Cleveland Foundation regards our organization very highly and will do as much as possible to advocate for us."*

## 2.7 Peer Meetings

Arts organizations organized monthly breakfast meetings for the five CEOs. The process evaluations carried out during the program consistently identified this as one of the most positive aspects of the program for the participants. Comments included:

*"I have learnt a lot from the other directors."*

*"It is helpful to know that we are not the only one with problems."*

*"It is a great opportunity to share best practices, especially on governance issues, which tended to span different art forms and sizes of organizations."*

*"Organizations provide encouragement and practical support to each other. We lost three staff members in a short period of time. Other participants were very helpful in giving advice on managing the transition, recruitment and orientation."*

The only qualifying comment that interviews made about peer meetings was that they should have extended deeper, to include groups of professional staff and board members.

This is a relatively important finding for Advancement programs. In all the other Advancement programs we have evaluated peer contact has not occurred, either because of the lack of initiative in organizing meetings, or a feeling that organizations were too different to gain from discussion. The AAP program shows clearly that organizations with different strategic issues, from different art forms, can benefit strongly from mutual support.

## 2.8 Overall Views of Advancement

### 2.8.1 Ability to Take Part

The pace of AAP was different from other Advancement programs we have evaluated. The second time period, October 2005 –February 2006 was particularly

active. All participants said that the learning from this period was “a lot” rather than “a little” or “none”. In particular, one respondent said that they had done more in this six month period than in any other six month period of their history. The later stages were more in the nature of consolation. This early progress was in part because of the careful selection criteria and in part from the background work already carried out on BASICS.

The pressures of Advancement led to concerns about the capacity of the organization and the risk that opportunities might be missed:

*“The initial program requirements overloaded our capacity and were counter-productive”.*

*“Year one was very time consuming. A good part of what you are dealing with is trying to compensate for the pressures from the program. Could the first year be made less stressful?”*

*“We have struggled with capacity. Where do you have the space to implement all your new ideas?”*

*“We are still spinning on the heels of how much was required for year one. In year two I am seeing the benefits of year one. It is a relief that year two is less stressful than year one.”*

*“Some board members have seen the program as overwrought and bureaucratic”.*

*“We are honoured to be part of the program. This is NOT a burden.”*

All of the previous evaluations of Advancement programs we have carried out have found strong concern about the pressures on the organizations. The interviewees in Cleveland had some suggestions for reducing this burden:

- Producing a users guide to the program explaining the amount of work in year one. This could be valuable in educating board members and preparing staff.
- Producing a capacity audit looking at tasks that could be postponed during year one to allow focus on Advancement.

The Foundation had already funded staff posts to reduce the work load on CEOs, which is the main improvement suggested by the other Advancement programs we have evaluated. The Foundation had, then, already made strong efforts to address the potential overloading of the organizations.

### **2.8.2 Program Elements**

Interviewees were very positive about the overall character of the Advancement program. Four of the five participants felt that the program had been customized to their needs. All participants felt that the pace of Advancement implementation was right.

In the feedback interviews, respondents commented favourably on the benefit of having financial and non financial elements of support combined:

*“The combination of access to expertise through consulting services and financial support is a rare and valuable contribution.”*

*“Of course the resources have been extraordinary, the teaching has been great.”*

*“It is an extraordinary opportunity. So often we go to workshops and come away with ideas with no money to implement them. Now we don’t have any excuses!”*

*“The best part of the program was the combination of generous funding and guidance on how to allocate it.”*

### **2.8.3 Gratitude**

The main comments that participants made about the program were in terms of gratitude and a desire to make the best of the opportunities of AAP. Comments included:

*“We are very pleased to be in the program. We would like to continue for another three years!”*

*“The Foundation has made an investment in us. We are compelled to make the best of that investment”.*

*“Our real challenge is to manage the growth, to ensure it does not backfire!”*

*“It is not a coincidence that the three years of Advancement have been our best years ever.”*

*“I have learnt that success leads to more success. Advancement made that possible. It was the launching pad for us. We really appreciate that The Foundation took a chance on us, had faith in us. There is great cache in being part of Advancement.”*

*“The board is energized and enthused. We can really see the difference between where we were and where we are now.”*

*“Advancement positions us differently to other arts organizations. We have turned ourselves around in a poor economy, running against the trend.”*

*“Advancement has put us in a much stronger position for the capital campaign. People want to follow a winner. They look at us and see – here is an organization able to make tough decisions and stick to its vision.”*

*“We feel privileged to have received the money from the Foundation. The decisions we have made have been wise ones. We have not squandered the money.”*

*“We feel fortunate to have been part of Advancement. We have benefited from being part of this group. It has forced us to look at things. You need someone outside to make you step back.”*

## **2.9 Conclusion**

AAP benefited greatly from the ground work carried out by the BASICs program. Those organizations that had been on BASICs were particularly well placed to take advantage of the opportunities on AAP. Generally progress has been faster on AAP than would normally be the case on Advancement – where achievement is often concentrated in the last year.

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AAP exemplified many aspects of international good practice in Advancement programs:

- The selection process for AAP was unusually strong. The five organizations selected were suited to the program. Non congruence of objectives has been a major cause of wastage in other Advancement programs. Feedback to unsuccessful applicants ensured that all applicants gained from the process, as well as potentially fostering ground work for any second stage of the program.
- AAP was delivered with flexibility and sensitivity to organizational circumstances. This was much appreciated by participants and likely to have increased the efficiency with which funds were deployed.
- Management of AAP within The Foundation was exceptionally strong. AAP strengthened the relationship of the Foundation with the arts organizations without raising unrealistic expectations.
- The requirement to match working capital helped to make the best of the funding opportunity of Advancement.
- The approach of the lead consultants (NAS), to be reactive rather than proactive, avoided dependency on the consultants. The disadvantage of this approach is that participants experienced the program as fragmented, without the follow through into action for some of the detailed operational proposals.
- AAP provided a good mix of learning opportunities through the seminar program, combined with peer support. The strength of the NAS seminars was the approach of engaging board and staff together in learning events. A weakness of the seminars was the time taken for the preparation and attendance relative to the benefit. Some participants would have preferred a more practical form of delivery.
- Evaluation of AAP was stronger than has usually been the case for Advancement programs. The quality of the data available at the end of the program was far higher than usual, where evaluators are appointed retrospectively. From the funder's perspective, the evaluation provided feedback and help with contextualizing the program as it progressed.



## 3 OUTCOME EVALUATION

### 3.1 Introduction

The process and feedback interviews generated impressions of the program outcomes, typically extremely positive:

*“Without Advancement, worst case scenario, we would have closed.”*

*“Advancement kick started the organization.”*

*“Advancement gave a sense of urgency. You have got to do these things now.”*

*“Our reality is fantastic.”*

*“We are able to do things we have always talked about.”*

*“The operating support has taken the edge off everything. There is a sense of being able to take a breath, to look at things in a different way when you are not on a treadmill.”*

*“We have done small things that have had a big impact.”*

*“Our organizational self esteem has grown.”*

*“Our balance sheet has never looked better.”*

*“We have gone from night to day.”*

This chapter compiles data to measure the exact progress on organizational and program objectives.

### 3.2 Progress on Individual Outcomes

#### 3.2.1 Baseline Analysis

##### 3.2.1.1 Suitability of the Outcome Evaluation Framework

Each category in the evaluation framework included an “other” options for interviewees to add their own objectives, if necessary. Only three organizations added “other” objectives, a total of eight new objectives. We therefore conclude that the evaluation framework fitted the vast majority of objectives expected by Advancement participants.

##### 3.2.1.2 Suitability of the Participating Organizations

The average number of objectives selected by each participant organization was 47. This was a good result, suggesting that organizations were suited to Advancement, without having unmanageable expectations.

**Table 5: Number of Objectives in Advancement**

	Strategy	Artistic Programming	Board	Staff	Customers	Development	Finance	Technology	Facilities Management	Performance measurement	Total
Apollo's Fire	4	1	3	9	11	3	3	6	0	1	41
Cleveland Film Society	5	3	6	7	10	7	5	1	2	4	50
Great Lakes Theater Festival	4	2	7	5	9	4	7	8	1	3	50
Museum of Contemporary Art	6	1	6	10	11	4	5	3	1	4	51
Young Audiences	6	1	3	8	4	6	4	6	0	4	42
<b>Total</b>	<b>32</b>	<b>10</b>	<b>26</b>	<b>40</b>	<b>54</b>	<b>29</b>	<b>27</b>	<b>24</b>	<b>4</b>	<b>20</b>	

We also looked at the pattern of objectives ticked. Our previous evaluations have suggested three broad patterns of objectives that indicate a low suitability for Advancement:

- Few objectives other than reducing a deficit.
- A small number of objectives scattered across the Outcomes Framework, with few functional linkages, other than that they each have a financial value.
- Two or three strong clusters of relatively low level objectives without an interest in strategic planning. This pattern is generally better tackled with project funding rather than the holistic character of Advancement.

The first two of these both indicate an opportunistic interest in the grant element of Advancement without a clear commitment to change.

None of these negative cases apply here. All five organizations were clearly suited to Advancement. They had a reasonable score with a hub and spoke pattern rooted in strategic analysis. This finding is important because lack of suitability to Advancement is one of the main reasons for weak progress.

### *3.2.1.3 Commonality between Participants*

The five participants were generally focused on issues related to strategy, staffing and customers/marketing, with a further cluster around board/governance, development and finance.

The Cleveland Advancement program was unusual in having a low standard deviation as well as a good average number of objectives. That is to say, participant organizations were similar in terms of the depth to which they wish to take Advancement. This would appear to be an endorsement of the careful selection procedures of The Cleveland Foundation. It also suggested high suitability for group education provided through the NAS seminars.

**Table 6: Average and Standard Deviation on Number of Objectives**

	<b>Number of participants</b>	<b>Average</b>	<b>Standard deviation</b>
Cleveland	5	47	4.8
Northern Ireland	6	54	19
Scotland	21	34	10

Aside from this quantitative analysis, we found that Advancement teams were extremely committed to collaborating with other Advancement participants. This was more noticeable than we have found on other Advancement programs, where arts organizations have often been loath to see similarities between different art forms or sizes of organizations. As the previous process evaluation found, peer support proved to be one of the most positive aspects of the program.

#### *3.2.1.4 Participants' Expectations of Advancement*

Interviewees made four kinds of judgements in deciding whether organizational issues should be within Advancement or not:

- Whether the overall number of expectations for Advancement was realistic.
- Whether functions could be carried out without the external support of Advancement. This could be seen as a measure of capacity.
- Whether issues seen as too detailed or too sensitive for Advancement.
- Whether there was a clear mechanism whereby Advancement could foster the issue.

These implied rather different rationales, rooted either in confidence or caution. Overall the baseline analysis suggested a need to further clarify the boundaries of Advancement to participant organizations and this finding was communicated to The Foundation.

**Table 7: Balance of Advancement and Non Advancement Objectives**

	<b>Advancement objectives</b>	<b>Non Advancement objectives</b>	<b>Total number of issues</b>
Apollo's Fire	41	27	68
Cleveland Film Society	50	9	59
Great Lakes Theater Festival	50	7	57
Museum of Contemporary Art	51	21	72
Young Audiences	42	20	62

#### *3.2.1.5 Participants' Commitment to Change*

The baseline analysis concluded that participants were strongly committed to change. They had:

- A clear and coherent pattern of objectives.
- Strong engagement with the target setting process – a willingness to be tied down by targets.
- Strong attendance at the program meetings.
- A strong decision making style.

The exception was an organization which had a scattered pattern of objectives, an apparent ambiguity to change and difficulty in framing progress indicators. This organization subsequently withdrew from AAP, and is not included in our cohort of five participants.

### 3.2.2 Program End Analysis

Our Outcome Evaluation Framework compares progress with expectations for each of the objectives that arts organizations set for their Advancement program. The score that indicates success is 70%. Organizations are unlikely to reach 100% because:

- Some effects will be lagged. Their results appear long after the end of Advancement.
- Some objectives, such as customers and staff, are ongoing. The Outcome Monitoring measures progress, but does not consider the subject to be closed.
- Some of the objectives for Advancement are not under the control of arts organisations.

**Table 8: Achievement of the Arts Organization’s Objectives**

	Strategy	Artistic Programming	Board	Staff	Customers	Development	Finance	Technology	Facilities Management	Performance measurement	Total
Apollo's Fire	100	-	100	43	38	100	75	50	-	100	65
Cleveland Film Society	60	83	100	63	93	90	83	-	100	50	79
Great Lakes Theater Festival	81	75	100	60	56	88	75	100	175	58	76
Museum of Contemporary Art	71	125	85	97	82	75	60	88	150	38	79
Young Audiences	44	50	100	69	61	100	69	100	-	56	70
<b>Total</b>	<b>69</b>	<b>96</b>	<b>96</b>	<b>68</b>	<b>65</b>	<b>89</b>	<b>72</b>	<b>91</b>	<b>150</b>	<b>53</b>	<b>-</b>
<b>Average</b>	<b>70</b>	<b>83</b>	<b>97</b>	<b>66</b>	<b>66</b>	<b>90</b>	<b>72</b>	<b>84</b>	<b>141</b>	<b>60</b>	<b>74</b>
<b>Rank</b>	<b>7</b>	<b>5</b>	<b>2</b>	<b>8</b>	<b>9</b>	<b>3</b>	<b>6</b>	<b>4</b>	<b>1</b>	<b>10</b>	<b>-</b>

In addition, it is worth reiterating the point that scores are against expectations, so a high score can indicate a low initial expectation rather than a high level of

achievement. It is because of this difference that our analysis includes systematic measurement of organizations against program outcomes (below).

Four of the five organizations met our threshold of 70% and can be considered successful on Advancement. The remaining organization, Apollo's Fire, is only just behind the threshold figure despite experiencing problems during the AAP program. The consistent performance across the program participants is a considerable achievement.

Our overall impression from carrying out this analysis is that AAP has been particularly successful on the big picture areas. These are the long term drivers for change in organizations and are connected with a search for opportunities. AAP has been less successful in encouraging organizations to embed organizational learning through changes in systems or procedures. This is perhaps because of the way that initiative for the program was left to the organizations rather than encouraged through lead consultants. Although these changes in systems or procedures are undoubtedly less important than the big gains in organizational self knowledge, status and viability, they will be useful elements in long term sustainability.

### 3.3 Progress on Program Outcomes

#### 3.3.1 Introduction

We have simplified the list of outcomes in the logic model so as to:

- Reduce duplication.
- Focus on ends rather than means.
- Have a series of headings that is at a similar scale.

#### 3.3.2 Greater Growth Potential

Each of the five Advancement participants made a step change in their organizational development either spatially (Apollo's Fire, CFS, Young Audiences) or physically (Great Lakes, MOCA). These changes were accompanied by great increases in organizational confidence, but also perhaps by increases in the status of Cleveland as an arts location.

**Table 9: Expansion**

	<b>Expansion</b>
Apollo's Fire	East Coast Tour
Cleveland Film Society	Regional marketing campaign
Great Lakes Theater Festival	Facility development
MOCA	Major relocation
Young Audiences	Expanded area from Greater Cleveland to Northeast Ohio

### 3.3.3 Growing Audience Participation

This is composed of:

- Increase in audience numbers.
- Increase in participant numbers.
- Increase in customer loyalty through increased repeat attendance or increases in membership subscriptions.
- Increase in implicit or explicit targeting and market segmentation.

Three of the arts organizations increased their audience or participant numbers. Four increased their customer loyalty. In addition, three of the organizations broadened their audience or participation base, for example:

- Apollo's Fire expanded its barn and log cabin concerts.
- CFS increased its profile with African American audiences through targeted publicity on specialist radio stations.
- MOCA increased its presence with young visitors due to increased programming of multi-art form work (including Rock MOCA), implementing the results of its AAP market research.

**Table 10: Audiences and Participants**

	<b>Audience Increase 2004-06</b>	<b>Participants Increase 2004-06</b>	<b>Loyalty e.g. subscribers, members</b>
Apollo's Fire	Est 5% increase	NA	12% increase
Cleveland Film Society	32% increase	53% increase	29% increase
Great Lakes Theater Festival	5% decrease	NA	7% increase
Museum of Contemporary Art	9-45% increase depending on baseline	NA	28% increase for patrons 10% increase for members
Young Audiences	NA	Decline	No change

### 3.3.4 Greater Financial Sustainability

This is composed of:

- Stronger balance sheets.
- Reduced financial dependency on single source support.
- Increase in the income stream, whether earned, contributed or endowed.
- Appropriate artistic risk taking. This is linked to the presence, and replenishment, of appropriate working capital.

- Greater risk management capacity.

The first two were listed as separate program outcomes in the logic model.

The balance sheet of participants is generally stronger (Table 11).

**Table 11: Accumulated deficits**

	2003 \$K	2006 \$k
Apollo's Fire	NA	NA
Cleveland Film Society	(\$110,000)	\$442,029
Great Lakes Theater Festival	(\$1,059,730)	\$87,000
Museum of Contemporary Art	NA	NA
Young Audiences	NA	NA

Note: These figures are compiled on a different basis between organizations and are not strictly comparable.

Organizations vary in the underlying source of their future financial strength. Two organizations have launched major capital campaigns:

- Great Lakes has raised \$115,000 towards an overall target of \$3-6m.
- MOCA has \$7.4 m so far for its capital campaign, with the target of \$25 m.

CFS received an endowment of \$175,000 in 2006 from the George Gund Foundation, although this was not due to AAP.

Three of the organizations (CFS, Great Lakes and MOCA) have exceeded their target to match The Cleveland Foundation's working capital funding.

**Table 12: Working Capital as at February 2007**

	The Cleveland Foundation \$K	Other sources \$k	Total working capital \$k
Apollo's Fire	132 (61 released)	106	238
Cleveland Film Society	150	320	470
Great Lakes Theater Festival	300	500	800
Museum of Contemporary Art	200	450	650
Young Audiences	200	100	300
<b>Total</b>	<b>982</b>	<b>1,476</b>	<b>2,458</b>

Cleveland Film Society, Great Lakes Theater Festival and MOCA increased their earned income during Advancement. Apollo's Fire and Young Audiences generated a lower level and percentage of earned income, in part because of short term loss for long term programming development.

**Table 13: Earned Income**

	2003-04	2004-5	2005-06
Apollo's Fire	\$305,723	\$268,276	\$253,797
Cleveland Film Society	\$366,286	\$421,346	\$446,969
Great Lakes Theater Festival	\$1.2m	\$1.27m	\$1.34m
Museum of Contemporary Art	\$96,596	\$116,848	\$168,848
Young Audiences	\$389,808	\$338,183	\$258,360

### 3.3.5 Greater Non Financial Sustainability

This is composed of:

- Ability to deliver a high quality artistic product.
- Attraction and retention of capable visionary leaders.
- Attraction and retention of high quality staff.
- Lack of dependency on individual board, executive or staff members.
- Commitments for long term use of appropriate facilities or resources.
- Clear strategic direction, appreciating the value of organizational development.

The second of these was listed as a separate program outcome in the logic model.

Performance on this list of outcomes has been mixed. On the one hand, we have been told that each organization has been able to maintain or even develop its artistic quality. Our own observation is that each organization has strengthened its strategic direction, especially in understanding its own positioning relative to peer organizations and partners. The three organizations with uncertainty over their long term facilities partly resolved these issues over the time of Advancement. Three of the five organizations experienced high staff turnover during Advancement (Apollo's Fire, MOCA and Young Audiences), although early signs are that these problems have been addressed.

On the other hand, each of the participating organizations has aspects of organizational development not yet carried out from its original Advancement objectives (Table 14).



**Table 14: Remaining Advancement Tasks**

	<b>Tasks not yet implemented</b>
Apollo's Fire	Marketing plan Market research (but database in progress) Capital planning Budgeting for depreciation Succession planning Improving the website
Cleveland Film Society	Strategic plan (but in progress) Marketing plan Multi year budgeting Find out about good practice in peer organizations in board systems, HRM systems, succession planning, management of volunteers, and information management
Great Lakes Theater Festival	Board appraisal Staff appraisal system Review of management of volunteers
Museum of Contemporary Art	Strategic plan Widening the representation of the board
Young Audiences	Document procedures Staff professional development plans Implement an evaluation system

### 3.3.6 More Cohesive Arts Community

This is composed of:

- More productive collaboration.
- Improved community confidence.
- Continuous learning organizations.
- Role models of leadership excellence.

All of these were listed as separate program outcomes in the logic model.

There is strong evidence of productive collaboration (Table 15). Furthermore, as the case studies explain, collaboration was carried out wholeheartedly, and was extremely beneficial strategically, artistically, organizationally and financially. The step changes mentioned above reflect the increased community confidence in each of the five organizations.

**Table 15: Strategic Collaborations**

	<b>Collaboration</b>
Apollo's Fire	Touring collaborations
Cleveland Film Society	Expanded media contacts
Great Lakes Theater Festival	Playhouse Square Idaho Shakespeare Festival
Museum of Contemporary Art	Cleveland Museum of Art CASE Cleveland Institute of Art
Young Audiences	In the process of being developed

The next two items on the list, about organizational and community learning, are not yet fully developed. In particular, AAP would benefit from further activities to spread the learning from the participants to the wider arts community. The Cleveland Foundation is already aware of and planning work to address this gap.

### 3.4 Conclusion

All of the five participants made step advances in their organizational development during, and partly as a result of, AAP. Apollo's Fire completed an East Coast Tour as part of a strategy to raise the profile of the organization and increase its earning capacity. Cleveland Film Society started a regional marketing campaign to Pittsburg, Akron and Columbus, Ohio which has already increased the income of the organization. Great Lakes Theater Festival and the Museum of Contemporary Art are both engaged on facility developments that should greatly increase their profile, quality of operation and financial position. Young Audiences has expanded from Greater Cleveland to Northeast Ohio as well as repositioning itself towards longer term educational programs.

There is evidence of progress on all the key program objectives:

- **Greater growth potential.** All of the five participant organizations increased in confidence and aspiration. These step changes have been, or are likely to be, translated into a higher scale of operation.
- **Growing audience participation.** Three of the arts organizations increased their audience or participant numbers. Four increased their customer loyalty.
- **Greater financial sustainability.** All of the five participant organizations have stronger balance sheets in part because of the working capital provided by AAP and the requirement that it be matched.
- **Greater non financial sustainability.** All of the five participant organizations addressed areas of operational weakness. However, all have activities identified at the start of AAP which have yet to be carried out.
- **More cohesive arts community.** The wider arts community gained from attendance at the NAS educational seminars. More could be done to spread the

learning from AAP. The need for this additional work arises in part from the successes of AAP participants and their potential as role models and mentors for other arts organizations.

These are major achievements from three years of Advancement. As evaluators, our concern must be whether these achievements are sustainable such as to give value for money to the grant maker. On the one hand, sustainability is indicated by the strong positive cycles that were generated by Advancement:

- The status from being on Advancement strengthened the organization's position in negotiating collaborations and facility changes.
- Success in long term repositioning exercises increased staff morale and gave the time and incentive to introduce system changes.
- The provision of working capital reduced debt and the interest charges from debt, as well as reducing the time taken to monitor debt (in those organizations that had started with this problem).
- Long term security gave more time for reflection rather than existing in a crisis mode.
- Collaborations and high profile activity increased organizational self awareness. Each organization identified a gain in understanding about its positioning and competitive advantage during Advancement.

AAP clearly improved organizational confidence and self awareness. This partly explains the strong comments made at the introduction to this chapter and the earlier section on "gratitude". These changes are deep rooted and likely to be sustained.

However, each organization also faces risks that could dilute or even undermine the achievements of Advancement:

- **Apollo's Fire.** The organization has raised its profile through subsidized high level concerts. The next stage will show whether the organization can command higher fees to be sustainable. The organization will need to retain and follow through existing organizational changes such as outsourcing to have the capacity to operate at this higher level.
- **Cleveland Film Society.** The organization carried out a successful regional marketing effort. However, a number of organizational systems planned for Advancement did not happen. These do not matter in the current highly functioning organization. However, they should happen at some stage so as to reduce the dependency of the organization on its core staff members.
- **Great Lakes Theater Festival.** The organization has greatly increased its confidence and ability to think long term. It is now engaged on a capital campaign that was not even contemplated at the start of AAP. Furthermore a positive collaboration has generated artistic, financial and organizational benefits. However, success on the key objectives, of strengthening audiences and increasing earned income, will not be known until GLTF has adopted its new theater building.
- **Museum of Contemporary Art.** The organization has produced measurable improvements to its audience numbers and profile, earned income, and staff

turnover. It has produced a compelling vision for the future of the organization which has already helped to revitalize the visitor profile. These are partly the result of well organized collaborations and partly because of strong hires. However, the ultimate success will depend on the next stage, the relocation, which is a large scale endeavor and inevitably risky.

- **Young Audiences.** The organization has been strengthened, especially in its marketing and technology, but changes have yet to be translated into higher participants. More may be needed to bring the changes together so that they produce a mutually reinforcing synergistic effect.

AAP has helped the five organizations to make step changes in their organizational development. However, sustainability in these changes will depend on continuation of financial support from The Foundation, and a commitment from organizations to continue and retain the organizational development changes of AAP.

## 4 CONCLUSIONS

### 4.1 The Strengths of AAP

All Advancement programs bring value because they balance the short term and capacity consuming characteristics of project funding (Table 16).

**Table 16: The Characteristics of Advancement Compared with Traditional Grant Making**

Project Funding	Advancement
Funds specific service areas	Funds organizational development
Short term (can strip organizational capacity)	Long term (can address the roots of organizational weakness)
Usually grants	Grants and advice/support
Focus on worthwhile projects	Focus on strategically important organizations
Can encourage competition between applicants	Can encourage peer support
Can result in loss of learning between projects (“reinvention of the wheel”)	Should encourage organizational and peer learning
Mainly directed by grant maker’s policy objectives	Mainly directed by grant recipient’s strategic objectives
Can lead to grantee passivity (child to adult relationship)	Can lead to grantee self determination (adult to adult relationship)
Vary in number of recipients	Tend to have small number of recipients
Activities tend to be determined by the original application	Can respond to evolving priorities

AAP had added value because it was an exceptionally well conceived and well run Advancement program:

- **Focus.** AAP made a careful choice of participants, selecting only those for whom the issues, timing and capacity matched the program. Participants responded with a strong commitment to AAP, and tackled the big issues facing their organizations rather than being distracted by tactics.
- **Flexibility.** AAP set budgets for funding each participant, but gave considerable freedom in how grant money was spent. As a result, we could identify no area of wasted expenditure on AAP, which is unusual on Advancement programs.
- **Quality.** AAP employed a national specialist in Advancement, National Arts Strategies, to advise on the establishment of the program and to deliver lead consultancy and an educational program. Lead consultants helped identify specialist consultants, who were uniformly praised by program participants.

- 
- **Synergy.** AAP provided a mix of individual and group education, including peer support and ongoing evaluation.
  - **Value for money.** AAP provided a suitable amount of money to participants, neither too small nor too large, and purchased a high level educational program for no more than would normally be spent on technical assistance in Advancement programs.
  - **Ownership.** The Foundation negotiated its relationship with participant organizations with enormous skill, so that they took the initiative in their strategic direction, timing in addressing Advancement issues and packaging of support.

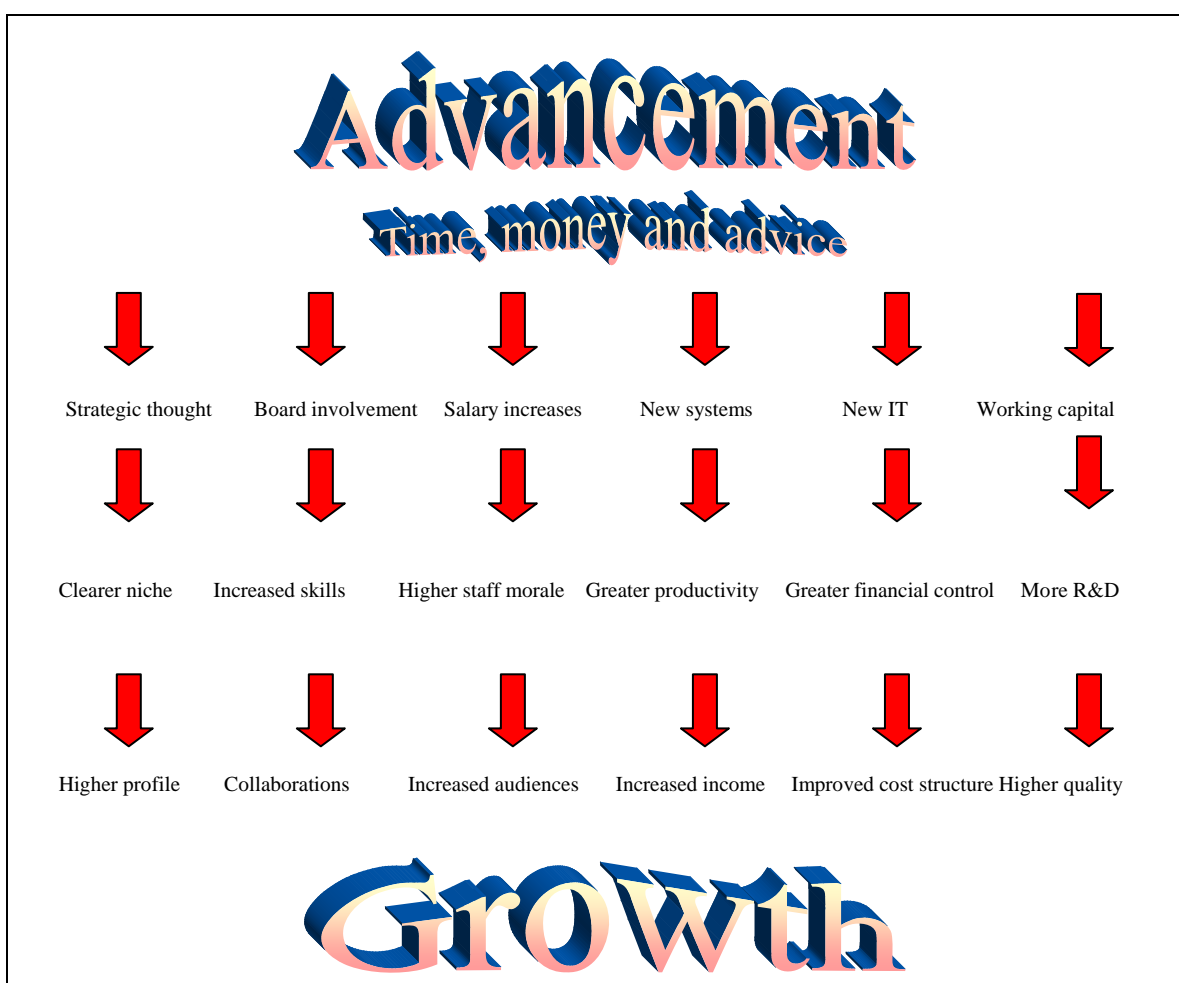
Each of these strengths maps onto, and therefore reinforced one of the philosophies at the heart of Advancement:

- **Strategy.** Advancement helps an arts organization clarify its long term mission and objectives.
- **Reflection.** Advancement gives arts organizations a chance to think about their aspirations, changes in their environment and the views of their funders.
- **Expertise.** Advancement gives arts organisations access to more specialist and more prolonged consultancy than would normally be the case.
- **Professionalization.** Advancement adapts business concepts and tools to the arts.
- **Venture capital.** Advancement injects funds so that arts organizations are more sustainable in the future.
- **Autonomy.** Advancement encourages arts organizations to be proactive rather than passive or dependent.

Participants made fast progress on AAP which was in part a reflection of the work achieved under the BASICS program. It is not unusual for organizations to make the most progress in the last year of a capacity building program. By contrast, in Cleveland organizations made substantial strides early in the program, using the final year for consolidation.

The results of AAP, as illustrated by the case studies in the next section, are an endorsement not just of The Cleveland Foundation, but also of Advancement programs in general. AAP demonstrated produced a positive cycle of change:

Figure 1: The Advancement Positive Cycles



## 4.2 The Weaknesses of AAP

The weaknesses of AAP were minor compared to its strengths, but are included here for learning purposes:

- **The overall package of support could have been better integrated.** Participants were very strong on the big picture, but let some of the details slip. Each organization has a list of systems or procedures that it had intended to implement at the beginning of Advancement, yet failed to progress.
- **The educational program could have been more practical.** NAS generally took a philosophical position against being prescriptive. This has great integrity as an intellectual approach, but was contrary to the preferences of some of the participating organizations, who wanted simple instruction on current best practice in the arts. Furthermore, we would also like to have seen the education program engaging better with the organic culture of arts organizations like Cleveland Film Society.

### 4.3 The Future

All Advancement programs end with some level of need for ongoing support.

Ongoing support might be necessary because:

- Advancement has paid for research or other activities from which follow on work is necessary.
- Advancement has paid for activities (typically operating support) for which ongoing support is needed.
- Advancement participants are unable to implement all their strategic plans because their suppliers or partners are not themselves operating on a long term horizon (e.g. weaker in strategic planning or integration of marketing into planning).

Continued funding is particularly important in AAP because each participant made large scale changes. This investment will be repaid by long term public benefit in terms of raised levels of arts activity, increased audiences, and a further boost to the already high status of Cleveland as an arts location.



## 5 CASE STUDY ONE: APOLLO'S FIRE

### 5.1 Background

Apollo's Fire, The Cleveland Baroque Orchestra, was founded in 1992 by Jeanette Sorrell, a renowned harpsichordist, conductor and scholar of Baroque music. The orchestra received a start up grant from The Cleveland Foundation in 1992 and made its debut in June of that year.

The mission of the orchestra is to “engage widespread audiences in its joyous pursuit of artistic excellence, performing 17<sup>th</sup> and 18<sup>th</sup> century music on the period instruments for which it was written, while promoting a fresh and lively approach to historically informed performance.”

The company participated in The Cleveland Foundation's BASICs program.

### 5.2 AAP Issues

The NAS assessment of 2004, and a later Organizational Consultation carried out by Max Stark, confirmed the five main issues for Apollo's Fire:

- A need to clarify the strategic direction of the organization and translate it into objectively defined strategies and key results agreed across the organization.
- A need to bring new skills onto the board and increase its role in fund raising.
- A need to clarify different roles in the organization and improve internal communication.
- A need to strengthen marketing and market research.
- A need to strengthen the financial skills and risk management in the organization.

In many ways, the core problem at the heart of Apollo's Fire was how to, and indeed whether to, plan for a transition from a founder-led organization to a larger, more sustainable structure. Conflicts over who should lead on strategic decisions – the artistic director, or the board and staff - reached a crisis in Spring and Summer 2005, with the resignation of the Board President and the Executive Director, which led to the suspension of the organization from the AAP program for four weeks. Apollo's Fire was reinstated on AAP in September 2005.

### 5.3 The Impact of Advancement

#### 5.3.1 Strategic Planning

The Board of Directors released funds from a “rainy day fund” to pay for the support of a consultant, Max Stark, who produced a three year strategic plan – the first in the organization's history – in December 2005. This defined seven Key Result Areas (Artistic Evolution/ Distribution, Marketing/ Audience Development, Educational Outreach, Musician Relations/Development, Strengthening Finances, Effective Governance and High Performance Management/ Staff). Targets were set for each of these seven areas.

As the Executive Director explained “We always knew what we believed in, but we did not necessarily have the best way of articulating it.” The Artistic Director attended the strategy workshop organized by NAS and found that it gave her a language to talk about strategy.

Prior to the strategic planning process, Jeanette Sorrell produced a competitor analysis of ten baroque orchestras of national or international recognition. This gave an interesting perspective on the dilemma facing Apollo’s Fire, since it showed that seven of the ten orchestras were still led by their founder.

### **5.3.2 Strategic Action**

The strategic plan gave Apollo’s Fire a strong boost to its strategic development. Two other aspects of AAP also helped the organization strategically. First, Apollo’s Fire received a commitment to three year’s operating support, \$217,500 in total, on a tapering basis. Second, Apollo’s Fire received a contribution towards a working capital reserve fund of \$90,000, which has been matched by \$75,500 so far, and special project funding of \$130,000, which has been used to support touring to prestigious venues, the purchase of the orchestra’s first integrated database, computer and telephone technology, and marketing personnel and expenses. Together, the funding gave security to plan. As the Executive Director explained “You didn’t have to worry every time you open QuickBooks.” Part of the money was ear-marked for long term commitments, which enabled Apollo’s Fire to accept invitations to perform, knowing that these could still go ahead even if further funding were not raised.

Apollo’s Fire decided to use some of the special projects money to subsidize prestigious engagements that would reposition the orchestra strategically. In 2006 the orchestra made its debut at the Aspen Music Festival, Boston Early Music Festival, the Philadelphia Bach Festival, Columbia University, Bloomfields Hills MI, and the concert series of the National Academy of Science in Washington, DC.

The success of these tours produced a positive cycle for Apollo’s Fire. The orchestra has secured additional engagements for the 2006-7 season - including a two day residency at Western Michigan University in Kalamazoo, and a special performance of Bach’s St John Passion as part of the Peristyle Series at the Toledo Museum of Art - as well as six touring engagements for 2007-08, at venues in Florida, North Carolina, Pennsylvania and Kansas. Consistent with the goal of having a longer planning horizon, the orchestra is also negotiating tour performances for the 2007-008 season. Preparing for these high pressure assignments has increased the artistic quality of the orchestra’s work. The tour has also raised the orchestra’s profile locally and nationally. The staff feels that “there is a buzz about town that we are doing really well”. This has improved the energy and optimism across the organization. The reviews from this tour increased the organization’s confidence, but also contributed to its self awareness. One of the reviews commented on the young age of musicians, which is a potential competitive advantage. Reviews also clarified the style of playing and how it is different from other orchestras.

Using analysis carried out for its strategic plan, Apollo’s Fire can now distinguish between engagements that contribute to its long term vision, which can be operated at a loss; and engagements that are not important strategically, and should only be accepted if they will make a profit.

### 5.3.3 Strengthening Marketing and Activity

AAP has contributed to audience development in three ways. First, AAP paid for a half time marketing person. Second, AAP paid for a new telephone system, which has helped to improve customer service, and reduced the disturbance to the overall staff team from answering the telephone. Third, AAP is paying to record concerts with the intention of having a series of syndicated national broadcasts.

The original intention was to increase the marketing budget. The percentage has increased marginally (from 8.8% in FY 03-04 to 9.1% in FY 06-07). However, more than this is the increased value of marketing. Apollo's Fire has reduced the cost of its printing, and used this money to purchase more advertising time on the prime radio stations – reaching a wider audience than the Classical Music media.

The orchestra's scale of activity increased during AAP, with a modest increase in subscribers and non subscription audiences (Table 17). These figures partly reflect an incentive to new subscribers offered in 2005 (an additional discount for new subscribers and a sampler CD for renewing subscribers). An early aspiration of AAP was to build customer loyalty. However, Apollo's Fire is only just in the process of installing an audience database, so it lacks the information to test this event. Anecdotal evidence suggests that increased attendance is because of an increase in repeat attenders.

**Table 17: Subscription Concerts**

	2003-04	2004-5	2005-06	2006-07 est.
Number of concerts	26	27	27	32
Number of subscribers	308	315	371	347
Income from single ticket sales*	\$155k	\$154k	\$129k**	\$164k

\* A proxy for non subscription audience numbers.

\*\* 5 subscription programs instead of 6

Apollo's Fire increased its non subscription concerts in 2006, although this was not due to AAP. It extended its barn concerts (performances in a sheep barn on private property in Cleveland's eastern suburbs) to include performances in a log cabin (The Happy Days Visitor Center) in Cuyahoga Valley National Park, Akron. In 2007 Apollo's Fire will extend its program to perform twice at Happy Days and five times in the barn.

### 5.3.4 Strengthening Organizational Capacity

The expanded touring programs placed pressure on the capacity of Apollo's Fire, for which AAP provided help. First, a consultant, Ottilie Lockey, helped the organization to review and update job descriptions to reflect the new responsibilities. Second, Apollo's Fire took the strategic decision to outsource key tasks such as graphic design and travel agency to give a higher level of professionalism and capacity. Third,

through the general operating component of the program, AAP paid for a part time book keeper.

As mentioned above, Apollo's Fire is only just at the stage of upgrading its software. It will have a new online ticketing system (Choice Ticketing) with a new database as well as an improved website. This will give the potential to improve marketing and audience communications. For example, the organization will be able to send out concert reminders and newspaper reviews (the local newspaper does not always print the whole review, these are often only available online). The Choice Ticketing software will also track donations.

The telephone upgrade was paid for by Advancement, but not the computer hardware. The Sherwin-Williams Company completed a technology audit pro-bono and then donated the computers and technical assistance. AAP funds were used to purchase a server, new software and monitors. Before AAP, Apollo's Fire did not have DSL, the computers were not networked together, software was inconsistent across the organization, and the hardware was unstable.

Apollo's Fire is at the early stage of documenting organizational procedures. It has documents for financial procedures, office procedures, and checklists for packing for travelling.

### **5.3.5 Strengthening the Board**

The strategic focus of the board has increased strongly since AAP. Now 60-70% of board time is spent on strategic issues compared to 20% before. The structure of meetings has changed. Reports are tabled and receive questions rather than being presented, so increasing the time for strategic debate. Board meetings are arranged around the seven Key Result Areas of the strategic plan. One of the Vice Presidents has the role of monitoring the strategic plan, and different board members have attached themselves to different key result areas. Most board members participated in the drafting of the strategy.

Apollo's Fire carried out a board appraisal in 2006 and is planning to do this again in 2007. The commitment of board members is increasing. For example, an estimated 75% of board members give time outside of board meetings, compared to 65% in FY 06. At Table 17 shows, that has not yet been translating into increased board giving in total, although the average board contribution has increased as the board membership is smaller than in previous years.

Apollo's Fire has added five new board members, one of whom is an African American, giving essential diversity to the board. The board members come from a wider geographical area than before, representing the growing audiences.

### **5.3.6 Increasing Financial Sustainability**

AAP has helped to strengthen the financial systems in Apollo's Fire. A consultant provided advice on reporting as well as training board members to read accounts. The Board now receives a statement of activities and statement of position report at each board meeting, including detailed income and expense reports for each concert. The organization has further plans for improving its financial systems in the future.

Apollo's Fire has improved its risk management. For example, it budgets for a 10% fee onto direct expenses of any tour. The organization has also signed contracts to tie in presenters ahead of planned tours.

Apollo's Fire has increased its contributed income in the last year (Table 18). For example the Akron Community Foundation increased its funding by \$2,500, the Margaret Clark Morgan Foundation increased its funding by \$2,500 and the GAR Foundation has indicated a possible increase of \$5,000. However, these increases are due to the Happy Days concerts, and not to AAP.

The strategic investment of touring occurred at a cost in terms of earned income for FY 04-05 and 05-06. Only in FY 06-07 is the earned income projected to meet the target of \$350,000.

**Table 18: Income**

	2003-04	2004-5	2005-06	2006-07 est.
Earned income	\$305,723	\$268,276	\$253,797	\$350,660
Earned income % of total budget	41	38	34	43
Contributed income	\$434,003	\$441,598	\$495,136	\$495,240
Board contributions	\$54,349	\$52,977	\$54,748	\$55,000
Average donation from major donors	807	715	616	789
Income raised from member's organization	\$30,265	\$27,951	\$37,765	\$30,000 budget

## 5.4 Conclusion

AAP strengthened the capacity of Apollo's Fire and raised its profile through prestigious touring. The orchestra is now poised to capitalize on these advances. At the next stage, Apollo's Fire will need to sustain its strategic focus, including the staffing and systems improvements introduced during AAP. It will also need to negotiate future touring without the subsidy provided by AAP. It is important that the internal conflicts that surfaced in 2005 do not distract Apollo's Fire from its strategic mission or undermine its relationships with its funders and external environment.

## 6 CASE STUDY TWO: CLEVELAND FILM SOCIETY

### 6.1 Background

The Cleveland International Film Festival was established in 1977 and became the Cleveland Film Society in 1991. In its first year, the Festival showed eight films over eight weeks, with an audience of 7,800.

The mission of the Cleveland Film Society is “to promote artistically and culturally significant film arts through education and exhibition to enrich the life of the community.” The vision is “The Cleveland Film Society is a leader in helping the world to discover the power of the film arts to educate, entertain and celebrate the human experience.”

In 2003 the CFS experienced a fiscal crisis that necessitated a reduction in staff by 50%. Accumulated debt and an operating deficit of some \$150,000 (23% of the annual budget) threatened to drive the organization into insolvency. The CFS responded robustly, suspending all programs and services beyond the film festival, restructuring the board to increase fund raising skills and contacts, as well as cutting costs. The target was to bring the organization back to solvency in two years.

The Cleveland Foundation gave CFS \$85k each year for operating support and \$150 towards working capital.

### 6.2 AAP Issues

The main issues identified in the NAS assessment were:

- Need to clarify strategic direction.
- Need to strengthen financial planning.
- Need to upgrade technology.
- Need to strengthen marketing.
- Need to improve systems for the sake of succession planning.

### 6.3 The Impact of Advancement

#### 6.3.1 Strategic Planning

The board held a crisis meeting in May 2003, at which it decided to concentrate on the festival. This strategic direction has purposefully stayed the same. An organizational review carried out in 2004 suggested the need to “become liberated from our financial crisis mentality and build a unified direction and vision for the organization.” This vision was achieved in a simple form in 2004 through producing a revised Goal Framework.

CFS made an early commitment to update its strategic plan during AAP, but this has not yet been completed. The CFS is in the midst of five strategic planning meetings facilitated by a consultant paid for by AAP, Amy Morgenstern. The culture of the organization is to focus on practical decision making, developing organically out of

strong team work. As the Executive Director explains “Things get done.” The plan isn’t expected to be finished until the end of 2007, with much of its content on scenario analysis around facility decisions. The CFS signed a five year lease with Tower City Cinemas, but media attention on the uncertain future of this company suggests the need to be aware of alternative venues.

During AAP the CFS has renewed its strategic planning committee with new chairs and a careful cross section of skills and representation. The committee has eight members and has the task of reviewing the organization’s progress on five objectives: capitalizing on the CIFF’s brand (vs. branding the CFS); identifying a “Plan B” for the CIFF’s location, should Tower City Cinemas no longer be available as the venue; enhancing financial strength to ensure sustainability; preparing for continued growth and success; planning for leadership succession and professional development.

### 6.3.2 Strategic Action

The festival has grown (Table 19). The festival is always 11 days, but in 2005 the CFS increased the number of screens from four to five. In 2006 it added morning and midnight screenings. The education program of the CFS has grown. The board decided not to organize educational work outside the festival, but FilmSlam participants increased (Table 20).

The CFS has increased the number of films previewed by the Artistic Director. It has also added new competitions and awards to the program (a documentary award in 05, audience choice “Standing Up” in 06), and increased the number and value of short subject prizes every year. These latter changes were not directly because of AAP, but benefited from the stability of the organization.

**Table 19: Activity**

	2003-04	2004-5	2005-06
Number of features	86	105	127
Number of short subjects	71	80	93
Total number of films	157	185	220
Number of screenings	196	244	264
Number of films previewed	468	489	553

### 6.3.3 Strengthening Marketing

In 2006 the CFS used Advancement money to launch a three year regional marketing campaign targeting Pittsburg, Akron and Columbus, Ohio. This cost approximately \$45k in FY 04 and 05 and \$90k in FY 06, including the employment of an advertising agency. The regional marketing campaign was a great success. All the promotional packages were used and the press coverage was highly positive. A high point was when Time Magazine voted CFS as one of the best regional film festivals and concluded “Couldn’t make Cannes? Try Cleveland!”

Meanwhile local marketing was strengthened by trade relations: exchanging coverage in the preview guide for editorial or adverts through AL Sahafa, Bravo, Call and Post, Cleveland 365. The latter two have African American audiences, increasing targeting in the CFS' marketing.

The strategic review process, on which the CFS is currently engaged, has emphasized the need to change the organization's branding to emphasize the festival rather than the society.

**Table 20: Audiences and Participants**

	2003-04	2004-5	2005-06
Admissions to the film festival	39,338	43,129	52,064
Number of students attending FilmSlam	3,594	3,077	5,512
Number of paid passholders	158	169	204
Number of members	575	604	670

CFS carried out simple market research in 2006, paid for by AAP, and will extend this in 2007. The research has been used for practical purposes, for example, to attract sponsorship by showing the audience that the CFS reaches and its coincidence with the interests of the potential sponsor.

The number of members, pass holders and total admissions has increased across the AAP period. This was partly because of the increased scale of activity, and partly because of changes in the benefits offered to members. For example membership was encouraged through discounts, raffle tickets, and members' events such as a film feast, preview party, picnic, and outdoor screening.

The original intention was also to produce a marketing plan during AAP, but this has not happened. The Advancement consultant, Libby Casale, produced a one page list of marketing activities and actions.

The CFS is committed to commissioning an economic impact study in 2007, paid for by local foundations.

#### **6.3.4 Strengthening Organizational Capacity**

The original plan was to increase the number of full time staff to accommodate the fifth screen. This did not happen, but the seasonal staff increased to the equivalent of 4.5 (which was the additional staffing identified at the beginning). The four core staff had their titles adjusted to better reflect their level of responsibilities. The Development Director became the Associate Director, the Membership Manager became the Marketing and Membership Director, and the Programming Director became the Artistic Director. AAP money was also used to increase salaries and benefits.

AAP money paid for new IT equipment in 2005.



There are a few tasks identified for AAP that have not yet been done. Staff appraisals have not been carried out, in part because these are contrary to the organizational culture. Any appraisals would be best done as a team. More significantly, the CFS has not addressed succession planning, although there are thoughts about internal progression. The achievements of the last three years have arguably made the organization even more dependent on its four core staff (“the dream team”, as the Executive Director calls them). There was a proposal to document internal procedures and learning, but this has been delayed because of the current workload, with the assumption that it will only be possible if carried out by an external consultant.

The CFS led on the peer meetings between participants organizations on AAP and has been effusive about their benefits. As the Executive Director emphasizes “helping and learning from one another may be the most significant global outcome of AAP when it comes to staff leadership.”

### **6.3.5 Strengthening the Board**

The board of the CFS was strong when the organization joined AAP and has been strengthened further. The CFS had a target of appointing two diverse board members, which was met in the first year of AAP. The CFS also created a position of President Elect to help with board succession planning. In 2007, CFS had 36 board members, 20 of whom joined during AAP years. These new members brought skills in marketing, insurance, fund raising as well as important networking opportunities.

There was an expectation that board members would introduce the CFS to individual donors and this has happened in two cases, with a total value of some \$8,500. However, this is part of the normal board process and not due to AAP. The team view is that the board could do more, including making new introductions to potential new donors. The organization set a target of increasing board donations as a percentage of the total budget from 10% to 15% during AAP, which has not happened. However, the budget has increased significantly so in actual dollars the board is giving more money.

The original expectation was that the board would adopt an annual appraisal process. However, again, the CFS preferred a more unstructured approach doing assessments informally through discussion rather than using any type of tool.

### **6.3.6 Increasing Financial Sustainability**

The financial position of the CFS has strengthened measurably during AAP. As the Executive Director says “We gave ourselves two years to turn around our financial crisis. It took nine months.” Both earned and contributed income have increased (Table 21). The organization has gone from a \$110,000 deficit to a \$320,000 cash reserve between FY 03 and FY 06. The organization received an endowment of \$175,000 in 2006 from the George Gund Foundation, but this was not due to AAP. The Challenge Match which was launched in FY 04 to match The Cleveland Foundation working capital grant has so far raised \$70,000.

The CFS has also improved its financial reporting and streamlining systems as recommended by an AAP consultant (Bess Foley). Multi year budgeting, which was one of the early recommendations for AAP, is planned for Summer 07.

The CFS performed well against its targets for contributed income from before AAP, with the possible exception of board contributions (Table 22). What has changed during AAP is that the targets have been significantly higher.

**Table 21: Income**

	2003-04	2004-5	2005-06
Earned income	\$366,286	\$421,346	\$446,969
Contributed income excluding CF	\$481,644	\$425,617	\$737,519
Number of major donors	21	23	31

**Table 22: Contributed income against targets**

	2003-04 \$k		2004-5 \$k		2005-06 \$k		2006-07 \$k Est.	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Board of directors	70	82.8	80	78	95	115	115	81
Corporate sponsorships and memberships	88	98	110	167	155	201	200	221
Foundation	160	254	185	204	485	629	300	210
Government	25	33	25	47	40	40	85	91
Individual contributions	30	52	30	22	55	55	55	30

## 6.4 Conclusion

CFS has made an impressive turnaround in a short period of time. Its market and financial positions are strong. Organizational confidence is high, with an experience that “initial success leads to even greater success.” The organization needs to make relatively small improvements to its systems to reduce its dependency on its core team and strengthen the documentation of organizational learning. This should be possible while fully respecting the organizational culture, which is based around team work and pragmatic decision making and therefore organic rather than mechanistic. This culture has served the organization well during crisis and growth.

## 7 CASE STUDY THREE: GREAT LAKES THEATER FESTIVAL

### 7.1 Background

Great Lakes Theater Festival (GLTF) was founded in 1961 as the Great Lakes Shakespeare Festival. In 1962 it presented six Shakespeare plays in repertory in a public high school in Lakewood. In 1982 it moved to Ohio Theatre in Playhouse Square, with the name change to Great Lakes Theater Festival occurring in 1985.

Like other producing theatres in the United States GLTF has suffered stable or declining audiences and falling contributed income because of increased competition from new media and other art forms. By the time of the NAS assessment, GLTF had had negative working capital for ten years and persistent cash flow problems. In 2002 GLTF considered but rejected the option of a merger with the Cleveland Play House. Instead it preferred to cut back its costs, and refocus the organization more closely around classic theatre, with a denser summer-fall season.

### 7.2 AAP Issues

The main issues identified in the NAS assessment were:

- Oversupply in Cleveland with the Cleveland Play House.
- Undercapitalization.
- The need to strengthen its public identity.
- The need to strengthen marketing.
- The need to strengthen development.
- The need to consider ways of addressing the venue problems.
- The need to increase working capital and remove cash flow problems as well as improving long term budgeting

### 7.3 The Impact of Advancement

#### 7.3.1 Strategic Planning

Strategic planning in GLTF was supported through two means. First, the entire staff attended a Big Picture exercise facilitated by NAS in December 2004. Second, and equally important, the funding provided by The Foundation gave time for strategic thought. The Cleveland Foundation gave GLTF \$450k across three years for operating support, \$300k towards working capital, and \$350k towards specific organizational improvements. As the Executive Director explains “Before AAP we were doing weekly cash flows, so the pressures were different. AAP produced a more relaxed organization.”

GLTF already had a strategic plan completed in 2004.

### 7.3.2 Strategic Action

For more than 25 years Great Lakes Theater Festival performed as a resident company at Playhouse Square, in a theater too large and costly for its productions and without any persistent street presence on which to build brand or name recognition. During Advancement Great Lakes negotiated an exclusive contract with Playhouse Square Foundation and launched a capital campaign to renovate the Hanna Theatre as its permanent home. The redesign of the theatre will change the space from a proscenium to a thrust layout, which is more suited to classical theatre. The new configuration will seat 550 people instead of 1,500, giving a more intimate experience.

The initial NAS assessment queried the long term sustainability of having a part time Producing Artistic Director, Charles Fee. During AAP GLTF turned this potential tension into a strength by developing a strong alliance with the other organization directed by the Artistic Director, the Idaho Shakespeare Festival. From an initial interest in sharing costs, this has developed into a sharing of productions, including season productions, rehearsal costs, production costs, and costumes. The assistant technical director and costume shop manager are now full time, shared between the two organizations, where before they were part time. Both organizations gain better products, with longer runs. Before the partnership GLTF was programming one year ahead, it is now programming at least two years ahead. GLTF has calculated that this collaboration saved \$170k in production costs from the 2004 to the 2005 season. The two organizations have also shared experiences with the aim of building trust and sharing learning. GLTF board members visited Idaho in August 2005 and 2006, with a return visit in October 2005.

GLTF also has a partnership with Playhouse Square. For example, GLTF utilizes Playhouse Square's ticketing services at a calculated saving of perhaps \$80,000 per year. Playhouse Square is likely to make a contribution of \$2-3.5 m towards the capital cost of GLTF's new theater.

As well as these collaborations GLTF has also a joint members' even for high end donors (over \$1,000) with Apollo's Fire in September 2005. This received double the number of attendees as the usual members' event.

### 7.3.3 Strengthening Marketing

GLTF carried out two pieces of market research in October 2005 and September 2006. These showed the values of the customer base and the ways in which season subscription could be increased. Implementing some of the recommendations has already increased the number of subscribers (Table 23). The market research also helped GLTF to brand, since it showed that strengthening the link to Shakespeare as an iconic was not necessary.

**Table 23: Audience Numbers**

	2003-04	2004-5	2005-06
Audience numbers	53,943	50,005	50,978
Number of non subscribing audience members that attend more than one performance	230	359	328
Number of subscribers	2,401	1,948	2,578
Number of members	506	442	458
Marketing budget	\$321,572	\$300,964	\$401,975
Number of email addresses to which the e-newsletter is sent	2,029	43,624	77,861

### 7.3.4 Strengthening Organizational Capacity

AAP helped GLTF with many aspects of its organizational capacity. GLTF increased its support staff for the Hanna campaign, adding an administrative assistant and annual fund manager. GLTF increased staff wages by 10% overall after two years of standstill. GLTF invested \$50k in a complete technology upgrade as well as staff training, including cross training staff on ticketing and development software. As the Executive Director explained “Now all staff have equipment that works! I view investment in technology as an investment in staff morale.”

NAS seminars increased professional development opportunities and each department reinstated a staff development budget of at least \$1,000 after lean years in which this had been cut.

GLTF still has to complete its planned work on managing volunteers. The new theater will provide a good opportunity to think about volunteer projects.

### 7.3.5 Strengthening the Board

AAP enabled GLTF three board retreats in 2004, 2005 and 2006. The first was on committee structure, the second was on audience development and development, and the third was on the facility, advocacy and the capital campaign. The September 2004 board retreat led to a change in the committee structure aligned around the strategic

plan and committee operations to better align the work of trustees to staff and strategic priorities. The Board was energized with seven new trustees in 2004, broader corporate relationships, and a reinvigorated trustee orientation program. Prior to AAP there were two functioning committees, Executive and Finance. Out of 60 total trustees 20 actively participated in committee work. After AAP, there are 57 trustees not counting life trustees, 47 actively work on committees and all participate in annual fund giving. Out of the 23 trustees who have been recruited across the whole of AAP, five would be considered diverse, compared to one member of the board before this time.

GLTF has yet to carry out planned work on board appraisal.

### **7.3.6 Increasing Financial Sustainability**

The 2006 fiscal year was a landmark year for GLTF. This was the year in which it retired its debt, leaving as a memory the accumulated deficit of \$1,059,730 from FY 2002. FY 2007 is expecting to produce a surplus of \$87,000. As the Executive Director explains “retiring our debt - you can say it in a sentence, but it means a lot more than that to us.”

GLTF hosted a members’ event joint for high end donors (over \$1,000) with Apollo’s Fire in September 05, which received double the number of attendees from a usual members’ event.

GLTF started a working capital campaign in April 2005 and raised £237.5k by June 2005. It met the target of \$500k by December 2005 (including the \$300k from Advancement). During the summer of 2006, GLTF undertook a planning study to assess the feasibility of implementing a successful capital campaign to transform the Hanna Theatre at Playhouse Square into an intimate new home for their work. A consultant considered the prospects for development, interviewing 45 prospects within a two week period and came back with a uniformly positive response. GLTF is enthusiastic about the next stage of its capital campaign: “Advancement put GLTF in a stronger negotiating position. The board is energized and enthusiastic. People want to follow a winner. To have an organization that has turned itself around in an economy that is running against it is very powerful.” They say ‘Here is an organization that is able to make tough decisions and stick with its vision.’ ”

GLTF also negotiated a loan forgiveness from the Sherwick Fund, wherein a \$200,000 outstanding note payable was converted into two years operating support (\$50,000 pa) and a \$100,000 increase to the working capital fund. The company also sold a Lakewood property that housed the costume shop, which strengthened the balance sheet.

Meanwhile, GLTF is putting in place system changes that will help to maintain its healthy financial situation. In FY 05 it reformatted the balance sheet, with NAS’ help, to make it more understandable. As the Executive Director notes “The rigors of participation in the Arts Advancement program have resulted in tools (i.e. work plans) that have been extremely helpful to the board and staff of Great Lakes in setting objectives and organizing ourselves around the necessary tasks to see them through. We have developed a common language that unified us in our purpose and our work together.”

The initial aspirations of increasing the percentage of total income from individuals and increasing earned income have not yet happened (Table 24). Attention is fixed on the capital campaign.

**Table 24: Income**

	2003-04	2004-5	2005-06
Earned income	\$1.2m	\$1.27m	\$1.34m
% of income that is earned	42%	42.8%	42.7%
Contributed income excluding CF		\$1.7m	\$1.8m
% of income from individuals	14%	11%	11%

#### 7.4 Conclusion

AAP has reinvigorated GLTF and strengthened its relationships with audiences, peer and potential partners. A strategic collaboration with Idaho Shakespeare Festival has reaped strategic, financial and learning benefits. More conspicuous than this, however, is the way that AAP positioned the company to begin a capital campaign, which wasn't thought of two years ago. GLTF has made a strong start on this campaign with the prospect of a more suitable, and more viable theater. The hope is that this will give a more attractive, and more viable base on which to strengthen audiences and increase income.

## 8 CASE STUDY FOUR: MUSEUM OF CONTEMPORARY ART (MOCA)

### 8.1 Background

MOCA was established as The New Gallery in 1968, renamed the Cleveland Center for Contemporary Art in 1984 and became the Museum of Contemporary Art in 2003.

MOCA's mission is as "a unique and dynamic place for the visual art of our time. We challenge, inspire and teach a wide range of audiences. Our purpose is to push the boundaries of innovation, creativity and exploration through exhibitions, publications, education and outreach programs."

MOCA's vision "includes acting as a vital producer and leader among U.S. contemporary visual art institutions, developing exhibitions that present innovative themes, highlighting challenging artists, strategically focusing on new work by contemporary masters, having a reputation among artists for encouraging innovation, making clear contributions to scholarly dialogue through original publications, producing innovative public programs and interpretive materials, presenting interdisciplinary programs that invite dialogue about contemporary culture, politics, aesthetics and the traditions of visual art, and finally consistently producing a visitor experience that is visceral, pleasurable, dynamic, educational and welcoming."

Since 1990, MOCA has been based in a converted Sears building adjacent to the Cleveland Play House. This provides five exhibition areas together with cramped office space. Problems with the building to some extent symbolized the organization's challenge of containing and delivering its ambitious vision within its resources.

### 8.2 AAP Issues

The main issues identified in the NAS assessment were:

- Need to strengthen strategic direction.
- Need to strengthen development effort.
- Need to strengthen market research and marketing.
- Need to improve internal communication and staff morale.
- Need to better document procedures.

### 8.3 The Impact of Advancement

#### 8.3.1 Strategic Action

The early stage of Advancement acknowledged that the key issue facing MOCA was its future location. Advancement gave MOCA \$300k in operating support spread over three years and \$170k towards management capacity. Part of this was used to pay for the appointment of an Assistant Director to give the Executive Director more time to concentrate on the issues around relocation. Perhaps as a result of this focus, MOCA experienced the breakthrough it needed while on Advancement. MOCA has been



allocated a site at the intersection of Euclid Avenue and Mayfield Road, the current Triangle building, at a focal point where CASE's campus, University Circle and Little Italy converge.

The new building will greatly improve the environment for MOCA. The building will have event space to support education, increase the social space, improve visitor amenities (cyber lounge, cafe etc), add a learning centre, improve art handling facilities and provide a fully climate controlled exhibition space. As the Executive Director explains "we are going from an old retrofit department store to a new state of the art building". Success on the relocation negotiations has increased the confidence and energy in MOCA. As the Executive Director comments "There is a boost to our self esteem to envision an iconic building. The community sees us differently. We have got a lot of visibility."

Also during Advancement, MOCA developed three strategic collaborations. MOCA hosted exhibitions for the Cleveland Museum of Art (CMA) in its mezzanine gallery and main galleries: *Drawn, Exposed and Impressed*, *Transitions: Linda Butler and Phillip Brutz Photographs* and *The Persistence of Geometry*. Both organizations benefited strongly from this collaboration. CMA gained a continued presence during its own period of refurbishment. MOCA's attendance increased by 17% since the collaboration began in 2006. Exit polls showed that visitors who were members at other institutions were most likely to belong to the CMA (50%). During this time MOCA also strengthened its own educational programs, building on its long term development of curriculum guides. School tours increased from 3,000 to 4,000 over the period of Advancement. The Curator of Education expanded the scope and frequency of educational programs through manuals, in-services, docent training, and open days.

Secondly, MOCA organized a symposium on art technology and the mind (*Understanding the New Dynamic: Art, Technology and the Mind*) with CASE and the Cleveland Institute of Art in January 2006. This brought together fifty thought leaders to discuss artists' use of technology. This collaboration had the important effect of helping MOCA to understand its own positioning because of its contribution to idea generation.

Third, MOCA collaborated with academic institutions for educational events such as workshops, symposia and events. The collaborations, together with the results of market research and the skills added by new hires, have allowed MOCA to share costs and increase student attendance. For the exhibition *All Digital* CASE purchased projectors worth \$245,000, which were loaned to MOCA during the exhibition. Work has become more experimental including multi art form work such as poetry, music, and fashion. Attendance at MOCA Mix more than doubled during the time of AAP.

These positive collaborations have changed MOCA's rationale for relocation. A key aim is to increase proximity to other arts organizations. Experience so far has shown that collaboration brings a strong positive cycle of raised profile, increased audiences and increased earned income. MOCA now sees collaboration as central to its vision: "The core of contemporary art is being a catalyst for ideas." This view of the organization is communicated to the public in the brochure which emphasizes that "MOCA brings you today's tastemakers and tomorrow's history-makers."

Advancement provided working capital of \$200k for MOCA which further helped to increase organizational confidence. As the Executive Director explained "Having our

own line of credit, a rainy day fund, saved us interest costs and was psychologically very helpful.” Long term security increased the time available for research and development. For example in FY 06 the curator visited 96 studios and attended three conferences to review 350 emerging national and international artists. This work has strengthened MOCA’s links to the local community and deepened its existing strong commitment to diversity. For example, in FY 07 MOCA will present a two person main gallery exhibition that features prominent African and African-American artists.

MOCA is now programming 18 months ahead, which has increased the scope to organize touring and gives more time for fund raising. For example in January 2007 it is organizing an exhibition that will cost some \$175k, more than twice the cost of a previous exhibition, with the expectation that \$68k of this will come from sponsorship connected to the use of technology.

### **8.3.2 Strategic Planning**

The Executive Director says that “relocation has created a new paradigm in strategic planning”. The organization feels that it is working towards the ultimate vision. There are physical and organizational tasks that need to be performed before the relocation. However, the critical path is also being envisaged in terms of values and relationships that need to be developed before the new start.

Updating MOCA’s strategic plan was one of the key tasks for Advancement and progress on relocation has given the organization the clarity it needs to start this task. In the meantime MOCA has been using a detailed work plan. Over time, planning has become more instinctive, so that staff are strongly motivated by the targets. The Assistant Director has explicit responsibility for strategic planning, which will be carried out over the next year.

### **8.3.3 Strengthening Marketing**

MOCA had already improved its marketing materials through the BASICs program. Advancement has further strengthened marketing in five ways. First, Advancement supported MOCA to carry out visitor surveys for visitors and audiences at key events. Second MOCA changed job descriptions to integrate marketing with operations. The Director of Marketing became the Director of External Affairs, to combine marketing, development and community outreach. Thirdly, the newly appointed Assistant Director has given two presentations to crew and gallery attendants to improve customer service.

Fourth, MOCA joined One Community, a nonprofit technology-based communications organization. Through One Community, MOCA now interfaces with all other member organizations including the public school system, arts and culture institutions, and funding sources.

Fifth, Advancement paid for \$16,000 of improvements to web-redesign. Website design has been brought in-house, which allows for easier and more frequent updating. Learning from the demographic survey, MOCA has introduced a cyber lounge, podcasting, web based marketing, and email blasts. MOCA has also implemented an e-commerce function which allows web-visitors to shop at the MOCA store, reserve seating at fund-raisers, join or renew membership, make financial contributions, and to purchase prints and multiples. The website includes interviews with artists who have exhibited at the museum. As the Executive Director

explained “We have extended the artists’ voice to the visitor at no cost even when the artist is not here and given a means to archive each exhibition.”

MOCA has approximately 23,000 email subscribers to its bi-monthly blasts. The emails have a 64% “open rate” meaning more than six out of 10 people who receive them, open them. The website averages 49,000 visitors a month and 200,000 page views monthly. MOCA is now better able to target the 16 to 35 year old segment of the population, who rely nearly 78% on web-based communications as opposed to the 36-75 year old segments who use traditional advertising or paper media for 62% of their communication.

The original expectation at the beginning of Advancement was that programming and therefore audience numbers would fall so as to make the organization more sustainable. The positive effect of the collaborations and internal changes has been to increase visitor numbers. Visitor figures have fluctuated between FY 03 and 06, in part because of the type of exhibitions offered. Overall, however, visitor figures have increased from 18,597 in FY 03 to 26,991 in FY 06. No year before FY 04 received more than 20,000 total visitors. In addition members have increased, the retention rate is high and people are moving up the levels of membership (Table 25).

**Table 25: Visitors and Participant Numbers**

	2003-04	2004-5	2005-06
Visitors	24,713*	17,685	26,991
MOCA Mix	812	1,236	1,661
Average age of visitors	52	45	34
Repeat visitors as a % of total visitors	58	61	42**
General membership and curator’s circle	588	631	647
Patrons (\$500+)	111	129	142
Retention of patrons	82%	79%	86%

\* Figures were exceptional because of the Tunick exhibition. FY 03 was more typical at 18,577

\*\* The percentage of repeat visitors naturally goes down as the organization reaches new audiences.

### 8.3.4 Strengthening Organizational Capacity

The Assistant Director relieved tasks from the Executive Director, but also from the Deputy Director of Finance, Director of External Affairs, and the Director of Development. The Assistant Director has brought new skills and focus to the human resources function. For example, she has strengthened supervision, follow up, and documentation of staff feedback, and improved internal communication through inter-departmental meetings and the creation of departmental process manuals. Before the

restructuring, human resources functions were split between by two people, which was not ideal.

As well as the Assistant Director, MOCA added a part time Special Events Manager and is in the process of appointing a Capital Campaign Manager. The increased attendance because of collaboration has also allowed MOCA to increase the hours for the graphic designer, and Curator of Education and Visitor Services.

Staff morale has increased because of the optimism around the future relocation, and also because of a salary increase and a reduction in staff overworking (Table 26). In FY 05 75% of staff carried over unused vacation time compared to 30% for FY 06. Staff turnover had been brought under control by FY 06 and in December 2006 MOCA honored five staff members who had worked for 10 years or more at the museum.

**Table 26: Staff Overwork**

	2003-04	2004-5	2005-06
Total hours of compensatory time allocated	488	576	218
Staff turnover	43%	31%	0

MOCA has learnt that the process of job design is continual. As the Assistant Director explains “In growth mode you always have to be revisiting responsibilities. You need to be opportunistic, matching skills to challenges. Every week we are discussing some new refinement in job descriptions to accommodate growth. That is great. It is about being strategic.”

### **8.3.5 Strengthening the Board**

MOCA has strengthened its board in line with the recommendations made at the beginning of AAP. It has adopted new recruitment, orientation and evaluation policies for the board, taking advice from Gail Crider at NAS. It has formalized objectives, responsibilities and processes for each board committee. It has also created Task Forces for Architect Search, Business Plan and Building, and joined two committees Marketing and Corporate Development, recognising the motivation behind corporate giving. Clarifying responsibilities and streamlining reporting have improved the effectiveness of the board, but as the Executive Director emphasizes “The relocation has focused and invigorated our work. People have more sense of ownership and there is more to be done” Attendance at meetings and fund raising events has been very high.

MOCA added seven new directors in May 2006, increasing the total number of directors to 35. Each new director was selected to fill a specific skill gap (technology, retail, accounting, business law, strategic development, retail banking and public relations). Each month MOCA does an analysis of board members’ contribution.

### 8.3.6 Increasing Financial Sustainability

MOCA has raised \$7.4 m towards its target of \$25m for its capital campaign. Early capital gifts, such as \$2.1 m from the George Gund Foundation made the front page of the local newspaper, which gave a jubilant start to the campaign. MOCA is gearing up for a major campaign. It bought Raiser's Edge Fundraising Software in FY 06, and is in the process of recruiting a campaign manager. Early recruitment was difficult so MOCA has decided to raise the salary. Meanwhile MOCA changed the format for its gala to an honorary model with a new venue which doubled the money raised to \$180k.

Other sources of finance have also strengthened (Table 27). MOCA received sponsorships from Pabst Blue Ribbon Beer and Bacardi, both because of the young audience it now attracts. In addition, Grey Goose supplies high end vodka. Earned income has increased in part after falling between FY 1999 and 2002. MOCA balanced the budget in FY 06 and expects to do so in FY 07. It has retired debt of \$50k from National City Bank and has a goal to pay down the line of credit of \$150k.

**Table 27: Income**

	2003-04	2004-5	2005-06
Earned income	\$96,596	\$116,848	\$168,848
Contributed income excluding CF	\$1,126,520	\$1,210,923	\$1,296,478
Percentage of income with multi year commitments	6.7%	19.1%	14.5%
Number of major donors	111	128	209

MOCA has also established financial systems towards the relocation. It has introduced multi year budgeting and is working on an eight year growth model.

### 8.4 Conclusion

MOCA has achieved a vast amount in the three years of AAP. Advancement has allowed the organization to progress short and long term objectives simultaneously. MOCA has negotiated an improved location at the same time as pursuing advantageous collaborations. It has clarified its strategic role at the same time as improving its marketing in many different ways. It started AAP with an expectation that it would need to downsize its activities and anticipated lower visitor figures. However, positive hires and collaborations increased the capacity in the organization such that visitor numbers have increased while overwork has decreased and staff morale has increased. The next stage, of organizing the resources for relocation and managing the transition, could be difficult and risky. However, AAP has given MOCA a strong foundation for success.

## **9 CASE STUDY FIVE: YOUNG AUDIENCES OF NORTHEAST OHIO (ORIGINALLY OF GREATER CLEVELAND)**

### **9.1 Background**

Young Audiences of Greater Cleveland was founded in the 1950s as a committee of the Cleveland Chamber Music Society dedicated to presenting classical music concerts to schools. Young Audiences of Greater Cleveland is part of a national movement with 33 chapters. Young Audiences is the leading source of arts-in-education services in the United States with a mission to help make the arts an essential part of young people's education. Across the United States Young Audiences reaches 7.5 million children in nearly 8,000 schools each year, with more than 64,000 workshops and 4,000 teacher services.

### **9.2 AAP Issues**

The main issues identified in the NAS assessment were:

- The need to strengthen strategic planning.
- The need to strengthen marketing and public relations.
- The need to strengthen the fund raising capacity of the board.
- The need to review staff structure.
- The need to increase staff training.
- The need to improve evaluation.

### **9.3 The Impact of Advancement**

#### **9.3.1 Strategic Planning**

The strategic plan was reviewed and updated in a board retreat in October 2005. A consultant, Amy Morgenstern, funded through Advancement, helped Young Audiences to align their functional work with their overall vision.

Apart from the important work of updating the strategic plan, Advancement gave Young Audiences the security to think long term. The Cleveland Foundation gave operating support of some \$300k spread over three years. As the Executive Director explained "What money does is leave time to be strategic, to think about the important rather than the urgent. Before we were more reactive; we would notice that our preschool numbers were down and then think about doing more marketing." The stability and the additional staffing of Advancement encouraged Young Audiences to think about the organization in a broader way, to see its role in the wider community.

Advancement coincided with the timing of a highly positive evaluation of Young Audience's main program ICARE. This found a correlation between students' participation on ICARE and their performance on Ohio Proficiency Test scores. Some 84% of teachers said that ICARE activities gave them an opportunity to see skills and talents in their students that they might not otherwise have discovered. These two

events meant that Young Audiences came to be seen as the leader in arts education. As the Executive Director explained “People come to us from communities wanting to know what to do. Everything has come together.”

### **9.3.2 Strategic Action**

Young Audiences of Greater Cleveland applied for, and received, an expanded service area from National Young Audiences. As of July 2006 the organization would be called Young Audiences of Northeast Ohio. This added 12 more counties to the existing six, with an additional 752 schools and 250,000 more children. At the same time the market for arts education had developed towards a welcome preference for funding more systemic long term programs. These changes necessitated restructuring and long term investment, which temporarily reduced the scale of delivery. The target was to increase the number of educational programs from 6,800 in 2005 to 8,000 in 2008, but the actual figure for FY 06 was 6,100. Meanwhile, the repeat purchase from schools has increased from 44% in FY 04 to 49% in FY 06, but has yet to trend towards the target of 65% set for FY 08.

Young Audiences has put in place the foundations for its expansion through delivering professional development workshops to teachers and artists. The number of teachers who attended professional development workshops increased from 23 in FY 04 to 93, in FY 04, 109 in FY 05 and 57 in FY 06. Professional development workshops for teachers are now being delivered through outreach, which should help to sustain this increased take up in the future. As well as Advancement, Young Audiences received funding for artist professional development from the O’Neill Foundation in FY 05 and FY 06. The number of artists receiving professional development training increased from 21 in FY 04 to roughly 57 artists in each of the following three years.

### **9.3.3 Strengthening Marketing**

Advancement paid for a new Marketing Director and part paid for an Educational Projects Manager. The Marketing Director has had a great effect on Young Audiences. In 2006 she carried out two surveys of schools’ on the program guide and wider views on Young Audiences. This showed that rather than changing to a summary flier, as had been planned, Young Audiences should keep the program guide and issue it twice a year, with email reminders. She also contacted peer organizations to find out what materials they were sending out, which gave insight into the strengths of Young Audiences of Northeast Ohio: that the organization has an unusually wide range of artists and art forms, and takes work to the schools. Marketing materials have been improved and unified under one brand which communicates these areas of differentiation. Indeed, when the national branding of Young Audiences changed, they were one of the first chapters to reflect this change across their materials. The Marketing Director has created a marketing plan which segments the market so that communication is clearer and more targeted.

Marketing of Young Audiences has been strengthened by other changes made in the organization. For example, the fees for artists’ workshops and residencies have been standardized, which simplifies the decision making process for schools. The expenditure on IT through Advancement led to improvements to the website including a searchable program database, monthly email blast newsletters to

education contacts, and a new promotional video. There are currently 2,000 people on the email database.

The expansion has greatly increased the demands on marketing. Young Audiences has carried out outreach work which will help to develop a funding and delivery model for the new counties. Further market research is planned. The Marketing Director is particularly keen to track the whole customer experience to see the consistency in communication and values.

### **9.3.4 Strengthening Organizational Capacity**

Advancement was partly undermined by a coincidental high staff turnover. Education Manager, Education Associate, and Director of ICARE all left in the same year, in some cases after long service. In 2005, no staff member except the Executive Director had been with Young Audiences for longer than 2 ½ years with the result that “organizational memory and culture were a challenge.”

Internal communication issues have been addressed through improved technology and regular staff meetings (weekly for educational staff and fortnightly for the full staff team). Advancement paid for six computers in September 2004 and a new phone system in November 2005. The computers were networked, which had not been the case before, which strengthened internal communication, with shared folders and an Internet calendar.

Advancement also paid for a book keeper, who has improved reporting, using the improved technology. Where before work was reported in on three separate systems (for development, programming, and accounting software), she has produced monthly balances across all three areas.

Advancement paid for Young Audiences to review staff benefits. Employee benefits were improved to include medical insurance, disability insurance, life insurance and 403b retirement plans. Salaries have been increased by 2-4%. The reporting system has also been improved to smooth staff transitions. Each staff member has the opportunity to present to board members at least once during the year. These changes are important because of the previous problem with staff turnover. The work is constant with no seasons or downtimes.

Advancement paid for IT training, including training on the new development software. Young Audiences changed from Giftmaker to Raisers Edge.

Young Audiences attended the Building Evaluative Capacity seminar run by NAS. Advancement also paid for the faculty member Hallie Preskill run a board retreat as part of a process of creating a culture of evaluation and continuous learning in July 25 2005 and to develop an evaluation system for the organization. Young Audiences found this to be one of the most beneficial parts of the Advancement program. However, they have not yet found the time to implement the evaluation system.

### **9.3.5 Strengthening the Board**

The various improvements from Advancement have helped to strengthen Young Audiences' use of its board. The IT improvements have led to better board reporting, using a dashboard with key financial figures and targets. Communication with the board has also improved through email blasts.



The strategy workshops showed Young Audiences how to strengthen its use of committees. All committee chairs have been added to the executive committee, where before only the officers attended. Cross committee meetings have also been introduced, for example between marketing and development.

Young Audiences had also planned to introduce a board evaluation tool, but this has not happened, in part because of concerns from board members. Young Audiences is now at the position of needing to widen its board to reflect its geographical expansion.

### 9.3.6 Increasing Financial Sustainability

Young Audiences is in the process of translating the changes in program, marketing and organization into financial benefits. In the short term, the amount of earned income has gone down such that it made up 18% of total income in FY 06 compared to 31% in FY 04 (Table 28). By contrast, some Young Audiences chapters raise as much as 60% of their total income through earned income.

The Cleveland Foundation gave Young Audiences \$200,000 in 2006 to establish a working capital fund, subject to matched funds being raised. Advancement is also paying for a prospect research consultant and for the upgrade to donor management software mentioned above. AAP consultant Sylvia Yankey helped Young Audiences plan tactics to significantly professionalize and expand its fundraising capacity with individuals. Technology has already raised the organization's profile through the newsletter and email blasts to donors. The Development Committee has put in place a three year development plan including increases in annual goals. Board giving has increased and met its target for FY 06.

**Table 28: Income**

	2003-04	2004-5	2005-06
Earned income	\$389,808	\$338,183	\$258,360
Contributed income excluding CF			
Total board giving	\$28,489	\$28,740	\$34,407
Non board giving	\$24,170	\$33,419	\$29,390
Number of corporate sponsors	18	21	24
Number of new foundations that have funded YA	25	34	36

## **9.4 Conclusion**

Young Audiences made a large number of changes during AAP. It improved its strategic planning, marketing, use of technology, financial reporting and knowledge of evaluation. At the same time, it expanded its service area and moved towards more long term systemic educational programs, both of which have necessitated lower levels of activity and reduced earned income in the short term. The full benefit of AAP will only be clear when these different changes come together to give a financially stronger organization at this new scale of operation.

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Documents Related to the BASICs Program (its historical development, background, implementation, and the learnings that led to AAP):

- March 1995 Memo to Cultural Affairs Subcommittee of Cleveland Foundation Board re: Commissioning a Study of the Performing Arts in Cleveland
- 1996 Executive Summary of The Cleveland Foundation Civic Study Commission on the Performing Arts
- May 1997 Memo to Cultural Affairs Subcommittee of Cleveland Foundation Board re: Implementing the Study Commission's Recommendations
- Nov. 1997 Memo to Cultural Affairs Subcommittee of Cleveland Foundation Board re: Recommendations for a Revised Strategy for At-Risk Organizations
- Aug. 1998 Memo to Cultural Affairs Subcommittee of Cleveland Foundation Board re: Launching the Foundation's Operating Support and Capacity-Building Program (eventually called BASICs)
- 1998 Internal Material for Foundation Board re: Design of BASICs
- Sept. 1998 Public Document explaining the BASICs program
- FAQs about BASICs
- Sept. 2000, 3<sup>rd</sup> Group Meeting for BASICs Organizations (Meeting Notice, Agenda, Handouts)
- Nov. 2000 two Memos to Arts and Culture Subcommittee of Foundation Board re: 1) Updates in the Cultural Community in general and BASICs in particular, and 2) Demise of one of the BASICs organizations
- Sept. 2001 Initial Evaluation Report of BASICs from external evaluators LarsonAllen Group
- March 2002 Memo to BASICs Organizations re: Capacity-Building Grant Limitations
- April 2002 Memo to other Local Arts Funders re: Development of new Seminar to respond to recession and economic downturn
- May 2002 BASICs Group Meeting Agenda, Handouts and PowerPoint Presentation
- Sept. 2002 BASICs Evaluation Report to Foundation Board Grantmaking Committee
- Jan. 2003 BASICs Group Meeting Materials re: Development of the Advancement Program

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- Oct. 2003 BASICS Group Meeting Materials
  - Dec. 2003 Memo to BASICS Organizations re: Final Grant Reports, Exit Grants, and other Wrap-Up Matters
  - Feb. 2004 Memo to Foundation Board Grantmaking Committee re: Phase-Out Activities of the BASICS Program and Start-Up Phase of Advancement
  - Sept. 2004 Memo to Grantmaking Committee of the Board re: BASICS Evaluation and Recommendations

Documents Related to Informing the Arts Community about Advancement (called Arts Leadership Program at this point):

- Sept. 2003 Memo to Selected Cleveland Area Arts Orgs re: Advancement Program and Info Sessions
- Sept. 2003 Press Release
- Oct. 2003 Info Session Handouts

Documents Related to the Arts Advancement Program Selection Process:

- Selection Timetable
- List and Brief Bios of Panelists
- Organizational Summaries of all Applicant Organizations
- Application
- Scoring Sheet
- Agenda for January 27, 2004 Panel A Meeting in Cleveland
- Interview Protocol for Feb. 18 – 20, 2004 Semi-Finalist Interviews w/Panel A
- General Questions to be asked of all Semi-Finalists in Interviews
- Interview Schedule and List of Participants from Semi-Finalist Organizations
- Compilations of Panel Comments and Questions for use in Interviews
- Analysis by NAS of 9 Semi-Finalists for use in Interviews

Documents Related to the Application Feedback Process:

- Schedule of Feedback Meetings for all AAP Applicants
- Individual Panel Feedback Summaries for all AAP Applicants (including the 6 finalist organizations)

Documents Related to the First Meeting with 6 AAP Organizations:

- April 13, 2004 “Kick-Off” Meeting Agenda and Handouts
- April 13 PowerPoint Presentation

NAS assessments from 2004.

Monitoring documents for AAP:

- AAP Annual Progress Reports.

- Sample Statements of Investment Objectives and Policies.

Working documents from AAP:

- Apollo's Fire Strategic Plan 2006-2009.
- Apollo's Fire Competitor Analysis 2005.
- Apollo's Fire brochures.
- CFS summary of market research.
- CFS program and brochures.
- CFS media coverage.
- GLTF Work Plan.
- GLTF board retreat agendas for September 2004, September 2005 and October 2006.
- GLTF In Depth Telephone Interviews 2005.
- GLTF Subscriber, Lapsed Subscriber/Multiple Ticket Buyer & Potential Customer Study 2006.
- MOCA Work Plan.
- MOCA Committee Structure.
- MOCA Summary of Director Responsibilities.
- MOCA visitor survey questionnaire.
- MOCA architect selection criteria.
- MOCA board evaluation.
- MOCA public presentation on Relocation to University Circle.
- MOCA notes on Understanding the New Dynamic: Art, Technology, and the Mind.
- MOCA brochures.
- YANEO summary of ICARE Evaluation.
- YANEO marketing plan.
- YANEO telephone survey.
- YANEO brochure survey questionnaire and results.
- YANEO Evaluation System 2006