

Berkshire Taconic Community Foundation

“Bright Spots and Balance Sheets” Conference

Opening Remarks by Holly Sidford

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I’m very happy to be here and grateful for the opportunity to have a conversation with you about issues that we all care deeply about – namely, how we successfully navigate our organizational, artistic and personal lives in times of exponential change. And how we continue to navigate this new landscape of multiplying choices.

Today’s convening is organized in the spirit of inquiry. Our conference organizers, Jennifer Dowley and Ann McQueen, asked me to kick us off, but I don’t have any definitive answers. I suspect none of us do. But I think if we ask enough of the right **questions**, and really listen to the responses we get, then some clarity may emerge from the mists.

Background

I’m here today because Jennifer and Ann read a report my Helicon colleagues and I completed recently, “Bright Spots and Hard Bargains.” The report was commissioned by Ben Cameron at Doris Duke Charitable Foundation, and is based on research we did last fall.

The Duke Foundation is in the midst of a program review, exploring what funding strategies they should continue and what, if any, new ones they should launch. They are having conversations with many leaders in their fields of interest – modern and contemporary dance, theater, and jazz.

Not surprising, they are hearing a lot about the challenges organizations and artists in these fields are experiencing, and the difficulties cultural groups are having dealing with demographic change, technological shifts, and confounding trends in audience behavior.

Duke is hearing a lot about the economy, rising costs and unreliable revenue, the decline in arts philanthropy, and cuts in public sector funding. Embedded in this are deep concerns about the growth of number and size of cultural organizations; the proliferation of commercial and online options; disintermediation generally and changes in the role of cultural institutions; the DIY movement and the pro-am phenomena. In sum, there’s a general sense that the competitive landscape has radically and irrevocably changed. Duke is hearing a lot about **what’s wrong** and much of it is pretty discouraging.

But, for a couple of years now, Ben and I have had a running conversation about the flip side of this topic. In other words, **what is working**. In our evolving discussion, we’ve been trying to understand what makes some organizations stand apart from others, and achieve demonstrably better results on important dimensions.

In their artistry, for starters; but also on their audience engagement; the development of their internal culture (including board effectiveness); and their finances. It goes without saying that the groups above the norm in more than one of these areas are especially interesting.

Who and what seem to be producing positive results? What are they doing? Why are they doing that? Is there any pattern? Are there practices that may be replicable and assist other organizations?

Context

Over time we've come to short-hand this as the "bright spots" conversation. This is a term coined by Chip and Dan Heath, brothers who study and teach organizational behavior and entrepreneurship (Chip at Stanford and Dan at Duke). You may be familiar with their terrific book, *Made to Stick* (2007) about why some ideas are more "sticky" -- lasting longer and traveling farther than others.

Last year, the Heaths published another very lively and useful book, titled *Switch: How to Change When Changing Things is Hard*. It outlines nine things you can do to change your own and other people's behavior to get the results you want. It's really worth reading.

The Heaths' first principle of change is this: "Follow the Bright Spots." Bright spots are the beacons of light that -- by their example -- help us navigate our own path. They are often people just like us. They don't have access to extraordinary resources or skills; they are our neighbors and peers.

The Heaths make the important point that changing our behavior is often difficult because we don't know what to change **to**. We are all awash with information about options, and suggestions about how we could or should change. But without a specific example to point to and steps for how to do it, change is hard. Paralysis is a natural response. And paralysis can look a lot like resistance. But what is perceived as resistance is often just confusion and lack of clear direction.

In the Heaths' book, they tell a number of memorable stories about people changing their behavior. But the most compelling one to me is about improving child nutrition in the villages of Vietnam. This is the story of Jerry and Monique Sternin, academics and activists who have addressed malnutrition issues around the world. Their story is also told, in greater detail, by the Sternins themselves in their book, *The Power of Positive Deviance*. (That's also worth reading.)

Their story is worth recounting. In 1990, Jerry Sternin was sent by Save the Children to Phnom Penh to launch a program addressing malnutrition in rural communities. The foreign minister of the country, having seen many such "do-gooder" missions in the past, gave him just six months to make a difference.

Sternin was not daunted by this incredibly short timetable. He was well-versed in the academic literature on the causes of malnutrition – poor sanitation, poverty, lack of education, etc. But he considered such information “T.B.U.” – “True But Useless.” There was no way a strategy focused on changing these deeply rooted issues could see results in six months.

Instead, he went to the foremost experts on feeding local children – the village mothers. Recognizing they also had the most incentive to improve conditions for their children, he enlisted them at the outset as partners. He got groups of mothers to weigh every child in their village. They compiled the data and then, together, they studied the results.

The first question they asked this accumulated information was, “Did we find any very poor kids who were bigger and healthier than the average?” And of course, there were some. Then they asked, “What are the mothers of these children doing that is different than their counterparts?”

They found that the mothers of the healthiest children were, in fact, doing things differently. Three things, to be exact.

First. The mothers of the healthiest children were feeding their children **SMALLER** portions of food, but more often during the day (four times rather than the average two).

Second, they were taking brine shrimp from the rice paddies and greens from sweet potatoes grown in their gardens and adding these to their daily soups or rice dishes. They were doing this in spite of the widespread stigmas against using such greens because they are “low class” and to be avoided.

And third, when serving their children, they were ladling from the bottom of the pot, making sure the kids got those shrimp and greens that had settled during cooking.

In less than a month, Sternin and his “research teams” of mothers had discovered local practices that were effective, realistic and sustainable. Sternin and the mothers spent the remaining time of his six month “visa” training mothers in other villages to study their local bright spots and replicate the behavior.

It’s important to note that **not every Vietnamese mother in every village then put brine shrimp and potato greens in their soups.** These particular foods were not available in every village. But **something** that produced healthier children did exist in **every** village, and those foods could be identified, and those practices replicated.

By looking for the bright spots in every village, and then helping mothers learn from each other, Jerry Sternin set in motion a small revolution in thinking and behavior. At the end of six months, 65% of the children in the villages where he worked were better nourished.

This revolution in practice snowballed throughout the country in subsequent years, with equally impressive results.

This story has great meaning for me, on many levels. It moves me as fact. But it also moves me as metaphor. What's compelling about the facts is obvious. Who wouldn't want to make such a dramatic difference in the lives of children with such an elegantly simple intervention?

But the metaphor may be less obvious. So let me tell you what I see and why I think this story is a metaphor for us – people who care about the arts in our country.

On first pass, the Sternin story appears to be about children. But to me, it's actually a story about mothers – the people in every community charged with nurturing the future, nourishing the nascent and making the *potential* come to life. It's a story about WHAT and WHO nurtures our communities and makes them healthier. For me, that makes it – metaphorically – a story about the arts.

This is also a story about making the most of local ingredients, inexpensive and available to all – including food stuffs, local knowledge and collective action. It's about making minor miracles out of everyday resources. That, too, makes it – metaphorically – as story about artists and arts organizations, who regularly make amazing things happen with everyday materials.

And I think this is a story about what the psychologists call “attunement” – that very hard to describe and elusive but amazingly powerful quality of knowing what another person (or a community) needs and figuring out how to get it. Even if that means doing things that are highly unconventional or outside the norm.

The mothers of the healthiest children in those Vietnamese villages were attuned to their sons and daughters. Jerry Sternin was attuned to those mothers. Cast another way, attunement is a form of leadership – the ability to combine facts and intuition and come up with novel solutions. So in that way, too, it's a metaphor for both artists and arts organizations.

Bright Spots in the Performing Arts

OK, enough with my metaphors. Back to bright spots in the arts in the U.S.

My Helicon colleagues Marcy Hinand Cady and Alexis Frasz and I embarked on a research project to find the bright spots in the performing arts. We read a lot of reports and blogs and websites, and talked to a number of funders and service organizations who have a national perspective. But the primary thing we did was to interview the heads of diverse cultural institutions – about 60 of them across the country.

We asked these people which organizations stood out from their peers in their artistry, audience engagement, internal culture or financial sustainability. Jerry Sternin called his cases “observable exceptions” because – with basically the same resources and facing the same conditions as their peers -- they produced better results, sometimes without even recognizing that they were exceptional. We asked our interviews informants to identify observable exceptions: **Who** is achieving better results and, if they knew, **why?**

We used a snowball technique, which enabled us to follow up on the recommendations we received and talk in some depth with those who were “nominated” repeatedly. Compared to a national electronic survey, for example, we found this a much more nuanced and subtle way to put a picture together. We also found that by asking people to talk about the exceptional behavior of others before they discussed their own, we got them to both comment on specific circumstances and make broader generalizations. In this way, we turned them into an informal research team and together we made some connections we might not have made before.

What are some of these behaviors? They really boil down to three distinct qualities that are integrally linked. These qualities can be teased out, but they manifest themselves differently in each organization. In other words, no two “bright spot” organizations look alike; each is displaying these qualities in a unique way. One size does not fit all and each organization has to find its own way.

We were looking only at performing arts organizations, but I think these qualities are found in “bright spot” organizations in the visual arts, media and literary arts fields as well. I’m interested to know if you think so too, and we’ll get to that during the panel discussion.

What are the qualities?

1. Not surprisingly, **their leadership is distinctive**. First and foremost, it is genuinely **strategic and impact-driven**. By strategic, I mean the leaders of bright spot organizations have carefully defined their strategic path, based on a rigorous and unsentimental analysis of their context and their competitive advantage. And they have established a viable business model -- without banking on the kindness of strangers or the “miracle of 2014”. In some cases they have cut expenses quite radically, and reorganized their financial behavior to increase reliable revenue, not just to break even but to net annual surpluses. Some are investing money in changing their business model itself.

And then they improvise – they are entrepreneurial, visionary, risk-taking, and imaginative. These organizations and their leaders – BOTH board and staff – understand that it is especially important to innovate and take risks during times of stress and rapid external change. In contrast to the majority of organizations that tend to pull back and retrench when stressed financially, the bright spots actually act boldly, mix it up, try new things. They pick up speed in experimenting, often with small innovations, but sometimes with truly big bets.

To paraphrase Samuel Becket, they try, they fail, they try again, they fail better.

And they fail faster.

For these organizations, almost nothing is sacred, and they are constantly scouting for what's working elsewhere – in other nonprofit disciplines but also in commercial sector. They steal ideas from sports clubs, the fashion industry, technology companies and other fields. Further, they are transparent about the fact that they are experimenting and fearless in sharing the failures as well as the successes. But they are experimenting *strategically*. They are very disciplined about assessing the results of their tests and continuously refining and adjusting their behavior. After setting their strategy, they become impact-driven and encourage continuous evolution based on **the strategic thinking** they encourage throughout the organization.

2. Another quality that distinguishes bright spots is that they have **very clear sense of public purpose and a distinctive artistic identity**. They have simultaneous and unequivocal focus on both their artistic aspirations and relevance of those aspirations to their community. They allocate resources strategically to advance the living spirit of their dual mission, and they are guided by a very clear set of values that are understood within the organization and outside it, among its stakeholder.

This grounded quality helps them manage the fear and messiness inherent in staying attuned to both their artists and their communities as things change. Because they have a kind of contagious electricity about the **why** of what they do, **the what and the how** can shift and evolve. Each staff and board member has a clear role and everyone has a sense of excitement about the concrete ways in which the power of their work can impact both individual lives and the life of the community.

3. And the last quality of bright spots that I'll mention today is that they **consider the institution to be inseparable from its constituency**. Their institutions are the facilitators of **relationships** between audiences, artists and artwork. It is these relationships, and the experiences that get created in the context of these relationships, that give the institution meaning and make it truly valuable and sustainable. Bright spots aren't thinking about their constituents as "consumers" who buy a "product," but as **partners** in or co-creators of the mission they are trying to achieve. Nor do these institutions see artists as simply producers of content. Artists, too, are partners in building the institution's capacity to achieve its public and artistic mission.

As a result, at these bright spot organizations, audiences and artists are engaged with each other in a multitude of ways, on many levels, before, during and after the creative "event." In fact, most of the work of the institution is understood as a creative process. This includes the financial dimensions of the work.

These institutions stand out amidst the cacaphony of cultural options available because they focus on building a community of people who are PART OF what the institution does. And because they are part of what the institution does, they are invested in its future.

Increasingly, this kind of radical engagement is the only way for almost any business to survive. Because technology has precipitated such an explosion of options and choices, people can go elsewhere for their cultural experiences. To sustain a loyal community, we must offer more than a good artistic product. There are lots of these around now, many of which are free and don't require driving or being in your seat at a specific time.

We must create authentic relationships with people before they decide to buy. They must be engaged by the relationship they have with us before they invest in us. And this is essential to our futures because there isn't enough philanthropic capital in the world to sustain institutions whose audiences aren't authentically engaged.

A Few Examples

Let me give you a few examples of organizations that we heard about repeatedly – organizations that their peers see as particularly bright.

SPCO. The St Paul Chamber Orchestra is one. This orchestra has an international reputation for its outstanding sound, and artistic quality. But interestingly, the orchestra no longer defines its mission as producing excellent music. **They define their mission as developing a passionate audience for the orchestral experience.** They made this shift of mission about 10 years ago.

As you might imagine, it was a carefully considered decision, still considered radical (ie, horrifying) by many in the orchestral field. But that change was precipitated by the board and staff looking very long and candidly at the orchestra's basic capitalization structure. They realized that there was no way the Orchestra was going to survive if they continued to operate with their traditional business model. Their response to this realization was to marry the audience and the art.

This shift in mission has catalyzed a pretty continuous process of reinvention, spurred by board and staff leaders who continue to look unsentimentally at facts. Then-General Manager Bruce Coppock and Board chair Lowell Noteboom were the heroic innovators, but really everyone – board, staff, musicians and donors – have all demonstrated tremendous entrepreneurial imagination and courage.

They disbanded the maestro-led structure in favor of a collaborative arrangement in which the musicians work with a council of visiting artists. These artists make a multi-year commitment to the orchestra, and work together to plan and realize imaginative, exciting programs. To keep the music contemporary, St Paul has launched ambitious new commissioning efforts, including commissioning work by composers who are not classically trained.

The Orchestra has completely re-thought its presence in the community. Their beautiful downtown concert hall is now just one of about ten venues where the Orchestra plays regularly. The Orchestra performs as many concerts in community centers, churches and synagogues and other venues as they perform at the Ordway downtown. This has enriched their relationships with people in different parts of the city, and grown their ticket sales.

They are also deeply engaged in growing the number of music students in the Twin Cities (both youngsters and adults) as their own and other research has shown that people actively engaged in learning an instrument are more passionately interested in live performance.

They are also experimenting with their pricing structure. More than 80% of their seats now sell at either \$10 or \$25. This shift in ticket prices has been financed, in part, by a major shift in their thinking about advertising. They have completely eliminated print media (saving about \$1 million/year), and now rely exclusively on electronic and word of mouth strategies. They have not seen an appreciable drop in ticket sales since they stopped the traditional marketing approach.

TREY McINTYRE. Another example we heard about repeatedly was Trey McIntyre and Company. Trey is a choreographer who started his career in a fairly conventional way, dancing with companies in New York and other major cities with substantial communities of choreographers and dancers. When he formed his own company, however, he made a daring choice, and decided to build it in Boise, Idaho. He thought that Boise could be a great laboratory for realizing his belief that dance can literally transform a community.

The company does almost nothing without engaging local constituents. They recently developed a new dance work with the local Basque community. They regularly organize spontaneous urban events (like flash mobs) -- effervescent artistic happenings that change the way people see those particular spaces and, at least for a moment, each other. They worked with local businesses to create a citywide prize for outstanding innovation -- in any field (not just the arts). And they offer their dance studio as a place where visual artists can showcase their work.

The community has fallen in love with Trey and his dancers. One local bar has created drinks named after each of the members of the company and they donate a portion of each drink sold to the company. Young children greet them on the streets as if they were rock stars -- because they ARE rock stars. And the city and local audiences have been very generous with their support.

OCP. One final example for today is the Opera Company of Philadelphia, which under the leadership of General Manager David Devan has re-thought and re-configured just about every dimension of the organization. Four years ago, OCP was a nice, very competent but not very exciting mid-sized opera company, producing good programs that attracted fewer and fewer people. The organization used a fiscal crisis as the

catalyst to genuine transformation. This included the risky and controversial decision to cut 25% of their productions each year and put some shows in a smaller house.

As retailers and boutique owners know, however, shrinking supply makes the available goods more precious and indeed, this has been OCP's experience. They are selling more tickets and selling them more quickly because now people realize they cannot take getting a seat for granted.

OCP has also placed a new artistic emphasis on commissioning American composers and scouting American operatic talent, and – with this and other strategies, they are singularly focused on making the company one of the most influential companies in the country. They formed partnerships with the Curtis Institute and the Kimmel Center to produce works, thus saving themselves costs and drawing audiences from these other organizations' networks. They have gotten a lot of media attention (and Internet buzz) for the “spontaneous” performances they have staged in public markets around the city.

Conclusion

Most bright spots have done **deep work on changing their organizational cultures**, so it's hard to capture the nuance of what they are doing in short stories like these. These brief synopses don't do justice to these organizations. And these three are only a few of the more than 100 organizations that were “called out” repeatedly by their peers in our research. But I hope they pique your interest.

There isn't only one path. It's not quite as simple as brine shrimp and potato greens.

But in another way, it is. Because the bright spots that we found have all made a simple but profound shift from focusing on the artistic product to focusing on the relevance of their artistic work to their community and the quality of their relationship with people in that community. They have not given up their passion for artistic quality, but they have married that with an equally passionate interest in engaging people in the creative process. In a metaphorical sense, they have found new ways to feed people. And in the process, they have made themselves stronger too.

They are pioneers. But they are also people just like us. Not everything they do is brilliant or successful, and they would all say that it's pretty scary out there some days. But they are achieving effective, realistic and sustainable results.

And their brightness illuminates the path for the rest of us.

Thank you.

Holly Sidford is President of Helicon Collaborative, a multi-generational consulting team that provides strategy development, research, coaching and related services to foundations, cultural organizations, artists and others who are interested – as we are – in strengthening the role of arts and culture in healthy community development. www.heliconcollab.net