

HIGHLIGHTS FROM:
INNOVATION, DISSEMINATION AND LEADERSHIP
IN A CHANGING ARTS LANDSCAPE

Doris Duke Charitable Foundation
Arts Program Expert Review Panel Discussion

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INNOVATION, DISSEMINATION AND LEADERSHIP IN A CHANGING ARTS LANDSCAPE

Executive Summary – January, 2007

On December 15, 2006, the Doris Duke Charitable Foundation Arts Program convened an Expert Review Panel, which engaged in lively and provocative discussion about the foundation's first ten years of grantmaking; the state of the performing arts; and the roles and responsibilities of artists, institutions and donors in the current ecology for the arts. It also offered passionate and informed responses to a set of proposed new directions for the foundation.

Panelists were provided with in-depth assessments and evaluations of all currently active DDCF's Arts Program initiatives. The panel discussed a number of these in depth and, in specific cases that will be shared with intermediaries, offered questions that might be addressed in future iterations (if the programs are continued). Additionally, panelists argued passionately for the necessity of continuing certain programs, noting their place in the ecology of arts funding and the role they have played in promoting the health of dance, jazz, presenting and theatre.

RECURRING FIELD-WIDE THEMES

Prompted by the interests of the Doris Duke Charitable Foundation and its grants program, and strongly reinforced by the findings of field-wide conversations and the insights of decades of cumulative experience in the performing arts, the panelists focused on several themes in their overview of the field:

- The need for innovation and risk;
- The challenges of dissemination—of artistic work, e.g. through touring; of best practices in audience development, business management and organizational structure; and of “regular world class briefings on the operating environment [for the arts].”
- The differing needs and responsibilities of artists, institutions, audiences, and donors in today's arts environment;
- The importance of individual, institutional and sector leadership.

Panelists saw value in being “emboldened by failure” and in taking “a greenhouse approach to innovation,” to identify business models that deal effectively with risk. “Innovation should be part of the cost structure of a healthy organization,” but resources and an effective business model are prerequisite to that goal.

Today's audiences bring new expectations to performances. They demand intense experiences, and “want authenticity, community and experience.” Additionally, the audience is shifting from passive observer to active participant. Arts organizations need to respond to these new impulses and to mobilize the efficiencies of new technology, in order to identify and market to a highly targeted audience. “How do you couple technology with the audience's need for social interaction . . . the magic that takes place in live performance?”

Artists, institutions and donors are highly symbiotic, and the vitality of the entire arts field is dependent on a system where programs and activities are critiqued and evaluated so that the entire field advances. Regranting through intermediaries has been and will continue to be an important strategy, but panelists challenged the foundation to take a more curatorial approach: to raise larger issues and recommend and test field-wide strategies; to share findings and disseminate ideas; to reinforce lessons learned from both successful and failed experiments with business models, audience development, innovation and sustainable practice.

FUTURE OF DDCF GRANTMAKING

Panel members strongly endorsed the priorities that will characterize the next phase of DDCF's work. These are: uncompromising commitment to leadership; innovation in re-imagining the artistic, economic and participatory transaction between audience and artist/institution; and active engagement in the process of sharing information, exchanging ideas and communicating within and across disciplines.

National organizations exist to collect and disseminate the good ideas of the field. Other important national functions are convening, experimentation, and shared learning. As a national funder, there is a responsibility to support national sector-building, to participate in the national arena as a conscious priority, and to play an active role in ensuring the health of these national organizations so that they, in turn, are able to serve the artists and institutions that fuel the arts today and in the future.

DDCF is uniquely positioned to change the paradigm of the grantmaker and its relationship to the field by accepting the curatorial challenge:

- to disseminate good ideas;
- to celebrate and support new work by performing artists;
- to invest in leadership organizations as defined by artistic quality, vision, innovative behavior and positive financial practice;
- to promote sustainable life practices for artists;
- to advance professional development through mentorships;
- to convene cross-sector exchange of ideas;
- to move the audience paradigm from spectator to participant;
- to strengthen service organizations and position them to take good ideas to scale;
- to advance the arts field as a whole.

“Unlocking the knowledge of practitioners so that people can help each other—that’s the big win.”

INNOVATION, DISSEMINATION AND LEADERSHIP IN A CHANGING ARTS LANDSCAPE

by Suzanne M. Sato

Full Report – January 2007

On December 15, 2006 the Doris Duke Charitable Foundation (DDCF) convened a national Expert Review Panel to look at the first ten years of DDCF Arts Program grantmaking and to reflect on how the foundation might allocate its resources in the future. The panel discussions had four objectives:

- To assess the strengths and weaknesses of current and past DDCF arts grantmaking based on commissioned reports and professional expertise;
- To explore the state of the Foundation’s priority arts fields—dance, presenting and theatre—and identify key areas warranting future DDCF investment;
- To describe the social, cultural and philanthropic context for arts organizations and the work of DDCF;
- To test some specific ideas for future DDCF grantmaking.

The panel was composed of ten individuals—6 drawn from performing arts fields, representing an array of disciplines, aesthetics and viewpoints (artistic and managerial), and 4 drawn from outside of arts practitioners, with particular expertise in technology, leadership development, finance and audience behavior.

The goal of this report is to capture the key elements of the panel’s discussion and recommendations, with the understanding that an exhaustive overview of DDCF grantmaking history, independent assessments and evaluations have already been collected and reported separately.

RECURRING FIELD-WIDE THEMES

Several themes recurred throughout the day’s discussion:

- the need for innovation and risk;
- the challenges of dissemination—of artistic work, e.g. through touring; of best practices in audience development, business management and organizational structure; and of “regular world class briefings on the operating environment [for the arts].”
- the differing needs of the artist, institution, audience, and foundation in the arts environment;
- the importance of individual, institutional and sector leadership.

The Need for Innovation and Risk: How can innovation be promoted and risk encouraged? And what is the toolbox that DDCF can bring to advance this value? Discussions of innovation inevitably lead to risk and risk tolerance, and a re-envisioned approach to the notion of failure. One panelist posited that “if your agenda is innovation, then you have to be about funding failure. If your agenda is excellence, then you’re funding the status quo.” “I’m not sure you should be funding failure,” responded another, “but rather funding the work that occurs after failure. How do

you help the organization not be beaten by failure but emboldened by it? You don't usually get invited back with honor to process the experience of a failure for the benefit of the field, but that review is how lessons are learned." One recommends "a greenhouse approach to innovation," an incubator or "un-endowment." "Let's try it in three places and remove the negative consequences of failure. Inherent to innovation is making mistakes and trying again. It is a value that needs to change in our field. There are many good ideas, but no tolerance for failure."

"Perhaps it's not so much about encouraging risk," noted another panelist, "but if one of the tools to promote innovation is money, then what combinations of capital and business models will support an organization or group of artists to advance innovation? Innovation should be part of the cost structure of a healthy organization." The role of the artist in this context is to take responsibility for his own fate and to acquire the business skills to ensure survival and success. At the same time, artists are essential to institutional sustainability and identity.

In the commercial sector, it is accepted that entrepreneurs can "fail, fold and live to fight another day," the panelist continued. "Non-profits also lose the gamble, but are mission-bound to stay in business. They are working on something that cannot be scalable, yet imagine that innovation and scale are compatible on an enterprise level, though innovation is inherently disruptive."

Dissemination is an essential tool, as well as an objective:

- disseminating the work of artists through presenters and new organizational structures for making work;
- doing more to share information about organizational lessons learned via intermediaries and through DDCF convenings;
- using information dissemination tools to create new strategies for audience development;
- harnessing the tools and business models of the technological age to target an audience for live arts.

Arts institutions are increasingly aware of the gap between the live experience they provide and the declining public perception of the value they offer. This offers challenges in marketing and PR, areas in which the for-profit has excelled but in which the not-for-profit still has much to learn. One panelist notes, "We live in a choice-laden society, so companies are increasingly driven by brand." On one hand, a brand could be the building—Lincoln Center, BAM—but often the brand is not tied to a building or a presenter. The atomized age of choice demands a suite of highly developed marketing skills, so that "properly understood with the right skills, you need less cash to go right to the 10 people who are the right fit for your audience." "Two concurrent things are happening," the panelist continued. "Dissemination tools are plummeting in cost, yet we are taking a Jedi knight approach to effective marketing. We're looking at who's tallest and best-looking, but we need to create connectivity around organizations that really understand scale, to identify a low cost message that works for each person in a market. There should never be an empty seat, because there is a message for everyone." The panelist offers a prime example: askaninja.com which began with a \$6 investment and grew to 175 million downloads. Marketing in this way becomes extremely targeted and efficient. Another panelist questions, whether "the power of technology is its efficiency or that it makes inefficiency irrelevant?" In either case the first panelist concludes, "The tai chi of networks is that there will

be a generation who will network automatically” and marketing to that “audience” will become more intrinsic to standard audience development practice.

But challenges of distributing arts works go beyond marketing. Changing audience tastes are demanding shorter more intense experiences, more rapid dissemination of artists’ work. Audiences define art forms more broadly and inclusively while institutions tend to hold onto more narrow definitions. According to a different panelist, “It is the live performance that counters isolationism. How do you couple technology with the audience need for social interaction and the institution’s goal of filling seats? The magic that takes place in live performance is not going to happen on a Web site.”

As organizations and artists make progress in meeting these challenges, panelists call for “ramping up the surround of information sharing. An important role for the foundation is to provide regular, world class briefings on the operating environment for the arts . . . the demographic, environmental forces that are important to capacity-building.”

Artists, institutions and donors play different yet symbiotic roles in the arts environment. Panelists were careful to differentiate between individual institutional leadership and stability, and the change and conditions that impact the field as a whole. “Are we thinking about the field or about individual grantees? The vitality of the art form or the health of individual institutions? Looking at the field as a whole beyond a specific organization with its uncertain outcome, risk becomes ‘development,’” one notes. DDCF could usefully provide a framework where individual artists in the field might take risks. This field-wide model recognizes and encourages options for risk, and those options—rather than the individual artists or institutions—are then evaluated, thereby allowing the entire field to progress, even if an individual organization has had an adverse experience.

Another panelist notes that there is a tension between the ideal of system-wide change and the more customary model of **regranting through intermediaries**. In putting forward guidelines, the intermediary evaluates and identifies the “best” proposals based on a set of guidelines. Intermediaries are practiced in taking “good” or calculated risks within the context of the applications received, but this process eliminates the potential for an “entrepreneurial” approach, where the foundation might “curate” different approaches to a field-wide concern. One suggests that the onus must be on the field “to propose its own solutions,” making the foundation itself more of an intermediary, curator and entrepreneur. The problem as another sees it is that “institutions are self-diagnosing, and there is no one to play doctor,” calling again for a more curatorial approach on the part of funders to test, refine and disseminate new audience development models. “We know that the subscription model is a dinosaur, but no one is bringing new scalable models to the field.”

Ultimately, “it’s not helpful to think about the arts without thinking about what the arts are supposed to contribute to the universe. Artists collect both assets and baggage. We are trying to build institutions with moving walls to give individuals some choice, but it requires us to look at every one of our institutional practices to see whether they are rigid because of need, habit or the inclination of the people who are in them. Sometimes it’s just appropriate to have an institution because some things ought to be stable to hold a community together,” one observes.

THE STATE OF THE FIELD

In addition to full reports sharing the findings of the national conversations in dance, presenting and theatre, panelists were given an opportunity to engage with representatives from select national service organizations. These representatives talked in greater detail about the size and shape of their respective fields, the needs of individual artists and highlights from the national conversations. As final versions of reports from those conversations become available, DDCF will link to them on its website.

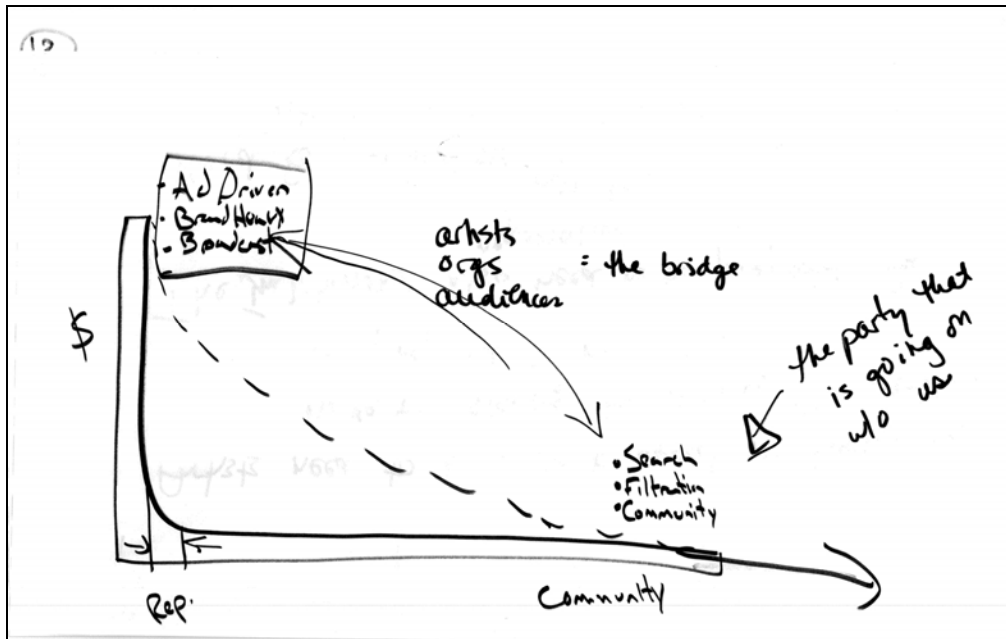
Additionally, service organizations reported that they are working together, though principally on sharing new practices rather than on the conceptual level. Of many shared concerns, however, developing new audiences seems to be a cross-cutting issue. “Despite all the investment in new audiences, we haven’t been able to crack the nut of building audiences for the performing arts.”

On the other hand, one panelist notes the rise of the amateur activities with the energy of a paradigm shift. “We’ve been talking about the paying audience, but if we look at the big picture about the survival of the art form, then a lot is happening.” The role of the audience may be shifting from passive to active, from receptor to participant. One of the guest speakers agrees, “This is a participation economy and the amateurs have our tools.” Examples of specific artists and organizations who have found a way to embrace communities and put the community members themselves onstage without diminishing the quality or seriousness of the work, are made possible in part by significant financial support from public and private donors.

THE LONG TAIL CURVE

The nature of the cultural economy is changing, and panelists were especially engaged by the ideas of *Wired* editor Chris Anderson, whose book *The Long Tail* was discussed. “The theory of the Long Tail can be boiled down to this. Our culture and economy are increasingly shifting away from a focus on a relatively small number of bits (mainstream products and markets) at the head of the demand curve, and moving toward a huge number of niches in the tail.” (*from The Long Tail, by Chris Anderson*)

The panel described a long tail curve with the spike on the Y-axis characterized by money and labeled “Ad Driven, Brand Heavy, and Broadcast”—in essence, the space occupied by major institutions, the blockbuster film hits, musical Top 40 etc. that have defined success in the past. That said, this work comprises only a small fraction of the total, and with new technologies allowing artists to create and distribute work in new ways, there is an increasingly long “tail,” comprised of often small budget, niche-driven work. One panelist captured this dynamic in the diagram reproduced below. The tail on the X-axis encompasses: search, filtration, community, where “the party going on without us.” In the center of the curve are artists, organizations and audiences, all part of the “bridge.”



As the panelist noted, we “used to have three television networks. But now you have the long tail of cable, net channels, You Tube, micro-enterprise, etc. and the big institutions lose share. Big institutions—the “spike”—remain important on one end and community entities thrive on the other. But how do these large institutions and community entities connect? People need filters, content organizers, and information mediators. With new access to audiences and new abilities, people in the long tail are thrilled while people in the spike are scared as they see audiences behaving in mystifying ways and their market dominance eroding. Those in the middle are feeling a pinch, because they are too big to go to niche and too small to dominate the market.”

“We need to figure out a way to increase the value of the love [or long tail] end of the equation,” urges one panelist, “because otherwise with age and the desire for security, they [on the long tail] will get sucked over to the money [or spike] side of the curve. What will we do to prepare the leaders on the money side to recycle back into the love end of the equation?”

Another suggests that “The success of the community-based not for profit is our ability to capture the artists’ voices—particularly the underrepresented. According to yet another, “We’re talking around the need to make our peace with the commerce swirling around us. It’s simply a deal. You provide value and everyone is happy. So you’re pushing yourself constantly to say ‘what is the value we provide to the public, and how is that value lifted up,’ and institutions have to be just as open and prepared as the artist.

Beyond these issues of relative size and volume are larger issues about the shifting nature of economic value. Already, panelists noted, we have seen a shift in wealth creation from a manufacturing economy in the first half of the 20th century to a service economy in the second half. The 1990s heralded the arrival of the “experience economy,” symbolized by the creation at Starbucks of the position of Chief Entertainment Officer. “What people desperately want is authenticity, community and experience,” says one. That people bring inherent creativity to their experience of

culture demands that we understand more about how people express themselves creatively, and the future may increasingly rely on engaging the audience's own creativity more strongly.

“DDCF has been talking about live performance in front of people,” says another, “but the future—full of virtual individual creativity, like younger people with their My Space page—may well involve performance forms that don't match with the facilities we've built, work that is more social, smaller scale, hybrid forms,” an entirely new economy for contemporary work.

The question that we must ask is, “What is the mix of assets that would get us where we want to go?”

FUTURE OF DDCF GRANTMAKING

DDCF priorities have shifted over ten years. “At the outset, we were more conservative and were concerned about payout issues,” explains DDCF President Joan Spero. “We were also taking the opportunity to learn more about the field, so the first grants were about ease of execution and guarding against fragility. The second stream of grants focused on the individual artist which Doris led us to in her will. Presenting institutions were a mechanism to get to those artists. The third value was to get at a little bit of Doris' spirit; she was involved with modern dance and jazz when those were groundbreaking forms. So there's always been a little bit of looking at the underfunded edgier areas.”

In supporting organizations, Duke wanted to ensure that they had the resources to support innovation, but is it better to fund artists directly or the systems in which those artists have functioned? One panelist concludes, “DDCF priorities have been defined by how artist-centric institutions seem to be. I would support the continuation of that value.” At the same time, another adds, “I would encourage us all to think about the potential for new models, such as a sole proprietorship run by an artist, with permission to be small, high quality and long lasting.”

In this light, yet another asks, “What does it mean to be a national funder? Do you want to take on an art form? Do you want to take on a delivery system? Do you want to intervene on all legs of the stool?”

With such a diversity of issues and the depth of need, DDCF faces critical decisions in grantmaking, both in the choice of goals to promote and in the methodology of grantmaking itself. “I'm seeing an armada of ships in the fog, and we can only bring 2 or 3 into harbor. Are we identifying the right 2 or 3 ships?” asked Ben Cameron, positing several underlying assumptions:

- multi-year grants;
- depth of investment in an organization/artist over breadth of numbers of organizations/artists funded;
- rewarding and focusing on strength as a means of lifting the larger field;
- implementing grants through intermediaries;
- avoiding long-term relationships with organizations or individuals and therefore ongoing general operating support (general operating support may be “getting married” while DDCF may want to stay single);

- valuing the overall ecology of the field, rather than privileging or focusing exclusively on specific aesthetics or styles of working;
- nurturing the creativity and aspirations of new generations without ignoring the still vibrant living inspirations of the past.

The panel was energized by these principles and noted the “productive tension” in espousing breadth over depth, while taking a broad view of the overall ecology of the field.

Leadership and Audiences were cross-cutting themes in all the DDCF field conversations. At the meeting, DDCF proposed new criteria for identifying Leadership, which panelists found compelling: artistic quality; creation of influential body of work; vision; curiosity; self-awareness/self-scrutiny/self-inquiry; strategic planning and behavior; priority on artistic compensation; cultural citizenship; risk/history of innovative behavior; positive financial practice/capacity; leadership team in place for a minimum of three years. Jim Collins’s *Good to Great and the Social Sector* (which was purchased and provided to all panelists) similarly describes a standard of clarity and consciousness about what steps lead to greatness. DDCF in turn would have to be prepared to help a leadership institution to take its next step toward “greatness,” through support of strategic innovation and risk.

DDCF is concerned about continuing reports of organizations “hemorrhaging audiences,” even as arts organizations have limited understanding of new audiences’ needs and behavior. The response to this audience erosion has three implications for grantmaking:

- helping support new work that responds to changing conditions and may reach audiences who have not been engaged by past work;
- bold attempts to reimagine the economic transaction between audience and organization, e.g. consortia sales approaches or a multi-city “free night” of theatre;
- fundamental reimagination of the audience-artist relationship, e.g. the BBC putting their archive on-line and inviting the public to remix the footage and post the result, a shift from audience as consumer to audience as participant, with a shift in the role of arts organization from provider of “product” to becoming a springboard for audience creativity . These possibilities may open radical new ways of working that may not seem apparent while working under old paradigms. As Chris Anderson’s *The Long Tail* expresses it, “the spike occurs in an economy of scarcity whereas the long tail exists in an economy of abundance.”

National Service Organizations are key to dissemination, learning, convening and experimentation at the national level, and DDCF should nurture these capacities, rather than limit its support of these intermediaries to the role of contractor. Support to intermediary organizations that serve the field would expand this capacity; additionally, intermediaries are able to promote a conversation of candor and feedback that may be impossible for a foundation itself to achieve in the traditional funder-grantee dynamic. Engaging with service organizations is an effective strategy in achieving breadth and applying broader lessons learned.

The panel recognized the pitfalls of promoting behavior modification through grantmaking, noting that such new behavior often stops when the funding stops. The panel urges DDCF to be more proactive in developing audience initiatives in partnership with service organizations,

balancing responsiveness to models developed by the field with a curatorial initiative that would allow models to be more widely tested and implemented. Carefully applied funding and the endorsement of national exposure by the foundation could be helpful in disseminating successful audience development strategies.

Undeniably, the tool that DDCF brings to bear is money. One panelist believes that leaders in the field should be telling the foundation what they need, not waiting for donors to identify the problems. The nature of foundation economics is that there is a ceiling of support, and growth requires more growth capital than it is possible to provide. The business model must be adjusted to accommodate what the institution or artist needs.

But DDCF's potential for positive change goes beyond the money. Another panelist cites three other areas for leadership:

- 1) Artistry is not the only realm of the artist; all professionals need the same opportunities to advance.
- 2) All grantees should recognize their role in the ecology. By being a grantee, it's not sufficient to simply do one's own work; there is an obligation to raise the field and learn from others.
- 3) Promote the idea of experimentation across grantees so that they can compare their experiences and share information.

A third panelist reiterated that DDCF is uniquely positioned to be a convener. Service organizations serve their constituencies in different ways, and though some may seem to serve a wide swath of their constituents, DDCF can bring different fields together and must embrace this convening role.

PARTING THOUGHTS

Travel schedules necessitated the early departure of one panelist. At the close of the day, invited to offer concluding thoughts, the remaining nine panelists made concrete and useful recommendations for DDCF consideration:

Panelist #1: There is no question that fellowships are the best way to support the artist—allowing a choreographer to use the money exactly the way he needs to use it. Fellowships mean making work. Making work means survival. Artists also behave pragmatically. Artists don't just need management mentorships, they need artistic mentorships as well. You can teach craft, but you can't teach purpose and mission. Let artists determine their own fate. I cannot stress enough: synergy, ecology, every spoke on the wheel has to be fed. The artist and the presenter are synergistic. From the artist's perspective, the differences between a good presenter and one that is not are blatant. Value presenters that create conversations with the artist.

Panelist #2: 1) Take the lead in convening. There is a vacuum of leadership in the foundation community. Sometimes the language I use that goes back and forth between the entrepreneurial and the non-profit is misunderstood. The leadership language you use would be better heard. 2) Beware of unintended consequences. A fellowship that provides benefits to an artist might create an uncomfortable dynamic when it excludes the rest of a company. 3) There are so many

people doing good work across the country, and it would be great to tap into their knowledge through a shared database that everyone could use.

Panelist #3: 1) Learn more about the “tail” and find out who’s out there that is not associated with “the people we know.” 2) Institutional collaboration provides opportunities for beneficial partnerships. 3) We need R&D to better understand so much in the field and to stave off isolation. 4) We need training for leaders, not just emerging talent. The blessing of a network is meeting with peers. How do we help with exit strategies as well as succession. 5) Stay in direct touch with grantees as much as possible, because intermediaries may not necessarily serve all their grantees.

Panelist #4: The future promises even more dramatic change. We’re heading for an hourglass society by 2018 with the largest number of the diaper generations at the top and bottom. The number one danger is that people will outlive their resources. Anticipate major intergenerational interaction at the top and bottom. Massive incentive for immigration will result in 80-90% of the population growth in the US, and that will impact resource distribution differently in different communities. Banish the audience and replace it with participants. Don’t focus only on national field-wide issues or individual artists, but do intergenerational work to build the brand of the institution and attract a new generation before they grow up.

Panelist #5: There is a tension between risk-taking and institution-building, but support those institutions that are committed to artists and are trying new ideas. Do not force partnerships, but look to those who have already been partnering. Keep an eye open for new intermediaries that merit support. The proposed DDCF leadership criteria are comprehensive; when applied, those that merit support will quickly emerge. Look at what is already serving the field well and resist dismantling it.

Panelist #6: This is an interesting approach to leadership development. Unlock the knowledge of practitioners in service to their peers. The big win would be people helping each other. Get beyond the simple notion of dissemination to diffusion to adoption, so that recommendations don’t just live in grant reports.

Panelist #7: The proposed outline of DDCF grantmaking deserves support. 1) The proposed five-year plan is provocative, and at the same time recognizes that many national funders have changed direction. 2) Supporting the national service organizations is not sexy, but it is essential. 3) Think creatively and seriously about the foundation’s convening capacity. 4) While agreeing with the final analysis of endowment support, remember that endowments don’t necessarily mean perpetuity; they become another essential income stream.

Panelist #8: Encourage people to move and grow and change, to think about how they can move in and out, over and between different kinds of organizations, to understand what they have to offer to a future they won’t be part of.

Panelist #9: It is important to distinguish between building and buying. Buying is paying for something one time—a residency or project. Building is investing in the cradle of the art itself over a long period of time. I like both, but try to invest in systemic change. Fund what

organizations are doing, not what they are not doing. Be careful not to pile more jobs onto organizations because they are doing excellent work. Endowment funding is not risk friendly, but it is possible to build a risk-friendly model. We must look for optimized business models that we can all understand. And as one of us has said, market, market, market.