

Strategic Planning in the Arts: A Practical Guide

Introduction

It is presumptuous, perhaps, to write a book about planning in the arts. The scarcity of talent and money has forced many arts executives to plan effectively and well in advance. The nature of arts planning, however, has traditionally been operational, focusing on such questions as "who will be performing what role in which work directed by whom." What has been missing from planning in the arts is a strategic perspective: the development of an explicit mission for the organization, the analysis of the external and internal factors that affect the achievement of this mission, and the formulation of the direction that should, therefore, be pursued.

Strategic planning places operational decisions in a broader context. While operational planning determines who will sing the role of Aida, strategic analysis suggests the long-term implications of that casting decision for the organization. Will the hiring of a "name" singer sell more tickets? Will the audience come to expect famous singers? Will funders be impressed? Will your institution become more visible?

A direct result of this lack of strategic focus has been the rapid erosion in the financial bases of many arts organizations. Fiscal instability virtually always leads to reduced artistic programming. This, in turn, leads to deterioration in visibility, thereby limiting earned and contributed income. The resulting financial crisis consumes both the Board and staff, further restricting revenue and artistic flexibility. This vicious circle leaves artistic directors feeling frustrated, Board members upset with the ever-increasing pressure to give and get more, and administrative staff feeling powerless to handle mounting cash flow problems.

While the serious lack of funding that triggers this chain reaction is frequently blamed on "the economy," it results more directly from a failure to recognize and react to changes in the environment. As the environment in which arts organizations have been operating has become far more challenging, the arts organizations that will survive, and even thrive, in this environment are doing more than complaining.

Virtually all major for-profit corporations, threatened with rapid technological change and mounting international competition, develop strategic plans. These corporations have realized that "working harder" is not enough to ensure future success. A review of the environment in which the business operates, coupled with an objective review of its own internal strengths and weaknesses, has proven to be essential to determining the most effective way to achieve corporate goals. In this respect, the needs of an arts organization are no different from those of a for-profit corporation. While the mission of an arts organization (or any not-for-profit organization) is more difficult to formulate, the benefits of developing a mission, analyzing the environment and determining a strategy in response are identical. Organizations that do so find they have an easier time meeting their long-term objectives, fostering communication between their staffs and Boards and convincing patrons of their viability.

In specifying the plans and the planning process, it is essential to remember that even the largest arts organizations in the United States are small businesses. The Metropolitan Opera and the Metropolitan Museum of Art, the largest independent arts organizations in the country, would still not rank among the largest corporations in the United States. While small companies need

planning as much if not more than large corporations (they can't afford, after all, to waste anything), their approach to planning must accommodate their size: even small deviations from expected results can have major repercussions for small businesses.

As a result, arts organizations that find planning most useful are those that maintain an entrepreneurial perspective on planning and management - a willingness to make changes in course as experience and results dictate. Maintaining this entrepreneurial perspective is difficult since there is an inherent tension between planners and entrepreneurs: planners expect fidelity to a predetermined course of action while entrepreneurs demand the flexibility to change. A deeper understanding of the planning process reveals this tension to be superficial. Good planners expect and react promptly to changes in the environment. Conversely, the best entrepreneurs maintain a firm core vision; specific operational steps might change, major strategic direction does not. While "entrepreneurial planning" is not easy, making the effort to develop a flexible, hence useable, plan is essential. The sad, but true, experience of many organizations, for-profit or not, that have tried planning is that bad planning costs more and returns less than no planning at all. A badly crafted plan leads either to the pursuit of the wrong path or, more frequently, to the discarding of the plan entirely. Either way, "planning backlash" - the feeling that planning is a waste of time - is the result.

Equally important to avoiding planning backlash is the development of a sensible planning process. When people are asked to spend hours and hours in unstructured, unproductive meetings, the perceived importance of planning begins to wane. Yet many successful, perceptive people endure these inefficient marathon sessions because they haven't experienced an efficient planning process and believe that planning is "good for them." When the resulting plan is discarded, frequently in short order, planning backlash emerges with full force.

In an effort to support planning in arts organizations, while avoiding planning backlash, this book addresses two major topics. The first part of the book reviews the content of a strategic plan. It proposes an approach to developing strategic plans with three distinct phases:

1. Setting Up

Adopting the strategic framework that will guide the planning process and drafting a mission statement that motivates the entire plan.

2. Analyzing

Collecting the data and performing the external and internal analyses that reveal the key strategic issues that must be addressed in the plan.

3. Strategizing

Developing the artistic, administrative and financial strategies that have the highest likelihood of achieving the organization's mission.

The book concludes with a discussion of the process of developing a strategic plan, reviewing the steps that should be taken, the people who should be involved and the formulation of a planning calendar. In short, the book begins by revealing what is in a plan and ends by suggesting the way the plan should be put together.

While many readers may feel inclined to turn to this second section first, one must caution that the key to a good planning process, like the key to good art, is a firm commitment to superior content. A rigorous planning process that does not produce a rich, comprehensive, useable plan will certainly result in planning backlash.