Strategic Planning in the Arts

Planning as an art and craft

Bill Byrnes, Management and the Arts, 4e – 2009
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- OUTLINE
  - Preparing to plan – the challenges
  - What do we want accomplish in planning?
  - Mission & Vision Issues – Do we actually agree?
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OUTLINE

- Organizational Assessment Process – Can we be honest here?
- Formulating and implementing plans
- Monitoring and adjusting the plan in action
- Assessing the outcome
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What do we want to accomplish?

- Do we want to be bigger (more staff, bigger theatre?), offer more programming, add new series? Do we have a clear sense of where we want to be at some future point in time?

- Does our organization need to get in the “habit” of planning at all? In other words, do we have the resources to sustain a routine planning process?

- Is there really anything special or different about planning for an arts organization?
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Preparing to plan – Challenges

- Develop agreement about the process you are going to use
- Develop the organization’s culture (values and beliefs) to support ongoing planning and then promote active engagement by the Board and Staff
- Develop the infrastructure and data support systems to support the planning process you do agree upon
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Preparing to plan – Challenges

Other views on planning?

“An organization can *plan* (consider its future) without engaging in *planning* (formal procedure) even if it produces plans (explicit intentions); alternately, an organization can engage in planning (formalized procedure) yet not plan (consider its future)....”

H. Mintzberg, *The Rise and Fall of Strategic Planning* (1994)

... DISCUSS ...
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Preparing to plan – Challenges

Predictable conditions in organizations:

- Lack of common planning vocabulary – define terms
- Lack of agreement about process and control – Is this a staff or board driven activity?
- Lack of planning behavior and discipline
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Preparing to plan – Challenges

Predictable conditions in organizations:

- Board and staff have differing priorities, AKA the Politics of Planning (or Hidden Agenda 101)
- Lack of budgetary resources to support plans if and when they are implemented – Planning in a budgetary vacuum

*Graphic Overview of the Process – Draw them a picture?*
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Mission & Vision Issues

“One of the primary reasons for creating a strategic plan is to establish a common understanding of, and ambition for, the organization’s work.” Allison & Kaye, *Strategic Planning for Nonprofit Organizations*, 2005

- The Mission Statement: Who are you, why do you exist and what do you do? Does the mission statement answer these questions? Is the purpose clear?
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Mission & Vision Issues

- The Vision Statement: What will success look like if are able to fulfill the mission? Is there a need for an external and internal vision statement?

  **Important consideration: Will anyone be able to remember and repeat your mission and vision?**

  **Quick Quiz: How many mission or vision statements do you actually remember?**
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Overview of the planning process

Strategic Planning Process

Organization Analysis
Where are we now, where do we want to go, how do we want to get there?

Mission, Vision, Values Analysis: our purpose, our future, our core beliefs

Situation Analysis or SWOT
- Strengths
- Weaknesses
- Opportunities
- Threats

Resource Analysis
- People – their skills and abilities
- Financial and physical
- Adequate support systems
- Business practices and policies
- Assessment systems

Establish Priorities
What are the top 3 to 5 most important initiatives we have over the next 2 to 5 years?

Formulate Strategy
Based on the priorities we have set, what are our best strategic choices? Our best choice might be a strategy of:

Stability
Continue doing what we do best

Growth
Expand to new programs and add activities

Retrenchment
Reduce or eliminate designated current programs

Combination
Overall business environment suggests a mix of strategies to continue to meet mission

Develop Goals, Objectives, Action Plans Based on Strategy and Evaluate

Goals - Desired outcome
(e.g. Growth: Expand the audience base)

Objectives - Methods to achieve goals
(e.g. Growth: Add family series of five concerts next season)

Action Plans - Specific tasks with assigned resources and deadlines
(e.g. Growth: Redesign performance schedule, affiliate budget support, hire staff, increase marketing)

Evaluation - Assessment tools
(e.g. Growth: Track attendance at each concert by demographic profiles)

Feedback from evaluation assists with adjustment of strategy and/or re-thinking organization analysis
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Organizational Assessment Process

Can we be honest here?

SWOT – Strengths, Weaknesses, Opportunities and Threats

Assumptions built into this particular process and coming to grips with the inherent problems and limits of being self-critical

- Data and information collection – Timeliness, situational bias, and the impact on data gathering

- Recognizing organizational structural flaws and making repairs before going forth to develop your plans
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Organizational Assessment Process

Can we be honest here?

SWOT – Strengths, Weaknesses, Opportunities and Threats

- Being honest with ourselves about our financial resources, budgeting habits, and revenue generation potential through sales and donations

- The optimism problem in the face of reality or the: "We can do anything we set our minds to" syndrome
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Developing a SWOT Analysis

**SWOT Analysis – Internal & External Assessment**

**Internal Strengths**
- Quality Programs
- High Artistic Standards
- Location
- Facilities
- Excellent Audience
- Services Systems
- Loyal and Dedicated Staff
- Motivated Board of Directors

**External Opportunities**
- Expanding population Base
- Untapped Donor Base
- Educational Programming with Local Schools
- Enhancing Community Relations
- Assuming a National Profile

**Internal Weaknesses**
- Insufficient Marketing Resources (personnel and budget)
- Limited Donor Tracking System
- Lack of Staff Expertise in Key Areas
- Staff Burnout
- Board Engagement with Staff

**External Threats**
- Aging Arts Audience
- Changing Entertainment Tastes
- Current Economic Downturn

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### Developing a Planning Document

**Sample Planning Document – The Moving Edge Dance Company**

- **Our Mission:** To entertain and engage our audiences and our community through the power of contemporary dance
- **Our Vision:** To be known internationally as a company that produces new works that extends the boundaries of dance

<table>
<thead>
<tr>
<th>GOALS</th>
<th>OBJECTIVES</th>
<th>ACTION PLANS</th>
<th>ASSIGNMENT</th>
<th>BUDGET</th>
<th>STATUS</th>
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</thead>
<tbody>
<tr>
<td>Develop a larger audience base</td>
<td>Increase the number of season ticket buyers by 5% and revenue by 8% by June 30</td>
<td><strong>Develop detailed marketing and PR plan for next season by August 1</strong></td>
<td>Marketing &amp; PR Director</td>
<td>Marketing &amp; PR budget</td>
<td>In progress – draft to be completed by June 1</td>
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<td></td>
<td>- Create sales objectives for each series</td>
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<td>- Assess effectiveness of current ad campaigns</td>
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<td></td>
<td></td>
<td><strong>Complete research analysis of last 5 years of ticket sales by 6/30</strong></td>
<td>Marketing &amp; PR Director and Business Manager</td>
<td>No direct costs anticipated</td>
<td>Not started</td>
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<tr>
<td></td>
<td></td>
<td>- Identify optimal mix of programming and performance dates</td>
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<td>- Develop detailed revenue per seat for the season</td>
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<td><strong>Develop new ticket flex-plan series by July 30</strong></td>
<td>Marketing &amp; PR Director, Ticket Sales Staff, Focus Group Director</td>
<td>Marketing &amp; PR budget</td>
<td>Focus group scheduled for June 15</td>
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<tr>
<td></td>
<td></td>
<td>- Research ticket buyer preferences from database</td>
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<td></td>
<td></td>
<td>- Meet with focus group to discuss likes and dislikes of flex-plans</td>
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</tbody>
</table>

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Relating Strategic to Operational Plans

Operational Plans and Strategic Plan

There is a dynamic interaction between the overall strategic plan and operational plans in specific areas of the organization.

Overall Strategic Plan
- **Mission, Vision & Situational Analysis** – Purpose, direction and internal & external factors influencing the organization
- **Strategies** - Stability, growth, retrenchment or combination of each
- **Goals** - Desired outcomes
- **Objectives** - Means to achieve goals (measurable & deadline-driven)
- **Action Plans** - Detail breakdown for each objective (what, who, etc.)
- **Evaluation System** - Assessment of impact

**OPERATIONAL PLANS**

**Programming Plans**
Example
Goal: To diversify our offerings
Objective: Add family series of five concerts by next season
Action Plan: New season schedule and coordinate with marketing & fundraising
Evaluate: Track attendance at concerts

**Marketing Plans**
Example
Goal: Maximize sales & attendance
Objective: Develop marketing approach targeted to families
Action Plan: Survey potential target market to assess interest in family series
Evaluate: Monitor audience with satisfaction survey

**Fundraising Plans**
Example
Goal: Identify & cultivate new donors
Objective: Target donors interested in family concert series
Action Plan: Contact business, foundation, & private donors
Evaluate: Query donors on satisfaction with new series

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Formulating and implementing a plan

- The Planning Retreat: Build interest through planning a solid agenda, setting the date, time and place to maximize attendance
- Using an outside facilitator
- The Retreat itself: Mix the social and the business part of planning with an eye toward actually enjoying yourselves
- Establish buy-in to the overall plan
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Formulating and implementing a plan

- Focus on philosophy (Mission/Vision) and develop Goals (Strategy) but leave objectives and action plans (Tactical) to staff and small Board work groups
- Widely disseminate the plan (publish, website, etc.) and then use it!
- **SMART** Planning document: **S**pecific, **M**easurable, **A**ttainable, **R**esults-oriented, **T**imely
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Assessing the outcome

- Timing & Personnel: How often, in what depth, by whom?
- Structural recognition of accomplishments
- Failures? Or do we call them non-accomplishments? Dealing with falling short of the objectives without blaming
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Assessing the outcome

- Adjusting the planning process to outcomes
- Being on guard for getting in a planning routine that becomes too comfortable

Key Points:
- Keep it within the scope of your organization by developing a planning process that can actually be done by you and your board
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- Key Points:
  - Be realistic about donations, grants, and earned income
  - Develop a system for documenting the plan, reporting your progress and announcing your achievements

- Your personal planning process
  - Do you have a personal planning process you use? *Practice what your preach?*
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Questions?

Suggested resource:
http://www.mystrategicplan.com/