

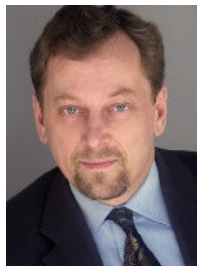
"As We See It" is a quarterly publication of EmcArts, sharing stories and insights from our work helping arts organizations continuously improve through innovation, strategic planning, evaluation and convening. To learn more about us, visit [EmcArts.org](http://EmcArts.org).



**In this issue**

- Challenging Times Call for "Business Unusual" Solutions - Richard Evans
- Strategizing about Cutbacks - John Shibley

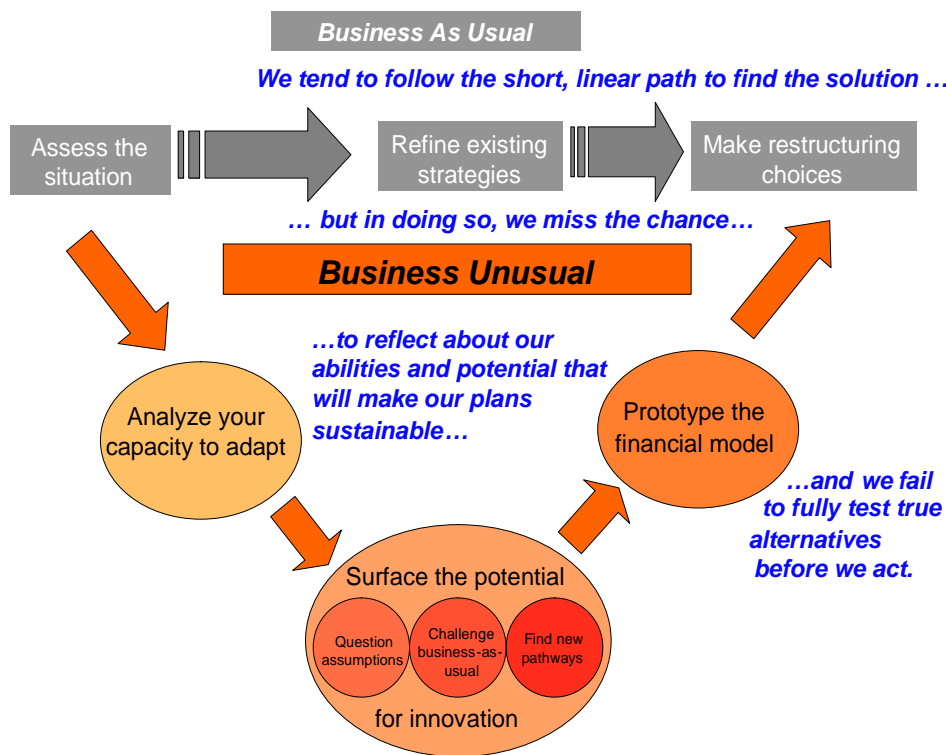
**Challenging Times Call for "Business Unusual" Solutions - Richard Evans**



Responding rapidly and prudently to the increasingly challenging financial environment is the responsibility of all arts leaders and the boards of their organizations. But there's a real danger of letting this imperative overshadow the bigger and deeper challenge that we were all already facing before the economic meltdown began. Our real, lasting challenge is to respond to the emerging climate change in arts participation and access with new ways of thinking - a shift that requires arts organizations to give up much of what they've learned and think again. In other words, if we respond to the short-term problems exclusively with "business-as-usual" practices - by falling back on our trusted approaches and holding on to as much of what we have been doing as we can - we will be less prepared to compete successfully in the new climate that is already unfolding behind the storm.

Both these complex stimuli, the recession and the climate change, actually provide us with the same invitation: to use innovation - the ability to think and act differently - to find a sustainable way forward that will bring us audiences and funds in ways we won't be imagining if we use this time to reinforce old approaches.

What agony this is! We are being asked to take risks with unfamiliar strategies just as the pain makes us want to find some kind of relative comfort in things we know, things that worked in the past. It's just the same for us at EmcArts as it is for you. We've had to re-examine a lot of basic assumptions about our own practice in order to find a new way to advance our mission of supporting effective organizational learning and change. It's difficult, but some important ideas have emerged.



What we've discovered is that one way to get through this difficult period is to concentrate the innovation endeavor into a short period of intensely focused work that marries innovation to tough and pragmatic decision-making. Unfortunately, we

see a lot of organizations relying on decision-making processes that reinforce and refine existing strategies. This appears to be what's needed – direct, rapid, and rational. But it leaves out any possibility of new thinking, of coming up with more sustainable approaches, and it fails to test financial alternatives before taking action. Consider a different method – a “Business Unusual” approach that can still be done over three or four months and have a considerable impact.

We believe five steps can be of value to move toward new pathways:

**ASSESS THE CURRENT SITUATION.**

Especially in such turbulent times, external perspective and analysis will enable you to identify where you really are, within a clear context that is not colored by individuals' preferences and personal interpretations.

**ANALYZE YOUR CAPACITY TO ADAPT.**

To avoid repeating worn-out strategies, or floundering in an unfocused attempt at change, organizations need to know where their innovation assets and liabilities are – in leadership, in stakeholder engagement, in relating to the community, or in managing the implementation of projects. For example, the Oakland Museum of California, through its work with us as a James Irvine Foundation Arts Innovation Fund grantee, has found this process gives staff graduated language to see differences in its capacities, and it is now expanding its analysis across the Museum to guide priority-setting.

**BRING YOUR POTENTIAL FOR INNOVATION TO THE SURFACE.**

This step is the heart what we call finding the “business unusual” way forward. Some people still think this is about lightning striking, but our experience is that it can be successfully systematized, if you are facilitated through three stages of reflection:

1. *Questioning underlying assumptions.* Test your organization's long-held beliefs about itself, and question the things you've taken as “givens.”
2. *Challenging business-as-usual.* Think laterally in designing new strategies, rather than just cutting back within the existing scope of your work.
3. *Reframing major challenges.* Questioning assumptions and thinking laterally will lead you toward new pathways to achieve your mission, and will likely strengthen the public value of your organization.

For instance, while participating in the New Strategies Lab (a pilot version of an innovation program designed and managed by EmcArts), the Memphis Symphony Orchestra (MSO) questioned the fundamental role that its music-making could play in the community. The MSO ended up seeing music as a means to community vitality, changing its mission to reflect that, and adding radically different musician-led programs in partnership with corporations and community educators: a leadership-development program with FedEx and a mentoring program with the Soulsville Charter School.

**MAKE REAL CHOICES AROUND RESTRUCTURING.**

With all this rapid reflection and analysis, you will develop a variety of feasible action plans that you can now compare and, potentially, combine in order to make final decisions about how your organization will be structured and what it will do over the next 12 to 24 months. But this innovation-based approach provides for one last and crucial step as you move toward implementation:

**PROTOTYPE THE FINANCIAL MODEL.**

Programmatic and community engagement strategies have to be accompanied by detailed financial models that are likely to work, so it's essential to rapidly design, test, and review different financial scenarios to enable you to reach optimal results. Prototyping means conducting short-term tests of a new strategy and adapting it if necessary before committing to fuller implementation. So this step goes hand-in-hand, iteratively, with your final decision-making process.

If the leadership of your organization – including the artistic and Board leaders, alongside staff – commits to this sequence of planning steps, they will permit you to find a strategic course and financial model for your organization that allows for new directions alongside organizational efficiencies. This is neither retrenching around yesterday’s strategies, nor is it “burning down the house” in a wild search for anything that’s different. It is a rigorous discipline of organizational re-invention. We have sewn these steps together into our *New Pathways Program*, including our unique *Innovation Rubric* – a tool that organizations are finding really useful and provocative in helping them understand their ability to adapt and how to prioritize. Full details about the New Pathways Program are on our website.

### Strategizing about Cutbacks - John Shibley

In business, they say that cutting across the board is easy because it does not require a point of view. It also has the added virtue of appearing equitable. Distributing cuts evenly in an organization may seem fair, but in many cases, it is the opposite of wise.

For example, one of EmcArts' client partners runs an inventive, high-participation program within an organization that houses more conventional offerings. At a recent meeting, program stake holders on the staff described to me how their program suffered the same percentage of budget reduction as other, more established programs. They saw this as a sign that the program had become accepted as a "core" offering, that their innovation had gained organizational acceptance, and they were very pleased. At the time, so was I.

But now I see something different. A truly strategic process would have involved reflecting on program offerings before making cuts, looking at the potential of each program to retain audiences for the organization during this transitional period -- I'm not talking about the economic transition here, but about the ubiquitous transition in audience patterns and demographics. The audience that is emerging prefers their arts to be active. They seek out multi-disciplinary experiences. They want to create art, not just witness it. Seen through that lens, our client partner's innovative program seems central to the larger organization's future because it incubates ways of producing and presenting that speak to the audiences of tomorrow. In doing so, the program will strengthen the organization's community presence and help to build audience in the longer term.

Program offerings have a natural ecology, as do organizations. When the environment is changing -- and it is -- wise leaders look to the environment that is coming, and design for that, and eschew the false comfort of an apparent fairness that preserves the past while it gambles with the future.



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