



EMERGENT PHENOMENA:
A Report on Theatres Leading Change New York

A Project of the Alliance of Resident Theatres/New York
Funded by
The Rockefeller Foundation
Cultural Innovation Fund

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Executive Summary

Introduction

The Theatres Leading Change Initiative (TLC) was one component of A.R.T./New York's grant from The Rockefeller Foundation Cultural Innovation Fund. Through the TLC Initiative, we set out to examine and better understand all aspects of our theatres' structures – from how they develop and produce work to the delivery systems they use (theatres, homes, site-specific, online and in other media), to a whole range of relationships they engage in. We also asked participating theatres to try some new and different ideas, assessment tools, leadership concepts and approaches, relational and behavioral constructs. Our focus has been on what theatre professionals have discovered, invented or adapted that *works*, rather than dwelling on what doesn't. Underlying the TLC Initiative was the question: *Is there a new producing model for New York City's vital small and mid-sized theatres?*

What We Have Learned

With regard to the underlying question: *Is there a new producing model for New York City's vital small and mid-sized theatres?* AAR concludes that the simple answer is *yes*; but the more complex findings of the TLC reveal that there is not a *single* new model but many, and each theatre can and must develop and adopt its own *singular* model. What was perhaps more important was that we were able to describe a *process model* (by definition a *schematic description of a system, theory, or phenomenon that accounts for its known or inferred properties and may be used for further study of its characteristics*) that we observed at work in many of the participating organizations. The process model we describe, *emergent phenomena*, is a powerful tool for change. It is a means by which theatre professionals enact deliberate and positive change on an individual theatre basis. And this process model has the capacity and potential to ignite broad based change, or innovation, throughout the theatre community. Through this Initiative we learned that *learning* and *lateral learning* (or co-learning, the process of shared learning and exploration) are fundamental to emergent phenomena, change and innovation. And we further learned that it is possible to stimulate and accelerate the scope and impact of this change and innovation among an extremely diverse group of theatre participants by identifying and supporting key elements of emergent behavior.

Emergence drives or causes change to unfold from the inside out. We observed emergence in actions and structures that arose without (or in spite of) requirements or demands from the outside. This is a proactive response in which internal building blocks, simple rules defined by the theatre itself, result in complex patterns of response and action. This phenomenon stands in

sharp contrast to simple adaptive behavior that absorbs or reacts to external demands or disturbances.

A key component of emergence is *Critical Consciousness*, the mindset that allows theatre professionals to drive effective change from within. It appears to be the result of three complementary and interacting components:

1. *Whole systems thinking* – instead of attempting to see and make sense of the whole by understanding and focusing on the discrete parts, whole systems thinking understands the parts in relationship to the dynamics of the whole entity.
2. *Relative balance* – leadership begins defining operating balance as a relative rather than absolute state, accessing the positive, proactive tension between stasis and action. From this state we observe the capacity to move the entity along a new path.
3. *Proactive referencing* – the theatre leadership ceases to reference external stimuli (expectations, directives, convention, regulations) to internal variables and instead begins to reference internal needs and capacities to external variables.

Through the TLC Initiative we have had an opportunity to understand more about why and how theatre professionals are so resilient and resourceful; and a great deal more about new producing models that they develop as a result.

Findings and Examples

In one-on-one meetings, roundtables and community convenings, we discussed and developed project initiatives, strategic intentions, actions and responses, and identified shared issues, concerns and obstacles. In all instances we asked participants (individually and collectively) to identify the opportunities and challenges around which they would like to see shared action.

In the report, we share the learning and experience of theatres working with new approaches to producing and programming such as *The Civilians'* approach to creating a sustainable new play development initiative, *13P's* planned obsolescence approach as a producing entity and *New Georges'* Pipeline for new work. We highlight the ideas of theatre's exploring new organizational structures including *Elevator Repair Service's* flexible approach to human resources, *Vampire Cowboys'* rethinking of traditional notions of successful structures and *Repertorio Espanol's* income-grounded revitalization. We include examples of theatres developing their partnerships and relationships such as *The Chocolate Factory* and *Waterwell's* rethinking of their relationships with board members and community partners and *The Movement Theatre Company's* approach to defining and working in their own leadership team. Finally, we share the approaches of several theatres who are focusing on their audience relationships like *The Play Company's* commitment to building ongoing audience communication, *Here Art Center's* approach to integrating audiences into the development of the work and expanding their

access to information and dialog through online programs and the *52nd Street Project's* attempts to align their real and virtual interactions with core supporters and community members.

In exploring these new approaches, the TLC theatres were candid about challenges they face in executing their plans and building their organizations and bodies of work, such as:

- Concerns that the accepted modes of producing/presenting are no longer effective for either producer or presenter and do not reflect the real cost of making and connecting theatre in New York; and a sense that what does get produced/presented is becoming narrower as resources and decision-making around these activities funnel through fewer “gatekeepers.”
- The relationship with and role of Actors' Equity in building a sustainable theatre system. The TLC theatres would like to see Equity as a partner, able to address the contemporary issues of theatre creation, production, presentation and promotion. Many struggle with the Equity Showcase contract that often makes productions less viable, and Equity regulations that limit promotional and new media opportunities now essential in remaining relevant and engaged with audiences in the current technological environment.
- Despite talk of a diminishing audience for live performance it is notable that a number of the TLC theatres are succeeding in engaging significant audiences with their work. What became clear was that the values system inherent in the current approach to measuring audience are often at odds with the aspirations of these theatres and their natural audience bases.
- TLC theatres agree on the value of some shared infrastructure and services to support small and midsized arts groups. However, these must arise from the sector itself as solutions to shared challenges, and need to operate without penalizing those who embrace them by reducing individual resource bases.
- Perhaps the greatest resource need for theatre producers and presenters in New York is to secure affordable space. In order to sustain New York City as a the vital creative center for theatre that it is, AAR strongly urges the local and national arts support network to join ART/New York in efforts to find and secure available, affordable spaces to create and present new work.

Recommendations and Next Steps

While we clearly advocate a practitioner-led change movement, we understand and appreciate that there are funding partners, service organizations and advocates who have a longstanding commitment to the success of the theatre community. Working together, we recommend the following:

- Distribute resources holistically. Thinking about the theatre ecosystem and theatre organizations in terms of their discrete components rather than as whole systems is unhealthy. Allowing theatres to use funding support flexibly and integrally, rather than giving restricted grants, encourages them to align their resources most effectively.

- Develop appropriate value systems. Assessment is often being applied in ways that are not consistent with how the field really works. Nonprofit theatre operates both within and outside the consumer economy. While some economic measures may have significance, to measure only those things that are valued within the consumer economy misses much of the value that the arts field itself embraces.
- Create flexibility. There is no template, no best practice, no model for a healthy and functional theatre organization. Instead, there is an astounding array of approaches, forms, practices and systems that *work*. Trying to fit these many and varied solutions into pre-determined programs and expectations is frustrating to theatre professionals and ultimately counter-productive for all.
- Embrace risk. Some work is powerful and some misses the mark. Theatres need funders to invest in the chances, to take the risk that something great might happen. We need funders who are as bold, ambitious and resilient as the artists themselves. These are the partners who will make the most exciting, exhilarating, unimaginable things possible.

Conclusion

In the wake of this economic crisis the call for a new paradigm in the arts has been frequent and loud. We acknowledge that the TLC Initiative was driven in no small way by these calls and concerns. But as we suspected at the outset, the capacity for profound change exists among the theatres themselves. As we have observed in a very small way and a short amount of time, it is possible for new learning, discovery and invention to emerge. When this learning is shared in a way that results in innovation, it in turn can pull the field in new directions. The TLC has reaffirmed for us that it is the will and responsibility of theatre artists and theatres themselves to survive, thrive and endure. Artists and the field itself must find that way forward, working from the inside out and assuming responsibility, as artists have done not only for decades but for millennia.

I. Introduction

The Theatres Leading Change Initiative (TLC) was one component of A.R.T./New York's grant from The Rockefeller Foundation Cultural Innovation Fund. Through the TLC Initiative, we set out to examine and better understand all aspects of our theatres' structures – from how they develop and produce work to the delivery systems they use (theatres, homes, site-specific, online and in other media), to the whole range of relationships they engage in. Our focus has been on what theatre professionals have discovered, invented or adapted that *works*, rather than dwelling on what doesn't. We also asked participating theatres to try some new and different ideas, assessment tools, leadership concepts and approaches, relational and behavioral constructs. Underlying the TLC Initiative was the question: *Is there a new producing model for New York City's vital small and mid-sized theatres?*

Why The Theatres Leading Change Initiative

Over the past few years there has been increasing discussion--on blogs, at conferences and at funding and policy tables--about the need for change in the nonprofit arts producing and presenting system. Practitioners and leaders within the arts community have long been aware of the dysfunctions of accepted practices and have been enacting situational, if not systemic, change. Yet those outside the field have often remained unaware of real issues and emerging approaches. When the field's own understanding of and responses to change are not recognized, pressure mounts to impose change from the outside. We believe that it is essential to recognize and support those leaders in the field who are exploring and leading change in the operating paradigm.

Through nearly 20 years of work with dozens of theatres in partnership with the Alliance of Resident Theatres/New York (A.R.T./New York), ARTS Action Research (AAR) has made a number of observations and discoveries. Notable among these are:

- What artists most want to do is make their work and connect that work to an audience. No matter how diverse, artists all share this unifying characteristic, this nearly obsessive impulse and instinct. It is at once their greatest asset and liability. Artists will find ways – that is, means and resources – to make work, no matter how much their efforts are stifled, deflected, rejected, hindered, questioned, delayed, degraded, downgraded, directed, redirected, restricted or regulated.

- To support what they want to do, artists will go to extraordinary lengths. They will jump through application hoops, adopt counterintuitive systems and structures, accept inordinate responsibility and accede considerable authority. They endure agonizing critical assessment of their work, skills and integrity, and keep coming back to do more. Especially when artists most lack resources, they find ways to cobble together the necessities. When they can find no one else to help, they find each other.

The resilience and resourcefulness of artists is truly phenomenal and inspiring and to a large degree unrecognized. But what if the field at large, and the arts support system, not only recognized this resilience and resourcefulness, but actually encouraged and supported it? Is it possible that artists could themselves find more effective ways of making work and connecting that work to their audiences? Is it possible that these artists, whose lives are deeply invested in change, could actually affect change, and lead the field to new models of producing theatre? These are some of the critical questions underlying the Theatres Leading Change Initiative.

What We Have Learned

With regard to the underlying question: *Is there a new producing model for New York City's vital small and mid-sized theatres?* AAR concludes that the simple answer is *yes*; but the more complex findings of the TLC reveal that there is not a *single* new model but many, and each theatre can and must develop and adopt its own *singular* model. What was perhaps more important was that we were able to describe a *process model* (by definition a *schematic description of a system, theory, or phenomenon that accounts for its known or inferred properties and may be used for further study of its characteristics*) that we observed at work in many of the participating organizations. The process model we describe in this report, *emergent phenomena*, is a powerful tool for change. It is a means by which theatre professionals enact deliberate and positive change on an individual theatre basis. And this process model has the capacity and potential to ignite broad based change, or innovation, throughout the theatre community. Through this Initiative we learned that *learning* is fundamental to emergent phenomena change and innovation. And we further learned that it is possible to stimulate and accelerate the scope and impact of this change and innovation among an extremely diverse group of theatre participants. Through the TLC Initiative we have had an opportunity to understand more about why and how theatre professionals are so resilient and

resourceful; and a great deal more about new producing models that they develop as a result.

TLC Premises and Process

Arts professionals seem to understand change instinctively, yet this skill is not recognized or valued, even by the arts professionals themselves. For several decades now, in spite of dire warnings (dwindling resources, too much art, too little support), the field keeps expanding. Artists keep making more and more work, and most of it changes and evolves, as it should. The TLC Initiative was designed to help better understand this change: on an individual *learning* level; on a community *co-learning* level; and as a function of broad-based change that may hold within the possibility of *paradigm* change in the field

Learning is integral to change. By definition, learning is the process of *acquiring* knowledge, information and experience that changes behavior. We have long observed, and not just in bad economic times, that the artists and theatres that are most healthy, balanced and productive in their work adopt behaviors that support their visions, missions and work. They don't wait for conditions to change in their favor, or to be suddenly favored by a conditional windfall grant. Rather they change their own conditions through learning, behavior change and invention.

As grand as paradigm change may seem, it begins with individual learning and incremental change.

It follows then that co-learning is the process of *sharing* knowledge, information and experience that brings about change in a community. When members of a community share, apply and build upon changes and inventions, the result is innovation. In *The Fifth Discipline*, Peter Senge observes that it was just 30 years between the Wright brothers' first powered flight and the reality of commercial flight. Complex sets of learning experiences and deliberate, tested change provide the building blocks for extended and greater change, a.k.a. innovation. Thomas Kuhn, in his book *The Structure of Scientific Revolutions*, describes a paradigm as an accepted truth, supported by theory and evidence, which for a time provides a story or belief about the way things are. Kuhn defines a paradigm change as a time when evidence or proof of the new is strong enough to pull an "enduring group of adherents" away from the old and toward the new. A paradigm change is open-ended: It proposes new questions,

redefines old ones, and opens the door for further exploration, discovery and experimentation. As grand as paradigm change may seem, it begins with individual learning and incremental change.

The TLC Initiative posed questions about working formats and suppositions, including:

- What project and producing approaches might better support creative development and delivery of work?
- What legal structures and operating formats are most effective for artistically driven entities?
- Are there more positive and productive ways of engaging community (board) partners?
- Can we develop new and different ways of generating resources in support of professionals and their work?
- How can we unleash and then sustain the entrepreneurial inspiration and energy of artists and arts professionals, our most valuable asset?
- Can we identify and describe the *processes* that provide theatres with self-organizing capabilities and adaptive agility (the ability to read and adjust to disturbances in the economy and environment at large in the future)?

We did not expect every participant to develop or create “the next new model” or a “new paradigm.” Rather, we expected to observe and stimulate responses, actions and behaviors that might inspire change and ways of moving forward for the field. We expected to see a group of extremely creative people doing what they do best – discovering, inventing, solving problems, finding solutions, learning, sharing and laying the groundwork for innovation.

The TLC Cohort

To assess these factors and create two focused and functional consortia (the Orion cohort and the Pegasus cohort) for TLC New York, AAR worked with A.R.T./New York to develop a three-part selection process (see Appendix A for details of the selection process and a list of participating theatres/leaders). If we truly wanted TLC to live up to its name, we needed to identify theatres with leaders who were willing and able to not

just participate in, but also *lead* this change initiative. On top of the capacity for leadership, we also needed to identify theatres that were able to commit the time and energy to engage in the learning community aspect of TLC. We needed to establish a strong consortia in which participants felt safe to share, encouraged to contribute and able to support and build on each other's ideas. We wanted to create a group that included both those who could seed change: theatres which had demonstrated and delivered change in various ways and provided good examples and support to our community of change makers; and also those who were poised to make change or had exciting new ideas that they wanted to explore.

II. Observations and Analysis

The TLC provided a framework for the theatres to work within safely, and a number of tools to stimulate expansive thinking and learning. We have had the opportunity to observe and analyze the learning and change processes among individual theatres and through interactions within the TLC community. We have also heard directly from the theatres. Following are our chief observations and analyses.

The TLC helped break through feelings of isolation. Throughout the process, many of the theatres commented that the TLC allowed them to break out of mental and physical isolation to interact with peers in a new way. Even organized A.R.T./New York Roundtables, designed well to facilitate interaction and build networks, do not offer the same level of deeply concentrated interaction with a consistent and diverse group of colleagues that the TLC process did.

This new sense of community brought numerous benefits, but two were most significant: First, affirmation, and relief, comes in knowing that your colleagues and peers are struggling with many of the same questions you are. Second, there is a significant expansion of your circle of colleagues to call upon for ideas, information and experience. Being acquainted with a peer is not the same as knowing a colleague you can call to discuss complex problems and solutions.

It was a good time for us to really share where we wanted the company to go with other companies that struggle with some of the same issues. The ability to be part of the larger group was an appeal of the program. The Civilians

The consortium was like a panel of experts with whom we could share questions and answers in a safe environment. We liked that it was made up of people from organizations representing a wide range of backgrounds and institutional sizes and models – this made for more interesting dialogue. We could exchange ideas with people we respected, and also confirm that “we weren’t crazy” when we shared an observation or intuition about a particular question or problem with the group. The Play Company

The help and input of our peers not only made for great conversation, but caused us to see ourselves in a better light. Take Wing and Soar

Hearing from our colleagues was also useful in the consortium convenings--not just for ideas and suggestions, but also to stand in solidarity with each other trying to make our art. It was exciting to meet these colleagues and hear about their struggles and successes. More often than not, their stories helped clarify and focus exactly what we wanted to be doing. 13P

We really enjoyed the convenings, especially among the whole group. The topics covered in those sessions were interesting, we became familiar with companies we hadn’t known before, and generally left those gatherings energized. New Perspectives

The TLC gave permission and encouragement to discover, invent and take credit.

As anticipated, we observed that it is in the nature of theatre professionals to problem-solve—to discover and invent—what they need to make and connect their work; we also observed their tendency to hide or even deny that they are doing this. They do not intend to deceive, but theatre professionals have become conditioned to present what they do in certain terms. Many new, interesting even innovative ideas disappear into existing structure and language. And often the credit for exceptional problem solving is transferred to an abstract organization structure or simply “luck.”

Fully aware of this pattern, we asked the theatres to not only name their initiative projects but also to develop new and appropriate language for how they were working. We asked them to own and acknowledge the discovery and invention that they created (“you can’t create new approaches using old language”). While there was some initial resistance, that gave way fairly quickly to interesting and more appropriate project titles and working language. It also resulted in a noticeably increased level of pride and assumption of credit for problem solving, discovery and invention.

None of this would have been possible without the outstanding expertise, commitment and passion of our staff. Even with decreased resources, the impossibility of salary increases, the added responsibilities and duties resulting from previous staff layoffs, the present staff has been on overdrive working harder to ensure that Repertorio continues to be the leading Latino performing arts organizations in the U.S. Repertorio Espanol

New terms: “Leadership Team” and “Ambitious Collaborative Team”- using new and different terms that more accurately articulate what we as decision-makers of the company do, can highlight our process and strengthen our ownership of a “different model.” The Movement Theatre Company

Nello and Anne and the other companies got us thinking in new ways about what board membership meant and whether board membership was really even the name to give what we were looking for. Waterwell

The TLC fostered heightened learning, insight and foresight. It is said that hindsight is 20/20; it can also be informative, ironic and sometimes painful. Unfortunately, when used in linear planning and problem solving, hindsight can rarely do more than project the immediate past onto the future. Insight is a more complex, multi-dimensional and textured view of one’s current and evolving realities. It is a far more useful planning and problem-solving platform. Insight comes from connecting the dots – relationships, opportunities, patterns and possibilities. Insight arrives unannounced and unexpected, often in an endorphin-spiked “Aha moment.”

And in such moments, insight almost imperceptibly morphs into foresight, a more complex view of the present moving into the future. There were a significant number of Aha moments among the theatres this year; many of those came as the theatres engaged with one another. And of course, we got to experience a number of moments ourselves. An important part of our design for the TLC was introducing new and different planning and assessment tools that would stimulate the learning processes of participants and result in Aha moments. We employed tools designed to build on and amplify learning, allowing each theatre to change behaviors by its own designs. We believe that these learning tools (including the mapping process, assessment instruments, initiative projects, and takeaway articles) were very effective in stimulating and accelerating the creativity, discovery and invention of these theatre professionals. These tools helped deliver those all-important Aha moments.

The Mapping exercises were useful to us because they helped us to create an initial structure for exploring issues and goals of the organization. This initial format for discussing and brainstorming laid groundwork for how the 13P team develops and collaborates. These tools and processes are excellent in several contexts. When a team knows that it should be moving forward, but does not know what the next steps are, these types of exercises assist in pushing the process forward. 13P

The mapping exercise was especially helpful. I think it just made certain things very plain that we would not have noticed otherwise. It definitely helped us to basically understand our current situation very clearly. Chocolate Factory

I found the assessment fascinating; I was reassured by our “good grades,” but didn’t feel that our sample was big enough to have real weight, although I do think it reflected the general good will and confidence that is present in the organization. 52nd Street Project

We found the character assessment very revealing – we liked the survey process where staff members and other stakeholders (Board, HARP artists) had the opportunity to share their experience of the organization. We thought it was a very useful tool and was very accurate in its reflection of the organization. It didn’t really change the paradigm, but it did bring to Kristin’s and my attention certain realities to which we responded. HERE

For us, some of the greatest impact may have come from the walkaway articles. Those have sent us off in exciting new directions and into passionate conversations, and have started to shape our thinking and planning in ways we can’t yet begin to assess.

Waterwell

Co-learning increases insight, sharing and innovation. The Roundtables and Community Dialogues confirmed for us yet again that all of us know more than any of us. All were intense learning and working sessions. There were two key factors to the success of the gatherings. First, in the initial Roundtables we asked each theatre’s leadership to give a presentation describing their theatres, from vision and missions to opportunities and challenges. They responded with surprising depth and detail. Although the theatres were significantly different in vision and mission, their opportunities and challenges were surprisingly similar; this bonded the groups in ways we didn’t fully anticipate.

Second, the centerpiece of every gathering was having each theatre discuss some aspect of its initiative project. We emphasized that theatres should focus on what they had been learning, discovering, or inventing, including unintended or unexpected aspects. These presentations invariably generated intense exchanges of information, insightful questioning and dynamic group problem solving that easily overwhelmed allotted time. There was never a sense of competition or defensiveness in these sessions.

The most awesome thing about the TLC was the sense of community. It was the single greatest part. I found that spending time with smart peers with interesting and sometimes surprising things to say was very helpful. Being in the roundtables brought out both the commonalities and the differences, and both were equally important. Vampire Cowboys

I think we were most excited about the community aspect of TLC, about the opportunity to be part of a group of well-selected colleagues engaged in thinking up new solutions, as we like to think we are, and who might just be fun to get to hear about and to brainstorm with. New Georges

We would love for the TLC project to continue. We would like to continue to be engaged with other like-minded organizations and professionals on a more regular basis to discuss challenges and solutions, to have opportunities to collaborate and commiserate and also to share data to better provide the funding/support world a more accurate representation of who we are among our peers. Transport Group

Complex adaptive behavior leads to emergence. We were especially alert throughout this process to adaptive behaviors on the part of the participating theatres. In the process we learned a great deal more than expected about adaptable behavior and these theatres. There is a prevailing assumption regarding adaptability in the marketplace that goes something like this: businesses operating *for-profit* are adaptable because they are in the marketplace and thus are sensitive to disturbances in the economy. Businesses operating *not-for-profit* are less adaptable because they are distanced from the marketplace and protected, perhaps even unaware of disturbances.

But to more closely examine for-profit businesses, what may be interpreted as *adaptable* behavior is actually more akin to accommodation or absorption of disturbances. That is, for-profit businesses reduce costs, mostly by reducing workforce and inventories. Those who are able to do so increase prices and those big enough to seek government assistance in the form of tax relief or direct financial relief pursue those remedies. Then when disturbances subside, most for-profit businesses resume doing business as they did before the disturbance.

This form of adaptation by accommodation and government relief is largely unavailable to nonprofit arts organizations; indeed from this point of view, nonprofit arts organizations are not adaptable (a six member theatre ensemble eliminating three ensemble members does not reduce expenses, it destroys the ensemble). But this in no way suggests that arts organizations don't change – they do so in *emergent* rather than simply *adaptable* fashion. It is helpful to understand that these theatres function as *complex adaptive systems*. Complex adaptive systems are characterized by at least three things: (1) they consist of numerous components, e.g. actors, directors, writers, administrators, and so on; (2) the components interact organically and dynamically with one another; and (3) that interaction results in *emergence*. The whole is greater than the sum of the parts. And we can't understand the whole system without understanding the dynamics, rather than the individual parts.

Emergent Phenomena. *Emergence* drives or causes change to unfold from the inside out. We observed emergence in actions and structures that arose without (or in spite of) requirements or demands from the outside. This is a proactive response in which internal building blocks, simple rules defined by the theatre itself, result in complex patterns of response and action. This phenomenon stands in sharp contrast to simple adaptive behavior that, as noted above, absorbs or accommodates external demands or disturbances.

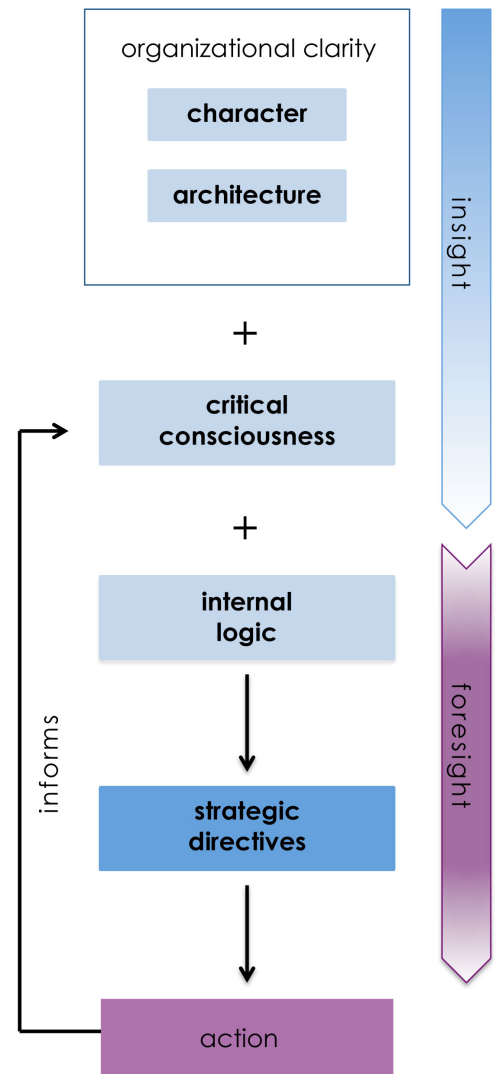
Since this initiative is about understanding change, we need to codify some of the components that prepare and motivate a theatre to change in a proactive (emergent) rather than reactive (adaptive) way. These components include:

- **Character: Regularities and Rules.** These are internal ‘givens’ that define identity, values, the nature of the work, the continuity and parameters of why the theatre exists and how it works.

For purposes of both understanding and assessment, the operating *character* consists of the unique qualities and processes specific to each theatre related to: (1) leadership, (2) vision, core values and mission, (3) programming, (4) quality of relationships (especially among staff and board), (5) clear and effective organizational processes for planning, decision-making, problem-solving and assessment.

- **Architecture: The Operating, Programming and Working Format.** The structural *architecture* is the functioning extension of the theatre’s character.

The Emergent System



It is here in which the resource pool is determined and calibrated and it includes all resources: human, financial, partnership, collaborative and combination constructs, and the use of time and space. This economic model appropriately recognizes human capital of artists and arts professionals.

- **Critical Consciousness: Gaining Insight.** Critical consciousness allows theatre professionals to drive effective change from within. It appears to be the result of three complementary and interacting components:
 1. *Whole systems thinking* – instead of attempting to see and make sense of the whole by understanding and focusing on the discrete parts, whole systems thinking understands the parts in relationship to the dynamics of the whole entity. Each theatre, regardless of character or architecture, is a whole, integrated operating and programming entity, unfortunately existing in a resource environment obsessed with discrete parts (e.g. project vs. operating support).
 2. *Relative balance* – leadership begins defining operating balance as a relative rather than absolute state, accessing the positive, proactive tension between stasis and action. From this state we observe the capacity to move the entity along a new path.
 3. *Proactive referencing* – the theatre leadership ceases to reference external stimuli (expectations, directives, convention, regulations) to internal variables and instead begins to reference internal needs and capacities to external variables.
- **Internal Strategic Development: Logic and Learning.** Strategy and internal logic suggests what to do through an iterative ‘if/then’ mechanism that directs and informs new actions. Learning is a key element in shaping and informing strategy and internal logic. By extension, co-learning, or group learning, is an important aspect of affirming change behaviors, extending new behaviors and sharing new approaches, tools and techniques within the field.
- **Strategic Directives: Focus and Allocation of Resources and Energies.** This is the consilience, the jumping together, of strategy and available human, financial, time, space and technical resources. As insight informs logic and is the basis of foresight, strategic directives organize and take action. Strategic directives, of course, constantly bump up against a wide array of issues, restrictions and regulations beyond the control of arts professionals.

III. Project Results, Findings, Questions and Changes

In one-on-one meetings, roundtables and community convenings, we discussed and developed project initiatives, strategic intentions, actions and responses, and identified shared issues, concerns and obstacles. In all instances we asked participants (individually and collectively) to identify the opportunities and challenges around which they would like to see shared action. The TLC work evolved in five somewhat loosely related areas, described below.

A. Producing and Programming Approaches

All of the TLC theatres produce and program work – it is the lifeblood of a theatre. It is in producing and programming that a theatre must be most creative and innovative. And theatres are equally creative and innovative in finding ways to support and continue producing and programming. Importantly, this does not simply mean finding new ways to support old processes; rather, it means finding virtually *any* way to support what the work requires. In an increasingly complex world, what is required and what is possible has expanded considerably. Through the TLC process, theatres explored a variety of new and different producing approaches. Following are some examples; statements from participating theatre groups are shown in italics.

The Civilians – Paying it Forward

The Civilians has evolved from an ensemble-based creative company into a center for the development, production and dissemination of investigative theatre. Through a network of relationships with theatre and media producers and presenters and with well-respected university programs, The Civilians have greatly expanded the number of projects in which they are involved and have had their work produced in numerous contexts across the country. This past year, The Civilians were awarded a National Science Foundation grant for their work on “The Great Immensity,” an investigative theatre production focused on global warming.

For the TLC, The Civilians worked on implementing a sustainable new play development program, intended to support the development of new plays with environmental themes. They had already been envisioning this program in a prior planning process. Launching it required The Civilians to “*access new areas of support, build new audiences and reach individuals beyond the current cultural stream.*” They realized that they would need to approach the whole program in a new way: “*We saw an opportunity not only to create theatre about sustainability but also to do it within a context in which we were creating a sustainable support base for new work creation. The intention was to determine our capacity to take what we do and make it relevant to a new base of supporters within the environmental community.*” One of the most innovative aspects of their plans was this idea of a “sustainable support base for new work.” During the TLC process, The Civilians spent much of their time investigating how they could integrate a “forward funding”

element in their resource development plans. The result is a unique pitch to funders that speaks not only to the present but also to the future.

One thing this group learned in the process was that sustainable funding and producing is not exclusive to one program or initiative. It must be a full organization commitment that makes an integrated case. The theatre must build understanding and relationships that deeply connect with the work. Just as “paying it forward” starts in the present and manifests in the future, establishing meaning starts with mission/vision/philosophy of the work and manifests in all aspects of the producing and programming.

“The TLC program allowed for us to explore this project and its pros and cons. We learned a lot about how long it takes to build and implement a new programming idea, particularly one that will seem like a departure from your usual practice to your core supporters and larger community. It became clear that The Civilians still has work to do to communicate to the theater field that we are a mission-driven organization and not an ensemble creating devised work. We recognize that it will be difficult to secure the ongoing funding and relationships needed to put wide-ranging programming into place until that message is clear. While we started working at a micro level – focusing on one new programming initiative – we learned how inter-related the relationship, staff, resources and mission/goals are at all levels and ended up working on a more macro level in understanding how we articulate the intentions and generate the resources needed to sustain the whole organization.”

13P – Terminal Intent

Collaboration is central to the creative life and operation of theatre. Virtually everything involved in a traditional theatre’s producing and presenting apparatus involves a high degree of collaboration. But among a number of artists-run theatres in New York in recent years, *combination* has been as important as collaboration. “13P was formed in 2003 by 13 midcareer playwrights concerned about what the trend of endless readings and new play development programs is doing to the texture and ambition of new American plays. We decided we were ready to take matters into our own hands [so] 13P was created to realize full productions of new plays.”

This approach is what AAR refers to as a “combination format.” The significant advantage to the 13P model is that each playwright can do more in combination with the other playwrights than any one working alone. Working alone, in traditional fashion, one would have to build and achieve an “economy of scale” theatre model sufficient to develop and produce the work. Through 13P, an “economy of combination” achieves that scale for 13 individual playwrights. The group gathers resources around each play in pre-determined sequence. Each playwright helps by bringing his or her own resource pool to the effort. Working together, 13P gains attention and increasing conceptual and financial support.

There are two particularly notable aspects to 13P. First, this is a non-integrated combination format. Most combination formats are integrated, or the artists combine efforts *and* resources and collaborate on the same projects, regardless of which artist is originator. 13P is designed expressly to be non-integrated and malleable to conform to each playwright’s play, process and needs. “The resources of the company are placed at the disposal of the playwright at work, who serves as the company’s artistic director during the production of her play.” Second, 13P is a terminal project, openly committed to producing 13 plays and then ceasing to exist. “13P (Thirteen Playwrights, Inc.) has often operated as an anomaly, since it is a project with a finite life span.” The resource case 13P makes is for the concept of supporting the playwrights and the work of the playwrights, not an abstract guarantee of an institution operating in perpetuity to justify funding support.

While 13P will cease to exist, its impact will linger. The plays will continue to be produced by other theatres and the playwrights have used the 13P springboard to further careers. The 13P TLC project *“embraces the finiteness of our mission. It is a project about the end of 13P-- specifically what we are leaving behind. We pursued this particular piece of work with TLC not only out of necessity, but also because we knew it would be helpful to think about our legacy in concert with other theatre-makers, and really explore the kind of long-term impact we could make. TLC provided us with a chance to reflect on our accomplishments and hone the story about 13P we wanted to leave in the world after we were gone. There is a larger reach that 13P can have in its wake in terms of that kind of empowerment, and this project is meant to seize that opportunity.”*

New Georges Theater Company – The Pipeline

Since its founding in 1992, New Georges has gained a reputation for innovative productions of ambitious new plays, and as a productive home for the country’s most promising and accomplished women theater artists. New Georges is interested in the creativity and vision with which artists theatricalize the world, and in expanding the boundaries of contemporary theater in ways that challenge both artists and audiences.

New Georges’ TLC initiative was to develop ‘The Pipeline’ for Projects-in-Residence to fill what they perceived as a need in the community and in their own approach to supporting new work. *“For plays we’re shepherding toward full production, we invest in long-term production development. Our new play development programs, meanwhile, offer week-long processes, one opportunity at a time, with no deeper connection or promise of forward motion. Lately, more artists are approaching us with ideas for experimental processes and ensemble or collaboration-based work. Our fierce interest in these projects has uncovered a gap in our service to artists: our existing programs don’t provide the kind of long-term, multi-process support they require. In our city, work like this tends to be the province of downtown companies, which are known for their aesthetic; whose mission statement is a description of their aesthetic and process. Many independent artists have equally valid aesthetics and the potential to create equally compelling work, but don’t necessarily want to start their own companies – build an infrastructure – to fulfill their artistic vision.”*

“So we wondered... how could we best support the work that most needs on-its-feet development: projects with a strong collaboration at the center, from first draft or even from the idea stage? Can we find a model that supports individual projects from the ground up, then continues that support through several phases of development and perhaps even through to production? Can we provide a constructive framework for artists who want to produce their own work but don’t want to start their own companies?”

The answer for New Georges, a small company with relatively minimal resources was to provide the infrastructure and tools to empower artists to be pro-active in producing this work themselves. *“We see no lack of desire on the part of artists who want to begin collaborative projects. Brave ideas are [often] abandoned before they begin. To make cool collaborative projects un-abandonable, perhaps what artists need is incentive. This may take the form of deadlines or space or seed money or simply the knowledge that someone is watching your project emerge – anything that provides firm outside encouragement to schedule time and follow through on ideas. Incentive is the foundational notion of The Pipeline.”*

What they came up with and piloted was a way to support and endorse these experimental and/or ensemble and collaborative projects. *“A supported production might look like this: we provide advice, expertise and mentorship as needed throughout the process; we grant each project seed money artists can leverage to raise production funds; we establish crediting to use in publicity materials (such as “a New Georges supported production”), adding value and validation to the*

project. Our production support will bring more attention to the work of independent artists, and will make producing seem less onerous, less lonely, doable and worthwhile.”

New Perspectives Theatre – For-profit Income Driver

New Perspectives Theatre Company is a long-standing Off-Off Broadway company with a commitment to nurturing the work of those artists who are shut out of the mainstream of the theatre producing world. The company has built a reputation for and deep engagement with educational work and has acted as a training ground for young theatre professionals.

Having struggled through the ups and downs faced by many Off-Off Broadway theatres, NPTC wanted to explore the possibility of launching its Theatre Is Served performance and food event as a for-profit initiative. The company believed that the solely nonprofit approach (and its various regulations and limitations) was not adequate to sustain it and organizations like it. NPTC believed that a new approach that married the mission of the nonprofit and the resources of the for-profit communities might better serve their needs. They saw this initiative as a critical way to develop not only capital but also cash flow to allow them to make more strategic and proactive decisions.

NPTC set out to research for-profit structures, create a viable business plan and assess the profit potential and prospective investor interest in Theatre Is Served. While the company learned a lot during the TLC process, they were not able to launch a pilot of the for-profit as they had hoped. They were confounded by a lack of seed funding and restricted by their minimal human resources. *“The fact that we could not carry it further during the time of TLC was not a function of the structure of the initiative, but of our need to have more of the right people involved in creating the project—and coming to understand that those people have to come from outside of NPTC. This does, however, underscore the need for providing adequate resources to small companies. If there had been money available to hire the people we really need to get our project off the ground, to develop the promotional materials and do the groundwork, Theatre Is Served LLC would be a reality now. Sadly, this is nothing new but rather at least a 20-year phenomenon with non-profits across all sectors. There has been a massive shift of funding to service organizations and “support” or “planning” initiatives and away from the actual creative work. This is very much a part of the framework that we believe needs to be radically changed.”*

While this particular initiative did not move as far as NPTC had hoped, it did inform a new framework of thinking about resources *“Our thinking about financing our work fundamentally changed. Although obviously we have to continue to pursue the traditional contributed income sources, we are now thinking a lot more about how we “value” our work—what does it actually cost do to something fully, and therefore what level of support do we need? This thinking has not been operationalized as yet (i.e., putting a true price tag on everything and seeking that level of support), but it has impacted how we are choosing projects at the moment. The idea of ‘value’ has also found its way into specific projects.”*

Ripe Time – Expanding the Advocates Circle

Ripe Time produces ambitious adaptation-based and movement-based work. The nature of their artistic vision and work requires a strong resource base and often enlists multiple partners in funding, producing and presenting the work. They wanted to look at new ways to develop this network of resources.

“The goal of Ripe Time’s project was to grow the company’s visibility and presence in the field by growing our audiences, facilitating new presenting partnerships, and expanding our circle of

potential funders to better support our growth. We wanted to pursue this work in order to expand the company's potential to develop and produce work with high production values while reaching a wider audience and increasing our compensation to artists."

Ripe Time focused much of their effort around the full production of Septimus & Clarissa in the fall of 2011. They launched an Advocate's Circle to engage individuals who strongly support their work in building new audiences and resource relationships. They also expanded their communications and created a more comprehensive and strategic campaign around the show including an online funding campaign, a video campaign, and Facebook and Twitter streams in addition to regular e-blasts and an enhanced publicity approach.

At the same time, they focused on relationship building with potential presenters and co-producers and foundations to try to make connections for the ongoing support of the work.

"While it may seem obvious, it was useful to learn first-hand that expanding our individual donor pool could lead directly to increased opportunities for foundation funding (as in the case of the Off-Broadway Angels) and that the Advocates' Circle would allow us to engage not only our existing core of supporters but also new supporters with a particular connection to this project.

We also learned that creating a "viral" presence for the show both online and via word of mouth requires the engagement and effort of not just the line producer but all the staff & interns, board, and creative team.

Something else we were aware of but learned more deeply through this project: that engaging new donors and funders is a vital, ongoing process of relationship-building, and these relationships often have to build over many months before a donor is ready to give, or give again, after making a first gift.

And finally: we learned that to produce, market, and fund our work at the level we desire, we need to expand our staff capacity to include a full-time Producing Director.

One unintended but certainly beneficial consequence of being involved with TLC was expanding our understanding of what other theatre companies' experiences with funding and co-producing their work. Learning about the co-production experiences of The Civilians and the funding and marketing approach of 13P was especially helpful for us."

Concerns and Issues Related to Producing and Programming Approaches

The Producing – Presenting Relationship

While the majority of the TLC participants are clearly creating/producing companies, several members of the Orion consortium (HERE, Chocolate Factory) play at least a dual role in the community. Consistently, the relationship between creation, production and presenting was a topic that was of interest and importance to groups on both sides of the relationship. We encouraged this discussion with a community convening on the topic of "Co-productions, Collaborations & Presenting Partnerships." The challenges fall into two categories: concerns that the accepted modes of producing/presenting are no longer effective for either producer or presenter and do not reflect the real cost of making

and connecting theatre in New York; and a sense that what does get produced/presented is becoming narrower as resources and decision-making around these activities funnel through fewer “gatekeepers.”

There was considerable discussion over the course of the year around the real cost of producing/presenting theatre in New York. It became clear that producing companies bear a considerable amount of the developmental costs of creating and producing work, since presenting fees and commissions from US presenters do not reflect the true cost of bringing the work to the stage. (This is not the case in Europe, where presenting fees are subsidized by government funders and therefore considerably higher). At the same time, producing companies access fewer resources from their traditional sources as funders have not kept up with, or perhaps have never truly been aware of, the real cost of producing theatre.

On the other hand, small presenting organizations, like HERE and The Chocolate Factory, often have to commit considerable resources (beyond the fees they pay to artists) to present work, since many of these productions have minimal staff and resources to see the work through production and marketing. These presenters worry that as fewer artists and producing organizations have their own producing and administrative resources, their creative/producing partners are becoming less and less aware of what it really costs to produce theatre.

It's an unfortunate cycle: funders do not fully support the costs of creating/producing, and companies and artists do not articulate the real costs of these activities. Their applications reflect the *funding reality* rather than the *producing reality*. So artists/producing companies are subsidizing the research, development and creation of work (usually through human capital). When the work reaches the presenting organization, it comes without the administrative/ production support needed to produce it and connect it with an audience. Then the presenting organizations must further subsidize the work (through their own human capital). This escalating cycle is making it more and more difficult to sustain the real cost of producing and presenting work in New York. Clearly, there is a need for a frank determination and sharing of the real cost of producing and presenting theatre in New York. Perhaps a summit with artists/producing companies, presenters, funders and other key players (Equity, service organizations) could explore ways to improve sustainability and address imbalances.

B. Organizational Structure/Artists Entrepreneurial

Many of today's worldwide economic, technological and applied research engines revolve around unleashing and supporting the vision, inspiration, creativity and resourcefulness of the *entrepreneur*. By definition, an entrepreneur is someone who organizes, operates and assumes the risk and reward (however reward is defined) for ideas, products, services or ventures produced. Arts organizations are entrepreneurial by their nature, and the artist (or artists) is the entrepreneur of each venture. The vision, inspiration, creativity and resourcefulness that advance the arts always come from the artists. Yet the same respect, even reverence, showered upon business, technology, and even social entrepreneurs – always capitalized, never subsidized – is somehow not extended to arts leadership.

We observe artists and arts professionals at their most entrepreneurial and inventive when connecting the work they want to produce with their organizational capacities and resources. Following are some examples from the TLC process.

13P – The Internal Integrated Project Core

As noted in the Producing and Programming section, 13P's producing is organized around a non-integrated combination format that allows each playwright to focus fully on her/his own work: *"13P has always been a DIY project – we encourage playwrights to 'do it yourself' and mount new plays."* To achieve this, the organization adopted an Integrated Project Core structure (led by executive producer Maria Goyanes) informed by the artists' knowledge about producing a play. By design, this project core expands to produce each play according to what the play requires and contracts between productions when fewer resources are needed. The 13P project core has a low-maintenance operating profile and a high-yield producing capacity, which directs maximum resources to each playwright and play. According to Maria Goyanes, *"As a theatre company, we are production oriented and primarily share knowledge and experience about plays. There was so much else involving running a theatre company that we didn't know how to do. In meetings with Nello, he helped us clarify our core values and approaches to producing plays so that we could clearly transfer this knowledge and experience to all things company related. So we focused more on what we knew how to do and applied that to everything – and that transformed the company and helped us focus on our strengths and build our confidence."*

Continuity is key to the Integrated Project Core. Maria maintains an overview of ongoing needs, relative organizational balance and the longer view, projecting and anticipating each playwright's needs. Those elements integral to continuity (e.g. financial oversight and fundraising systems) yet essential during production are cast by contract with associates able to respond to relative organizational needs. As needed, especially in run-up to productions and performances, all playwrights and associates engage as time and expertise require.

Elevator Repair Service (ERS) – Flexibly Integrated Sustainable Human Resource Model

Elevator Repair Service creates ensemble-based theatre work with a strong emphasis on invention; integration of sound, movement and text; and shifts in the audience perspective and experience. Since creating “Gatz,” their blockbuster 2003 production, ERS has been touring extensively across Europe and North America with “Gatz” and with subsequent productions.

“We defined our initiative as finding a ‘flexibly integrated sustainable human resource model.’ Having been an artist-run organization for almost two decades, we were feeling the limits of our current human resource structure. We recognized a need for change but we also wanted to continue to value and sustain many elements of our current administrative structure. Wholesale restructuring did not seem like a good idea to us since we felt that a flexible, ensemble-run administrative structure had been a major contributor to our past success.”

ERS has experienced significant artistic success and substantial organizational growth in recent years. So the company wanted to find ways to support its work and serve its growing needs without compromising their values or creating organizational rigidity. They could not look to larger institutions for models to adopt because these were exactly the kind of approaches they hoped to avoid. Their initiative was very much about learning how to learn from themselves—how to adapt and advance their own approaches.

At its core, ERS knew that infrastructure approaches needed to address sustainability, capacity and flexibility. *“ERS seeks to create a new model that will sustain a greater level of contributed support for R&D and operations, build a reserve of earned income to balance revenue changes over time and create an appropriate human resources base that can be adapted to the changing needs and balance of the organization. The ‘adaptable’ staffing model would allow the organization to increase and decrease human resources as needed and move key collaborators within the organizational structure to accommodate changing personal needs.”*

In the midst of the TLC initiative, ERS took another major step forward in terms of success and artistic capacity with the phenomenal New York run of “Gatz.” They have had to escalate their staffing growth plans but they continue to use the same values and approaches to this new level of growth. *“With a new configuration of jobs in our office we will continue to articulate a dynamic human resources model. We will continue to hire temporary help when the artist-members of the administrative team shift their focus to production work. We will continue to remain adaptable as an organization. As ensemble members’ lives change we will continue to accommodate their personal needs, all with an eye toward maintaining an ongoing ensemble.”*

Transport Group – Of Insight and Unintended Building Blocks

Transport Group is a non-profit, Off-Broadway theatre company in New York City that stages new works and reimagines revivals by American writers. TG’s visually progressive productions of emotionally classic stories explore the challenges of relationships and identity in modern America.

We wanted to be involved in the TLC initiative for three reasons: 1) the project came along at a time of re-assessment and change for our company; 2) we have been frustrated by many of the norms and limitations of the not-for-profit, Off-Broadway community; and 3) we have found tremendous value from roundtables and other events at A.R.T./NY that bring together other leaders from our community.

Artistic Director Jack Cummings III and Managing Director Lori Fineman gained particular insight and perspective about their theatre from the TLC gatherings.

Our project was to create a systematized development strategy. As we have been operating under a situational development strategy, we felt that true organizational growth could not be achieved until we had systems in place to continue our development/fundraising “machine” rather than starting from scratch with each new project. As we went through the year, however, our project morphed into needing an overall operating strategy change, because the critical foundational components of a good development strategy straddle all aspects of an organization.

After assessing our values and priorities other areas for improvement, related to fundraising emerged. TG needed >to build our core audience; >better branding/imaging; >new board members, and more engaged board; >improved staff salaries; >better production management. We spent this year with these issues front of mind, and made strides toward accomplishing many of the components of improving and streamlining these areas.

The outcome was improvement in many areas:

Production management: >We hired a production manager for every show (so the Artistic Director isn't doing this anymore); >better production management meant better tracking of funds and a better budgeting process; >having improved production management allowed us to plan better for success – we were able to extend 3 of our last 4 shows (where extensions had seemed daunting and difficult to plan for in the past).

Core Audience Building: >Extending our productions helped build audiences; >improved documentation of our marketing and audience development processes allowed us to streamline this process and reach more people; >our box office figures surpassed budgeted expectations significantly for all 4 shows this year.

Image/Branding Improvements: >Re-wrote our mission statement and re-defined how we talk about our work; >launched a new website and email banner with a new look & feel more in-keeping with the company's aesthetic

Board Development: >Added 4 new board members; >engaged board members to be slightly more active in marketing, contracting, gala planning.

General Operations: >Implemented salaries for Artistic Director, Company Manager, Literary Manager and Marketing Coordinator; >hired a new bookkeeper; >merged data into PatronManager (all patron data in one place rather than 4 places)

Development: >Received funding from 3 new foundations; >increased funding from NYC Dept Cultural Affairs; >approved salary for hiring a Director of Development.

Based on the above, a lot changed this year – an overall improvement of our operations and activities that led to more audiences, more productions, and more growth. We were sustained this year financially also due to success at the box office, a result of great artistic product and great production/marketing management both of which are almost completely staff-driven.

We did not achieve this result with our project, but did achieve some of the necessary operational building blocks in moving toward this goal. These building blocks have moved into place for us, particularly in the production and marketing areas, as a result of this project. This of course is an excellent consequence of the project, but we now need another year or so to implement more predictability into our fundraising/development department.

Vampire Cowboys – Escaping the Success Trap

Vampire Cowboys is a small producing theatre company with a popular-culture, comic book aesthetic. They have succeeded in building a creative and audience community comprised mostly of a young, non-theatre constituency. The company is organized around the three leaders – co-artistic directors Qui Nguyen and Robert Ross Parker and managing director Abby Marcus.

Vampire Cowboys was at an unusual position as they entered the TLC process. As a company that had a well-defined niche and clearly distinct vision, they were successfully generating their unique work and growing a dedicated audience that reached beyond the mainstream theater-goer. However, their infrastructure was highly dependent on one pivotal position – Abby Marcus as managing director – and their success in one arena was starting to prevent co-artistic directors Qui Nguyen and Robert Ross Parker from expanding and exploring their artistic interests.

At the height of their success, they were struggling with how to make change without interrupting what was working effectively for them. They were also quickly realizing that, while promising, the growth of the organization and the work would not be able to keep pace with the growing needs of each of the leadership partners for more sustained, full-time compensation in light of their growing family obligations and life commitments. As they started to explore possibilities for their TLC project, Abby and Qui relocated to a new city. *“This changed our situation and we had to adapt our way of working to accommodate our new reality. The result was some immediate delegation of New York based activities, a difficult decision to let go of our rehearsal space in Williamsburg and the resident Saturday Night Saloon Series and a return to a more singular focus on our mainstage show.”*

The immediacy of the need proved to be highly motivating. The fact that VC had to make the change in order to continue the organization and its work was the impetus they needed to set their minds to a new way of working. They let go of their studio space, the Battle Ranch, when the lease came up since they no longer had the human resources to maintain it. *“While there were many important aspects of the space, we realized that the numbers were no longer making sense and, as important, our lives had changed and we were no longer able to staff the space in the same way we had a few years ago.”* At the same time, they committed to and moved ahead with the production of a new piece that represented an artistic departure. The piece was more personal and allowed the artistic directors to explore creative ideas and approaches that, while certainly in keeping with their aesthetic, expanded the aesthetic of work they had done to date. *“It is too soon to say what the impact of the loss of the Saturday Night Saloon Series will be on our audiences, our artistic relationships and our opportunities to cultivate new work. On the positive side, not having to maintain the space financially and in terms of human resources has freed us to focus more of these on our mainstage season.”*

Take Wing and Soar – Restructuring as Resource

While Take Wing and Soar has been very successful over the past several years in growing the work, the reputation and the partnerships in which they are involved, they have struggled with sustaining infrastructure growth to support their successes. While staff and volunteer support has come and gone, the organization has remained largely a one-woman operation; only the artistic director has sustained an ongoing and focused commitment to the work. To support the work effectively, she realized that she needed to commit to creating a more sustainable infrastructure, which would require a re-thinking of staffing.

“Take Wing And Soar’s project was to build out its marketing and development arm by working to combine the two departments. By bringing these important and related functions together, we believed we could offer a richer engagement for incoming staff and create greater sustainability in

our fundraising and audience-building initiatives, develop lasting relationships of support and streamline our grant processes. We believe that these two functions go well together and that we would benefit from a more united way of thinking in bringing them together.

As the company realigned its thinking about staff, they also started to recognize that their way of producing and programming was holding back their development. Thus, they ended up pursuing a broader course of change and adopted a new approach to their programming season. *“As a result of realigning our thinking, we decided that it would be best, given our small team, to change how we arrange our producing calendar. We have shifted from a year-round season [three performance projects in the fall; one mainstage/education project in the spring] to all performance-based work happening in the summer/fall. This allows us time to better focus on development and grant writing and our spring fundraiser.*

Like many small arts organizations faced with a lack of resources, Take Wing and Soar found that their project did not immediately increase their resources but realigned what they do have and how they use them to sustain work more effectively.

“We knew going into the project that we would have a lot to think about if we really wanted to see a fruitful change in how we get things done. We had intended to use this project as a way of starting afresh. We had hoped to effect positive change in some small way. I believe we did that while shoring up our infrastructure.”

New York Neo-Futurists – Communication Triage

This ensemble-led organization produces a regular weekly show and also periodically develops and produces short runs of original work. The NYNF struggle with effective communications, priority setting, delegation and follow-through in fulfilling their intensive schedule of activities. Sometimes the system works very well, but sometimes important aspects of the work fall through the cracks. *“The New York Neo-Futurists looked to explore what is at the core of running the business side of our theater company: the efficiency and communication of our committee structure. Ultimately, we hoped to assess our company’s committee structure, through internal and external research, to enhance administrative efficiency, and address communication issues and workflow overlaps.”*

For their initiative, NYNF engaged a triage nurse to observe their workflow and make recommendations on how to manage the various aspects of the operation more smoothly. *“For our company to work more efficiently and avoid core burnout, we needed to have stronger lines of communication and help each other get things done. We looked to set up new company protocols for committees to have stronger intra and inter committee communication — ideally, fewer last-minute crisis mode reactions. We have adopted bimonthly committee meetings prior to our company business meetings. In addition, each committee member will create a monthly to-do list that is posted on our online office space, and report progress and what help they need prior to each monthly company meeting. In addition, each committee has developed a list of weekly, monthly and yearly task lists for current and future reference.*

“I think it is going to take some time before what we have learned from our involvement in the TLC project becomes standard operating procedure for the New York Neo-Futurists. The most important initial result of this whole project was to give the chairs permission to delegate and talk to each other more frequently, ideally helping them avoid feeling overwhelmed and that they are in it alone.

Repertorio Español – A Critical Balance/Artistically Propelled, Income Grounded

With the economic crisis of 2008, Repertorio Español faced an unfamiliar scenario. Over its 43 years, Repertorio has weathered many recessionary cycles. When funding sources have fallen away, they have always been replaced by other sources. But this time, no new funding sources revealed themselves.

“Right after the collapse of Lehman Brothers in September 2008 –perhaps the most visible event of the financial crisis– we knew that we needed to brace ourselves for the worst. We knew that the years 2010 and 2011 (and the upcoming 2012) were going to be very difficult, financially speaking. And we weren’t wrong!” The leadership of Repertorio had to reconceive how the theatre would find a *critical balance* in which to maintain its artistic focus and commitment to mission, artists and audiences given the new “normal.”

Repertorio’s leadership acted quickly and decisively to bring the organization into a critical balance through a four-pronged strategy set forth by the staff:

1) Strengthening the Company’s position as a leading cultural Latino organization by reaffirming our commitment to the artistic quality and integrity of Repertorio, taking artistic risks, emphasizing the production of new works and our focused commitment to the continuing leadership transition.

2) Achieving a balance by bringing Repertorio’s operating and programming into strict alignment with income and increasing efficiencies on all levels (particularly through new and more effective technologies). *“We have had to make tough decisions. Budget reductions of 30% forced us to reduce the number of performances, lay off one staff member and retire productions from the repertory.”* Between these actions and an endowment (thanks to founder Gilberto Zaldívar), Repertorio was able to maintain a record of having no year-end deficits in over three decades.

3) Finding new and non-traditional sources of financial support and not overly relying on any single form of support. For example, Repertorio secured substantial underwriting from Merck for programs serving the growing Hispanic community in New Jersey, and brought new funding partners into Repertorio’s circle (such as The Jerome Robbins Foundation, The Gladys Krieble Delmas Foundation and New York State Senator Liz Krueger). Equally significant, Repertorio appealed to its audiences for the first time, beginning an annual fund drive with a lower-end fundraising \$10 Campaign and raffles. The response was heartening and bodes well for an ongoing annual program.

4) Re-focusing and re-energizing the Company’s Board of Directors. Previously, the board was not asked to take an active role. Repertorio’s new challenges required the company to activate board leadership; organize and structure new, more focused task forces and committees; and generally draw the board into supporting the theater more actively. The board responded.

Now, Repertorio Español’s professional leadership, staff and board partners have achieved not just a critical balance but a process for maintaining that balance in a world of endless volatility. Robert Frederico says, *“Although far from over, I believe that Repertorio has been able to weather the storm. Despite the challenges, setbacks and disappointing news, I am happy to report that Repertorio Español is thriving, focused on its future, and perhaps at one of its most exciting moments in its 43-year history.”*

Concerns and Issues Related to Organizational Structure/Artists Entrepreneurial

With Regard to the Artist Entrepreneur

To truly embrace the term “entrepreneurial” in the arts would mean changing the mindset both outside and within the sector. “Entrepreneurial” brings into the frame the venture capital system, which is hands-on and project-focused as opposed to institution-focused. Capitalizations or arts initiatives would need to be seen as a long-term investment, just as venture capital for a start-up is also assessed in the long term.

The adaptability and proactive nature that a lot of arts groups demonstrated in the most recent economic crisis show an entrepreneurial capacity to focus on vision and adaptive process. In essence, theatres are constantly readjusting strategies in the face of changing conditions. This is not something for which the field has been largely recognized. Embracing and acknowledging their own entrepreneurial behaviors is a good way for artists to begin to change perceptions of the field and earn appropriate validation as entrepreneurs.

Possibilities for Shared Infrastructure/Services

The TLC organizations do not consider the current fashion for mergers and collaborator-matchmaking to be particularly productive. But members of the TLC consortia could see possibilities for developing some shared infrastructure and services to support small and mid-sized arts groups. These would need to arise from the sector itself as solutions to shared challenges, and they would need to operate without penalizing those who embrace them by reducing individual resource bases.

Perhaps the greatest resource need for theatre producers and presenters in New York is the need to secure affordable space. A.R.T./New York, largely in partnership with the City of New York (Spaces@520) and the LuEsther T. Mertz Charitable Trust (South Oxford Space) has played a leadership role in this area, by providing 45 offices and 7 rehearsal studios to dozens of members. A.R.T./New York has again partnered with the City to develop two flexible Green theatres: one 99-seat and another 99-150 seats on 10th Avenue and W. 53rd Street (A.R.T./New York plans to subsidize these spaces through a capital development campaign and other funding sources.) Other organizations like chashama, which provides storefronts and un-used office space to artists, and the Lower Manhattan Cultural Council’s Swing Space Program, which

provides non-traditional office space free of charge to artists for rehearsal and project development are also good examples of leadership in this area.

In order to sustain New York City as a the vital creative center for theatre that it is, AAR strongly urges the local and national arts support network to adapt and build on the above resources and find other new ways to secure available, affordable spaces to create and present new work.

C. Organizational Partnerships and Relationships

In times when money becomes scarce, creative and successful leaders have another valuable resource: resilient and responsive relationships and committed community partners.

It is often said that the nonprofit arts sector is driven (and subsidized) by its human resources. Indeed, the sector would not be able to produce with anywhere near its current capacity without the commitment, paid and unpaid, of the people who create, resource, produce, present, facilitate and advocate the work. Further, this network of people could not be effective without the relationships, partnerships, collaborations, connections and intersections that are constantly built, sustained, dissolved, realigned and rebuilt.

The complex networks of connections that sustain and support theatres are constantly evolving and adapting to meet changing challenges and opportunities. Initiatives in this area demonstrated the importance of continually realigning and re-imagining relationships; creating structures that are flexible and work with available resources; and investments in communication tools that facilitate effective and meaningful relationships.

The Chocolate Factory Theater – A Network of Support

The Chocolate Factory Theater is a Long Island City-based producing and presenting theatre, which has led the artistic development of its community and created a space for experimental work in theatre, media and dance. The Chocolate Factory Theater acts as an incubator and platform for both local and international artists working in new forms and with unique perspectives.

The Chocolate Factory Theater wanted to address the challenge of keeping a board of directors appropriately engaged in order to maximize their potential contributions (of resources and community connections) while minimizing the energy and time required for board management. By questioning the typical board structure and approach, they generated a new way of working in which board members act as independent agents. Each focuses on his/her own goals and tasks related to the organization's needs. This approach eliminates the need to

build a board team environment and to convene the board for regular meetings. Instead, the focus is on effective communications and providing board members with tools to help them fulfill their goals. An annual “big show” will give board members an opportunity to come together to connect with leadership, see how their work is benefitting the organization, celebrate success and set goals for the future. At the same time, the “big show” will fulfill annual meeting and budget approval obligations.

For the Chocolate Factory Theater, this initiative was a response to their need for a different kind of board partnership, but also to the greater pressure, both internal and external, that they faced as a result of their success. *“Somehow, in the last few years, we have become associated (in the eyes of funders and to some degree, the public at large) with a circle of presenting organizations that are all much larger than us. Many of our (larger) peer organizations are/were facing serious financial difficulties – but that was not really relevant for us because we operate so close to the ground; which enabled us to think and act very quickly and flexibly (which is very very hard to do in larger institutions).*

“This has created a really strange conundrum for us. From a very early moment – before we began to receive any serious institutional support from funders -- everyone really assumed that we were bigger than we are. And so there is this continuing expectation (internally and externally) that we operate at a level of ‘professionalism’ that frankly, exceeds our resources. So even as it seems as if we are doing extremely well, we are constantly struggling to improve our support for artists and to prevent our staff from burning out ... it’s a game of catch up that never seems to end. The better we do, the more we are expected (and expect ourselves) to do ... and we have learned from previous professional experience in the field that bigger is not always better and is definitely not better for us. We do not intend to grow forever.”

Although their experiment is still very much in progress, the Chocolate Factory Theater feels that just the act of engaging in it has been valuable: *“We have learned a tremendous amount about our ability to reject ‘best practices’ that do not work for us, and create our own tools for organizational success. This has, in a way, been liberating for us. If/when successful, this activity will have resulted in systemic change for the organization.”*

Waterwell – A Pool of Support

Waterwell has been a successful creation and production company in the Off-Broadway and Off-Off Broadway theatre community. Recently, they entered a relationship with the Professional Performing Arts School to develop and deliver its theatre program for middle and high school students. This is an intensive, school-year-round engagement and represents a significant growth and development of the company’s mission.

Like the Chocolate Factory Theater, Waterwell has struggled to sustain an ongoing level of board engagement as their work grew. Waterwell saw an opportunity to use a major new program initiative as a jumping-off point for change. *“We had recently gone through both a change in board leadership (our original and longtime president changed careers and stepped aside) and a fairly major transformation in our activities (a new partnership with Professional Performing Arts School). We wanted to take advantage of that to re-conceptualize our board’s relationship to the work that we do. Also, we felt the size and quality of this new educational program would open us up to a completely different set of potential board candidates.”*

What they initially thought they were building was a board with some real similarities to a past board model that had worked for them. What they eventually realized was that they needed to go forward with a new approach. While it is still not entirely formed, they are generating a new way

of thinking about the board not as a single, unchanging entity but as a pool of people making up a variety of inter-related, program-specific support networks.

Like many other groups, they found that one of the greatest impacts of their TLC work was an outcome that they did not expect and could not have anticipated at the outset. *“There have been significant positive outcomes from the project. Greatest among them was the creation of a detailed 10-year plan for our work with PPAS. The plans wouldn’t have been conceivable without something like the board development initiative in place, something designed to help achieve major growth over that same period. Now we have a compelling forecast that’s been embraced enthusiastically by school staff and that we can use in making the case for our work to other funders.”*

The Movement Theatre Company – Ambitious Collaborative Team

“The Movement Theatre Company’s project was to understand and more clearly define our model of operating. We wanted to pursue this because we found that as we approach our fifth year, our programming is becoming more clear and consistent to us, but our process as the team making the decisions for the organization was not nearly as consistent or clear. By clarifying our model of operating we’re seeking to become more efficient and better prepared to plan for the future.

TMTC is led by a founding group of five artists and engages other company members and collaborators in artistic projects, a way of work that has evolved over company’s five-year history. At this point, the original collaborative team believed that they needed to adopt some kind of accepted, existing structure to sustain and grow their organization. *“Our biggest challenge with the structure was, for us as the youngest organization, we were seeking ‘structure’ from traditional models. In a way that’s what we were hoping for, but in the larger group meetings we were consistently advised to ‘re-structure’ and to ‘re-define.’ So we felt very confused about what WE need from this process, but by the end we figured that we’d define our current model in order to clarify what works and what needs work, and for us that was beneficial.*

In exploring their current structure and relationships, TMTC began to better understand why their process was successful and how they could acknowledge and build on that success. They started to adopt new language, calling themselves the leadership team and referring to their way of working as an ambitious, collaborative team approach.

The process had immediate benefits. First, the team was able to define the relationships of various company members and collaborators with TMTC. They now have a greater clarity about expectations and responsibilities. The leadership team members are better able to support each other, having taken true ownership of their role in sustaining and leading. *“We learned that we can create our own model that works best for us. We learned that long-term planning can assist in helping us to all feel more fulfilled. We learned that we can certainly take more time to decide whether or not we want to become our own non-profit. We learned that WE must be the leaders of the organization and not allow expectations of Members, Audience or Peers to dictate ‘every’ decision that we make. A huge change has been our willingness to take care of ourselves as the artistic leaders of the organization. Previously we’d avoid giving ourselves opportunities to direct, act, write etc. because we were afraid that that was too selfish. However, we’re learning that in order for us to feel fulfilled artistically within our company, we must both participate in and share the artistic activities.”*

Concerns and Issues Related to Organizational Partnerships and Relationships

Professional Leadership Dynamics

We had a unique opportunity to observe the professional leadership dynamic at work in the many and varied organizations in the TLC initiative. What we learned often reconfirmed things we have observed in working with many arts groups. But we also made some new observations about leadership relationships that are open to and ready to lead change. Clearly, successful leadership relationships (be they partnerships or collectives) depend on a certain level of trust, mutual respect, effective communication and clarity about roles and expectations.

We have seen cases of two strong, equal but distinct partners who each focus on their own territory within the organization while supporting their partner in his/her own key role(s). Organizations like The Civilians, Rattlestick Playwrights Theatre, The 52nd Street Project and the Transport Group are examples of this type of relationship. Interestingly, in many of these cases, there is one partner who may travel extensively or engage in other artistic work, acting as an external ambassador while the other partner provides more stability and ongoing leadership at home. In these organizations, change may be perceived slightly differently by each of partner, because of their different perspectives within the organization. They tend to have the benefit of exploring change from different angles. This can make for well-reasoned response to change, but can also mean a slower response since they must start the change process by reconciling their different perspectives and creating a shared commitment. Once they have embraced a new direction together, however, they can execute change in an effective, coordinated manner.

Another common leadership relationship is that of a dynamic between strong partners in which, while roles may be defined, both leaders contribute their ideas and efforts in all areas of the organization. There is a respectful dialogue between partners that focuses more on the whole organization and how they, together, can support its goals and vision. The Chocolate Factory and The Play Company exemplify this kind of leadership. Change tends to emerge simultaneously for both partners out of their shared sense of the organization's needs.

A third leadership approach is one in which there is a clear individual leader driving all aspects of the organization, and he or she is supported by a leadership team of one or more people. New Perspectives, Take Wing and Soar and 13P are examples

of this approach. These organizations can respond quickly to change as the leader defines and pursues it. On the other hand, the ability to enact change can be limited by the leader's own capacity. When the individual organizational leader has to shift their relationship with the group, one or more members of the support core must step immediately into a leadership role.

More unusual is a structure in which there is a group of leaders, with one or more members stepping up to lead at various times or in various aspects of the work. Both the New York Neo-Futurists and The Movement Theatre Company work in this way. In these organizations, change often comes from one point (or a couple of points) within this leadership structure and that leader (or leaders) champions the cause of change with their colleagues. The advantage is that there are many points from which change can enter the organization. At the same time, this structure requires a lot of communication and coordination to move change forward.

We observed through the TLC process that the leadership relationships that were most open to and ready to lead change were those in which the partners were not conscious of managing their relationship with each other. Instead, they responded instinctually to each other and the challenges they faced. Leaders who are aware of and understand their colleagues' roles and day-to-day activities tend to be more ready to embrace and lead change and more able to work in tandem on these changes.

D. Audience and Community Relationships

The crucial connection to our audiences is one of the common denominators for all performing arts organizations. In this business of creating, producing and presenting theatre, the need and desire to connect the work with an audience is ever present. At the same time, it is ever changing. No organization ever gets to a point where they can simply put their audience relationships on cruise control. Over time we are able to see the broad arcs of these changes – audiences buying later, opting for more flexibility, more control and fewer packaged subscriptions and commitments; audiences coming from a greater diversity of socio-cultural backgrounds, seeking information through a constantly changing array of communication conduits and showing up with widely varied expectations of what it means to attend live theatre.

The way we engage with our audiences has changed too. Overall, audience building has changed from a transaction (driven by marketing) to a relationship (driven by meaning). The dialogue around audience engagement is taking shape in three critical areas: how we communicate with our audiences, what we know about our audiences and how we engage with our audiences.

In terms of *communication*, clearly the direction of the moment is technology-driven and social media-intense. While some groups find ways to integrate these technologies naturally with their values and approach, others are trying to make them fit. We still have relatively little information about how successful these approaches are in generating audiences for live performance, or how effective they are in building and sustaining the relationships we seek. One thing is clear: these technologies are not lightening the workload of communication and are often very staff-intensive.

What we know about our audience is also a tricky subject. In our experience, arts professionals often know quite a lot about their audiences, but mostly in ways that are not easy to articulate or measure. At the same time it seems that we are constantly re-parsing our audience data to try to understand its demographics. This is certainly more easily measurable, but this information is often not used or not useful in actually attracting and sustaining an audience.

Finally, and certainly most importantly, is *how we engage* with our audiences. In the live performing arts, experience is what we've got, and we are good at it. We need to figure out how to keep that central in our relationships with our audiences even as we follow the ebbs and flows of audience engagement. These TLC initiatives took on the challenges of addressing the audience relationship in new ways.

The Play Company – Building Audience for Capacity and Balance

The Play Company is dedicated to advancing an international view of contemporary playwriting. The company was formed to address our community's lack of access to plays from other parts of the world, and to promote theatre as a means to engage with the ideas, issues and artists that shape our time. The U.S. is included in the Play Company's "international view", producing American plays within this global context to emphasize cultural dialogue and the open exchange of ideas.

According to Artistic Director, Kate Loewald, *The Play Company's TLC project sprang from the challenge to expand both production and audience capacity, and our goal of achieving a sustainable structure for a 3-project season (growing from 2). In TLC, [we] wanted to explore financial planning, organizational and producing models that would allow us to retain artistic and*

programming flexibility while we grew. We also wanted to explore methods and models for audience development.

During the TLC project period – as part of a longer-term, stepped plan for growth – we did the following:

- We redesigned The Play Company's logo and created our first-ever season brochure for the 2010-11 season as part of a re-branding initiative. We produced a second brochure for 2011-12.*
- We launched a pilot PlayPass membership program to engage audiences in our overall body of work rather than on a show by show basis.*
- We increased and began to systematize our use of social media in marketing and audience development.*
- We located our production season at one venue (Walkerspace in Tribeca) for the 2010-11 season rather than renting space on a show by show basis. For the 2011-12 season we moved a block south to The Flea Theater, locating two of our three shows there and co-producing the third at Walkerspace with Soho Rep.*
- In the 2010-11 season, our partnership with The Public Theater enabled us to offer THE GREAT GAME: AFGHANISTAN to our members as a third component of our season for the first time. In the 2011-12 season we are again offering three projects in our season – one production produced solely by PlayCo, one co-production, and one smaller, developmental Studio production that will be open to the public but not to critical review.*
- We hired a part-time marketing and outreach associate. This is the first time we have had a dedicated staff member for audience development.*
- We began an overhaul of our website to make it more user-friendly and a more effective tool for community building.*

As a result, The Play Company had more public visibility than ever before in the 2010-11 season. The new graphic look and brochure definitely made a positive impression on recipients. We received a great deal of positive feedback about it throughout the year and the brochure was a useful community building tool, even though the PlayPass membership did not sell as well as we had hoped. American Theatre Magazine ran a major feature on The Play Company, which raised our profile in the professional community. We made contact with a new community of theatergoers via our partnership with The Public Theater and the NYU Skirball Center through our partnership on THE GREAT GAME:AFGHANISTAN. And our show INVASION! received an unprecedented amount of critical attention for PlayCo as well as an Obie Award. This show especially brought a significant increase in social media activity on Facebook and helped us grow our community there. Having three projects in our season enabled us have a more consistent presence and communication with our constituents.

We did not see a corresponding increase in earned income at the box office. We did reach new theatergoers with EDGEWISE and especially INVASION! We will see whether we are able to build on these new contacts this season.

Our residency at The Flea Theater for the 2011-12 season is a direct result of the TLC project. Knowing that one of the stated goals of our initiative was to find a consistent venue for our work, and that The Flea was looking for potential anchor companies for their planned new theatre.

We don't yet know whether/how our audience base has changed and grown as a result of last year's efforts. Because we produce plays from all over the world, the potential audience shifts for each production. Someone who comes to see a play from Sweden one season may not be interested in coming to see a play from Germany the next season. We are working to build the core audience that wants to see our whole body of work, and we will see if our PlayPass holders increase this season. It will be interesting to see if/how we can enlist last season's audience for INVASION! to help us build audiences for our encore presentation this fall. How many will come

back? How much will they help with word of mouth? Conversations about marketing, social media and audience behavior were especially enlightening. We expected incremental rather than radical change.”

HERE Arts Center – Partnership, Mentorship and Participation

HERE builds a community that nurtures career artists as they create innovative hybrid live performance in theatre, dance, music, puppetry, media and visual art. Artist residencies support the singular vision of the lead artist through commissions, long-term development, and production support. HERE's programs and performances promote relationships among local, national, and international artists. Its space is a destination for audiences who are passionate about groundbreaking contemporary work and the creative process behind it.

HERE's TLC project was multi-faceted. The center's goals included *“increasing the commissioning and development resources that we make available to our artists; expanding our MADE HERE initiative in order to broaden the dialogue about the needs of performing artists in this day and age; and shifting programmatic focus toward greater innovation in audience engagement and participation. All of this was/is an extension of what we already do, but by focusing on it through the TLC initiative, we were putting it front and center.”*

“Because our project was so large and multi-focused in terms of programmatic initiatives, it wasn't as if we had a profound turning of the ship in a different direction. However, it was more that we had a filter through which we were implementing these initiatives – that of consciously hewing to our core vision with every decision and applying that logic to the changes we were making.”

One example of this conscious commitment to the core vision in decision making was the increases HERE was able to make in fees paid to artists. *“Kristin and I [Kim Whitener] had been talking for a long while about raising artist fees, and we began making that a key point in our fundraising. Once increased funding began to materialize, we made the decision to raise the HERE Artist Residency Program (HARP) artist fee/commission by 50%.”*

HERE made advances with both MADE HERE and HERE On Demand, both intended to impact audience engagement, as a result of the focus they brought through their TLC initiative. *“The last year has seen major changes in implementing new processes of tailoring our outreach and expanding our social media output, as well as participatory opportunities through pre- and post-show emails and surveys, as well as the addition of an interactive kiosk in our lobby.”* Perhaps the most significant development in terms of audience engagement and participation came through the development of the production, “Lush Valley”.

“LUSH VALLEY is developed through a very open, public collaboration with HERE's larger community, who help define the project through online dialogue (through HERE's blog and Facebook), in-person community think tanks, video interviews and public art actions. The creative team integrates this engaged and diverse community's ideas into the performance score as well as incorporating new audience ideas nightly. The team makes use of audience participation in real-time by incorporating live feedback through person-to-person interaction, texting, Flickr, camera feeds on their mobile phones and on-site kiosks. The artist collaborators are from varied backgrounds (African-American, Japanese, Filipino, Israeli, Latino, Caucasian, & Native American) and aesthetics (dance, theatre, visual art) to ensure inclusion of a multiplicity of perspectives. By relying on the personal stories of the diverse artists and audiences as source material, LUSH VALLEY creates a vibrant patchwork that encompasses the breadth and complexity of what it is to be American in a deeply personal way.”

52nd Street Project – Aligning Real & Virtual Presence

52nd Street Project was somewhat unique in our cohort. It is an organization that has used theatre as a way to engage inner-city kids. They have ongoing after-school programming, including theatre programs and homework support, and they also run camp programs during the summer. They produce and present theatre performed by the kids in the program and maintain a creative facility in Hell's Kitchen.

“Our initiative was to expand our online presence, our virtual community, as we launched a new website created in response to our move into a new home, a move that represented a major shift in all aspects of our operation and function. We wanted to see how we could engage with online tools to strengthen and build on the sense of real community that is a major part of the 52nd Street Project experience. We were looking for ways to take this kind of community in a new, interactive direction that would add to the ‘live’ experience for those already involved and create a similar sense of community for those who did not yet have a relationship with the Project.”

The 52nd Street Project wanted to use their TLC time to explore this and move their web development project forward. *“We worked to make better use of social networks, Facebook in particular. We posted events. We shared photos from trips. We offered glimpses backstage, while in production, by sharing images of design in progress, like props and costumes for various shows. There is also an informal network that has grown up over the past year or so, on staff members’ personal Facebook pages, with a lot of sharing with adult constituents. We launched our new website and made good use of that event; we’ve set up a blog, with staff members writing about their experiences at the Project. We’re taking reservations online. We’re organizing kid-created content to make available on the website.”*

The 52nd Street Project realized that these tools were useful and could be integrated into the existing mix of relationships they were nurturing. However, they also learned that these tools are not a quick fix. Online relationships take as long as any kind of relationship to nurture and build. *“I learned, again, that there are no shortcuts and magic formulas. That a bunch of smart people in a room will have intelligent and fascinating things to say, but that real change requires a whole other level of coordination and action.”*

Finally, they also understood the limits of these new tools and the importance of integrating them into the larger picture and important values of the organization. *“We have a policy at the Project that restricts the use of electronic devices, and encourages person-to-person interaction free of the stimulation of I-everythings. We also concluded that online interaction is a real gray zone, rife with liability issues and with harmful misunderstandings that were best avoided.”*

Concerns and Issues Related to Audience and Community Relationships

New Ideas in Audience Engagement

While there is active dialogue about audiences consistently year after year, there still remains a real lack of clear information about how effective organizations identify, generate and sustain audience relationships. Have we made progress in deepening and broadening our audience relationships?

Despite talk of a diminishing audience for live performance and the need to break down perceived barriers of elitism and experimentation, it is notable that a number of the TLC theatres are doing this work without fully realizing it. They are connecting people

with their work and building a core of theatregoers who are diverse, community-minded and seeking interactive experiences. Theatres such as Vampire Cowboys, the Chocolate Factory Theater and HERE have all generated new audience communities and sustained relationships with their audience base.

At the same time, the whole discussion of audience is defined by a misaligned valuing system that is more related to a commercial perspective (“who is your customer”) than to a humanistic perspective of value (audience members not as “consumers” of art, but as significantly engaged in the experience of the work and the community around it).

For the arts groups engaged in this dialogue, the audience is never absolute and is often hard to define in a strictly demographic sense. Audiences are defined more by their relationship to the work and to each other in a cultural community. Some groups are finding ways to talk about using more creative, non-demographic language. Now is the time to redefine the terms if there is ever to be a satisfying understanding of and meaningful growth of the audience.

E: The Visible Hand of the Theatre Marketplace/Restriction and Regulation

For our theatres to truly implement changes certain obstacles must be addressed. Following are some of the most frequently cited issues and conditions.

Nonprofit/For-Profit Hybrid Approaches

The 501c3 federal tax designation allowing contributions to be taken as tax deductions by contributors offers significant value to theatres. However, the strictures of the 501c3 as an operating paradigm have created needless confusion and conflicts between theatre professionals and community supporters, especially board members. All agreed that the capacity to generate contributed as well as earned revenue is vital to the sustainability of the work and the structures in the field. Yet there was strong agreement that arts organizations need the flexibility that non-501c3 structures might offer along with the possibility of a broader base of support.

For example, new for-profit/nonprofit designations have been created (L3C) and many arts professionals have chosen to adopt for-profit or non-incorporated operating models (LLCs, partnerships, fiscal sponsorships) rather than the 501c3 structure. The TLC participants felt that alternate structures like the L3C are still experimental and not well understood. Still, several groups expressed interest in working as more of a hybrid,

with some for-profit activities that could support the nonprofit aspects of the work more effectively.

Unquestionably, the 501c3 board structure remains the greatest challenge for most because this relationship is still not clearly defined and understood. It is particularly ineffective and confusing for organizations needing resource generation rather than public oversight. The theatres most satisfied with their board relationships were those in which the expectations on both sides of the relationship were clear and the board was viewed as a group of individuals, each bringing value to the organization, rather than a single regulating entity.

Equity's Role and Regulations

Unsurprisingly, the relationship with Actors' Equity was a frequent topic of discussion. The TLC theatres would like to see Equity as a partner, able to address the contemporary issues of theatre creation, production, presentation and promotion. They would also like an ongoing dialogue with Equity about how to sustain the theatres, the work, the field and the artists involved. Some theatres have concerns about the Equity Showcase contract, which appears in many cases to have the unintended result of making productions less viable, and therefore less supportive for the actors involved. There are more universal concerns related to Equity regulations that limit the promotional and new media opportunities for work, which are now essential to theatres in remaining relevant and engaged with audiences in the current technological environment.

Unfortunately, it seems that Equity is not prepared to engage to address these critical concerns and issues. This is especially unfortunate because the theatres and Equity share many more of the same interests for artists and the field than not. A new partnership and real dialogue is needed.

Funder Relationships

In the TLC group settings, participants could freely and safely discuss their challenges, concerns and experiences. Numerous examples of positive relationships with individual funders were cited, as were the positive effects of well-informed and timely funding initiatives. However frustrations about relationships with funders were expressed as well. With the power differential tied to resources and the intense competition brought about

by resource scarcity, understandably this aspect of the relationship elicited a lot of discussion. However, arts professionals understand that successful and sustainable funding approaches are as diverse as the work that appears on their stages. One shape and one size most definitely does not fit all, especially in a field as diverse, variegated and complex as theatre. The TLC theatres agree that it would be most helpful for funders to gain a more dimensional and complex picture of theatre's realities and the arts professionals working within them through more active and timely dialogue.

IV. Synthesis and Recommendations

It is perhaps because we have not learned to recognize and respect existing order in unfamiliar forms that we are frightened of change, unwilling to support and work with the forms that people find for themselves.

--Mary Catherine Bateson, Peripheral Vision

Paradigm is a term that is overused and misused. And overuse of any term or phrase can render it meaningless or worse (anyone invoking the phrase "out of the box thinking" today is pretty much assumed to be dwelling "in the box" of tiresome clichés). Still the concepts of the paradigm and paradigm change are important in understanding how change occurs in a field comprised of many complex and diverse players.

When an old or existing paradigm isn't working, it's quite common to hear calls for a new paradigm, in the belief that just declaring a new paradigm is all that is required. But in *Order Out of Chaos*, Nobel laureate Ilya Prigogine reminds us that new paradigms aren't invented or declared. They become understood as old and new ideas, information and disciplines merge and converge in new and evolving ways. No aspect of a new paradigm is completely new and unknown, and some aspects may be quite familiar. But when re-contextualized and understood within a new set of realities, elements of the new paradigm change everything.

In the relatively short amount of time and with the relatively small number of theatres involved in the TLC, a new paradigm was not created or realized—yet. Unquestionably, we did observe essential, promising elements and processes. These hold significant potential if invested in appropriately. Thus we offer these recommendations to A.R.T./New York.

- Invest in learning and co-learning. A.R.T./New York's focused attention to its member theatres' individual learning, planning and emergent capacities is vital. The Theatre Leadership Program and Nancy Quinn Program are good vehicles for this, but we recommend two changes. First, place greater emphasis and resources on individual learning. Second, create structured co-learning opportunities (roundtables and forums) that allow for safe, diverse and active exchange of information and group problem solving.
- Document and distribute case processes and examples. The TLC participants were very eager to hear about what worked for others and to understand the approaches of their peers. Other fields have a body of research that documents the practices within their organizations, but there is almost no such documentation in theatre (or other performing arts). What is documented tends to be theoretical, or extremely inaccessible to those working in the field. Understanding that paradigm change is not created, but is understood as old and new ideas merge and recombine, it is essential to make these ideas (and specifically ideas in practice) more accessible. A.R.T./New York can play a pivotal role in generating, documenting, and sharing the working processes and new approaches being explored by practitioners in the field.
- Lead the charge. No matter how creative, productive or emergent our theatre professionals are, they are constantly stifled by the rigid, reactionary restrictions and beliefs of the political, industry and funding status quo. Instances of this were cited throughout the TLC process and a number are noted earlier in this report. It is therefore critical that A.R.T./New York assume a more prominent role in organizing and leading community activism aimed at reducing and/or eliminating barriers to theatres' emergent activity; mediating and modulating restrictive industry standards and regulations; and advocating for greater support of theatres based on the practitioners' own inventions and innovations.
- Further develop and advocate for effective assessment tools. Through the TLC process we have just scratched the surface of new assessment approaches. Current assessment tools and assumptions are often completely incompatible with the way that leaders in the field think about their organizations and their work. We need to create new tools, but also advocate for assessment approaches that

measure the field's *own* understanding of value, not simply the value put on it by the finance-based economy.

No adequate systems currently exist to assess this in a way that is meaningful both to arts organizations/arts professionals and to our communities of funders, supporters, audiences and constituents. Current tools using participation numbers or economic measures of participation fall far short of capturing what is meaningful in terms of the impact of the arts in their communities. In discussions with TLC groups, we heard the frustration of arts entities that find themselves constantly contorting themselves to fit into assessment systems designed to address commercial or supply and demand enterprises. The greatest challenge in this process will be in finding non-economic ways of articulating this value that are meaningful in a society which is increasingly focused on measuring all value in financial terms. We suggest that the next step in this process will be to collect, from a wide variety of arts groups, their own articulation of the outputs of their work and the impacts they value.

- Support the whole system. This work has again reminded us how much the theatre community is an ecosystem with many complex, interactive components. Like any ecosystem, the whole is dependent on the careful balance and support of its various elements and organisms. And each organism within the system has its own set of complex relationships and components. It is essential to the health of both the organism and the ecosystem that all of its biological systems and environmental elements are in balance and resources are distributed appropriately. When any of these elements becomes unbalanced, organisms die and ecosystems collapse.

With this in mind, resource systems for the theatre community must consciously consider whole organizations and the entire theatre community infrastructure. Resources allocated without this holistic understanding destabilize organizations and the theatre community instead of supporting them. If the resource base continues to support only certain aspects of the field (e.g. significant resources concentrated in project adventurism, diminished operating support, commissioning and presenting opportunities increasingly limited to the 'next big thing'), both individual organizations and also of the system as a whole are at risk. A.R.T./New York needs to fight for the

diversity and interconnectivity of its member theatres in order to sustain the most vital theatre community possible.

- Acknowledge and support pivot points. In a biological system, pivot points of health and vitality might include oxygen levels or the health of an organism at the base of the food chain. We need to acknowledge and support such pivot points of health in the theatre field as the professional leadership. Accomplishments are the result of the sustained effort and commitment of individuals who assume a leadership role-- not only within their own organizations, but within the larger community. Without this, individual theatre companies may succeed, but a sustainable theatre community infrastructure cannot. That means fewer theatre spaces, training and educational opportunities, audience relationships, funding and rich artistic interaction and collaboration. We encourage A.R.T./New York to advocate for support of professional leadership in the field and promote funding based not only on organizational health but also on leadership strength and potential.
- Continue A.R.T./New York's learning and co-learning. We urge A.R.T./New York to continue efforts to understand, document and communicate the emergent behaviors we observed through the TLC. There is so much more that we all need to understand about New York's incredibly rich and productive theatre community. Perhaps the most valuable lesson of all, and the strongest recommendation we can make, is for A.R.T./New York to invest deeply in the theatres themselves. There is no greater source of creative thinking, innate learning and capacity for invention and innovation and change.

Thoughts for Funding Partners

While we clearly advocate a practitioner-led change movement, we understand and appreciate that there are funding partners who have a longstanding commitment to the success of the theatre community. Those funders who truly understand and collaborate with the field encourage us. To these funders, we offer the following recommendations for supporting and encouraging positive change and healthy balance in the theatre ecosystem.

- Fund holistically. As discussed above, thinking about the theatre ecosystem and theatre organizations in terms of their discrete components rather than as whole systems is unhealthy. Allowing theatres to use funding support flexibly and integrally, rather than giving restricted grants, encourages them to align their resources most effectively. Focus on supporting the diversity of the theatre sector and find ways to support collaboration and combination (rather than mergers).
- Recognize appropriate value systems. While we understand and encourage the move toward assessment in the sector, it is often being applied in ways that are not consistent with how the field really works. Nonprofit theatre operates both within and outside the consumer economy. While some economic measures may have significance, to measure only those things that are valued within the consumer economy misses much of the value that the arts field itself embraces. When we consider theatre organizations within an appropriate value system, we are able to see the full breadth and impact of their work.
- Partner with the artists. The best funders in the field have strong and open relationships with artists and arts professionals in the community. It is through these relationships and open dialogues that funders can truly engage on the leading edge. No one can genuinely lead the arts field except the artists, just as only funders can lead the funding field. Listening to and collaborating with artists are pivotal to being a leader in the funding community.
- Create flexibility. There is no template, no best practice, no model for a healthy and functional theatre organization. Instead, there is an astounding array of approaches, forms, practices and systems that *work*. Trying to fit these many and varied solutions into pre-determined programs and expectations is frustrating to theatre professionals and counter-productive for funders. Find ways to support and engage the variety of approaches. Use flexible application and assessment processes that are responsive to (instead of restrictive of) the ways arts entities work.
- Embrace risk. Some work is powerful and some misses the mark. Some ideas soar and some sink. Some steps drive us forward and some fail to gain momentum.

Theatres need funders to invest in the chances, to take the risk that something great might happen. This means that funders, like artists, need to be comfortable with risk. We need funders who are as bold, ambitious and resilient as the artists themselves. These are the partners who will make the most exciting, exhilarating, unimaginable things possible.

Finally, as noted at the beginning of this report, in the wake of this economic crisis the call for a new paradigm in the arts has been frequent and loud. We acknowledge that the TLC Initiative was driven in no small way by these calls and concerns. But as we suspected at the outset, the capacity for profound change exists among the theatres themselves. As we have observed in a very small way and a short amount of time, it is possible for new learning, discovery and invention to emerge. When this learning is shared in a way that results in innovation, it in turn can pull the field in new directions. As Prigogine notes, this is a process of old and new ideas, information and disciplines merging and converging in new and evolving ways. But significantly to A.R.T./New York, this is learning, co-learning, invention and innovation of, by and for theatre professionals themselves.

The TLC has reaffirmed for us that it is the will and responsibility of theatre artists and theatres themselves to survive, thrive and endure. Some years ago, an interviewer asked the unlikely yet insightful art critic, Sister Wendy Beckett, if art of earlier eras – the Renaissance, the Impressionists – was better than art today. Her response: “Art always changes, it never gets better.” For arts professionals, there is a corollary to this: The challenges artists face always change, and never get easier. Artists and the field itself must find that way forward, working from the inside out and assuming responsibility, as artists have done not only for decades but for millennia.

APPENDIX A: TLC Selection Process & Cohort

To identify appropriate consortia for the TLC process, we developed a selection process that required theatres to actively engage. First we asked interested organizations to submit a short online application identifying the commitment of leadership, ways in which they were exploring change and key aspects of their organizational structure and equation. We received fifty-two applications to the program. We divided the applicants into four constituent groups based on A.R.T./New York's member tiers and eliminated any groups who did not have the required leadership commitment or whose organizational equations were out of balance to the extent that the demands of TLC would be counterproductive. While we knew many of the groups who had applied from our ongoing work with A.R.T./New York and its constituents, we wanted to insure that those groups with which we were less familiar were equally considered.

The second stage of our selection process was to schedule conversations with all of the organizations with which we had not worked directly within the past four years. In these conversations, we took the opportunity to get to know the organization, its leadership, goals and recent activities better. Finally, we convened a small group including ARTS Action Research principals and project and organizational leadership from A.R.T./New York to discuss the applicants and determine appropriate consortia groupings. We selected nineteen organizations plus A.R.T./New York itself to participate in the TLC initiative.

During the course of the TLC year, there were several transitions within TLC participant organizations – a reality of the field that we certainly anticipate in doing work over an extended period of time. Where there were shifts in leadership, programmatic directions or financial rebalances, we worked with our TLC partners to maintain their engagement in the initiative through these important transitions. In one case, however, it became apparent that the leadership change and organizational rebalancing that happened during the TLC year really required the new organizational leadership to refocus and did not allow for the kind of community engagement and leadership that TLC required. Thus, the final consortia of TLC participants comprised eighteen groups including creating, presenting, producing and service organizations; groups under five years old to those over forty; single person operations to multi-department entities; with revenue from touring and teaching to patrons and public funding; and embracing work ranging from classical to cultural to experimental and everything in between.

The Consortia: Orion and Pegasus

While we wanted to ensure that all of the participants had opportunities to get to know and work with each other, we also wanted to have working groups and learning communities within a cohort that was a manageable size. This would allow organizations to get to know each other well; to work closely on shared issues and challenges; and to be able to convene roundtables without too many schedule conflicts. To this end, we established the two cohorts of TLC New York, the Orion group (with ten members) and the Pegasus group (with eight members; see lists below). Organizations were divided primarily by budget size, with some consideration of organizational structure. We wanted to ensure that within each consortium, organizations would be able to relate to each other's particular challenges and approaches.

With the Orion group, whose members tended to have more staff and structures in place and who often had community partnerships and relationships, we worked as a consortium on community issues but did one on one consulting to advance the work of their individual initiatives.

With the Pegasus group, whose members tended to have fewer staff members, more volunteer support and less direct or formal community partnerships and connections, we worked in consortia on both community issues and on individual initiatives. In this way, we hoped that they would see each other as a resource that might help make up for their lack of staffing in generating ideas for their initiative work.

The TLC New York Cohort

Orion Group Theatres

52nd Street Project

Gus Rogerson, Artistic Director
Carol Ochs, Executive Director

Chocolate Factory Theater

Brian Rogers, Artistic Director
Sheila Lewandowski, Executive Director

The Civilians

Marion Friedman, Managing Director
Steve Cosson, Artistic Director

Elevator Repair Service

John Collins, Artistic Director
Victoria Vasquez, Managing Director

Here Arts Center

Kristin Marting, Artistic Director
Kim Whitener, Producing Director
Karina Mangu Ward, Associate Producer

New Georges

Susan Bernfield, Artistic Director
Sarah Cameron Sunde, Associate Director
Jaynie Saunders Tiller, Managing Director

The Play Company

Kate Loewald, Founding Producer
Lauren Weigel, Managing Director

Repertorio Espanol

Robert Federico, Executive Director
José Antonio Cruz, Associate Producer
René Buch, Artistic Director

Rattlestick Playwrights Theatre

Brian Long, Managing Director
David Van Asselt, Artistic Director

Transport Group

Lori Fineman, Executive Director
Jack Cummings, Artistic Director

Pegasus Group Theatres

13P

Maria Goyanes, Managing Director
Madeline George

The Movement

Eric Lockley, Executive Director
David Mendizibal, Artistic Director
Johnathan McCrory, Marketing Director
Christiamilda Correa, Communications Director

New Perspectives

Melody Brooks, Artistic Director
Catharine Guiher, General Manager
Jenny Greeman, Associate Artist/Marketing,

New York Neo Futurists

Rob Neill, Managing Director
Jill Beckman, Ensemble Member

Ripe Time

Rachel Dickstein, Artistic Director
Wesley Middleton, Producing Director

Take Wing and Soar Productions

Debra Ann Byrd, Producing Artistic Director

Waterwell

Tom Ridgely, Executive Director
Arian Moayed, Artistic Director

Vampire Cowboys

Abby Marcus, Executive Director
Qui Nguyen, Artistic Director
Robert Ross Parker, Artistic Director