Operational Aspects of the Performing Arts Business

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By

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ABSTRACT

The purpose of this thesis is to contribute to the discussion of and the argument for performing arts organization sustainability. Included are definitions, defenses, and issues on the importance of and the current techniques of running a performing arts business, specifically addressing financial, management, and marketing aspects. The thesis is focused on four case studies, which cover business strategies, difficulties, and structures of performing arts organizations. The majority of the information gathered for these studies was collected through telephone interviews with upper management of each organization studied. Three sustainability factors were identified and two inherent features were identified. The sustainability factors are artistic leadership, financial management, and relevancy of artistic work. One of the inherent features is the necessity of business support and artistic work operating together. The other is the frustrating aspect of running a performing arts business.
INTRODUCTION

This thesis is not about many things. The subject of this thesis is not about how art influences society, or whether it even does or not. Research from at least the last decade and a half supports that it does. This thesis is also not about the impact of the economy on art, or the impact of art on the economy. No doubt there is a mutually beneficial influence in both directions. This is not about art and politics, art and religion, or art and culture. This thesis is also not about arts management, which is a philosophy about managing a business like an artist. This thesis is also not about how art enhances the ability to learn. Or how taking art out of schools would dramatically influence grades, success, or contentedness.

Rather, this thesis is about the importance of and the current techniques of running a performing arts business. Art is important, so why not ensure its long-term success with effective management techniques. Running a performing arts venue or company can be, and often is, as complicated as running a multi-billion dollar corporation. In analyzing these complexities, this thesis discusses four case studies addressing business strategies, difficulties, and structures of performing arts companies in the Tampa Bay area of Florida. Before getting into the cases a few definitions, defenses, and issues are discussed to contribute to the clarification of the cases.

First, business and art are often highly related so business should be defined. The foundations of business are comprised of a variety of elements. These elements are ethics, management, finance, accounting, marketing, public relations, human resources, advertising, and product innovation. Critical thinking is also important to business success (and art success for that matter). All of these elements apply to performing arts organizations. Some elements look the same as profit-seeking organizations, while others do not. Financial management, overall management, and marketing strategy elements are directly addressed in this thesis. The
remaining elements will be addressed indirectly. These three elements are focused on because they are always found in performing arts organizations regardless of size or location.

A basic definition of performing arts, performing arts organizations, and nonprofit organizations should be established to clarify this discussion. Performing arts is the live or filmed display of an art form. Music, dance, and theater fall within the performing arts category. It is usually performed at a specific time, order, and way. A performing arts organization is an organization that promotes performing arts with resources such as facilities, contacts, money, training, and expertise. The product they are producing or selling are performance events or events related to performance events, such as lessons. Usually performing arts companies are also nonprofit organizations. The IRS defines nonprofits as “not organized or operated for the benefit of private interests.” Again, according to the IRS this means “no part of [the] organization's net earnings may inure to the benefit of any private shareholder or individual” (section 501(c)(3)).

Arts organizations are usually nonprofit for three reasons. First, they do not exist for the purpose of benefiting shareholders. For-profit companies usually operate with the goal to return profits to shareholders or stakeholders. Arts organizations operate for different reasons, generally to benefit surrounding communities with nonmonetary benefits and without any economically benefiting goals to the organization itself. Second, it can be financially beneficial for a company to operate as a nonprofit. Not only is it exempt from income tax but it also has opportunities to receive grants and endowments. Finally, operating as a nonprofit encourages individuals to freely give to the organization. Individuals can write-off charitable contributions to qualifying nonprofits on their income tax return and nonprofits are usually more transparent in their spending than for-profit companies.
There are a number of reasons that society is compelled to contribute to performing arts organizations. Art is important to society and without performing arts organizations people have very little access to the disciplined arts. The performing arts require effective organizations to succeed. They require groups, schedules, and venues and most importantly resources, monetary and nonmonetary. U.S. society historically and currently has said that they want art around for future generations to enjoy. Historically the founding father, President John Adams said “I must study politics and war, that my sons may have the liberty to study mathematics and philosophy, natural history and naval architecture, in order to give their children a right to study painting, poetry, music, architecture, tapestry, and porcelain” (“NEA: Brief” 6). More recently, Edward B. Keller, in his article titled “Public and the Arts,” quoted Congressman Sidney Yates as saying “The arts make an enormous contribution to the prosperity of the country as well as enhancing the quality of life of the American people” (44). Because of these American ideals a federal organization was established in 1965 to contribute societies dollars to artists (NEA 11). This organization is the National Endowment for the Arts. President Lyndon Johnson stated the reason for the founding of the NEA was because “There is a quality in art which speaks across the gulf dividing man from man and nation from nation, and century from century…the stakes may well be the survival of civilization” (Lewis 32).

U.S. funding of the arts did not stop with the NEA. The NEA partners with “56 state and jurisdictional arts agencies and six regional arts organizations” (NEA). The case studies in this thesis are based on companies in a small region of Florida; therefore it is important to address the agencies that affect companies discussed in the cases. The state of Florida falls within two arts agencies that partner with the NEA. The main agency is the Florida Division of Cultural Affairs. This agency’s goal is to promote “arts and culture as essential to quality of life for all Floridians”
(Florida Division of Cultural Affairs). The organization has been around since 1969 and the Florida legislature and the NEA control its funds. Nonprofit arts organizations can apply for grants and funded programs through this agency. This year the Florida Division of Cultural Affairs awarded $2,000,000 to various arts organizations for general programs (Florida Division of Cultural Affairs). The other agency that affects Florida arts is South Arts. This organization was founded in 1975 and its goals are to “strengthen the South through advancing excellence in the arts, connecting the arts to key state and national policies and nurturing a vibrant quality of life” (South Arts). Because this organization affects the whole southeast it has less of an impact on the cases discussed but still holds an important role in funding arts in Florida. Through the NEA, the Florida Division of Cultural Affairs, and South Arts performing arts companies in Florida can apply for grants and other program supports, like matching funds. It is necessary for the NEA to have sub-agencies because to-date the endowment has been awarded over 4 billion dollars, which would be difficult to manage without the management support of sub-agencies (NEA).

Although there are many resources for performing arts organizations to tap into, there are still plenty of issues to overcome. One reason that there are still issues to overcome is the variability of the industry and industry resources. The business, political, social, and art environment are continually changing causing the variability. For example, the business environment continues to extend globally causing additional competition and regulation. An example of the changing political environment is the availability of grants one year and not another. Issues on revenues, costs, regulation, planning, quality management, communication, marketing strategies, and resource focus deserve further discussion before diving into the cases.

FINANCIAL
Revenues

Performing arts organizations, as any organization that produces or provides anything, requires revenue. Their revenue is either earned or contributed. Earned revenue is usually earned through ticket sales or lesson fees. Contributed revenue is received through agencies, individuals, or corporations. Ideally performing arts organizations would fully operate with earned income. Unfortunately this is not the case. The resources necessary to produce a high level of performing art usually outstrip earned revenue by at least 40 percent. Even with outside funding, organizations are usually limited by their revenue.

One difficulty with earned revenue can be the estimation process. Because attendees of events can usually buy tickets up to the start of the event the organization must create attendance projections to predict revenue. Usually organizations use historical numbers and trends to predict attendance. This is such an important issue for performing arts organizations that a number of articles have been written on the topic. Considering that the total body of research on operations of performing arts organizations is severely limited, a few articles are substantial. Charles B. Weinberg implemented the Arts Plan 1986 that he and a colleague developed in 1978. The plan allows the manager to “test the impact of scheduling different performing arts events” (143). Price sensitivity was also added to the models prediction capabilities in a later study. When the plan was implemented it yielded fairly accurate forecasted results when compared with actual results. Lele and Putler, in their research on forecasting ticket sales, point out that it is difficult to “alter the marketing plan for a production after its ‘opening’” (307). This means that it is very important to get ticket sale forecasts as accurate as possible so no adjustments need to be made.

Many performing arts companies depend, whether substantially or not, on the federal and state funding of art. Even if the funding is a small percentage of the organizations budget they
still rely on the funding to do the amount of work that they do. For example, based on an examination of their financial statements, the Straz Center for Performing Arts in Tampa, Florida has been awarded over a million dollars every year from different government entities, including the Florida Division of Cultural Affairs and the National Endowment of the Arts. It is unlikely that the Straz Center for the Performing Arts would be able to substitute the million dollars with other funding; therefore the organization would be required to cut back spending on programs or support services. This is not a new issue. In 1973, John S. Harris, in his article on the government and arts patronage, said that, “the professional arts cannot function properly without substantial government patronage” (407).

There are two current issues with the reliance on government funding. First of all, with recent economic instability state legislation and government officials for the coming 2012 fiscal year have significantly reduced arts agency funding. Although the state of Florida arts agency appropriations have actually increased in 2012, other states have not fared so well (Changes in State Art Agency Funding – FY 2012). For example, the governor of Kansas completely cut the state art agency’s budget in 2012. This issue was compounded when the state lost $1.3 million in federal and regional arts matching funds (The Associated Press). The funds were lost because the state must demonstrate that the arts are supported by the state to receive funds from the federal government. This of course, will affect arts organizations in Kansas. The conflict between the economy and the arts is not new. Keller said the “emerging reality of the 1980s [is] that the arts increasingly will be forced into competition with other worthwhile pursuits as the nation debates spending priorities.” It could be argued that the “emerging reality” that Keller talks about has been emerging for over thirty years. The second issue with the reliance on government funding has to do with timing. Often the program that the grant is awarded for must be partially or totally
completed before the company is sent the funds. This can cause cash flow problems. Arts organizations usually have to carefully manage their cash because it is very limited. That means that they may have to delay paying artists or support staff until funds come in from the government, which sometimes takes many weeks or months.

For the most part voluntary donations by private individuals is the primary funding for nonprofit organizations. G.D. Thompson, in his article “Accounting and the Arts,” says that this is a social phenomenon and “nonprofits have virtual monopoly on voluntary donations as a source of funding” (58). He gives two reasons for this phenomenon, contract failure and taxation incentive. In regards to contract failure, his research demonstrates that individuals believe nonprofits are a “more ‘trustworthy’ vehicle for stewardship of donated fund” (58). In regards to taxation incentive, individuals can have tax deductions for donating to charitable organizations if they itemize their income tax return. This phenomenon is highly positive for nonprofit organizations but contributes to some revenue issues. These issues have everything to do with endowments. Endowments are investment funds that individuals contribute to. The funds are restricted permanently for gaining earnings through investment. Ideally these funds would create earnings that the company could then use. Unfortunately with an unstable economy, endowments are also unstable. Meaning arts organizations may actually have to report losses because of endowments. Also, if endowments are small, earnings may be insignificant compared to the principle.

Corporate contributions are another revenue variability for arts organizations. First, the economy affects corporate contributions to performing arts organizations. Even though profits may be stable for many companies an uncertain economic market makes corporations less willing to part with profits for philanthropic purposes. Also, corporations may simply not have
the funds to give. The Straz Performing Arts Center reported a 1.5 million dollar drop in unrestricted community support between 2008 and 2010. The timing of this decrease in revenue can be linked to the current recession. Second, corporations may prefer to give to non-arts organizations because other charitable organizations seem to reach more demographics. Often causes like cancer research draws more corporate donations. Third, once corporations have a list of organizations to contribute to they are less likely to change this list. This is more of a problem for newer performing arts organizations that do not already have their name on the contribution list of a corporation. Bette Ann Stead, in her article on corporate giving written in 1985, claimed, “nearly half of all corporations giving is done by fewer than 1000 companies” (215).

Costs

Performing arts organizations’ costs can be significant, although usually limited by their revenue. Most costs are associated with concert production costs. This seems appropriate considering that concerts are their product. In the art world these high production costs are unique to performing arts. Costs can vary greatly depending on the performing arts medium and the quality the company aims to achieve.

There is drastic cost difference between other artistic forms and performing arts. In a study by Bonnie F. Daily, Negel Holman, and Judith Y. Weisinger, manufacturing cost of quality elements were applied to arts organizations (135). A comparison was made of multiple arts organizations’ operating budgets. It was shown that an art museum reported their operating budget was less than a million dollars while an opera company reported that their operating budget ranged from 10 to 15 million dollars. This has very little to do with size and more to do with the sophisticated technology, elaborate sets, talented singers, and theatre rental for rehearsal and the concert that an opera requires. To top it off any costs incurred for rehearsals are not
immediately offset by revenue. As apposed to an art museum, which requires no rehearsals and fewer human resources.

Performing arts organizations can be significantly influenced by variable costs depending on their operations. For many professional organizations the cost of performers are their biggest expenditure. For example, the Straz Performing Arts Center reported over 12 million dollars spent on artist and professional fees in 2010. This is their biggest expenditure area every year. For a presenting company like Straz, these fees are probably quoted to them by the performing organization before they book them allowing them to have a fairly accurate budget. Costs can be highly variable for performing companies hiring performers requiring significant transportation or for organizations with a touring aspect to their operations. Transportation costs are influenced by the cost of gas, which during 2012 significantly rose, which may cause many companies to revise their operating budget. Other significant costs that may rise unexpectedly are concert hall rental fees. These rising costs especially have a negative impact if a company has very limited venue options. If there is only one venue that provides the amenities that a company needs to perform then the organization has to pay the additional fee or the company has to completely revise their program, which may significantly decrease quality.

The phenomenon where greater quality equals greater cost, which is found in other industries, is also found in performing arts organizations. Quality costs can range from renting a venue with the appropriate sound quality for an orchestra, to hiring a singer with the best vocal range for an opera, to buying rigging for an areal dance piece, to buying a new light gel for a play. The types of costs that contribute to quality work are infinite. Quality is very important to nonprofits. Quality is what makes contributing to them beneficial. Nonprofits do not distribute profits to owners so the only way that contributors receive anything of value is through the
quality of work. Finding the right balance of increased costs for better quality and not outstripping the organizations revenue can be a challenge. However, increased quality usually increases contributions.

Regulation

There are a few financial regulations that unequally influence nonprofit performing arts organizations. The Internal Revenue Service imposes most of these regulations. If an organization qualifies as a nonprofit organization then they are tax-exempt entities. However, payroll taxes are due for any employees the organization may have and sales tax is due if the organization makes any sales from concessions or gift shops. In Byrnes’ book, Management and the Arts, an example is given on what should be budgeted for employee compensation taxes. He says that if an administrative assistant is hired for one year for $20,000 then another $8,000 must be budgeted for benefits and taxes for that one new hire. With inflation over five years the employee would cost the organization $153,000 (195). Just like any for-profit business, performing arts must bear the burden of sales and employee taxes.

Other requirements that are imposed by the IRS are filing requirements. A tax Form 990 is required for any organization exempt from income tax “if it has either (1) gross receipts greater than or equal to $200,000 or (2) assets greater than or equal to $500,000 at the end of the tax year” (IRS). These forms are available to the public and many donors base their giving on what is reported (see Appendix B for the first two pages of a filed Form 990-EZ). The document includes information on grants received, specific program expenses, and compensation of any officers or board members.

MANAGEMENT

Planning
Nonprofit performing arts organizations are complex and require extensive planning. Each year planning committees, and sometimes the whole company, get together to plan the upcoming season, depending on the size and extent of its structure. Events are planned based on their fulfillment of the mission statement, the vision, and the values of the company, as well as whether the program would generate enough interest from the paying public. Along with this planning comes budget planning and structural organization. This process for a performing arts company can fluctuate year to year or it can remain relatively the same year to year. Events can range from hosting a Broadway touring company, to offering private cello lessons, to staging a new opera, or to teaching ballet to underprivileged children. The top three planning issues that face performing arts organizations are cash flow, program selection, and scheduling. The first was discussed in the previous section, the second and third will be discussed here.

Selecting the programs to provide can be a difficult task for performing arts organizations. One inherent difficulty is the very nature of operating as a non-profit. For-profit corporations have clear guidelines; benefit the shareholders. That usually means returning a profit through dividends or, with greater return, stock price. So whatever the company produces or serves must generate a large enough profit to satisfy that goal. A non-profit on the other hand has less clear guidelines on how to plan its operating activity. There are a multitude of beneficiaries and deciding how to disperse benefits to all of those beneficiaries is difficult if not impossible. Even when the company sets regional and mission guidelines the task can still be difficult. Usually the final, or even initial, selection is left to the artistic leader of the organization.

Scheduling events and rehearsals is a difficult and sometimes time-consuming planning activity. Scheduling involves many aspects of the company. All performances must be
scheduled, usually six months to a year in advance. Rehearsals must be scheduled based on required time to produce the work, when the artistic leader and performers can meet, and available space. Lessons or outreach programs have similar constraints. Usually schedules are made before the season starts requiring significant estimates on time. If an organization rents the rehearsal or performance venue scheduling involves additional difficulties. Many times it is important that rehearsals and performances take place consecutively and at one venue, which can be difficult to coordinate with the venue.

**Quality Management**

Managing the organizations quality is an important part of managing a performing arts organization. As discussed concerning costs, quality is a highly important element to nonprofit companies. To address issues of quality, managers should attempt to measure quality and compare to industry standards. Research was done in 2006 by Bonnie F. Daily, Negel Holman, and Judith Y. Weisingeron, which applied cost of quality techniques to arts organizations. Three elements were identified that pertain to arts organizations, preparation, appraisal, and failure costs (135). Assessing these elements established key techniques to achieve effectiveness, efficiency, and quality of customer experience. Maintenance of facilities, training and educating employees and volunteers, meetings, event planning and research, rehearsals, and marketing were key to preparation (137). Facility inspections and feedback from customers was key to appraisal (137).

According to the study, only one failure was identified for performing art organizations. The one failure identified was customer interference (143). Because performing arts are generally performed live, interruptions can easily take place and hinder the quality of the performance for other beneficiaries. Based on the research in the article the problem was “out of
[managers] direct control” (143). It is the job of the manager to manage these quality elements, but because the audience directly affects quality it is a challenge for managers to control the quality at all times.

**Communication**

Managers of any company are responsible for maintaining and establishing communication internally and externally. Because of scarce resources, this can be considerably difficult for managers of performing arts organizations. Two major issues are identified, the need for an effective information system and clear communication with board of directors.

An information system is important to establish in any organization and it is key to a company operating efficiently and effectively. This is a difficult task to accomplish in performing arts organizations, because the permanent staff is often small and overworked, and the volunteer turnover rate can be high. When starting a business it is important to get an information system established as soon as possible because the sooner it is part of the everyday operations of the company, the smoother it will assist the company in accomplishing its goals. Arts organizations are known for having poor communication. Many times this is attributed to the tension of artistic ambition in the face of scarce resources. The real problem may be that an information system is not clearly set up and an expectation of the role of artists within the company is not clearly documented. One of the roles of a manager is to make sure the system is in place and running smoothly.

The downfall of many arts organizations is the lack of clear communication with the board of directors. The board of directors is a key component in arts organizations. Usually the two people directly communicating with the board of directors is the managing director and the artistic director. The managing director is the person in charge of everyday operations. The
artistic director is the leader in artistic direction for the company, whether it is who to book for a performance, the theme of a dance concert, or what piece the symphony will play. A simple summary of this is to say that the managing director is in charge of efficiency and effectiveness, and the artistic director is in charge of quality. Efficiency and effectiveness are directly linked to quality so it takes a lot of communication between these two positions. The board of directors oversees both of these aspects of the organization. They approve and reject change in direction of the company, manage financial stability, and make sure the managers are benefiting the organization as best they are able. Communicating and working with them is one key to success.

MARKETING

Marketing Strategies

Performing arts organizations use many different marketing strategies. Usually every organization utilizes more than one strategy, depending on their resources and goals. Four major strategies are discussed below. These strategies are consumer preferences, value creation, first time attendees, and branding.

First, it is important for performing arts organizations to be aware of consumer preferences and to strategize based on these preferences to increase sales and donors. This is sometimes difficult because arts organizations must balance catering to preferences and pursuing quality. One way to match consumer preferences is to base performance selections on the target market. This means finding out what pieces and programs most interest the demographics the organization plans to serve and then planning activities based on those interests. This can be a problem because not all performing arts organizations have the artistic ability to produce every type of event that may interest consumers. It also can be fairly difficult to pinpoint what are both artistically excellent and will interest the group. Also, scarce resources may completely hinder
the organization from delivering what really interests beneficiaries. The ideal marketing strategy for most for-profit corporations is to identify a group and create a product that meets the groups’ desires. Because a performing arts company usually has other goals besides just pleasing beneficiaries they weigh many other factors in their strategy. They identify a group that they are able to reach with the resources they have, such as location, and then find a piece of artistic excellence that may interest that group.

Another way to market a performing arts company is to communicate why it is valuable. William J. Byrnes in his book *Management and the Arts* says that the key communication for arts marketing is “value for customers” (348). Based on this observation, a marketer’s goal for the performing arts should be to find what is of value to consumers and communicate how it is satisfied with what is offered by the organization. This can be difficult because so many other products are advertised that offer value. A consumer is often so bombarded with information that they are unable to decide what to spend their resources on. As Byrnes points out, this is even more difficult with the arts, “Unfortunately, for many consumers, the idea that a fine arts event could provide a degree of satisfaction is foreign. This is due in part to the fact many more people than we care to realize have not been to an arts event in years, or in many cases, ever” (Byrnes 349).

Another goal for marketers is getting people in the door for the first time any way possible. Sometimes this is the most difficult goal to accomplish because people have so many assumptions about what performing arts organizations offer. One way that many marketers have tried to remedy this problem is to deliver the performing arts directly to the consumers. Performing art companies are known to perform in parks and at outside festivals. This negates the need for consumers to assess the value of attending a performance of something they know
nothing about. Offering performing art in public locations exposes consumers to the art without any effort on the consumers’ part. One intricacy with this marketing strategy is the placement of such events is critical to success. Also, this strategy involves special-use resources, such as an outdoor stage and sound equipment, and introduces unique rehearsal obstacles.

Many times a performing arts company’s marketing strategy is laid out in its simplest form in their mission statement. A mission statement lays out what a company is about and therefore often identifies the target group and what is of value to them. The Florida Orchestra’s mission states, “Ensuring that future generations will continue to enjoy this legacy that so magnificently celebrates the human spirit.” Based on its mission statement, the Florida Orchestra’s target markets are those members of the current generation who value future generations. The value they are providing to customers is a celebration of the human spirit. This example shows that a mission statement is a way of marketing or branding a company. It is that mission statement and the following of that mission that attracts people to spend their resources on a product. The Florida Orchestra’s mission statement recognizes the need for an audience by stating, “…future generations will continue to enjoy.”

On the other hand a very successful performing arts company does the opposite. The New York City Ballet has two main goals, to “preserve the ballets, dance aesthetic and standards of excellence” and “to develop new work.” The statement continues and only the last part of the statement mentions an audience, and the audience is clearly identified as only necessary to accomplish the main part of the mission. This articulation of a higher goal is another way to market the arts. When someone believes that something is transcendental, which is communicated in New York City Ballet’s mission statement, they may be more apt to loyally support a company. Religious organizations are a major example of the success of this concept.
For-profit companies also recognize the success of this concept and use it as a marketing strategy. They communicate that a product or idea will fulfill the desire to take part in something great. This is a strategy that has worked for New York City Ballet for many years, especially in a place like New York City, where many people are isolated and looking for meaningful opportunities. Although New York City Ballet has been successful with this mission, according to Byrnes “marketing texts seem to agree that organizations that have evolved or start with a customer orientation have the best chance of competing in the world market today” (355). This is the approach the Florida Orchestra has used but New York City Ballet has taken more of a product orientation and has done well with that approach.

**Resource Focus**

Marketing can be a significant expenditure for any company and this is no different for performing arts organizations. The Straz Center for the Performing Arts’ second largest expenditure in 2010 was advertising and promotion, which was reported as over three million dollars. Not very many companies have this type of advertising budget and therefore must be more selective in where they focus their dollars and find alternative routes for advertising.

It is often said of advertising, that 50 percent is ignored, but the question is always which 50 percent. It could be argued that this is true for marketing in general. Measuring two elements can help managers decide where to focus advertising and marketing efforts. The first is measuring predicted attendance and the second is measuring the impact of advertising. Using attendance-forecasting tools is crucial to planning marketing strategies when it comes to specific events. In 1978 Weinberg and Shachmut created a forecasting model for audience attendance at performing arts events. The model was also used to plan for promotion based on forecasted attendance. If the attendance predictions for an event were low, the manager would focus their
promotional efforts on that event. Creating a forecasting model for marketing response to find out if the marketing was effective could also be useful. Some attendees may attend regardless of the marketing efforts, whereas others may only respond if strong marketing measures are taken. When Weinberg and Shachmut implemented their model they found it fairly accurate, but commented about the positive outcome of the implementation saying, “The system has become an aid to manager’s planning, but does not dominate it” (663). In other words forecasting models do not replace managers’ professional judgment about effective advertising.

Feedback has been identified as an important part of business and feedback is important to understanding the effectiveness of marketing. However, getting feedback can have significant costs and finding the least costly approach is best for companies with limited budgets. The web is a great way to get feedback from consumers. Surveys offered through the company’s website and email are cost-efficient methods to find out which demographic is, and what demographic is not, coming through the doors of the theater. It also allows for quick results. There are two problems with this method. First, sometimes a significant amount of a company’s customer base does not use the Internet and so they would be untouched by the request for feedback. Second, nonprofit companies do not always have tech support that is capable of administering this type of feedback collection.

Many other alternative low-cost advertising approaches also use the Internet. There are some emerging marketing techniques on the web such as the use of blogs and social networking sites. The difficulty in the use of a blog is finding a blog administrator who is clear and entertaining enough to keep people coming back. Blogs are difficult to maintain and require more planning in regards to image. Ideally, someone who already has a blog would recognize the work of the organization, providing them with zero planning and cost advertising. Social
networking sites, on the other hand, offer opportunities for links, videos, and updates, giving the consumer a brief but informative look at the company. Social networking sites are also easy to maintain and therefore have virtually zero maintenance costs.

The previous definitions, defenses, and issues on the financial, management, and marketing aspects of a performing arts organization should help clarify the four case studies that follow. The four companies represent a range of disciplines, size, and structure. They were gathered from a small geographic area, specifically the Tampa Bay area of Florida. This means that their operations function under the laws of the state of Florida and their main market is Florida. The case studies are mostly drawn from original sources such as company websites, federal tax forms, and telephone interviews of one of the organization’s managing staff (interview talking points are available for reference in Appendix A).

**CASE: The Florida Orchestra**

This first case study covers a moderately sized non-profit symphony orchestra, The Florida Orchestra. The size assertion is based on their 2010 Tax Form 990, when the company’s total revenues were $8,330,582 and total assets were $8,960,103 dollars. Based on these numbers the Florida Orchestra is the second largest nonprofit symphony orchestra in Florida. The Florida Orchestra’s mission statement states:

“The mission of The Florida Orchestra is to enrich the life of the Tampa Bay area as it inspires, entertains and educates a wide and diverse audience with the unique experience of live symphonic music, ensuring that future generations will continue to enjoy this legacy that so magnificently celebrates the human spirit.”

*(Florida Orchestra)*
The organization was initially two music organizations. One was located in Tampa, Florida and the other was located across Tampa Bay in St. Petersburg, Florida. The two companies, Tampa Philharmonic and St. Petersburg Symphony, symbolically merged in November 1966 and became one company, the Florida Gulf Coast Symphony. The communication and direction of the two conductors of the organizations were vital to the occurrence of the merger. Two years after the symbolic merger, an official merger took place and one music director was established who set the tone for the company. The first season was a collection of modern classics, which are still part of the company’s culture today. In 1984 The Florida Gulf Coast Symphony became what is today known as the Florida Orchestra (Florida Orchestra).

Since the merger in 1968 the orchestra has only had three music directors. The original director was with the orchestra for 20 years, and the second and current director each for more than 10 years. Each director brought their own backgrounds and inspiration with them. The first director had the most influence because he was the first and the longest. Every time an orchestra changes directors it results in cultural change. Musicians and staff have to get used to the way he or she works and the music director’s inspiration and direction influences all the operations of the company. Thankfully the Florida Orchestra has not had to go through too many of these shake-ups; however, they are moving toward a big change. Its current director only has two more seasons with the company, which means it is searching for a new music director. Because the director will have much to say about the direction of the company, much like a CEO of a for-profit business, the organization is currently involved in minimal strategic planning activities.

Organizational Structure
The organizational structure of the company is fairly flat. The board of directors is highly involved in the operations and decision-making of the company. They oversee both the administrative staff and the music director. The board of directors has many committees. Most of the committees fulfill the needs of the company that would be filled by a full-time staff member at a large for-profit company. The Florida Orchestra currently has 11 committees, a Council of Advisors, and Board of Consultants (*Florida Orchestra*). Among the committees are a Human Resources Committee and a Finance Committee. Notice in the diagram below that there are not departments or positions that fill these support roles. The committees do the entirety of these jobs.

The company is still rather small despite its extensive performance ability. The Florida Orchestra only employs 20 full-time staff members and one full-time music director. However, it employs 68 musicians by contract. The board of directors, council of advisors, and board of consultants are necessary to manage and support the operations of the music director and the musicians. Keep in mind that the board is voluntary and totally non-compensated. The board
members receive no monetary pay, benefits, tickets, or private lessons. In fact, there is a minimum gift requirement to serve on the board.

**Musical Performance**

The musicians are a vital part to the success of an orchestra. Obviously, an orchestra cannot operate without musicians. The musicians at the Florida Orchestra are compensated and receive benefits, such as health benefits and opportunities to invest in retirement plans. Musicians are hired through a contracting process mitigated by the musicians union, called the International Conference of Symphony and Opera Musicians. This union negotiates contracts for the musicians. The contracts are based on the number of weeks of employment and maximum number of services. Services are counted in rehearsals and performances. Currently a three-year contract is coming to an end and negotiations are underway for a new contract. The variables involved are maximum weeks, maximum music, and maximum pay. In other words, the musicians want to play the maximum number of weeks annually that they can, play as many performances as they can, and are compensated as much as they can. The marketing and communications director of the Florida Orchestra said that if all the musicians went on strike it could put the Florida Orchestra out of business. She also said that musicians are currently their biggest expenditure.

The musicians are given an opportunity to perform many times during a season. The company holds around 40 concerts per year and about half of those concerts are performed in at least three different venues. The most important concerts that the Florida Orchestra holds are the masterworks weekends. The orchestra holds 14 of these per year and it is held at big venues in Tampa, St. Petersburg, and Clearwater. The attendance is usually close to 2,800 for the whole weekend. The orchestra plays music from the master composers, such as Beethoven, Mozart,
Brahms, and Bach. These big classical masterworks are the company’s core strength. The company also holds pops weekends, where they play music from Gershwin and Broadway, about eight weekends per year. These are also performed at three different theatres over the course of the weekend. Attendance is usually around 3,200. The company also has around seven morning concerts per year called coffee concerts. The attendance at coffee concerts is usually around 1,600. It also usually holds two free park concerts and two holiday concerts. The greatest number of attendees that the Florida Orchestra experiences are at the free youth concerts that it holds. About five concerts per year are held and the attendance is usually around 5,000. At the concert in May, at the end of the school year, attendance is often around 8,500. This concert overview does not include any smaller concerts that individuals or sections perform.

The staff and the board of directors use a number of different techniques to project concert attendance. First, they look at the previous year’s attendance. Based on the previous year’s attendance on a certain date the staff predicts that around the same number of people will attend in the upcoming year. Second, the type of concert is assessed. Masterworks usually produce within a certain range of attendees and pops concerts produce within another range of attendees. Third, the composer of the works performed is assessed based on popularity from previous seasons and interest shown when other companies in the industry perform works by those composers. For example, most people would easily recognize and attend a concert of Mozart’s work but may not for a concert of Mahler’s work, who is less well known.

Revenue Issues

Predicting concert attendance is vital to predicting earned revenue. Earned revenue is 35 to 45 percent of the Florida Orchestra’s total revenue. Earned revenue is revenue received from ticket sales for concerts. The Florida Orchestra’s tickets sales are based on two categories of
sales: single ticket sales and subscriber sales. Single ticket sales predictions are usually based on the factors discussed in the previous paragraph, most importantly the popularity of the program in previous years. Single ticket sales are sales made for one concert at random either a few weeks or months before the concert, or immediately before the concert at the box-office. Subscriber sales are made in advance and for a group of concerts. Subscriber sales are based on renewal rates for each level of subscription. Renewal rates are based on historical numbers and concert venue. Currently, the Florida Orchestra has five levels of subscribers for the masterworks; Imperial: fourteen concerts, Intermezzo: ten concerts, Fanfare: seven concerts, Ovation: seven concerts, and Discover: five concerts (Florida Orchestra). As the level of subscriber decreases the renewal rate decreases and vice versa. The staff, when looking at the current subscribers, can accurately predict the number of subscribers that will renew, the number that will discontinue, and the number that will subscribe for the first time. Earned revenue is based heavily on the number of subscribers.

The other approximate 60 percent of the Florida Orchestra’s revenue comes from contributed revenue. Contributed revenue is a combination of corporate donations, private donations, bequests, endowment earnings, and grants. Most of these can be closely predicted. The Florida Orchestra staff and board look at trends and campaigns to estimate donation revenue. A multi-year giving structure is in place, which means donors can plan to give monthly or annually for multiple years. Matching grant campaigns are often held, which are usually highly productive and predictable. Corporate donations are the most variable of contributed revenue. It is often based on economic trends. The marketing and communications director believes that many corporations prefer to give to charitable organizations rather than performing arts organizations. For example, Hospitals, cancer research, and humanitarian work are seen as
more prestigious by many organizations. The Florida Orchestra has seen a decrease in corporate giving in the last two years. Private contributions have increased in the past two years increasing the annual fund by 10 percent. The endowment has also increased. Grants have stayed about the same and represent only about $100,000 of the Florida Orchestra’s revenue. The marketing and communications director said, “Grants are a lot of work for little reward.”

**Overall Financial Position and Projections**

Currently the financial position of the Florida Orchestra is very stable. The organization has a balanced budget, it has recently retired a significant amount of debt, and the endowment has increased. However, because the organization relies on a significant amount of donations, the marketing and communications director describes the giving structure of private donations as a pyramid with very few massive gifts at the top and many smaller gifts at the bottom (see diagram below). The volatility of losing one massive giver is very high. Losing one donor from the top of the pyramid could affect a significant amount of contributed revenue. Losing one donor from the bottom of the pyramid would have little affect. The marketing and communications director says because of this volatility of the massive donor “At any moment everything could be different.”
There are number of ways the Florida Orchestra increases earned revenue and contributed revenue. One-way that earned revenue is increased is lowering prices. This seems counter intuitive but lowering prices makes it possible for more people to afford tickets. Getting first time attendees is the hardest part for the Florida Orchestra and lowering prices often entices people to try it. This usually shows people what they have been missing and they become repeated attendees. The marketing and communications director explained that filling the concert hall is also really important to covering costs. She explained, though, that ultimately serving the Tampa Bay area is the goal. People are usually not disappointed and just getting them in the door builds donors, creating a pipeline to getting them involved. So lowering ticket prices increases ticket sales and sometimes has an increasing effect on donor contributions. Increasing ticket sales at large venues and increasing donations both increase revenue.

**Promotional Aspects**

There are many ways that the Florida Orchestra involves the region and informs the public about what it is doing. The Florida Orchestra partners with other organizations, which supports the community, increases interest, and lowers costs. A lot of work is done with The Master Choral of Tampa Bay, an organization supported by the University of South Florida. Recently the Florida Orchestra performed in the Sarasota Opera’s Madame Butterfly. The two organizations shared in the revenue. Next season the orchestra will be partnering with American Stage Theatre Company to perform works by Tchaikovsky for three Shakespeare plays; Romeo and Juliet, The Tempest, and Hamlet. The Florida Orchestra partnered with the Salvador Dali Museum when it opened in 2011. They performed works inspired by Dali and surrealism. They also perform for Nutcracker ballets of various dance schools and companies every year. The Florida Orchestra produced the theme song for the hockey team, the Tampa Bay Lightning.
George Steinbrenner, and now his wife, supports a yearly holiday concert performed for at-risk children.

The organization has also done some things to get its name out nationally and internationally. In 1991, the Florida Orchestra played the national anthem with Whitney Houston singing and an Air Force flyover at the Super Bowl held at Tampa Stadium (Florida Orchestra). In September 2011, the orchestra’s wind quintet went to Cuba to perform and this year the National Symphony of Cuba will perform in the Tampa Bay area as part of a musicians exchange. Overall though, the goal of the Florida Orchestra is to perform for the Tampa Bay area.

Generally the Florida Orchestra’s work is very well received. Critical reviews are very positive. Free events, like park performances, are always well attended. The Tampa Bay Times often gives the orchestra free advertising and frequently writes articles on them. The City of Tampa gives contributions in-kind (no cash) because they want to support what the orchestra is doing. The marketing and communications director said that she had never been to a concert that did not end with a standing ovation and she goes to most of the concerts. However, the orchestra is still faced with many challenges.

**The Challenges of the Future**

There are a number of financial struggles that the orchestra faces. First, the company has a relatively small endowment. A small endowment means that the company does not have the funds that they would like to operate the organization. Second, the company has high operational costs. High operational costs are usually due to salaries and rent. Third, the company has a timing challenge. The business model of the company is committed to seasons and therefore must be planned far in advance. The company position can change from day-to-day because of
the external environment, which makes it difficult to plan ahead. An example of challenging planning is the current situation of signing a multi-year contract with the musicians. Fourth, the company has industry challenges. The industry is changing because of new entertainment options, the expansion of the digital world, and high performing sound systems. Across America orchestras have lost relevance and a challenging aspect for the Florida Orchestra is to constantly ask questions about freshness, innovation, and surprise. Overcoming these challenges are important to impacting the bottom line. The marketing and communications director said that the “sustainability of the organization is about financial management and relevancy of work.”

The Florida Orchestra uses many marketing techniques in attempt to overcome the challenges of the changing industry. The marketing and communications director had much to say about this. There are around 3,000,000 people living in the Tampa Bay area and the Florida Orchestra has less than a 15,000-person footprint. This means that the marketing efforts of the Florida Orchestra only reach about .5 percent of the population. The marketing and communications director says the marketing team is always asking, “What can catch peoples’ attention?” The hardest part is getting people to try the orchestra for the first time and a compelling message often gets people interested. It is important that these messages eliminate assumptions that people have because these assumptions are usually what cause people not to attend orchestra concerts. The marketing and communications director often uses references to other genres when creating advertising, informing viewers of the relevance of symphony music. In an attempt to maintain relevancy, the organization holds an event centered on young professionals a few times a year. The event offers opportunities for young professionals to network and makes attendees feel sophisticated. This is a way of tapping into the younger generation. According to the marketing and communications director, even with all these efforts,
partnerships with other organizations, and the many other marketing activities the Florida Orchestra employs, the organization still draws less attendance the whole year than one day of the Florida State Fair.

The organization also uses many proven and successful marketing strategies. The marketing committee is aware that the Florida Orchestra operates in a niche market. They use many survey tools to find out who is really coming and then target people who fit within that demographic. They also do mailing list trades with surrounding performing arts organizations, like the Straz Center of the Performing Arts and Ruth Eckerd Hall. The target group that they focus on is current subscribers, which are sent calendars, postcards, and other mailed advertisements. The general population is targeted through online banner adds on the Tampa Bay Times’ entertainment page and the Tampa Bay Times’ weekend guide. The goals of the marketing committee are to increase paid attendance, increase frequency of attendance, and develop relationships between the orchestra and their audience. Although these are fairly serious and weighty goals, the marketing and communications director explained that one of their other key marketing strategies is to “Have fun, because life’s too short.”

A logistics struggle that the Florida Orchestra faces is that it does not own the space that it performs and rehearses in. The marketing and communications director said this is a big challenge. For every rehearsal and performance that the Florida Orchestra holds they must rent a theatre. Because the orchestra holds three performances and three venue weekends they must rent three different venues for one weekend. For every masterworks concert the orchestra rehearses four to five days. For every pops and coffee concert the orchestra rehearses two to three days and for the rock concerts one day. The marketing and communications director describes the scheduling of rehearsals, performances, and venues as a “scheduling nightmare.”
CASE: The Sarasota Ballet of Florida

This case study covers a moderate to large ballet company, the Sarasota Ballet of Florida. The company’s size is based on their 2010 total revenue of $3,765,568 and total assets of $997,904 (Form 990). This makes them the third largest ballet company in Florida, only smaller than the Miami City Ballet and the Orlando Ballet. The Sarasota Ballet’s mission statement states, “The mission of the Sarasota Ballet of Florida is to have a commitment to the artistic excellence. We enrich lives, captivate emotions, and strengthen community through the art of dance…” (Form 990).

Jean Weidner, a former Principal ballerina and a leader in Florida cultural development, founded the Sarasota Ballet in 1987. The company was founded with the purpose to become a professional ballet company, which it did in 1990 when the first artistic director was appointed. Even though the company is located in an unusual location for creating a high profile dance company it has done very well. The stable position of the company has much to do with the current artistic director, Ian Webber. Webber provides the company with a high level of expertise, experience, and connections in the professional ballet world. The company has only had three artistic directors in its 27-year history. Even though Webber has only been with the company for six years he has directed 102 ballets, 16 of which were world premieres, since his arrival.

The caliber of the artistic director is vitally important to the sustainability and growth of the Sarasota Ballet. Both the director and the assistant director were former dancers with The Royal Ballet, a world-renowned ballet company in London, England. Because of this experience, they have foundational expertise to offer the Sarasota Ballet. They are both highly involved in that art world, which the company would automatically lose if either one them should leave. For
example, Ian Webber, the artistic director, is on the National Endowment for the Arts Dance Panel and Margaret Barbieri, the assistant director, has been on the judging panel for a number of International Ballet Competitions. The managing director explained that if the company were to lose Ian Webber, and were not able to replace him with the same level of artistic talent and experience, the company would likely lose their considerable subscription base and would struggle to survive.

**Organizational Structure**

The business structure is slightly complicated because the company is small but runs a professional dance company and a school. The board of directors oversees the organization in its entirety. Under the board of directors, the director and the managing director share responsibility for almost everything except for the administrative work, like accounting, human resources, and the box office, which the managing director solely manages. Because the artistic director holds such a key role in the company, he oversees all of the professional ballet company, part of the school, the trainee program, and the production of any performances. The managing director is also in charge of these activities because scheduling and production are major operations that the artistic director should not be wholly responsible for. The Sarasota Ballet has a relatively extensive staff for production including a stage manager, technical director, sound designer, costumer designer, and program book designer. The education department has a director, assistant director, and employs many teachers part-time as well. The professional ballet company requires a ballet master, company ballet mistress, many repetitueurs, and dancers along with the director and assistant director. The company also currently has a resident choreographer.

*(Sarasota Ballet)*
The board of directors is small and therefore the paid staff does most of the work. The board has five executives, seventeen additional members, and three honorary members. There are no committees or advisors within the board. This means that the board is fairly hands-off and the primary running of the company is in the hands of the director and the managing director. The board contains the executive positions of treasurer and governance officer, which means the board is definitely involved in the financial direction and legal compliance of the company.

**Program Development**

The Sarasota Ballet is first a professional ballet company and second a dance school. There are a number of programs that fall under the education department. First, the Sarasota Ballet School offers professional ballet instruction for ages three to adult. The school is designed to filter into the company’s Trainee Program. Currently the school has around 300 students. The Trainee Program is a “two-year full scholarship program for students whose goal is to dance professionally” (*Sarasota Ballet*). Currently the company has seven trainees, a number of which are homeschooled, so the company has a certified teacher who guides their academic curriculum. The Sarasota Ballet has a program called Dance-The Next Generation. This program is also a full-scholarship program but it is a philanthropic endeavor “to serve children in the local community considered at-risk of dropping out of school” (*Sarasota Ballet*). This program currently serves 118 children and is a seven-year program.

The organization participates in many events that provide a boost in the company’s intangible value. Nationally, the organization did some work with the Suzanne Farrell Ballet in 2011. This partnership created a lot of press for the Sarasota Ballet, placing them on the map for many American ballet fans. In 2013, the organization will participate in the Ballet Across America series at The John F. Kennedy Center for the Performing Arts in Washington, DC. The
company also has performed in Saratoga Springs, NY, which is known as a central art and dance location in the northeast. Internationally, the company has done a dancer exchange with the Scottish Ballet, which is based in Glasgow, Scotland. The organization is working with Florida State University, which operates The John and Mable Ringling Museum of Art and Center for Performing Arts in Sarasota, to receive certification to award a classical ballet degree. If achieved, this would be one of the few ballet degrees available in the U.S.

Locally, the Sarasota Ballet partners with many performing arts organizations as well. Often the music at performances is live and the Sarasota Orchestra partners with the Sarasota Ballet to provide the music. The company has also partnered with other organizations, like Sarasota Opera, Circus Sarasota, Asolo Repertory Theatre, Moving Ethos Dance Company, and Westcoast Black Theatre Troupe. They also partner with the Sarasota County School district to provide dance classes for K-12 students. The managing director explained that all these organizations work together as much as possible to reach a more diverse demographic and share in costs.

With all the resources and connections that the Sarasota Ballet has, they are able to hold many performances. When asked about the number of events held per year, the managing director’s automatic response was, “Too many.” Each season the company has seven performance weekends, which are triple-billed. That means three different works performed two to five times in one weekend. Each year the company holds one gala, which includes the ballet school. The company also holds an On Pointe luncheon, which is a fundraising event for Dance – The Next Generation. Around 400 people attend this luncheon. Four times a year the company holds open rehearsals with a Q&A session. Between 100 and 500 people attend these. For the 2012-2013 season the company plans to perform two full-length ballets, which will require
additional planning and production expenditures. The organization holds various other donor and lecture events. Overall, the average attendance of events for the Sarasota Ballet is around 400.

**Revenue Generation**

To operate the company, there are a number of different ways they gain revenue. One third of revenue is earned through ticket sales. One goal of the organization is to rely heavily on ticket sales revenue, because ticket sales revenue is earned and often more reliable. It also means that the company is producing something that is of value; something that people want to pay to see.

Many of the ticket sales are made through a subscription process. Currently the company operates at almost full capacity of possible subscriptions. This means that the number of subscriptions that are available are almost all used. This is significantly due to the current artistic director. Since his arrival, the company has seen steady increase in ticket sales every year. Another third of revenue comes from individual giving. This is also a way that people show that what the Sarasota Ballet is doing is important to the community and should continue. Both the number of ticket sales and the amount of individual giving are estimated for each forthcoming year. According to the managing director, the predictions are usually accurate and usually only have a five percent deviation. The other third of revenue is a combination of ballet school revenue, school performances, and grants.

Grants and contributions have been greatly fluctuating over the past two years with the generally unpredictable economy. The Sarasota Ballet has seen a definite reduction in the federal grants offered and therefore are not even eligible to apply for very many. Local grants, however, have generally remained the same. The Sarasota Ballet has received a bigger piece of the tourist funding currently offered. This means that the governing bodies of the Sarasota community
values what they are doing and believe that they are a priority when budgeting grants. The organization has received the same number of nongovernmental grants over the past two years but the managing director says that they are “chasing more to get about the same.” By this the managing director means they are spending more resources applying for more grants then they have before, but have seen no increase in the amount of grants received. They are doing this because they believe if they pursued less they would see a decrease in nongovernmental grants. Corporate giving has dramatically decreased. This is largely due to uncertain economic times, which cause companies to thin operations and cut back on philanthropic work. However, because of the work of the artistic director, the company has seen a dramatic increase in individual giving.

There are a couple of ways that some of the grants and donations are restricted. Grants are always given for a very specific purpose and the fulfillment of this purpose must be specifically documented. Often quarterly or annual reports are required. Most of the grants received by the Sarasota Ballet are artistically driven. This means that they are not granted for education purposes only but are truly granted for the advancement of the art of ballet. For
example, a recent grant received by the Sarasota Ballet from the National Endowment for the Arts was for capital improvement. Donations are usually not restricted. However, sometimes donors give money or resources for a specific purpose. For example, a donor may want to support the philanthropic program, Dance-The Next Generation. Or a donor may give to provide orchestra music for a concert. In these cases the organization would make sure that the donations go directly to the program or service that it was designated for.

Ticket sales, donations, grants, and school sales go towards the expenditures of the company. The number one expenditure that the Sarasota Ballet has is productions costs. These costs include rehearsal salaries, costume materials, sound, set, and tech design, and sometimes the rental of the performance venue. The second biggest expenditure is the salaries of the administration. All 16 administrative staff is full-time and receives benefits. All of the support roles are filled by the staff, which means all support activities are costs to the company. Some performing arts organizations have a board of directors that is formed in committees to fulfill part of the support activities and thus they are not costly to the organization because the board is not paid. This is not the case for the Sarasota Ballet. The third major expenditure is marketing. This is not surprising. Many companies spend a considerable amount on marketing because it takes a heavy concentration of marketing activity to communicate what the organization is and be heard over the marketing activity of other organizations.

**Advertising Strategies**

There are a couple of strategies that the Sarasota Ballet uses to capture interest. First, they use target marketing, targeting the parents and grandparents of students of the ballet school by holding ballet school performances each year. The goal is for the parents or grandparents to be impressed by the school performances and want to go to the company performances. The
managing director describes this as a sort of in-house marketing, which then automatically triggers word-of-mouth marketing. Parents and grandparents usually want to tell everyone they know about their children and grandchildren, which creates great opportunities for the Sarasota Ballet’s name to reach unusual and far reaching markets. Another group that is targeted are the tourists and the “snowbirds.” Because Sarasota is located on the coast of Florida, it attracts many tourists and northerners staying for the winter. These groups usually have plenty of leisure time and are looking for something to do during their stay, which makes them a perfect group to target. There are certain times of the year that are high season for these groups and this is when the Sarasota Ballet concentrates their efforts on marketing to tourists and “snowbirds.” The rest of the year they target full time residents and college students. There are three colleges located in close proximity to the ballet, so they are an appropriate group to target. Students are targeted with special reduced prices and overflow ticketing opportunities. They are also informed about open rehearsals, which are free. This is to entice them to come back for more and to potentially build future donors. The second strategy that the Sarasota Ballet uses is what the managing director calls a “Gun shot approach.” This approach uses anything that is eye catching to get people’s attention. The approach is designed to capture people in a broader market who are not even thinking about the Sarasota Ballet.

Practically, the company uses a number of advertising strategies to get the word out. The managing director believes that the company does a good job of leveraging their marketing budget to reach known and new markets. This is partly due to the amount of free advertising that is now available. The company uses social media, which makes advertising easier and less costly. The Sarasota Ballet also works with local media, such as newspapers, television, and radio, to advertise through human-interest stories. These human-interest stories can focus on
company members, guest artists, students, or any of the other various participants of the organization. Digital reporting is also a key advertising channel for the Sarasota Ballet. They often get free press from bloggers, which means that information about them gets blasted across the globe in an instant. Even their current and growing subscriber base is close to receiving advertising fully through online e-blasts. The managing director says that 85 percent of their subscribers get online information even though the majority of them are part of a generally non-internet savvy generation.

One of the biggest financial struggles that the organization has is attracting a younger audience to build future donors. Currently the company has a substantial older audience that is the greatest contributors to the organization. However, since these donors are older they will slowly diminish, as will the company’s contributions if they do not fill these donor positions with someone else. The Sarasota Ballet does have this easier than some performing arts organizations in other mediums, like the orchestra or the opera, because they are a younger organization and many of their performers are younger. The company also performs many pieces that appeal to a younger generation, such as works by Twyla Tharp and Paul Taylor. Considering that American ballet has not been around that long in comparison to the orchestra and opera, and is just now getting recognition, also helps with appealing to the emerging generation.

Future Issues

Another struggle that the company faces is the issue of space. Like many nonprofit performing arts companies, the organization does not own the facility that it performs and rehearses in. Not owning the venue that the company performs in makes rehearsals for some works difficult because the space is different then the rented studio space. Currently the company performs in three venues in Sarasota and at Ruth Eckerd Hall in Clearwater, Florida. One of the
halls that it uses in Sarasota is the Florida State University Center for the Performing Arts. The Sarasota Ballet has a rent-free agreement for 99 years with this venue. Because of this agreement the company used the hall for four out of seven major performances in the 2011-2012 season (Sarasota Ballet). So even though they do not have their own theatre, the organization gets partial state funding through the university system for venue rent. The managing director described the current studio rental situation as not ideal. The facility that they rent is in a shared building with a theatre company. The high season for both the theatre and ballet are around the same time of year, which creates scheduling issues. Usually theatre and ballet people are also totally different types of people. Theatre people are loud and outgoing. Ballet people are quiet and methodical. The managing director goes so far as to say, “Theatre companies and ballet are like oil and water.” Another problem with their current facilities is the issue of not enough studio space. In other words, they have enough staff and time to offer more classes and hold more rehearsals, but the number of studios they have available limits class and rehearsal opportunities.

The company has two major plans for the future. The first is to have more touring. Touring allows the company to reach a broader audience and have more performance opportunities. This is especially important during the holiday season, from Thanksgiving to Christmas, because the Nutcracker ballet is in high demand and many areas do not have a local ballet company. One approach the company thinks would accomplish this is through a second company. This would require additional dancers and artistic leadership, but would provide the company with more revenue building opportunities to outweigh the increased production costs.

The second plan for the future is to build or own a performing arts facility. The facility they have in mind would have room for the administrative staff, a theatre, and additional dance
studios from what they have now. This would also solve many current rehearsal and performance facility challenges.

**CASE: St. Petersburg Opera Company**

This case study covers a small opera company, St. Petersburg Opera Company. In 2011, the company had total revenue of $224,518 and total assets of $73,254. This places the company on the larger end of opera companies in Florida. St. Petersburg Opera’s mission statement states that its mission is to:

“…enrich the cultural lives of the residents of and visitors to the Tampa Bay area by presenting fully staged professional opera productions of the highest quality, and to make opera accessible to present and future audiences through community outreach, educational initiatives, and collaboration with other arts organizations.”

*(St. Petersburg Opera Company)*

The St. Petersburg Opera Company has only been open for six seasons. The founder and artistic director, Mark Sforzini, is the backbone of the company and provides the company with the expertise and experience it needs to operate.

The company structure is very simple. The artistic director directs almost everything from the virtually nonexistent administrative staff to the singers. Currently the company only has two full-time employees, the artistic director and the artistic administrator. The board of directors provides the rest of the support and leadership. The current chief financial officer also serves on the board of directors as the treasurer. Currently the board only has 10 members, two of which are the artistic director and CFO.

Even though the company is considerably new and small it has accomplished a lot in the last few years. The company has produced fourteen operas. Each season it holds three main stage
productions with three performances of each of those productions. In addition, the company holds nine monthly smaller events and one Christmas production. Also, they do 10 to 15 outreach activities per year. These productions and activities have not gone unnoticed. For the main stage productions attendance is between 1,600 and 2,200 for each weekend. For the Christmas production attendance has been between 820 and sold out. Monthly productions are anywhere from 165 to sold out. Outreach activities are more variable but reach anywhere from 25 to 250.

**Revenue Sources and Expenditures**

The St. Petersburg Opera Company receives funds from a number of sources. The company does not receive any federal grants but they do receive state and local grants. In the last two years they have seen a decline in these grants. However, they have seen an increase in private contributions in the past two years. This could largely be due to how new the organization is and the growing awareness that it does exist. The company receives no corporate donations. The chief financial officer believes that this trend has to do with corporations already giving so much to other organizations, making them unwilling to assess and contribute to any new organizations. Around 38 percent of the organization’s revenue comes from private donations. Another 60 percent comes from ticket sales, which is a very good sign of the company’s artistic success. Although ticket sales are a significant portion of their income, the chief financial officer communicated that their biggest goal was still focused on selling more tickets. Only about two percent of revenue comes from grants. Ticket revenue is usually fairly predictable because many of their tickets are sold on a season subscription basis. The financial position of the company is stable in regards to revenue, partially because they have significant donors. The company has had three groups that have given over 10,000 dollars to the company.
since its establishment. Another five groups have given in the 5,000 to 10,000 dollar range. This along with a significant amount of smaller gifts keeps the company performing and growing.

Revenues go mostly towards production costs. The organization spends the most on hiring an orchestra. An orchestra is a vital part of any opera and St. Petersburg Opera must hire a prestigious one to meet with the caliber of its director and singers. The second greatest cost for the company is singers. Singers are brought in from other places to perform. Every singer must audition for each production and they are paid on a contract basis. Along with the wages they receive they also receive benefits, which adds to the cost of hiring them. The third largest expenditure for the company is rental fees for performance space. Only occasionally are the concert halls donated and that is usually for workshops, and open public performances. The company also spends about 10 percent of its revenue on advertising per year.

**Advertising and Other Outreach Programs**

Their advertising dollars are spread across a number of different venues. Usually the company runs two weekends of adds in the Tampa Bay Times. The chief financial officer says she usually tries to spend a certain amount because then they get some free add space. She usually spreads these adds over a period of 10 days. The company also buys space in Bay Magazine. They usually run an add in Tampa Bay Gay and Watermark newspapers, which run on a weekly and monthly basis and target a market that usually raises ticket sales. They run adds in other performing art organizations’ playbooks, like the Florida Orchestra. They have also found that advertising on the classical music radio station was effective. One approach that they found unsuccessful was public TV advertisements. St. Petersburg Opera Company usually has a survey distributed to their audience to find out where they heard about the concert. This is how the company knows what is successful and what is not. Their current advertising approach could
be described as throwing spaghetti against a wall to see what sticks. This may be the most
effective strategy for them currently since they are such a new company.

Through performance surveys the company has also found what demographic they are
reaching and what demographic they are not. Currently their average audience member is middle
class or better, is well educated, and over the age of 50. This is due partly to the demographics of
the Tampa Bay area, but also has to do with the performing arts medium they operate with.

Opera is a very old performing arts medium and many people view it as stogy or boring. The
organization has found that once they get people to see one performance, they want to come back
for more and have different expectations of opera. Breaking down the assumptions of the public
is an important part of their marketing strategy. Another demographic that they reach is the gay
community, which is quite large in the Tampa Bay area.

The company also has a desire to reach the younger generation but has trouble connecting
with them or getting them to try the opera. The company holds student programs sometimes by
partnering with middle and high schools. They have had trouble with this, though, because
teachers often do not want to take a field trip out of the busy school schedule. Also, St.
Petersburg Opera Company was unable to provide transportation for the students because of high
costs, and so the schools did not want to have to pay for transportation and coordinate that effort.
According to the chief financial officer, the company was able to get some students to attend and
those that did attend were thrilled by the performance. Another way that the organization has
tried to get younger people involved is through the board of directors. They have put some young
professionals on the board of directors in hopes that they will provide insight for targeting these
groups and will introduce people to the opera through their own connections. Nevertheless, the
chief financial officer explained that this problem as very, very hard to overcome.
Currently the St. Petersburg Opera does not have a strategic plan. They are such a new organization they have not written out where they want to go in five or ten years. Because the company was founded and is currently still led by one artistic director, a strategic plan probably does exist, but only in the mind of the leadership. The company has job postings on their website for stage directors, stage managers and assistant stage managers, costume designers, costume managers, set designers/builders, and technical directors. As the company grows they will need a defined plan for the future to succeed.

**CASE: Moving Current**

This case study covers a small dance collective, Moving Current. In 2010, Moving Current's total revenues were $39,144 and total assets were $1,940. Based on these dollar amounts, Moving Current is fairly small dance company in Florida. Moving Current’s mission statement states that the organization's mission is to:

> “Establish a constant flow of dance into the Tampa Bay area and create work for dancers in our community. Produce professional choreographers and an annual program for Florida’s choreographers and their dancers. Collaborate with artists to create programs that provide people of every age the opportunity to learn and express themselves through dance, without compromising the integrity of contemporary dance.” (Form 990-EZ)

The collective is what is known as a modern or contemporary dance company. However, one of the founders, who is also one of the directors and choreographers, would say that their work is not set within any stylistic or topical boundaries.

**Organizational Structure**
The dance collective is a very small and relatively new organization. The company is 15 years old and was started with the idea to give choreographers the opportunity to work. Originally the company was designed for every dancer involved in the company to function as a choreographer. Over a three to four year period it evolved into director choreographers and guest choreographers. This means that the company employs three director choreographers ongoing and has guest choreographers come in for events. This change was due to the economic infeasibility of employing so many dancers and choreographers continually.

Moving Current has a very simple company structure. It has three directors. These directors are part-time and are artistic staff as well as support staff. In this case the operations directors are also the board of directors. This means that these three directors are fully committed to the success of Moving Current. The founder explained that sometimes the directors forgo pay because they want to make sure the dancers get paid. The dancers are brought in on contract. The company has eight regular dancers, hire dancers from the University of South Florida Dance Department, and hire dancers from other locations. Sometimes the dancers only get reimbursed transportation costs. Because the company is such a melting pot of choreographic ideas and artistic freedom, many dancers find it worth the while to work with the collective regardless of monetary compensation. However, the goal of the organization is to pay their dancers because they believe that artists should be compensated for their work. Since all employees are part-time or on short-term contracts, they all have what the founder said they call a “damn day job.”
Partnerships

Moving Current partners with many organizations to achieve their goals. They are members of the Florida Dance Association. The Florida Dance Association is an organization whose goal is to promote dance in Florida. Membership of this organization increases awareness of the company and clarifies their goals. The company is also affiliated with the University of South Florida. Often Moving Current uses the theatre and rehearsal space at USF. Sometimes rehearsal space is donated but usually they have to pay for the theatre space, which includes the USF technical crew and stage operators. Hillsborough Community College also donates space for the company to rehearse and perform in. The founder explained that “Without that support we could not support dancers” and she added “particularly in this economic climate.” Having donated space available to them allows them to pay their dancers rather than the dancers having to donate their time and the organization paying for the space.

The company has also partnered with other dance companies and theatre companies. For example, dancers from Moving Current performed with American Stage, a theatre company in St. Petersburg, in its production of Hair. Moving Current also receives contract work and connections through the Arts Council, whose goal is to provide art for the enrichment of the citizens of Hillsborough County. The company has also been on the State Touring Roster, which is a program of the Florida Division of Cultural Affairs. This program is designed for “artists or
organizations that have a touring program in place” (Florida Division of Cultural Affairs). To qualify for the State Touring Roster the company must apply and be reviewed by a committee. This year Moving Current was told by the state that money had not been appropriated this year for the Touring Roster, but was told to apply regardless. Another group that Moving Current has partnered with is the Life Enrichment Center, which offers classes and events for adults.

**Revenue Sources**

The partnership with other organizations allows Moving Current to perform. Without the support of other organizations the work of Moving Current would be greatly hindered. The company has about three major contracts per year. These concerts usually include a piece by each of the directors and then work by two outside choreographers. Around five times a year they get contracts outside of Tampa and the state. However, the founder stated “This year we have the least contract work.” She explained that having fewer contracts meant having less paying work and created a necessity to cut back. The company also does about four performances in local schools per year. Sometimes other organizations commission them to produce something for a special event or in conjunction with another type of performance. The company holds various other teaching residencies and informal programs throughout the year based on support and funding. Moving Current has a program called NewGrounds, which is dedicated to creating opportunities for new choreographers. This program usually results in one performance per year with adjudication. The founder emphasized, in regards to the organization’s performances and events, that every year was different.

There is couple of ways that this small company gains revenue. The biggest chunk of their income comes from contracts. This is when a presenter, someone who presents work at a theatre as opposed to producing it, hires Moving Current to dance at his or her theatre or other
venue. This is usually done through the State Touring Roster. According to Moving Current’s web page on the *Florida Division of Cultural Affairs*, their hiring fee ranges from $6,000 to $7,000. Another source of revenue for the company is admission to their productions. A small, yet significant, amount of their revenue comes equally from private donations and grants. This revenue mix is important for Moving Current because it relies more on the artists work and less on contributed revenue. The founder said, “We know not to rely on grants. We prefer to make money through what we do.”

The company has faced a few financial struggles in the last couple years. In the last two years the company has seen a drop in grants and private donations. This is probably related to the economic climate and the considerable cutbacks the state is making in government expenditures. In the past the organization has received two federal grants but nothing recently. For their program NewGrounds, the organization has received special projects state grants but next year they will not be receiving this grant. The founder made the statement “The only thing that has not fallen is audience attendance.” This is a great sign for the company because it means their decrease in revenue has nothing to do with their work and continual audience growth should eventually lead to revenue growth. The founder explained that even though they have had funding decreases they are still financially stable. This is largely due to her ability to make fairly accurate projections and their commitment to being pragmatic about what they can do. The founder, who keeps the books and is supported only by a donated accounting consultant, said the company has never been in the red and they just cut back what they offer when it is not financially feasible.

**Cost and Expenditures**
Revenues go towards all the costs that the company has incurred or will incur. Moving Current’s biggest expenditure is production costs. These include technical fees, dancer wages, and choreographer wages. Theatre rent is also a significant cost depending on the year. For the bigger concerts the company usually contracts eight technical crewmembers and eight dancers. The tech crew runs the lighting, sound, and manages the stage. When the company is contracted out of town only four to five dancers go. If a choreographer is hired then they must be paid too. The directors wish they had more funds to do more for the artists. Sometimes the directors do not get paid so that the dancers and visiting artists are paid. Sometimes this has to do with cash flow and other times it simply has to do with not having enough funds. When the company receives money from the county, they are reimbursed after the performance takes place. This means it is often months before everyone gets paid. Similar issues are faced with state funding, since they pay on a quarterly basis, and federal funding, since they pay half at beginning and the difference after performance. A few costs also unexpectedly rose in 2012, like theatre rental and transportation costs, which meant the company could employ fewer dancers and not pay them above their costs.

**Marketing Strategies**

There are a few marketing strategies that the company uses. First, they use a lot of free press. The Internet makes advertising a lot easier because the company can use it to communicate with those who are interested. The company also gets free press through newspapers and other news sources. Second, their target group is mainly those who have expressed interest in what they are doing. They send information to these groups through standard mail and email. Third, what they have found really works, is producing images that attract attention. The founder expressed that it was sometimes difficult to get the general public
interested in what they are doing; her explanation for this was “We will never be like Broadway.” Mainstream marketing is not on the organization’s agenda. Being accessible and providing variety is their goal. Conveying these ideas in an image is critical to attracting attention and getting an audience for Moving Current.

Moving Current has extensive plans for the future. Growing the reach and ability of the company is one of their core goals. There are a number of grants they plan to apply for, state and national festivals they plan to participate in, and organizations they plan to join. They want to develop their new chorographic works program, NewGrounds, through master classes and workshops. The company plans to expand their staff, create an apprenticeship program for performance and teaching, and eventually administrative internships. They plan to establish wages for artist rehearsal time. Also, the company would like to eventually have their own space to work in and share with the community. (“Five Year Plan”)

CONCLUSION

The reason that these four companies were chosen to discuss is they represent a range of types, sizes, and structures of performing arts organizations in the regional area of Tampa Bay Florida. These companies are all competing at similar levels but are significantly different in many ways. They are performing with different mediums, have significantly different revenues and assets, employ different numbers of employees, and have different attendance ranges. Below is a summary chart of these observations.

<table>
<thead>
<tr>
<th>Organization</th>
<th>Total Revenue</th>
<th>Total Assets</th>
<th>Employees</th>
<th>Attendance Range</th>
<th>Yrs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Florida Orchestra</td>
<td>$8,330,582</td>
<td>$8,960,103</td>
<td>21</td>
<td>1,600 - 8,500</td>
<td>41</td>
</tr>
<tr>
<td>Sarasota Ballet</td>
<td>$3,765,568</td>
<td>$997,904</td>
<td>16</td>
<td>400</td>
<td>27</td>
</tr>
<tr>
<td>St. Petersburg Opera</td>
<td>$224,518</td>
<td>$73,254</td>
<td>2</td>
<td>165 - 2,200</td>
<td>3</td>
</tr>
<tr>
<td>Moving Current</td>
<td>$39,144</td>
<td>$1,940</td>
<td>3</td>
<td>150 - 500</td>
<td>15</td>
</tr>
</tbody>
</table>
A few conclusions were reached from this small regional sample of performing arts companies. There are three success factors identified for sustainability. These factors are artistic leadership, financial management, and relevancy of artistic work. The interviewees identified two additional inherent factors. One was the necessity of business support and artistic work operating together. The other was the frustrating aspect of running a performing arts business.

Artistic leadership is vitally important to the success and sustainability of performing arts organizations. Without it there would be only a small possibility that many of these companies would exist. A director of a performing arts company is simultaneously the inventor, the producer, and the deliverer of the product. Every performing arts company needs someone who is like Steve Jobs was to Apple. Though many of these companies, and most of the directors themselves, would not say it is a one-man show, the key fact is that the success and sustainability rests with the artistic director(s). The Florida Orchestra faces challenges of changing their music director, which could significantly change the direction of the company for the next few years. It is important that the organization finds a music director that would not decrease the quality standards of the organization or the company could have issues with continuing to draw talented musicians and a paying audience. Sarasota Ballet would not have grown like it did in the past few years without its artistic director. The company has participated in a growing number of national and internationally recognized events because of the director. Without him the company’s position would severely suffer. The St. Petersburg Opera was founded by and is almost single handedly run by its artistic director. The chief financial officer even stated that if another opera company recruited its artistic director, the St. Petersburg Opera Company would dissolve and possibly merge with the opera company he joined. Moving Current Dance Collective would certainly not be in existence without its directors, who are completely
committed to the organization and handle all the operations of the organization. Based on these cases it seems that artistic leadership must be strong and in place most of the time for a performing arts organization to exist and continue to exist.

Another factor contributing to sustainability is financial management. Because performing arts organizations usually have scarce or just enough financial resources, it is important to manage them as efficiently and effectively as possible. Revenue is received from many different sources and costs are not always predictable, so having a flexible financial management plan is important. This usually involves making cuts, but to continue to exist and provide some arts services it may be necessary. Maintaining a proper revenue mix is also important for sustainability. When the majority of revenue is earned or contributed from individuals it is a good sign of sustainability. When the majority of revenue is from grants or corporate donations it is a sign the company is heading for disaster. Based on the trends that the companies in the cases reported, these two revenue sources are too unpredictable and highly affected by the economic environment. All four companies communicated that their goals were always to increase earned revenue and to rely less on grants. This is clearly a key to sustainability for performing arts organizations.

The third factor identified for sustainability, is maintaining or increasing relevancy of work. Without an audience these organizations cannot operate, and to draw an audience they must present relevant work. In all four cases this is something that the organization was working on. The Florida Orchestra works on this by performing pops and rock concerts even though their core strength is in masterworks. They also stay involved with other organizations that have more relevance for some demographics, like the Tampa Lighting Hockey team or the charity performance for underprivileged children. The Sarasota Ballet has the advantage of working in a
currently relevant art medium but may have to adjust its strategy to maintain sustainability as this becomes less true. The St. Petersburg Opera is really struggling with this but has made some efforts by putting younger people on their board of directors. Moving Current’s goal is always to be accessible and on the cutting edge of the dance art medium. Having this concept infused into the organizations values helps them stay relevant without specifically planned effort. This is possibly the most difficult factor of sustainability because it requires constant awareness of culture trends, which change more rapidly everyday.

One inherent factor that exists in performing arts organizations is the necessity for business and art to work together. For a performing arts organization, art is their product, so it is highly important for a company to maintain and focus on it. On the other hand, for an organization to be successful it needs the support of business management. All four companies discussed in the cases, said that their organization was geared toward the art side rather than the business side, however, they emphasized that the organization needed the business side to function properly. The marketing and communications director from the Florida Orchestra said that the company was focused on what happened on stage. She further explained that without a quality stage experience administrative work would be useless. She added that the orchestra could exist without the staff but the staff would not exist without the orchestra. The managing director of the Sarasota Ballet simply said, “One can’t operate without the other.” The chief financial officer of the St. Petersburg Opera said that the business side was necessary to present but that the organization was not in it for the business. Moving Current’s founder said the organization was all about art but that the business comes along with the art. Essentially they all said the same thing. Performing art is the important part but to really do it well it needs the support of business operations.
The other inherent factor that exists is the frustrating characteristic of managing a performing arts organization. Because it is complex, it can also be frustrating. This was expressed the most when the managers of the company were talking about applying for grants. The process is incredibly complicated sometimes and not often rewarding. Other parts of management, like putting together a production, can be frustrating as well but usually offer huge personal accomplishment rewards. The managing director of the Sarasota Ballet summed up her job in three words; “fun, fascinating, and frustrating."

Since the performing arts are so rewarding and frustrating it is important to study them. Gaining a better understanding of how they operate is important to finding out the keys to sustainability. Sustainability is important so that they exist for future generations. Identifying the three sustainability factors of artistic leadership, financial management, and relevancy of work from four case studies contributes to the understanding of performing arts organizations. One can hope that the sustaining of arts organizations would have the kind of impact President George Washington had in mind when he gave his annual report to Congress in 1796 that “the flourishing of the arts and sciences contributes to national prosperity and reputation” (Perone 487).
Appendix A

Interview Talking Points

| Demographic: | 1. Do you participate in any national events? |
|             | 2. Do you participate in any international events? |
|             | 3. Do you partner with other performing arts organizations? |
|             | 4. Would you say your company is more about business, art, or both? |
|             | 5. How many events per year do you hold? |
|             | 6. What is the average attendance at events? |
|             | 7. How many employees? |
|             | 8. Average rehearsal time? |

| Financial:  | 1. Internal or contracted accountant? |
|            | 2. Do you receive any funds from the government? |
|            | 3. Have you noticed a decrease in the last two years in grants, corporate contributions, individual contributions, or other? |
|            | 4. Would you describe your financial position as stable or unstable? |
|            | 5. Is your artistic staff paid and get benefits? |
|            | 6. How do you gain revenue? |
|            | 7. Do you estimate ticket sales and giving each year? |
|            | 8. What is your biggest financial struggle? |
|            | 9. What is your biggest expenditure? |

| Marketing: | 1. Do you find it difficult to advertise effectively because of minimal funds? |
|           | 2. Do you find it relatively easy or difficult to get people interested in what you are doing? |
|           | 3. Do you think in general your work is well received? |
|           | 4. Do you target a specific group of people? |
|           | 5. What is your key marketing strategy? |

| Management: | 1. Is your board of directors compensated? |
|            | 2. Do you own the space you rehearse and perform in? |
|            | 3. Do you have a strategic plan? |
|            | 4. If you receive grants or donations do you feel obligated by those funds? |
|            | 5. What would cause your company to close its doors? |

Appendix B
Form 990-EZ

Short Form
Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code
(except black lung benefit trust or private foundation)

For the 2009 calendar year, or tax year beginning 01-01-2009 and ending 12-31-2009

A. For the 2009 calendar year, or tax year beginning 01-01-2009 and ending 12-31-2009

B. Check if applicable
- Address change
- Name change
- Total return
- Terminated
- Amended return
- Application pending

C. Name of organization
MOVING CURRENT INC

D. Employer identification number
59-3470211

E. Telephone number
(813) 237-0216

F. Group Exemption Number

G. Accounting method
Cash
Accrual

H. Check □ if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF)

I. Website: www.movingcurrent.com

J. Tax-Exempt status (check only one):
- 501(c)(3)
- 527
- 4947(a)(1)
- Other

K. Check □ if the organization is a section 501(c)(3) supporting organization and its gross receipts are normally not more than $25,000.

Part I: Revenue, Expenses, and Changes in Net Assets or Fund Balances
(See the instructions for Part I)

<table>
<thead>
<tr>
<th>Revenue</th>
<th>1. Contributions, gifts, grants, and similar amounts received</th>
<th>13,888</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2. Program service revenue including government fees and contracts</td>
<td>25,256</td>
</tr>
<tr>
<td></td>
<td>3. Membership dues and assessments</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>4. Investment income</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>5a. Gross amount from sale of assets other than inventory</td>
<td>5a</td>
</tr>
<tr>
<td></td>
<td>5b. Less cost or other basis and sales expenses</td>
<td>5b</td>
</tr>
<tr>
<td></td>
<td>6. Special events and activities (complete applicable parts of Schedule G)</td>
<td>5c</td>
</tr>
<tr>
<td></td>
<td>a. Gross revenue (not including $ of contributions reported on line 1)</td>
<td>6a</td>
</tr>
<tr>
<td></td>
<td>b. Less direct expenses other than fundraising expenses</td>
<td>6b</td>
</tr>
<tr>
<td></td>
<td>c. Net income or (loss) from special events and activities (Subtract line 6b from line 6a)</td>
<td>6c</td>
</tr>
<tr>
<td></td>
<td>7a. Gross sales of inventory, less returns and allowances</td>
<td>7a</td>
</tr>
<tr>
<td></td>
<td>7b. Less cost of goods sold</td>
<td>7b</td>
</tr>
<tr>
<td></td>
<td>8. Other revenue (describe □)</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>9. Total revenue. Add lines 1, 2, 3, 4, 5, 6, 7c, and 8</td>
<td>39,144</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expense</th>
<th>10. Grants and similar amounts paid (attach schedule)</th>
<th>10</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>11. Benefits paid to or for members</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>12. Salaries, other compensation, and employee benefits</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>13. Professional fees and other payments to independent contractors</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>14. Occupancy, rent, utilities, and maintenance</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>15. Printing, publications, postage, and shipping</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>16. Other expenses (describe □)</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>17. Total expenses. Add lines 10 through 16</td>
<td>39,892</td>
</tr>
</tbody>
</table>

| Net Assets | 18. Excess or (deficit) for the year (Subtract line 17 from line 9) | -748 |
|           | 19. Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return) | 2,688 |
|           | 20. Other changes in net assets or fund balances (attach explanation) | 1,940 |
|           | 21. Net assets or fund balances at end of year. Combine lines 18 through 20 □ | 1,940 |

Part II: Balance Sheets—If Total assets on line 25, column (B) are $1,250,000 or more, file Form 990 instead of Form 990-EZ

- (A) Beginning of year (B) End of year
  - 22. Cash, savings, and investments 2,416  1,640
  - 23. Land and buildings 300  300
  - 24. Other assets (describe □) 2,718  1,940
  - 25. Total assets 2,718  1,940
  - 26. Total liabilities (describe □) 30  0
  - 27. Net assets or fund balances (line 27 of column (B) must agree with line 21) 2,688  1,940

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.
### Part III  Statement of Program Service Accomplishments (See the instructions for Part III)

What is the organization's primary exempt purpose?
MOVING CURRENT, INC. IS A PRIVATE NONPROFIT ORGANIZATION WHOSE PURPOSE IS TO CREATE AND PRODUCE CHOREOGRAPHIC AND DANCE PERFORMANCE OPPORTUNITIES FOR THE CORPORATION AND ITS INVITED ARTISTS ALSO, TO PROVIDE EDUCATION AND SUPPORT FOR DANCE AND OTHER ART FORMS, PRIMARILY IN TAMPA, FL AND SURROUNDING AREAS.

Describe what was achieved in carrying out the organization's exempt purposes. In a clear and concise manner, describe the services provided, the number of persons benefited, and other relevant information for each program title.

<table>
<thead>
<tr>
<th>Program Title</th>
<th>Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>28 3 MAJOR PERFORMANCES, VARIOUS PERFORMANCES FOR THE ARTS COUNCIL, ELEMENTARY AND SECONDARY SCHOOLS, ANNUAL WORKSHOP (Grants § )</td>
<td>0</td>
</tr>
<tr>
<td>If this amount includes foreign grants, check here ▶</td>
<td></td>
</tr>
</tbody>
</table>

| 29 | |
| If this amount includes foreign grants, check here ▶ | |

| 30 | |
| If this amount includes foreign grants, check here ▶ | |

| 31 Other program services (attach schedule) (Grants § ) | |
| If this amount includes foreign grants, check here ▶ | |

| 32 Total program service expenses (add lines 28a through 31a) | 0 |

### Part IV  List of Officers, Directors, Trustees, and Key Employees

<table>
<thead>
<tr>
<th>(a) Name and address</th>
<th>(b) Title and average hours per week devoted to position</th>
<th>(c) Compensation (If not paid, enter -0-)</th>
<th>(d) Contributions to employee benefit plans &amp; deferred compensation</th>
<th>(e) Expense account and other allowances</th>
</tr>
</thead>
<tbody>
<tr>
<td>ERIN CARDINAL-WRIGHT</td>
<td>PRESIDENT 15 00</td>
<td>1,181</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>4933 PENNSBURY DR</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TAMPA, FL 33624</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CYNTHIA HENNESSY</td>
<td>TREASURER 15 00</td>
<td>4,155</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>5501 N BRANCH AVE</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TAMPA, FL 33604</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KRISTIN O'NEAL</td>
<td>SECRETARY 1 00</td>
<td>1,176</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2735 SW 35TH PLACE 2007</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GAINESVILLE, FL 32608</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Works Cited


*Florida Division of Cultural Affairs*. Florida Department of State. n.d. Web. 1 Apr. 2012.


Marketing and Communications Director of the Florida Orchestra. Personal Interview. 29 Mar. 2012.


