



MANAGEMENT FOR CULTURAL ORGANIZATIONS

Daria Kuchařová

Content

- I. Management in cultural organizations
- II. Marketing-management model by Michael M. Kaiser and Brett Egan
 - i. Artistic planning
 - ii. Aggressive marketing
 - iii. Building and engaging the “family”
 - iv. Incremental fundraising
 - v. Controlling costs, reinvesting and building capacity



MANAGEMENT IN CULTURAL ORGANIZATIONS

Management in cultural organizations

- Specific characteristics of arts sector:
 - Project-based => **project marketing**
 - Market of prototypes => **high risk**
 - Immateriality and heritage value => **hard to determine financial value**
 - Art = immaterial product which value depends on the evolution of public tastes
 - Freelance workers => **small permanent staff, project success depends on external party**
 - **Dual management:** artistic vs. administrative directors

Management in cultural organizations

- **Board of directors**
- Aim:
 - ensure fulfillment of organizational mission
- Main responsibility:
 - Select executive director/artistic and administrative directors
 - Monitor management (to act in accordance with organizational mission)
 - Develop rules (with executive management)
 - Long-term and short-term planning
 - Select and train new members of the board

Management in cultural organizations

- **Artistic and administrative directors**
 - Strategic management (together with board)
- **Directors of projects** (may be external)
 - Production management
 - Sole responsibility for the project
- **Marketing, HR and accounting** = supporting role



MARKETING- MANAGEMENT MODEL BY MICHAEL M. KAISER AND BRETT EGAN

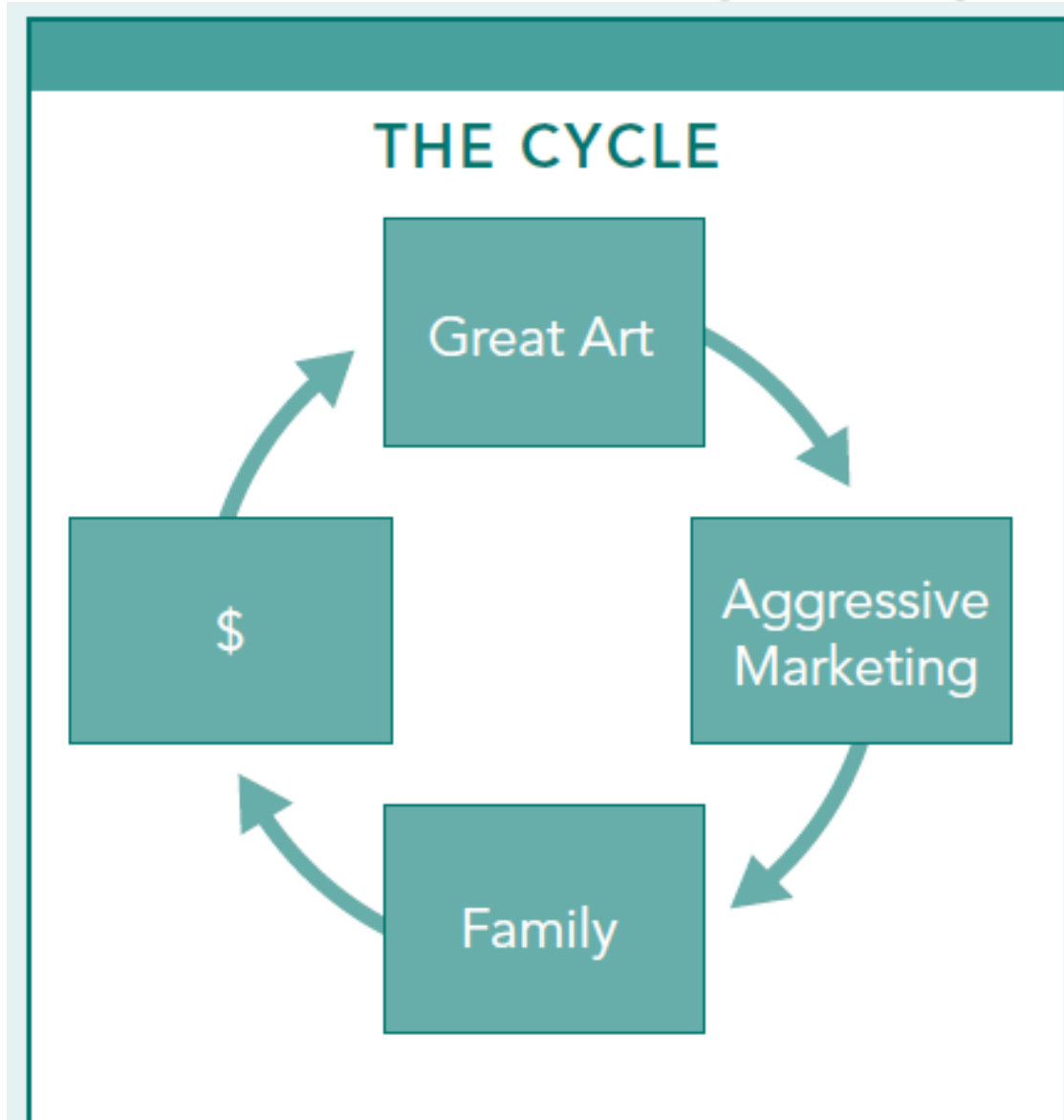
About the model

- **Organizational goals:**
 - Sustainability
 - Increase in scales of operation/offerings

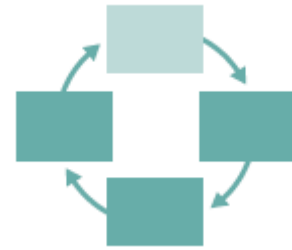
About the model (cont.)

- Theory:
 - how to build and maintain healthy organization
- Practical management tool:
 - defines relationships among artistic, executive, and board leadership

About the model (cont.)



I. Artistic planning

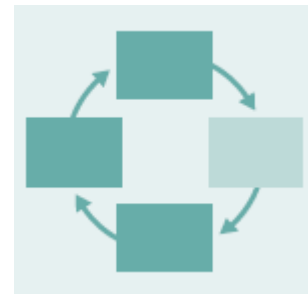


- **Long-term planning (3-5 years)**
 - Increases chances securing “big ideas”,
 - Strengthens organization-donor relationship,
 - Provides access to best artists,
 - Provides time to develop, challenge, edit and restart...

I. Artistic planning (cont.)

- **Transformational programming** – “big idea” programming to energize, excite audience and donors.
 - Start: “big ideas” – exciting, transformational, exceptional, surprising
 - Level of detail: define major programmes
 - Important! Big idea programmes do not necessary mean big budgets
 - Flexible changing plans
 - Capacity (manpower, know-how)
 - No rush!

II. Aggressive marketing



- **Programmatic marketing** – build an audience for artistic programmes, educational programmes, lectures, etc.
- **Effective programmatic marketing** – develops a long-term relationship with a buyer
 - Target audience
 - Strong message
 - Appropriate channels
 - Competitive pricing
 - Drive demand to point of sale
 - Ensure quality of experience
 - Lay framework for future loyalty

II. Aggressive marketing (cont.)

- **Missionary marketing** (for transformational projects)
 - special effort to convey what is unique and valuable about the proposed experience to potential buyers
- Needs:
 - Additional research,
 - Additional outreach,
 - Community engagement.

II. Aggressive marketing (cont.)

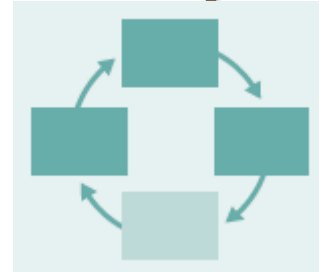
- **Institutional marketing** – to build awareness and enthusiasm about the institution
 - Programmes (festivals, provocative collaborations, unique or high-profile artistic talent)
 - Announcements about future work and
 - Favourable reviews in press
 - Auxiliary activities (master classes, special events, lectures, backstage tours)
- Utilize existing institutional assets and ideas => should be inexpensive

II. Aggressive marketing (cont.)

- Important! Continuous marketing efforts
 - Large organization – one major institutional marketing each month
 - Smaller organizations – 3-4 per year
- Audience:
 - General public (potential ticket buyers)
 - Current and potential “family” members (major donors, programme officers, board members, primary partners) – for fundraising

III. Building and engaging the “family”

- “Family” – donors and buyers
- Ongoing cultivation and stewardship of the “family”



III. Building and engaging the “family”

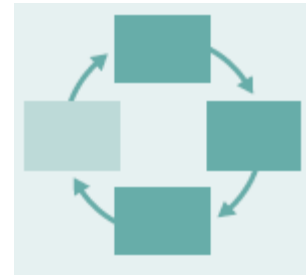
- **Board members**

- Different motivations for involvement => connect member with a specific project that reflects their interests and priorities
- Provide each member with a real stake in their project's success = Engagement => sense of belonging, pride

III. Building and engaging the “family”

- **Volunteers**
 - Sense of belonging and importance
- **Subscribers, ticket-buyers**
 - Attend performances, auxiliary activities

IV. Incremental fundraising



- **Incremental building of the “family”**
- **Long-term planning** => “menu” of investment options maximizes chance of finding an opportunity that may interest each donor
- + **Craft benefits** (option to buy tickets for events in advance)
 - inexpensive and easy produced

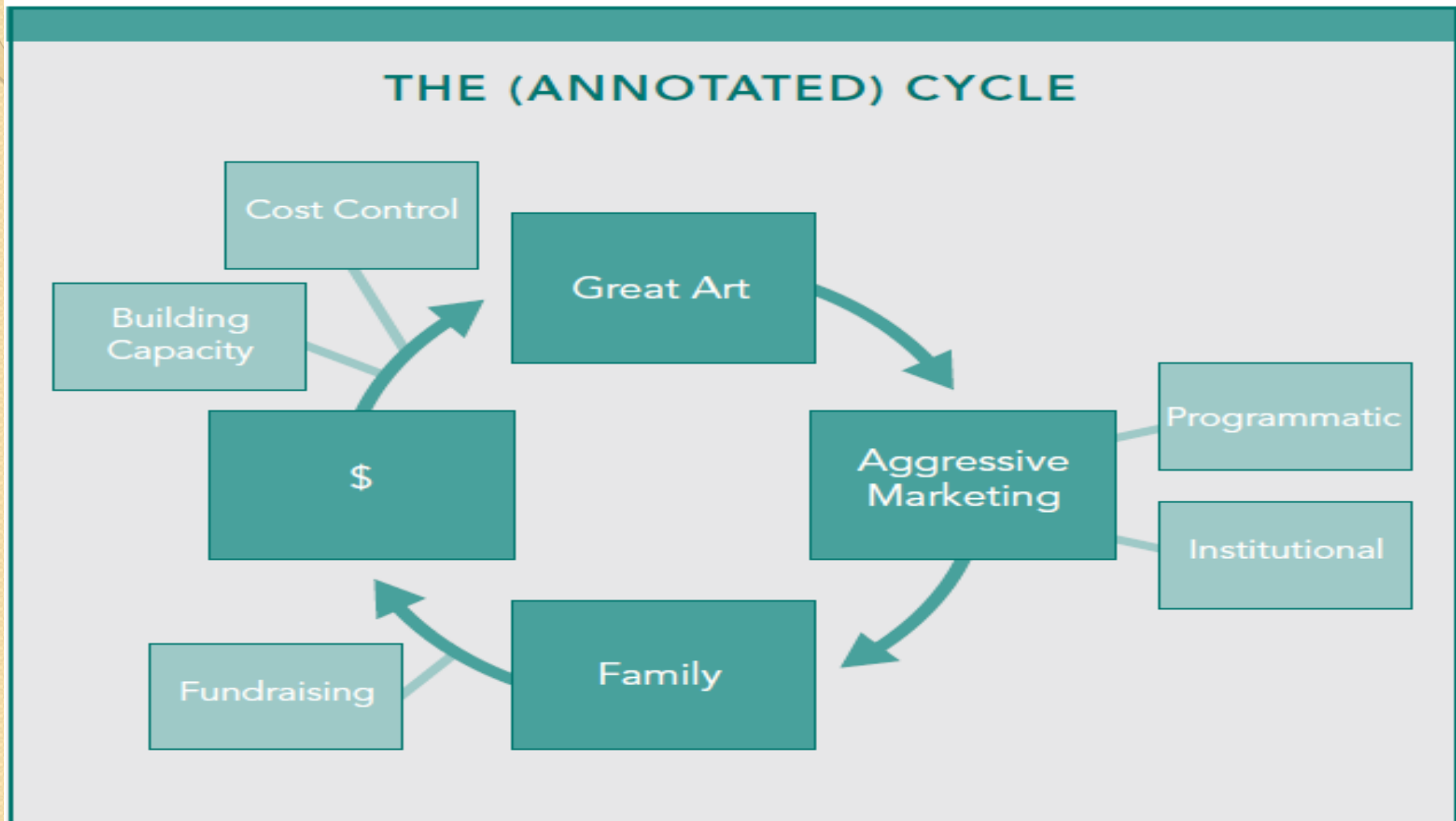
V. Controlling costs, reinvesting, and building capacity

- Dream vs. dream sustainably:
 - Artistic plans tied up with marketing plans
 - Accept financial implications of each artistic decision
- Diversify risk
- Budget for failures (1-2 per year)

V. Controlling costs, reinvesting, and building capacity (cont.)

- **Control costs:**
 - Count for income and costs
 - Actively negotiate with vendors
 - Reward staff who find creative ways to save without harming the mission
- **Strategic reinvestment:**
- **Capacity-building** – growing organizations require additional manpower to match increasing scale
 - Incremental staff building – add manpower in stages (part-time => full-time)

The annotated cycle



Sources

- *A handbook of cultural economics*. Edited by Ruth Towse. Cheltenham: Edward Elgar, 2003.
- *The cycle: planning for success in the arts*. Michael M. Kaiser and Brett Egan, 2011.



**THANK YOU FOR
ATTENTION!**