Thank you so, so much. It is always a joy to be back in MN—a MN that earlier this month defeated prohibition of gay marriage, that turned its back on mindless demonization (Michelle Bachman notwithstanding), and that reaffirmed a political agenda embracing inclusion, optimism, diversity and collective action.

Today we come full circle on an extraordinary initiative from the Wallace Foundation—four years of meetings, extraordinary forums and workshops, deeply inspiring speakers including those today, beginning with Sharon de Mark’s wonderful contextualization of the changes that have occurred since this program began; rock star extraordinaire Nina Simon; and of course your own stories—stories of your successes, your breakthroughs, of the things you have learned since 2009. I hope you will allow me this same opportunity as I too come full circle—letting me too ask what we have learned since we began our journey together four years ago.

Frankly when I spoke to you in 2009, we were all reeling. Yes, the $50 million federal economic bailout for the arts had come through; yes the Minnesota Cultural Legacy Fund legislation had passed not long before. But many of us were dazed, confused, cutting budgets, radically downsizing, reducing staff, eliminating benefits, and more, all the while watching as organizations nationwide began to shutter their doors forever.

Truth be told, I found myself wondering whether all of our discussions weren’t tantamount to rearranging deck chairs on the Titanic, i.e. whether we weren’t part of an industry whose time had come and whether we shouldn’t simply be celebrating all we had down, while quietly sunsetting our work forever.

As someone who finds frames an incredibly useful way to organize thinking, I found myself without an appropriate frame to understand the moment in which we found ourselves. And I was grateful when, at the ISPA conference in 2010,

an audience member asked, “What if the moment we in the arts are facing is the equivalent of the Religious Reformation? What if we are in the early stages of the Arts Reformation?”

This image has been a richly clarifying one for me.

The religious reformation was spurred in large part by technology—the invention of the printing press made it possible for anyone to have a Bible, religious tracts nailed on a door in Germany could be reproduced en masse and shared throughout the continent in a
matter of days—and we too now are caught in a technological revolution and a massive redistribution of knowledge.

The religious reformations obliterated old business structures. As National Arts Strategies CEO Russell Willis Taylor has wryly noted, “The reformation was a great time to be a land buyer and a bad time to be a monastery”—and at some level we might ask whether the traditional orchestral model, for example, is the monastery of today.

But perhaps most profoundly, the reformation at its very heart challenged the notion of the necessity of intermediation in a spiritual relationship—why do I need a priest to have a relationship with God?—a question paralleled by today’s fundamental challenge of the necessity of a professional artist to have a creative artistic experience.

Just as the religion Reformation reconceived and broadened the universe of how religion would operate, when and where it would operate, who would be empowered to act, giving rise to new denominations, new religious rituals, new opportunities both for clergy to practice in radically new ways and for the common lay person to assume responsibility for her own spiritual experience, we are witnessing an explosion of new practices and challenges to old assumptions. We are witnessing movement at both ends of the traditional professional/amateur divide—the emergence of the “Pro Ams” which we discussed before—as well as the rise in “hybrid artists”—professional, vocational artists who work outside of the traditionally hermetic arts environment, not from economic necessity but because they believe the work they are called to do cannot be accomplished in the concert hall, the dance studio or the theatre at the other. We are witnessing an explosion of managers and administrators who are forging new paths where none have existed before. These artists and managers are expanding our sense of both aesthetic and organizational possibilities—even as they assault our traditional notions of cultural authority and undermine the presumed ability of traditional arts organizations to set the cultural agenda.

Now if you think you hear me calling for the end of institutions as we know them, let me be clear: the Reformation did not mean the end of the Catholic Church—a church which continues to be deeply meaningful to millions worldwide as it provides spiritual consolation and guidance. The best of our institutions will continue to be valuable as they too provide such fulfillment: moreover, they represent our best chance for lives of economic dignity for artists and the logical place where artists who need resources of a certain scale can find work. Whatever we do, we should nurture and sustain the best of these as we go forward. That said, they are likely to be fewer in number and to command less of the lion’s share of philanthropic resources.
And so all forwarding thinking organizations are beginning to ask new questions: what it our role is not merely to produce work but to provide social orchestration—orchestration in which the performance is a piece but only a piece of what we are called to do? What if our job is not to create products to be consumed but to offer experiences that will serve as springboards to our audience’s own creativity? What if we think of ourselves, not as individual producing entities, but as platforms designed to aggregate creative energies?

This morning, Nina’s story of her museum exemplified what can happen when an organization takes seriously, holistically, organically these questions. Recognizing that the world of artifacts can be very different, however, from the world of performers, I want to offer an additional story of inspiration from the world of dance.

Emblematic of a new kind of organizational behavior has been the Trey McIntyre Project—a project begun by Trey McIntyre, a choreographer who has choreographed for San Francisco Ballet, Houston Ballet and others—cities that, when Trey announced his intention to begin his own company, beckoned him to settle there. Instead Trey deliberately settled in Boise ID—a town of under 200,000 more than 550 miles from a truly major urban center, with no particular dance community or local funding community vested in the arts. The company initially attracted local attention by launching “spurbans”—spontaneous urban events—seizing the logic of the flash mob to create short dance interactions on public streets for startled pedestrians—a rejection of old assumptions around curtain times, venues and concert formats. They launched their performances at a drive-in movie theatre where patrons were encouraged to tailgate. They began that performance with a documentary film—not about dance or Trey or the dancers but with every dancer giving a personal testimony about what she or he loved about Boise—a core connection to community that formed an intense bond before first dancer had danced a single step. They have positioned themselves in harmony, not with an arts agenda but with a civic agenda for Boise, one emphasizing innovation—embracing the software industry, the government, the dot com start ups, and that has includes a monthly working group bringing together the head of the state university, the sheriff, the chamber of commerce and John Michael Shert, Trey’s managing director. They offer dance classes and education classes to young people, and have created work specifically with the Basque community—a previously overlooked migrant population—and launched a new sense of cooperation with the surrounding arts community, hosting an arts auction where local visual artists are invited to create work that reflects local or dance themes, and where the company and the artist split the gate—a huge event binding the arts community together. In perhaps my favorite strategy, they have made a link to the local high-end bar where the mixologist, not bartender, has created a different signature drink for each member of the company, bearing her or his name—a strategy that gives people a personal connection to the often all-too-anonymous ranks of dancers, that becomes an event to drink your way through the company, and which supports the company through an arrangement giving them half the proceeds of every named drink sold. They are irreverent and entrepreneurial and fearless and generous—one presenter at a conference session that included Trey’s Managing Director stood and said, “Within an hour of arriving in my
organization, John Michael walked into my office and said, “We have a six figure donor here in your city that we need to introduce to you so he will support you after we are gone. In thirty five years, I have never had an organization offer me one of their largest funders”—and having arrived to a community indifferent to dance, they arrived last year at the airport to begin their tour to find a banner over the entrance saying, “Good Luck Trey McIntyre Project, Boise’s Economic Cultural Ambassadors to the world.”

Make no mistake: Trey McIntyre is a world class artist. He works diligently and tirelessly to bring craft and expression to its highest potential, but he reframes long standing assumptions of how, where, with whom, for whom, under what circumstances, with what support and why the work is made.

So what can we learn from Nina and Try and so many others?

As we move forward, we must make room for the audience at the center of the organization—not merely the end buyer. At the risk of being heretical, the nonprofit arts movement was not founded for artists. It was founded for artists yes, and audiences, yes, and the art form, yes, and we disserve ourselves any time we focus on one of these to the exclusion and neglect of the other two. There is a world of difference between “To produce great plays” and “To connect audiences to great plays”—a difference, that if taken seriously, will affect every budget line, every program structure, every hiring decision and more.

As Nina suggested this morning, there is so much more to do and so many new ways to think about how we can fulfill our promise.

Alan Brown, whose “Counting New Beans” was the focus of one of your gatherings, has also written “Getting in on the Act” for the Irvine Foundation describing a wider spectrum of audience interactions:

- The traditional performance or exhibition;
- The elaborated performance or exhibition—e.g. the experience amplified by program notes, study guides, audience talkbacks, salons, etc.
- The co-curator’s event—the audience having an active voice in the identification or selection of artwork to be produced—the Denver Museum’s First Person’s site, where anyone can post an image meaningful to him or her—a site that is transforming the discussion about visual arts in that community—theatre planning where audiences are asked to vote on a choice between two plays for a subsequent season, or DemandIt sites where the public can demand to see an artist—Bruce Springsteen—to motivate a presenter to book him.
• The co-created arts event, with the audience playing an active role in the creation or execution of the work—work like Liz Lerman’s Dance Exchange creation of new work with communities, or Illusion Theatre’s solicitation of stories to inform their “Love and Marriage” or Eric Whitacre’s creation of an on-line choir to perform Lux Arumque, an original composition sung by hundreds of singers selected through on-line auditions, working to lay down individual tracks by working with a site where Eric coached singers in dynamics, pronunciation and conducted tempi, and which—not only has generated enormous excitement among young music lovers and a huge viewing audience—but has made his CD’s the number one best sellers in the UK.

• And surrendering resources—giving over space or sparking the flash mob—a moment of recognizing that sometimes a light touch in facilitated environments brings richer and more startling results than the proscribed event and one in which the traditional professional artist is nominally present, if at all.

At the very least, this study reminds us that we can go far deeper within each band in this spectrum. Woolly Mammoth Theatre in Washington DC has been particularly inspiring to me, consciously designing the audience for each production just as they would design the set or costumes—a process that begins by asking the playwright, “Who must be in the room for your play to combust?”—an artist perspective that gives the audience an active, deliberate role that makes the audience encounter electric in ways I have rarely experienced. I remember a performance I saw of Clybourne Park—one preceded by a campaign of “Is Your Neighborhood Clybourne Park?”, which elicited one of the most diverse audiences I have ever seen, and in which, after a standing ovation was stilled by an announcement of a post-play discussion, virtually every person I saw sat back down to take part.

At the same time this encourages us to think more broadly about how we might expand our vision. Yes, I recognize that this spectrum grows increasingly threatening as we move across it, with each step requiring the artist to relinquish an additional degree of control. But properly seen, this is an opportunity: as we all know, while arts attendance continues to dwindle, arts participation continues to grow at an exponential rate. Moreover, as organized arts philanthropy continues to stall or erode, organizations will be—and already are-- increasingly dependent on earned revenue and individual contributions within the financial and philanthropic mix. Forward thinking organizations, regardless of their larger missions or behaviors, are making conscious, strategic choices; are asking where in this five-part spectrum they can find and offer value; and are finding new ways to move fluidly back and forth throughout the range.

And audiences want to tell us where we offer value. As someone who wants to open a vein every time I’m approached by a well meaning usher with a golf pencil and a survey form, I am astounded by the high rate of return informing Counting New Beans. Nina’s post-it
notes recall an Arkansas Center’s strategy of post-it notes on the outside of every program designed to elicit audience response to performances—post-it’s that are put up by audience members on the glass wall in the lobby, that people and artists crowd around to see, that force the building to stay open late because discussion is so animated, and that cost the post-it price and one hour of staff time to synthesize findings for staff and an online audience who is curious about what they missed. Audiences want to give us feedback—and we can be far more creative about how we solicit it. The New York Philharmonic contest for the best photo taken on a cell phone at an outdoor concert is richly instructive: it gathered tens of thousands of entries, provided entire new addresses and contact information to an audience whose identities they didn’t even know, and—by the very composition of what people took pictures of—blankets and starry nights and wine bottles and friends and very rarely of musicians and the conductor—taught them tangibly about what the audience really valued most.

Audience want to tell us. But we have to be open to hearing in a new way. Indeed, the most provocative question I think we must all ask ourselves is, rather than assuming people don’t value and understand the arts, what if we assumed that they value the arts passionately, obsessively, irrevocably, but simply don’t love our delivery systems? What would we do differently if we took their love as a starting place for building a relationship, rather than starting from the needs of our organizations?

When we met last, we all knew this was a moment that at the very least invited bold new action.

We at the Doris Duke Charitable Foundation grants had launched a series of grants designed to support innovation that were less than one year old. We defined innovation, courtesy of Richard Evans of Emc Arts who has said, “innovation is new pathways to value delivery”—a conscious rephrase of an earlier statement that had emphasized mission fulfillment, presumably because missions can be unresponsive to changing environments—“discontinuous from previous practice”—or in driving terms, a hard left, rather than a gradual right—and “springing from changes in underlying organizational assumptions.”

A marketing department advocating for online delivery to broadcast brochures is less an innovator than an adaptor, simply adapting old goals and assumptions about marketing into new technology. A marketing department that moves online in order not merely to disseminate information but to gather feedback and engage in long term dialogue with consumers changes the assumption of marketing from broadcast to conversation—an unpacking of old assumptions that opens the door for new innovation.

Frankly, I think, to be perfectly confessional, that our hopes at the Foundation were that we would through these grants enable and support breakthrough ideas—organizational penicillin as it were. The emphasis on unpacking assumptions has been phenomenally
impactful, and we take enormous pride in an array of projects that could be deeply instructive to anyone—projects like the Wooster Group’s Dailies, for example, a daily video blog that is important enough for the artists to sacrifice an hour of rehearsal every day in favor of a group film edit, that has a dedicated audience of more than 20,000 who visit the site at least 25 times each month, and that has led to a 40% increase in earned revenues and a 20% decrease in marketing costs. But the speed at which we now live—a pace that one speaker at TED this year said outstrips the pace at which we can learn, meaning that we spend more and more time rationally contemplating a world that no longer exists (OK, let’s all line up and open a vein now)—makes the discovery of permanent innovation—especially one with the potential to transform a field like the subscription model did for the performing arts fifty years ago—unlikely. We already often hear, “You know, last year we had a blockbuster event/drive/project that, repeated this year, was a disaster”—a caveat I offer to you as you consider whether your extraordinary stories today have infinite shelf life.

Might we now focus increasingly, not on innovation, but on what Mark Robinson calls “adaptive resilience. The highly successful Adrian Ellis of Jazz at Lincoln Center has said—perhaps over modestly (and I paraphrase)—“In most areas—especially when it comes to technology—I am happy to be the second out the door rather than the original innovator—a settler rather than a pioneer to use an inelegant metaphor—to let others explore the unknown frontiers and then to populate the welcoming lands they have discovered.”

Robinson defines “adaptive resilience” as the ability to respond to and influence a rapidly changing external environment and to bounce back from failure or the unforeseen.

So what capacities does an organization need to be adaptive and resilient?

First of all, organizations need the will to change, as obvious as that seems—and Robinson allows that many organizations may not want to change at all. They believe strongly that if we just play the music better, people will come, for example, or if audiences are declining, we simply have hired the wrong marketing director, etc—and who knows, they may be right! Especially now when we cannot accurately foresee the ultimate implications of the seismic change around us, perservering may be the right strategy. But those who resist change in the face of negative trends in income an marketing, for example, will need significant resources to weather the storm—much as the aforementioned Catholic Church, to return to our metaphor, arguably preservered because its enormous assets insulated it from necessity of change. Those who resistant change in the face of negative trends and lack such resources run a high risk of vulnerability and likelihood of closure.
But organizations who want to change—who see the handwriting on the wall, who are deeply attuned to the external environment, are rigorously self-aware and are open to risk—are able to adapt because of several key capacities.

Robinson says, among other characteristics, that adaptive resilient organizations have a culture of shared purpose and values rooted in a strong organizational memory—values and memories that go beyond the executive leader and board. They avoid mission drift but they are consciously evolving, testing ideas, experimenting against a backdrop of as much as 80-90% of ongoing practices.

They have strong situation awareness of environment and performance, with good gathering, sharing and consideration of intelligence and information to inform decisions. They look outward, measure audience response, benchmark against others—capacities that the Cultural Data Project will be enormously helpful in providing.

They worry less about sustainability and stability than about viability, testing and experimenting at a scale than can be survived. For all of its value, our old emphasis on sustainable may not be achievable in a dramatically changing work. Moreover it can slam the door on potential breakthrough ideas which are discarded prematurely because of fears they may not be sustainable.

While adaptive resilient organizations have clear definitions of leadership, management and board responsibilities, organizations that are serious about moving from rhetorical adaptability to demonstrated adaptability are especially conscious of three levers that must be manipulated if true change is to be achieved—how information is shared, how decisions are reached (and who participates in those decisions), and how conflict is managed. At TED Global this year, Margaret Heffernan said, “Organizations don’t think because the people inside of them are too afraid of conflict.” Forward thinking organizations nurture and promote divergence of thinking, rather than seeking to insist on mindless conformity. They prize ongoing professional development and learning, and devote significant time to reflection and analysis.

And they often begin not with “What will we do next?” but with “What will we stop doing to free up the necessary time, energy and resources to pursue this critical work?”—just as the Trey McIntyre Project has recently decided to terminate its spurban program, despite the positive impact it has had in the past.
But how can we pay for this? Indeed, in a technological age, monetizing new practices is a key question.

Since 2009, I have learned there are no—and will be—no new business models. There is of course only one business model—predictable revenues in excess of expenses (as Clara Miller says) or “mission congruent black ink” to borrow from Adrian Ellis. The only thing that can be new is our understanding and mastery of it—and our ability to embrace new behaviors, new perspectives and new capacities in pursuit of ongoing viability.

Just as “sustainability” and “stability” have inhibited our thinking, our sense of the undercapitalization of arts organizations may be problematic. ALL arts organizations from the smallest to the Metropolitan Opera are undercapitalized—Indeed, we love artists because they always their dreams always outstrip their resource bases—but what does this adjective buy us besides consolation, comradeship among the downtrodden and a potential victim perspective. Might our greater concern be whether we are miscapitalized—i.e. whether funds are structured and available to help advance core needs and seize strategic opportunities?

This question begs the distinction between revenue—funds designed to support ongoing activities—and capital—funds periodically acquired or designated to enable the creation of new platforms or value delivery mechanisms. It asks us to understand income as more nuanced than earned vs contributed income, and to recognize the differences between working capital, change capital, risk capital, and endowments—strategic nuances that, correctly understood and positioned, may have great appeal for donors for whom unrestricted giving has held less appeal. It will ask us to see the annual audit as a periodic snapshot but as too short-termed to be optimally useful and to think in longer arcs, as Steppenwolf theatre now does, for example, framing all budgets in three year periods.

It will in short ask us to increase our attention to the balance sheet—not for accounting reasons but because a stronger balance sheet means more artistic freedom.

It is easy for me of course to stand before and hurl these tenets like gauntlets before you. This work will be hard. It will force us to consider and embrace new modes of leadership and organizational dynamics.

It will provoke enormous anxiety—as indeed all change does—especially among existing staff, audiences and board members. Rather than seeing their resistance as willfulness or obstinancy, can we recognize that there is no one to whom the past has offered greater meaning—indeed, they have given their lives and resources and counsel to us precisely because of the transformative power of what we have done to date, and of course no one
stands more to lose by change than they. But can we find ways through articulation of our values and our value to bring them with us on this new journey?

And while we must be deeply attuned to the current moment, taking in information and turning on a dime if we can, we must also have a long term vision of what we value and what we wish to achieve, even while how it is to be done remains unclear. Now is the time to ask ourselves, what will Minnesota look like in 10 years if we succeed in fulfilling our collective vision of the arts—and what must we do now to begin to call that 10 year world into being? Now is the time to articulate the important questions now, to embrace disconfirming data and information as it comes our way and to have the courage to change in its wake.

But the ability to persevere will come only if each of us can dig deep and reaffirm why we are in this business to begin with—a question that each of us will answer differently. I have been inspired in this quest in large part by a day I spent at MIT—an organization known for being at the forefront of change and whose mission is “Useful for knowledge for solving problems.” If the arts are a way of knowing, as many of us believe they are, what is the useful knowledge we have, and what is the problem we are trying to solve?

For my own part, living in a time of fraying social discourse and an especially virulent campaign season, I find myself increasingly motive by Steve Coleman who, in his book “The Five Percent” has described intractable problems like the Middle East, the abortions rights debate, racial animosities and more as sharing three common attributes—a competitive win/lose dynamic, an oversimplification of issues, and a reinforcing feedback mechanism that continually reinforces preexisting mindsets while filtering out contrary points of view—as apt a description of the Congress of the United States as any I have heard. Especially now, we must embrace the arts as an antidote to intractability: in the face of competition, we invite cooperation; in the face of simplification, complexity and nuance; and in the face of self-reinforcement, community, remembering that in this time of reality TV and its dynamics of humiliation, of media and its thinly veiled invectives against opposition, of announcements in airports that invite us to be vigilant on the lookout for suspicious behavior, all inviting us to view our fellow human beings with hostility and fear and suspicion, whatever discipline we pursue, whatever aesthetic we cherish, we invite people to come together with other not like themselves, to view their fellow human beings with generosity and curiosity. God knows if we ever have needed that capacity in human history, we need it now.

I’d like to close with a story many of you have heard me tell in the past courtesy of Fred Adams, longtime artistic director of the Utah Shakespeare Festival, who told me about his mission work in Scandinavia. As a Mormon, Fred spent the obligatory year or two ministering to others the story of the Church of the Latter Day Saints. He was assigned to rural Norway, where the combination of language barrier, darkness and cold made the
experience dispiriting, to say the least. In a country where darkness comes before 3:00 pm, there were many days where a knock on the door would be followed by unfailingly polite invitations to step inside, blank looks at the story of the Mormon, and Norwegian folksongs sung at length and accompanied by odd alcohol and mysteriously prepared fish. One such night could be dispiriting enough, but months of them began to take its toll, and one night was particularly hard: the snow was especially deep, and as Fred and his companion struggled up a fjord to head home, Fred found himself angry and depressed: he had never been colder or more tired or wetter, never had life seemed more dispiriting and his quest more futile. But suddenly his companion stopped, grabbed Fred’s arm and said, “Look up!” And there in its entire splendor was the aurora borealis, shimmering in the night, exploding in color, reminding him of the deeper, more profound mysteries of which we are but a glimmer. That, says Fred, today is what we do in the arts: we tell people to look up. Yes the times are historically hard; yes we can despair; yes we can yield to our own anger in these times. But we have a choice at this moment, and we can work as we must to change lives, one student at a time, one university at a time, one community at a time. In a world where we are often drowning in information but starved for wisdom, in which we crave inspiration and community, in which we must rise above the torpor of the day to day and search for inspiration and delight, each of you through the arts say to your children, your audiences, your community “Look up, look up, look up.”

I salute you all, not only as arts practitioners but as social activists, pledged as you are to a world of tolerance, compassion, empathy and hope.

I promise you the hand of friendship is extended from the Doris Duke Charitable Foundation both now and for years to come.

And I thank you for your kindness and patience in listening to me this afternoon. Thank you and God speed.