



# Strategy



**Strategy:** **WHAT** we do as a focused course of *action*—

1. a planned, cohesive, integrated approach to the future that addresses major strategic issues and opportunities toward achieving your vision;



2. externally focused on the changing needs and demands of the market, and

3. grounded firmly in the organization's distinctive strengths and advantages

# Strategic Focus



**Strategy explores your business model**

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**What's working? What's not?**

- Who we are? (mission)
- What we do (programming)
- Whom we serve (constituencies)
- Where we work (marketplace)
- How we're financed (resources)
- How we think (culture and leadership)

**Strategic Focus**

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Is about being flexible and adaptive—being prepared for the unexpected

Is about stretching your comfort zone—it's about "playing for change"

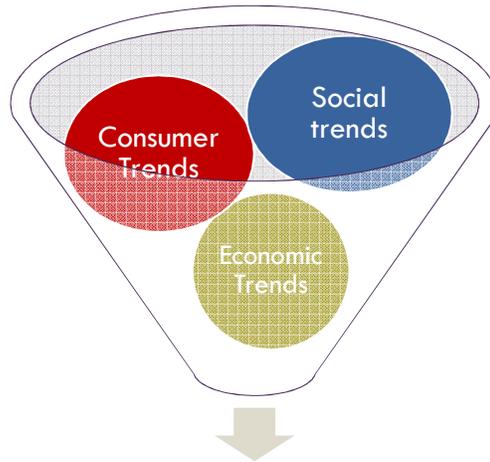
## Strategy is tuned to emerging trends

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Recognizing what is reshaping our world and our work...

...to enable the best response



Convergence

## Strategy embraces your marketplace

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## Strategy considers your competition



- For customers
- For human capital
- For public awareness and media
- For funding

...across sectors...



## Strategy Plays to 'Win'



What differentiates us?

How are we different and better than the competition?

What do we do that is hard to copy?

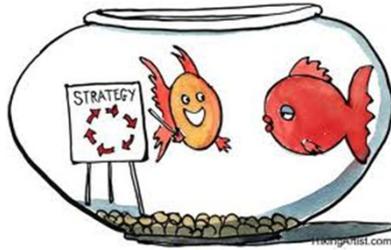
Builds on our competitive advantage in the marketplace



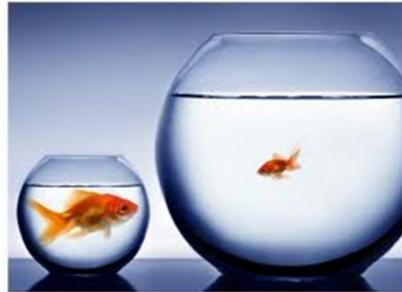
## Strategy names your opportunity

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### Small Fish Bowl Strategy



### Blue Ocean Strategy

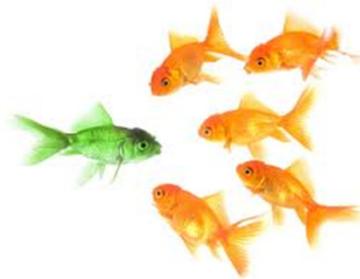


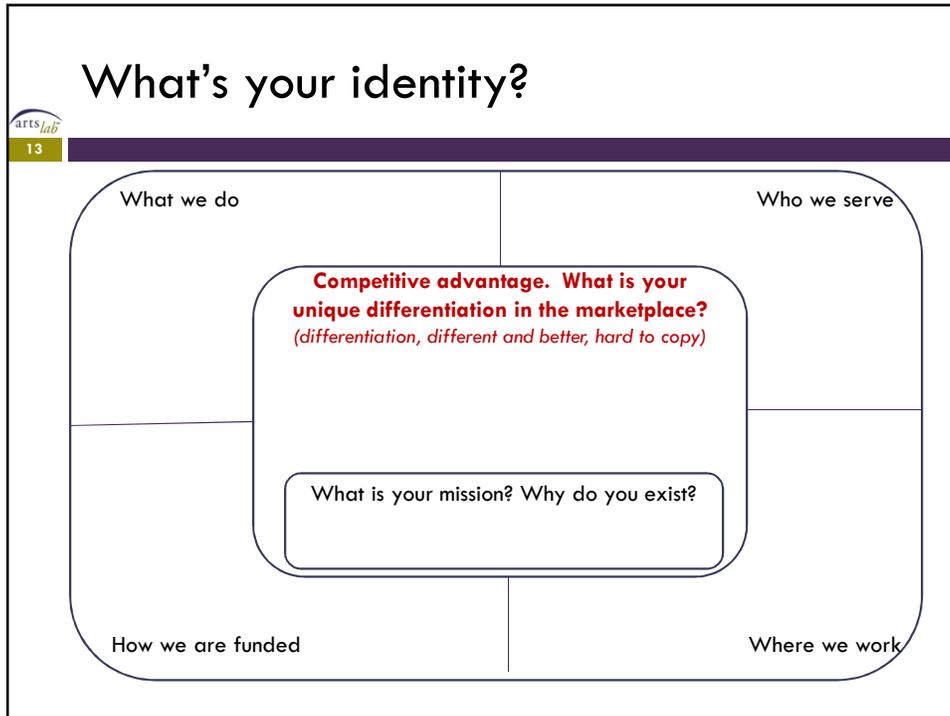
## Strategy embraces competitive advantage

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What is YOUR competitive advantage? How are you

- ✓ Differentiated? What's your unique niche?
- ✓ Different and better? What's your quality edge?
- ✓ Hard to copy?





## Strategy Screen



What criteria might you use to evaluate opportunities to carry out your strategy?

- Align with mission
- Integrate with other activities
- Enhance core strategy
- Responsive to community/market
- Leverage competitive advantage
- Financially sustainable

What are YOUR criteria? \_\_\_\_\_

## 6. What criteria guide strategic choices?

### What do we say “no” to?

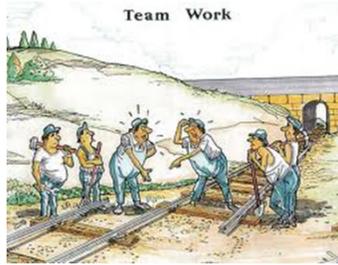


STRATEGY SCREEN	Strategic Option A	Strategic Option B	Strategic Option C
Consistent with our mission? Consistent with our organizational culture? Consistent with our vision?			
Builds on or reinforces our current competitive advantage? Builds on or grows our advantage?			
Produces a surplus within 12 mo's. or has dedicated funding? Better financial position?			
Will yield a result that is sustainable – not fleeting?			
Will not put us in competition with our essential partners?			
Will reinforce the community's view of us as a resource of choice? Builds on our responsiveness?			
Builds on brand identity and reputation?			
Does this leverage our core competencies?/build on our strengths?			
Is the opportunity cost too high or detracts from our core competencies?			
Support our moving to the next stage of our organization's development?			
Other criterion?			

## Whose job is this?



Board and staff must be strategically aligned

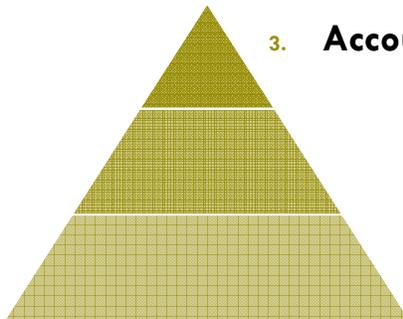


## Strategic Board Focus



### Strategic Board Agenda

1. **Ideas** (dialogue re. strategic issue)
2. **Performance** (review of key indicators)
3. **Accountability** (operations issues)



--Russell Willis Taylor  
President & CEO  
National Arts Strategies

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# PLANNING WITH THE ENDS IN MIND



Merry Structure Wassily Kandinsky

Part II: Implementing Strategically

## The Sustainability Formula



Leadership + Adaptability + Program Capacity = Sustainability

Peter York, The Sustainability Formula, TCC Group.

## Balanced Scorecard

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## A Balanced Scorecard

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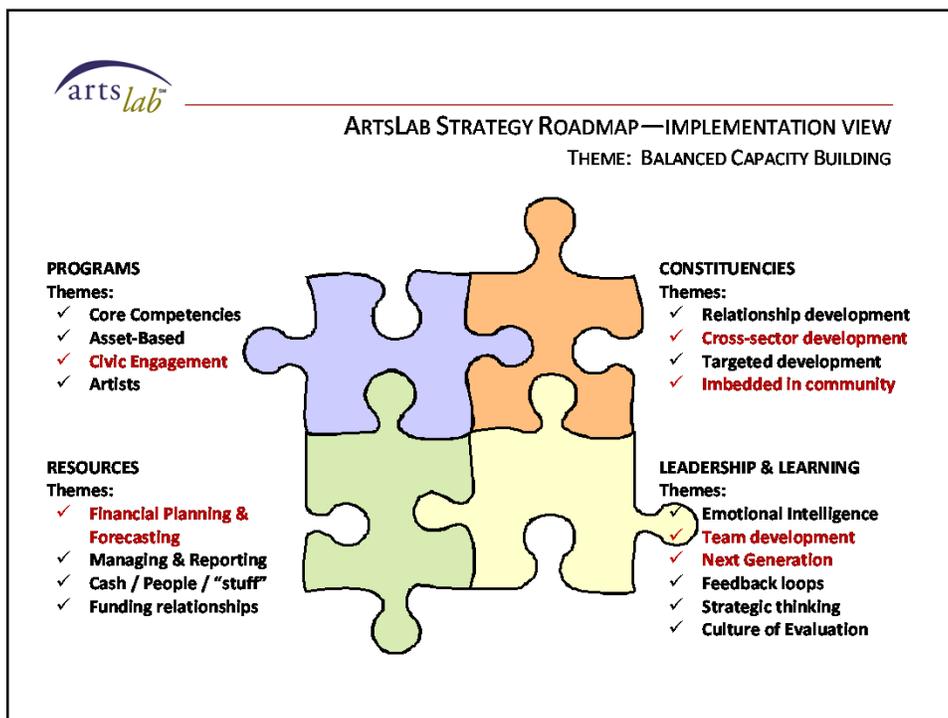
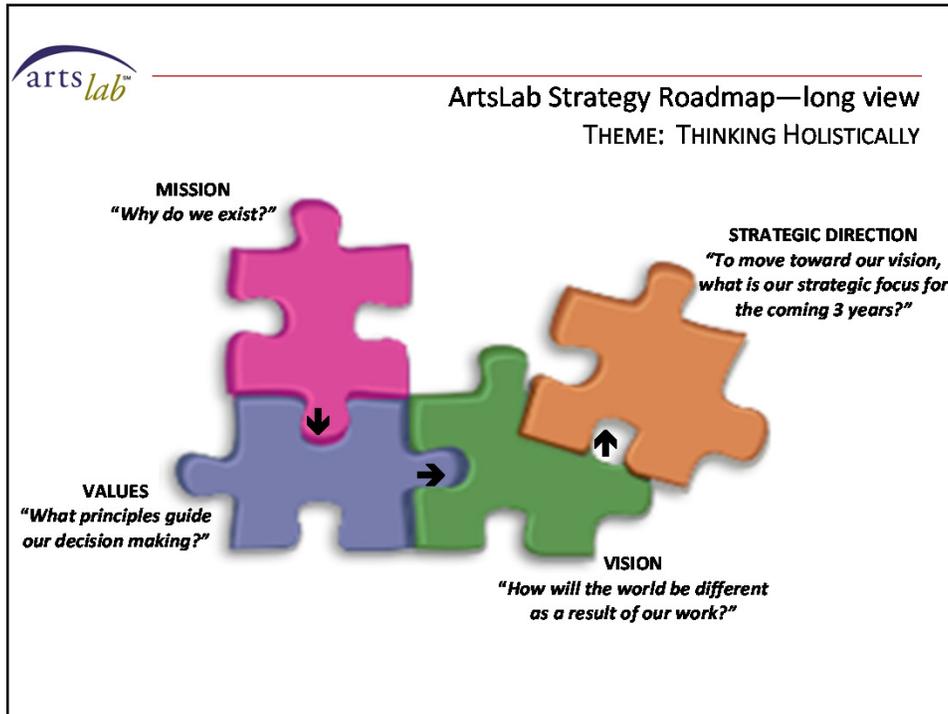
**Mission Perspective:** "What is our plan to achieve our mission and vision?"

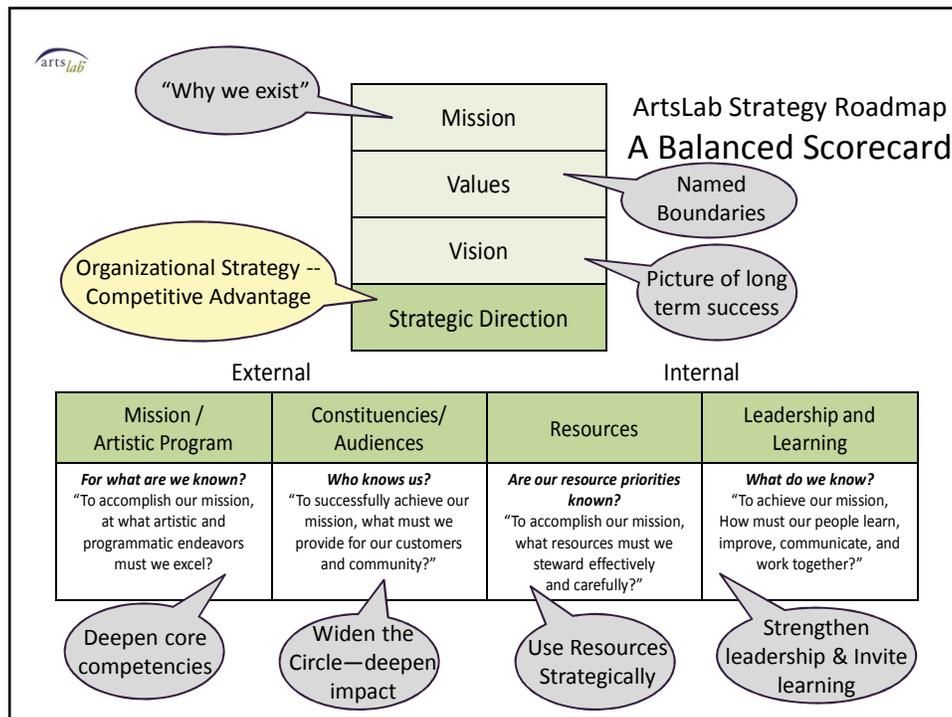
**Customer Perspective:** "To achieve our mission, how must we look to our customers?"

**Financial Perspective:** "If we succeed, how will we look to our donors?"

**Internal Perspective:** "To satisfy our customers and donors, at which business processes must we excel?"

**Learning and Growth Perspective:** "To achieve our mission, how must our organization learn and improve?"





## Sample Strategic Framework

Become a place of innovative convergence			
Mission/ Program	Constituency	Resource	Leadership/ Learning
Focus on Artists—promote artists and use as <b>platform for furthering connection</b> with audiences	Focus on Audience—broaden, deepen and diversify engagement with audiences to <b>create a vibrant public gathering place</b>	Fund the Future— <b>align</b> earned, contributed and endowment income <b>with mission, vision, values</b> and operations	Foster Organizational Progress—preserve stability and core values of board and staff while <b>managing organizational change</b>



STRATEGY ROADMAP

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**Mission:**

**We Value:**

**Vision:**

**Products and Services:** Our work is carried out through the following programming commitments:

**Organizational Strategic Direction (based on competitive advantage and major trends):**

## Program/Project Strategy Roadmap



Program	Constituencies	Resources	Leadership



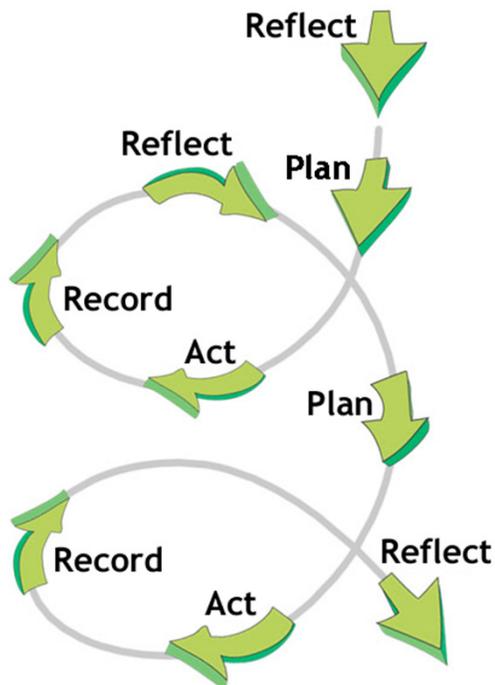
# PLANNING WITH THE ENDS IN MIND

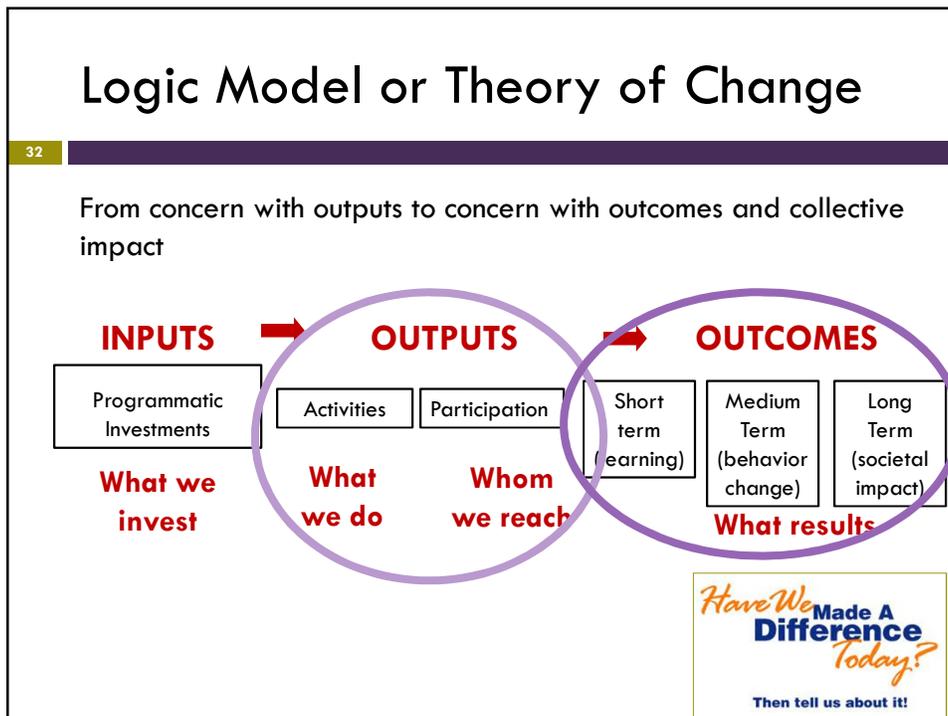
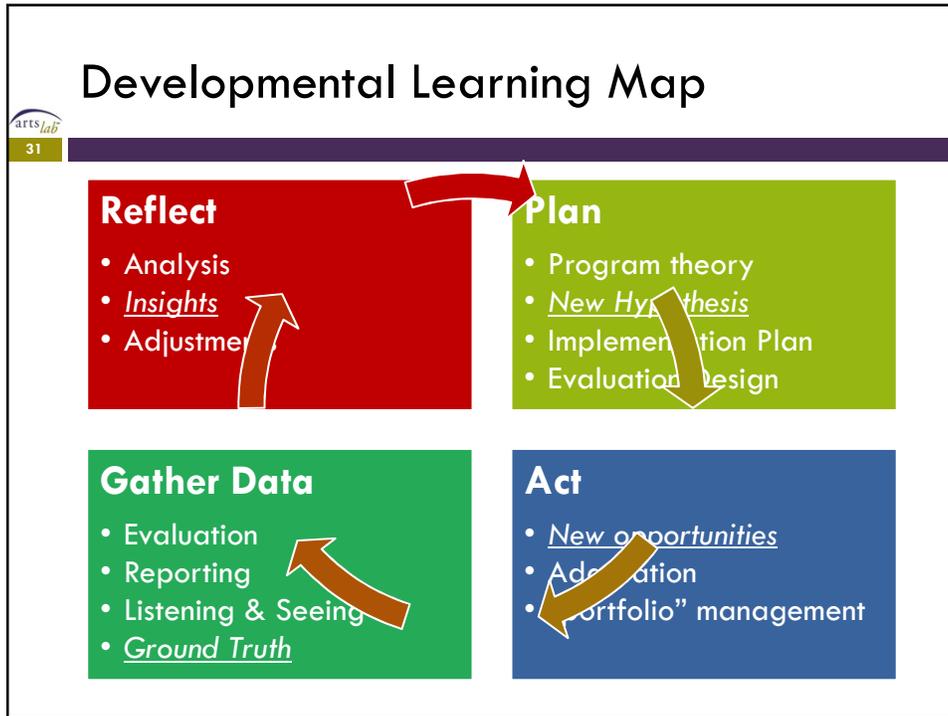


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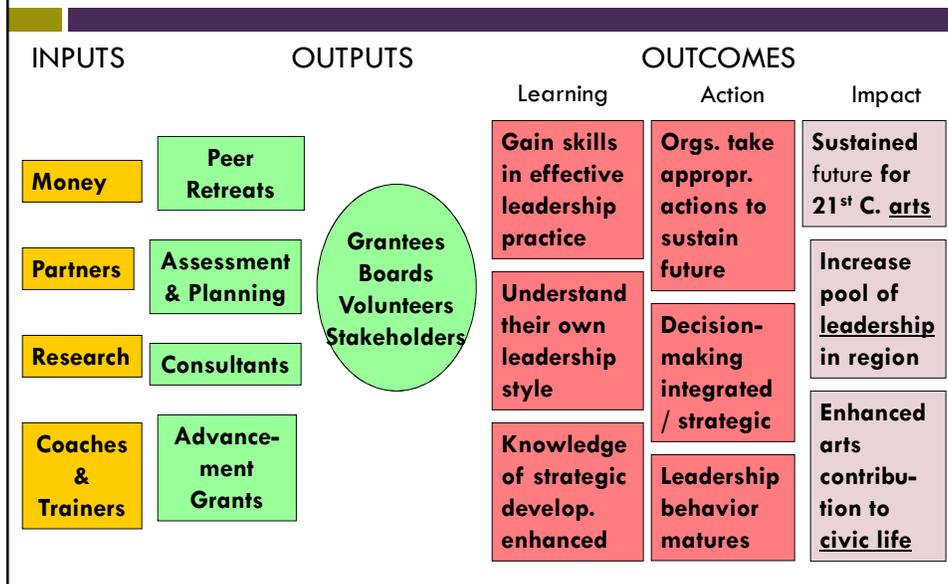
Part III: Metrics to Measure our Progress

**Evaluation, like planning, must be a dynamic process**





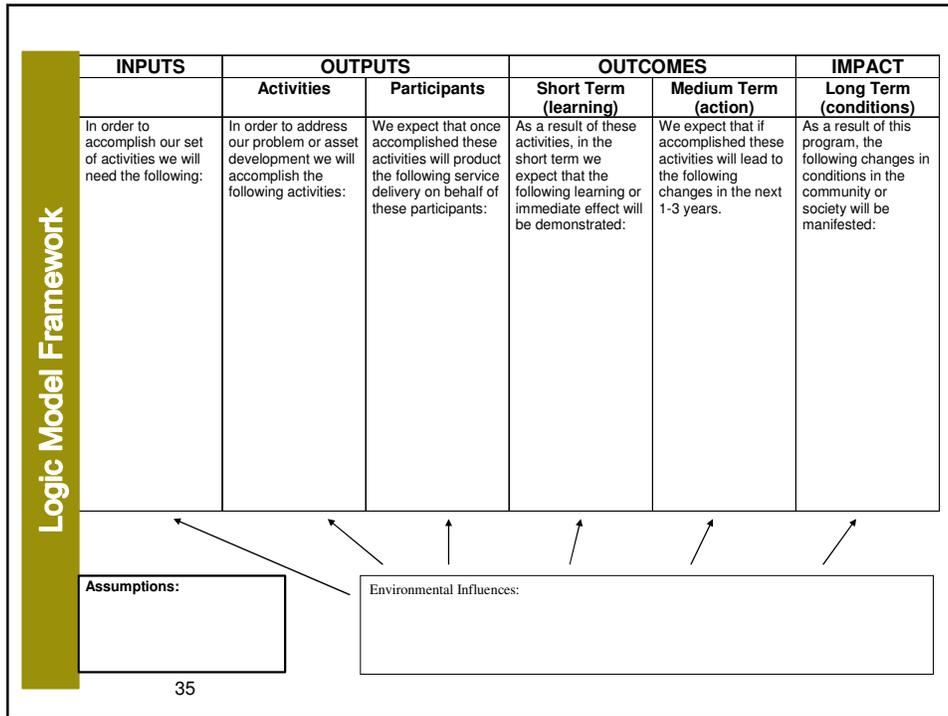
## ArtsLab—a simple example



## ArtsLab 2010 Interim Report Outcomes:

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<p><b>Artistic Program</b></p> <ul style="list-style-type: none"> <li>7 of 16 have launched new, responsive program initiatives</li> </ul> <p><b>Resources/Finance</b></p> <ul style="list-style-type: none"> <li>100% named improvements in financial development systems</li> <li>Across all grantees average budget increase 192%</li> <li>66% have added staff</li> <li>Majority have developed new information systems</li> <li>100% report strengthened internal operations</li> </ul>	<p><b>Constituencies/Marketplace</b></p> <ul style="list-style-type: none"> <li>70% report increase in civic partnerships</li> <li>100% report improved community relations</li> <li>65% report work completed to enhance brand identity</li> </ul> <p><b>Leadership</b></p> <ul style="list-style-type: none"> <li>100% report growth in clarity re. strategy</li> <li>100% report strengthened boards</li> </ul>
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## Evaluation Work Sheet

Columns in red focus on the question "Are we making a difference?"

**Based on the Logic Model Framework**

INPUTS	OUTPUTS		OUTCOMES		IMPACT
	Activities	Participants	Short Term (learning)	Medium Term (action)	Long Term (conditions)
What are the questions?					
What are the indicators?					
What are the measurement tools?					

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37 “Five” essential indicators

What (few but key) indicators do you want to keep before you this year to track your progress against your organizational strategy?



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### Key Questions: Mission/Artistic Program

<b>What are the critical outcome questions?</b>	<b>What might be potential indicators/measures?</b>
<p>One example:</p> <p>What indicators do we see of positive outcomes (or impact) from our creative place making partnership with rural communities?</p>	 <p>Quantifiable results? Powerful qualitative stories to tell?</p>

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**Key Questions: Constituencies/Audiences**

**What are the critical outcome questions?**

One Example:

- What is the profile of our growing audience? Whom are we reaching? Whom are we not?
- What indicators in change of audience demographic are we seeing? To what can we attribute this?
- What are their needs, wants, motivations?

**What might be potential indicators/measures?**

**% house sold**

How can we move from outputs to a deeper understanding?

**Key Questions: Finance / Resources**

**What are the critical outcome questions?**

One Example:

Are we diversifying our revenue sources in a way that moves toward a more sustainable future? What are our primary revenue drivers? Are they reliable? Are appropriate contingency plans in place?

**What might be potential indicators/measures?**

2010.



## Key Questions Leadership/Learning

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**What are the critical outcome questions?**

One example:

- Are there indicators of a shift toward a more strategic and generative board evidenced in our annual board and organizational assessment scores?
- Is reflection imbedded into every level/aspect of operations?

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**What might be potential indicators/measures?**

Self-Assessment scores:

- 72% report the organization is impact driven
- 63% feel there is a culture of learning
- 51% feel organization is culturally competent
- 97% feel the board adds strategic value

(See CompassPoint: Next Generation Organizations, 9 Key Traits)



## What are your 5 essential indicators?

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What 5 simple yet critical outcome or change indicators would be most informative to you as a board of directors to inform your decision-making and maintain your strategic focus?

- 1.
- 2.
- 3.
- 4.
- 5.

[Consider the Balanced Scorecard: mission, core program, customer, resource, leadership metrics]

 **Sample** Key Indicators Dashboard

Balanced Scorecard	Critical Question	Key Indicator	Target	Actual
Mission/Program	Is our programming making inroads into reaching the next generation?	Number of first-time attendees at "twenty-something" introductory events. No. returning to main stage events.	350	375
Customer	Are we seeing shifts in the demographic composition of new people engaged? Is the % of visitors to our website who take action increasing? (sign up for enews; purchasing tickets; making donations)		3%	5%
Financial	Are we increasing our revenue from individual donors to 15% of total revenue?		15%	10%
Internal Operations	Do we have policies and procedures in place for all programs to insure smooth succession of any staff person?		100%	80%
Leadership & Learning	Is our strategy screen consistently used in all decision making?		100%	100%

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 **PLANNING WITH THE END IN MIND** 

**In Sum**

## In sum: Stay Strategically Focused

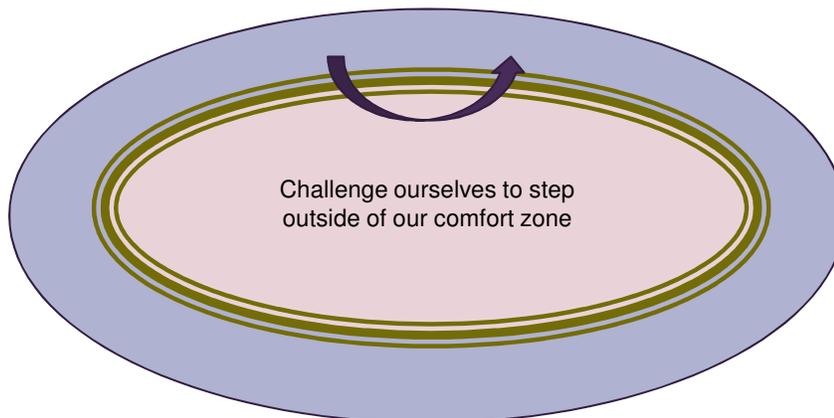
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Based on LaPiana, David. *The Strategy Revolution*. [www.lapiana.org](http://www.lapiana.org)

## In Sum: Push your Comfort Zone

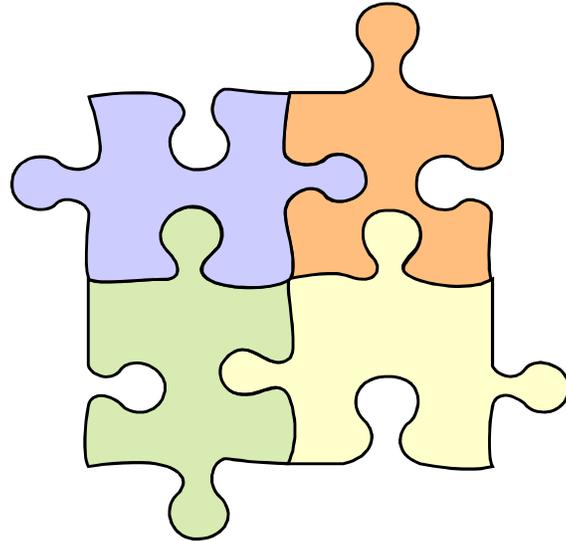
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Challenge ourselves to step  
outside of our comfort zone

Find our growing edge –  
find the excitement, energy, opportunity outside of our comfort zone

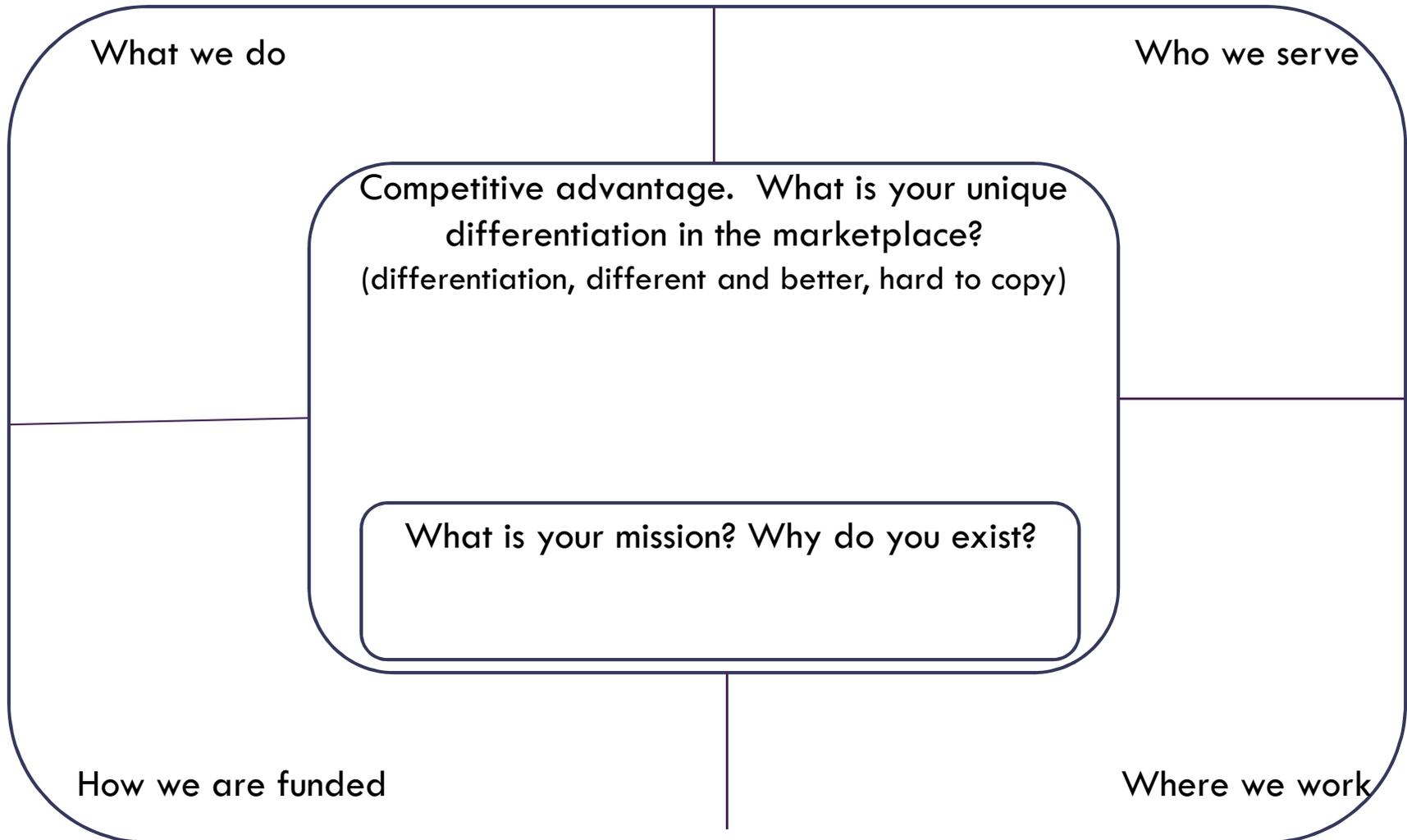
## In sum: Stay in Balance



## In Sum: Use your key indicators



# What's your identity?



# What is your organizational strategy?



What's your big question?

What's your strategy? To build on our competitive advantage, your unique differentiation in the marketplace, we will strategically develop . . . .



# Sample Strategy Screen – regional symphony



STRATEGY SCREEN	Strategic Option A	Strategic Option B	Strategic Option C
1. Is it consistent with our mission?			
2. Will it build on or reinforce our current competitive advantage?			
3. Is it cost-justified; profitable, supported by adequate and perhaps new funding sources, or necessary to achieve goals but funded by revenues/profits elsewhere?			
4. Will we be able to successfully execute with resources, expertise and operational capabilities that we have, have access to, or are prepared to obtain?			
5. Will it help attract and expand support for annual fund and endowment?			
6. Will it reinforce our role as essential to the growth and stability of our geographic region?			
7. Does it have the potential to grow audience base—either strengthen existing or attract new?			
8. Does it have the potential to continue to build the quality of our performances?			



## VERY FINE ARTS MUSEUM STRATEGY ROADMAP

### Mission:

The Very Fine Arts Museum is an intersection and a catalyst for the interplay of artists and audiences, encouraging creative expression and examining questions that shape and inspire us as individuals, cultures and communities.

### We Value:

- Creativity, integrity and excellence
- Innovation and provocative openness to new ideas
- Collaborative, positive and respectful spirit of community partnership
- Civic commitment, seeking to strengthen and sustain the region in which we live and work
- Responsiveness to the cultural diversity of our society and in our midst
- Stewardship of the resources with which we are endowed

### Vision:

A region which is engages creatively and innovatively with art, culture, and ideas.

### Products and Services: Our work is carried out through the following programming commitments:

1. Collections
2. Exhibitions
3. Performances – Music, Dance, Theatre, Film
4. Arts in Education
5. Patron Education
6. Blogs, and a complete array of interactive technology
7. Community Gathering events
8. Center for meetings/civic opportunities

### Strategic Direction – Organizational Strategy based on current competitive advantage:

The Very Fine Arts Museum will significantly develop its leadership role regionally as a place of convergence that brings together in innovative ways a unique mix of artists, art forms and audiences, building on our competitive advantage as an institution with a unique mix of multidisciplinary programs and socially animated spaces.

<b>Focus on Artists: Art and Culture Matters</b>	<b>Focus on Audience: More People, More Often</b>	<b>Fund the Future: Ensuring our Sustainability</b>	<b>Foster Organizational Progress: A Passionate Workforce</b>
Promote artists' creativity and use it as a platform for furthering the Museum's connection with its audiences.	Broaden, deepen, and diversify the Museum's engagement with audiences to create a vibrant public gathering place.	Align earned, contributed, and endowment income with mission, vision, values, strategy, and operations.	Preserve stability and core values of the board and staff while managing organizational change.
<ol style="list-style-type: none"> <li>1. Sustain and enhance the Museum's commitment to contemporary aesthetic experimentation and risk-taking programming.</li> <li>2. Sustain and enhance the Museum's commitment to emerging artists.</li> <li>3. Sustain and enhance the Museum's commitment to artist residencies that engage communities and/or cross disciplines.</li> <li>4. Maintain close relationships with artists over the course of their careers.</li> <li>5. Balance artistic programming to broaden existing audiences and develop new audiences across disciplines, generations, aesthetics and cultural origins.</li> <li>6. Acquire and preserve works that expand and enrich the cultural horizon and senses for the public and stimulate the visitor experience.</li> </ol>	<ol style="list-style-type: none"> <li>1. Inspire participation by removing perceived barriers.</li> <li>2. Improve accessibility by removing practical barriers.</li> <li>3. Create experiences that strengthen and deepen levels of participation.</li> <li>4. Encourage community engagement by developing education and appreciation initiatives that respond to assessed community needs.</li> <li>5. Offer new ways for audience engagement with the collections through publications, digitization, online initiatives and new interactive product development.</li> <li>6. Refresh our brand to reflect our role as a cultural place of convergence.</li> <li>7. Develop partnerships with business, the city, and other key non-arts collaborators.</li> </ol>	<ol style="list-style-type: none"> <li>1. Increase awareness of the museum's unique funding model, resulting in increased support.</li> <li>2. Fully leverage income from facility rental.</li> <li>3. Maximize endowment growth.</li> <li>4. Devise staff wage/benefit strategy consistent with resource constraints and retention considerations.</li> <li>5. Reinvigorate our Museum Shop by developing a marketing strategy tied to our vision and organizational strategic direction.</li> <li>6. Grow our government relations strategy among key political decision-makers to ensure appropriate public support.</li> </ol>	<ol style="list-style-type: none"> <li>1. Ensure our Board, volunteers, staff and management have a clear and consistent understanding of their work in relation to the strategic plan.</li> <li>2. Develop an employee engagement strategy.</li> <li>3. Develop succession strategies for key staff and board leadership.</li> <li>4. Build partnering capability to ensure the institution has the appropriate community relationships and resources to deliver on the strategic plan.</li> <li>5. Develop a board culture that reflects the strategic leadership required to carry out organizational strategy and vision.</li> </ol>

A well-developed Balanced Scorecard approach to [traditional] strategic planning—and a document used in part in crafting this sample—was developed by the Glenbow Museum, Calgary, Alberta. You may retrieve their Strategic Plan from:  
<http://www.glenbow.org/media/StrategicPlan-2010-2015.pdf>.



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**Mission:**

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# Program/Project Strategy Roadmap



Program	Constituencies	Resources	Leadership

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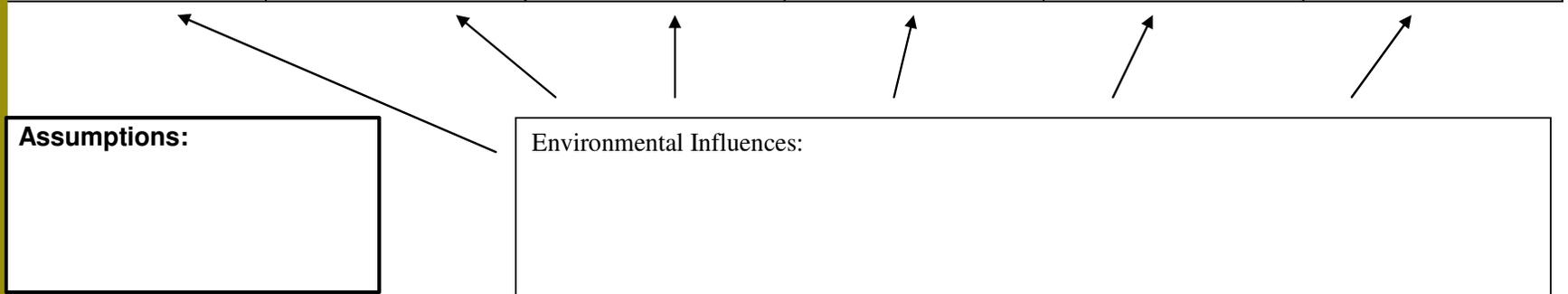


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Leadership & Learning	Is our strategy screen consistently used in all decision making?		100%	100%

# Logic Model Framework

INPUTS	OUTPUTS		OUTCOMES		IMPACT
	Activities	Participants	Short Term (learning)	Medium Term (action)	Long Term (conditions)
In order to accomplish our set of activities we will need the following:	In order to address our problem or asset development we will accomplish the following activities:	We expect that once accomplished these activities will product the following service delivery on behalf of these participants:	As a result of these activities, in the short term we expect that the following learning or immediate effect will be demonstrated:	We expect that if accomplished these activities will lead to the following changes in the next 1-3 years.	As a result of this program, the following changes in conditions in the community or society will be manifested:



# Evaluation Work Sheet

Columns in red focus on the question “Are we making a difference?”

Based on the Logic Model Framework

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