

CREATIVE TRUST TRUST

WORKING CAPITAL FOR THE ARTS

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CHANGE IS THE HANDMAIDEN OF PROGRESS

The most challenging and unavoidable fact of life these days is the rapid rate of change. For an arts organization change can be unexpected and unwelcome – such as when funding is reduced or audiences drop off – or energizing and inspiring.

Creative Trust recently spoke to managers of two companies that have experienced major transitions: as both would readily say, the process of change is ongoing. Christina Loewen has been Managing Director of the Danny Grossman Dance Company since 2003, and Jessie Iseler is the General Manager of the Elmer Iseler Singers; she has been with the company since its founding in 1979.



Jessie Iseler, General Manager and Lydia Adams, Conductor and Artistic Director
Elmer Iseler Singers



Christina Loewen,
Managing Director
Danny Grossman Dance Theatre

What was the major transition your company went through?

CL I joined DGDC at a time when everyone was telling us that we had to change, that we were not “relevant” or fundable as we were. Because I was new, I wasn’t set in any routines or modes of operating. Artistically it was much more difficult. We had to focus, choose, and build a new company vision.

JI Our biggest change came with the passing of our founder Dr. Elmer Iseler. Would we even continue? But we had a strong board and stable funding, and Dr. Lydia Adams was appointed as Conductor in fall 1998. Lydia had been our pianist for 15 years, so she was fully “in the spirit” of the organization, and also brought her incredible musicianship to the position. It isn’t often that an organization continues successfully following the passing of the founder, but Lydia has brought EIS to great heights.

How did you deal with the transition stage in your company?

CL We are still in the process of becoming a new organization. Our long-term vision is to evolve into a company dedicated to the licensing, teaching, and promotion of Grossman works.

We are in process of preserving a collection of Grossman works, creating rehearsal manuals, a core of teachers, and the business tools required to do all this. In the meantime we’re still presenting, and will continue to do so. Preservation is not a static activity: you have to bring the dance back to life and show it to people.

JI At the time of our transition, we needed to eliminate an accumulated deficit, and were soon faced with two retiring long-term staff members, and the retirement of a number of board members and the passing of another. We needed to work on the diversification and development of a new audience. Each of the above tasks is monumental in themselves, but we all recognized the importance of continuing the EIS’s legacy and huge role in the development of choral music in Canada.

Has your involvement with Creative Trust better equipped you to deal with these types of situations?

CL When I joined the company we too had a very large accumulated deficit: we had to get out of our giant financial conundrum. We just struck a course for Creative Trust, and got accepted in the second round. Creative Trust offered a great deal of technical assistance with our transition, and subsequently financial help to help us get out of deficit. The technical assistance gave us a framework, calendar, plan, and process for going where we knew we had to go. Once we knew that, we were making a much stronger case to funders, stakeholders and the public. We had planned to post small surpluses over a period of years to reduce the deficit, but Creative Trust matching funding allowed us to eliminate the entire deficit in one year.

JI Our involvement in Creative Trust has given us courage to face reality, support to seek new opportunities, and strength to build fiscal responsibility and credibility with stakeholders. They say “Oh, you’re with Creative Trust!” The knowledge that we have access to this incredible mentorship is seen, I think, as security. The friendship and compassion we’ve gotten from Creative Trust has also been a tremendous gift.

What is the best advice you can offer companies going through transitions? What was the best advice you received?

CL My best advice is to be completely realistic about what you’re faced with. Fifty years from now what will people regret losing? For the Danny Grossman Company it was the need to save a very important body of work. In order to live through the transition we needed an attitude shift. Jane Marsland told us, “Don’t think of yourself as a company with a \$500,000
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PLUS ÇA CHANGE: LETTER FROM THE EXECUTIVE DIRECTOR



This newsletter's cover story is about two Creative Trust companies that have undergone significant transitions, both artistically and administratively. The changes Danny Grossman Dance Company and the Elmer Iseler Singers faced are not unusual among mid-sized performing arts organizations in Toronto: all of our companies are facing change, to greater or lesser extent.

Nello McDaniel of ARTS Action Research emphasizes the fundamental need for organizations to be observant and to have the knowledge to deal with inevitable changes in their external environments. They have to have monitoring systems in place for quick financial turn around when necessary, and must also be able to recognize when their organizations are at the "tipping point," when adverse environmental change can spin into crisis.

Other stabilization programs have sometimes been heavy-handed and prescriptive about how organizations should be run, concerning themselves with what an organization is "supposed to do" rather than what it needs to do. While some rules are helpful and appropriate (like the need for financial balance and sufficient capitalization), across-the-

board rules tend to assume that each organization is fundamentally the same. This, as we know, is not the case, and these types of expectations can distract a company from dealing with its most urgent needs.

In order to achieve stability and balance among participating companies Creative Trust has placed its emphasis on building skills and creating a team trained in problem solving. We are interested in helping organizations become self-aware, rooted in their artistic visions and missions, and flexible. We stress the importance of open communications, and the development of a leadership team that has the knowledge and experience to actively and confidently confront changes - including those that threaten the organization's future health.

Change can also be joyful. Creative Trust recently entered the final phase of its fundraising campaign. We are now within \$520,000 of the \$6.1 million that will enable us to provide financial, as well as technical assistance to all the performing arts companies that meet our program's requirements, and whose survival is essential to Toronto's cultural future. With this exciting transition, and with your continuing support, we will soon be able to focus more on sharing the important things we have learned about building strong and sustainable organizations with arts and other non-profits throughout the Province.

Jini Stock

HATS OFF TO A SUCCESSFUL SECOND YEAR!

Here at Creative Trust we love a celebration. Happiness, achievement, and excellence are all worth being feted and, luckily for us, the success of our participating companies gives us reason to rejoice. At the end of the second year of the program Creative Trust participants were awarded \$372,836 in matching grants for deficit reduction or elimination, and Working Capital Awards. Go team Creative Trust! Thank you for giving us cause for applause.



Allen MacInnis and Craig Morash, LKTYP

Back at the office, we worked on increasing the program's size, scope and impact. In 2005, we expanded the core program to include 11 additional companies, for a total of 22 participants. We also launched the Outreach Initiative, which offers to 30 smaller creative performing arts organizations the advantages of the program's capacity-building workshops, seminars and roundtables.

Highlights from 2005 Evaluation Report

- ⌘ For the 11 companies admitted in round one (2004), total revenues increased by 6.9% or \$1 million over the first two years in the program.
- ⌘ Private sector fundraising for these companies rose over the two-year period by an average of 13.6% or \$447,000, to 23.3% of their increased revenues.
- ⌘ For the six companies that entered Creative Trust in round one with accumulated deficits, the result was dramatic: two companies fully eliminated their deficits, and the other four made significant progress on deficit reduction and project their elimination in the next year. Accumulated deficits decreased by 38.3% or \$264,000 overall.
- ⌘ By the end of the second year, the average working capital positions of the first 11 companies had improved to 1.2% of their increased revenues.
- ⌘ Three companies entering the program in 2005 entirely eliminated their accumulated deficits in their first year with Creative Trust. Overall, for the 11 companies entering the program that year, the working capital of those that had accumulated deficits on entry improved in one year of participation, from minus 6.4% to minus .5% of combined revenues.

The Year's Program Achievements Included

- ⌘ Four Roundtables, on "Growing Audiences" and "Key Components for Organizational Health." Four days of Financial Management Seminars. Two Green Room speakers' sessions on "Diversity and the Arts" and "The Fundraising Ask."
- ⌘ The program did intensive work with participating companies, providing over 294 individual consultations.
- ⌘ The launch of the Outreach Initiative, which offers 30 smaller creative performing arts organizations the advantages of the program's capacity-building workshops, seminars and roundtables. We presented five Outreach learning sessions.
- ⌘ Seven companies were developing revenues through market and audience development initiatives, community outreach and/or enhanced subscription bases.

A special thank you to all our seminar leaders and contributing members; we are especially grateful to our wonderful board who have inspired us with their dedication and motivated us to seek further success. Bring on year three!

NEW AT CREATIVE TRUST

FUNDRAISING UPDATE

We have been very fortunate at Creative Trust to be surrounded by people that believe in the work we are doing and want to help make positive change for Toronto's mid-sized arts community.

In recent months we brought in nearly \$50,000 from our December individual mail campaign as well as major gifts from both individual and corporate donors. We are especially grateful to the generosity of new major donors.

Roger and Kevin Garland
T.R. Meighan Family Foundation
Rogers Communications
Phil Lind
CIBC Mellon

All in all, Creative Trust has achieved outstanding fundraising success so far, with 92% of the campaign goal achieved. ***This leaves only \$520,000 left to raise.***

Many thanks to all of you. We'll be sure to keep you informed as the campaign unfolds, keep your eyes open for a very exciting announcement. At this busy time every bit of support and encouragement helps as we close in on our goal.

HELLOS AND GOODBYES

This past fall after four years J. Alexander (Sandy) Houston stepped down from our board of directors. As Executive Director of the George Cedric Metcalf Foundation, Sandy was one of the early believers and funders of Creative Trust. He was instrumental in the important planning and policy development era of Creative Trust, helping shape the Working Capital for the Arts Program into what it is today. Sandy always encouraged us to look hard at what we were doing from an outside perspective and he is missed at the board table. However we are happy to welcome Sandy to his new role on our Advisory Council, where we can continue to benefit from his wisdom and advice.



In October we welcomed Celia Smith to the board of Creative Trust. Celia brings a wealth of experience direct from the trenches of arts management. She is currently the President of the Board of the Toronto Alliance for the Performing Arts (TAPA) and was the General Manager of the Canadian Stage Company (CanStage) from 2001-2006. Already Celia has had made a large impact at our board table and has been active in our seminars and workshops. *Welcome Celia.*

PLANNING FOR CHANGE By Shana Hillman

To be honest when I heard the latest in a series of Arts Action Research's Roundtables would focus on planning I sighed. How many of us have undergone a long and cumbersome strategic planning session?

After nearly 12 years in administration a planning session meant one thing to me – lots of flip charts and index cards to type up afterwards into an impressive document that would sit on the shelf gathering dust until a few months before the next planning session.

Last October nearly 25 artistic directors and managers gathered for the latest Roundtable on Planning. Imagine my surprise when in the first few minutes George Thorn told us that these traditional planning sessions benefited few but consultants and the makers of flip charts and markers. I breathed a sigh of relief and settled in for what I knew was going to be a great ride.

As ever AAR's organic concepts and art-driven approach spoke eloquently to the artists and managers around the table. The session began with a quick review of AAR's Conceptual process, acknowledging

all that is powerful, positive and right in our arts practices, and stressing that there is no such thing as a planning mold. Each organization is unique in the art they are creating and therefore should be as unique in their planning process.

Thorn emphasized that the professional leadership (managers and artistic leaders) should be at the centre of the planning process. They recommended the professional leaders start first, developing a planning profile including the philosophy, core values and beliefs, the aesthetic, curatorial and/or programmatic framework and the working values for the organization.

They then encouraged them to cast members from their core – board members, long term donors, collaborators and staff – to be part of each round of the drafting and editing of this profile.

Perhaps the most important point of the day was that plans should not be static and unchanging and in fact when a final draft is completed it should be a living document, referred to and updated as one would an annual budget. No matter what happens day-to-day, the plan will

serve as a base line to return to for making informed strategic decisions.

Nancy Webster and Alex MacInnis of LKTYP were on hand to present a case study of their own very successful experiences using the planning process.

The group left the room with an overall sense of renewal, secure in the knowledge that whatever gets thrown our way we now had the tools to deal with it and carry us forward.



Participants enjoying AAR's roundtable on Planning



A Breakout group from our recent day-long fundraising workshop

CHANGE IS THE HANDMAIDEN OF PROGRESS cont.

budget; think about what kind of a company you can be on less. Revise your scale.” This was some of the best advice we received. Lights went on, bells started ringing – and new ideas became possible.

JJ The consistency of advice we received from Creative Trust was the most important. We were never pressed to rush, but rather to be thoughtful in our decision-making. It was as if we were given a few seeds that sprouted, grew, blossomed, and had to be protected through the winter – this is the kind of caring and blossoming that EIS has experienced through Creative Trust.

Evolution and change in artistic creation is often considered an opportunity for dynamic potential, while structural and organizational change is more often met with anxiety. Why is that?

CL Sometimes it’s not really true: for our company there was lots of anxiety artistically. But changing an organization, structurally, is not something we’re trained to do. If you go to school in arts management, you’re taught principles and formulas and strategies that you’re eager to apply — looking forward to seeing the terrific results you were taught to

expect. When these principles don’t work in reality you have to say to yourself “I’m not really an arts administrator, I’m an entrepreneur.” You have to create something new and make it work.

JJ Often, because the art and administration are so joined at the hip, both sides change at the same time. I do know that teamwork brings trust and opportunities. The artistic entity needs a very strong backbone, and this is only possible through the talent (sometimes brilliance) of administrators, and the kindness of philanthropy.

Is change the handmaiden of progress?

CL I don’t believe in progress. Change may be the handmaiden of process, but for every step forward there’s something lost, so you can’t think you’re really advancing – what you are doing is changing. I’ve learned to apply the principle of dynamic balance that I learned from Creative Trust. You have to keep moving, keep going forward. As administrators, this gives us the opportunity to be creative – and that’s exciting.

JJ How about “Patience is a virtue and perseverance is imperative!” Or, as we learn from Leonard Bernstein’s brilliant Kaddish Symphony: “Believe!”

PARTICIPATING COMPANIES,

ROUND ONE

Ballet Jürgen Canada
Buddies in Bad Times Theatre
Dancemakers
Elmer Iseler Singers
Kaeja d’Dance
Lorraine Kimsa Theatre for Young People
Opera Atelier
Tafelmusik Baroque Orchestra and Chamber Choir
Tapestry New Opera Works
Théâtre français de Toronto
Toronto Dance Theatre

PARTICIPATING COMPANIES,

ROUND TWO

Danny Grossman Dance Company
Esprit Orchestra
Factory Theatre
Necessary Angel
Nightwood Theatre
Soundstreams
Tarragon Theatre
Theatre Direct
Theatre Passe Muraille
Toronto Children’s Chorus

OUTREACH COMPANIES

b current
Ballet Creole
Cahoots Theatre Projects
Carlos Bulosan Culture Workshop
CanAsian Dance Festival
The Centre for Indigenous Theatre
Clay and Paper Theatre
COBA Collective Of Black Artists
Crow’s Theatre
Dance Immersion
Ensemble Noir
Esmeralda Enrique Spanish Dance
Fujiwara Dance Inventions
Hannaford Street Silver Band
inDANCE (Hari Krishnan)
Little Pear Garden Collective
Menaka Thakkar Dance Company
Modern Times Stage Company
Muhtadi International Drumming Festival
Native Earth Performing Arts
Obsidian Theatre Company
Princess Productions (Yvonne Ng)
Red Sky Performance
The Theatre Centre
Tribal Crackling Wind (Peter Chin)

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CREATIVE TRUST

We’d like to hear from you!

If you have any questions, need further information, or would like to make a contribution, please contact us, or visit our website.

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Centre for Social Innovation

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