

OCTOBER 2006

1 Critical Issues Facing the Arts In California

4 Coaching the Arts Quarterback

6 Second Life

8 Is the Grass Greener On the Other Side of the Ocean? Knowledge Transfer In Europe

11 BOOK REVIEW

13 WORTH NOTING

14 Other Stuff AEA Has Done Recently

Contents

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CRITICAL ISSUES FACING THE ARTS IN CALIFORNIA

BY ALEXIS FRASZ & HOLLY SIDFORD



AEA Consulting recently completed the first phase of a Scoping Study for The James Irvine Foundation to identify the most critical issues that the cultural sector in California must address to ensure a sustainable and healthy cultural ecology for the future. The first result of this is a working paper, "Critical Issues Facing the Arts in California," summarized below and found in full at www.irvine.org. Although this paper focuses on California, many of the issues are relevant to cultural organizations around the world. The Irvine Foundation and AEA hope the broad distribution of the paper, together with related planning activities sponsored by the Foundation, will spark a conversation about the most important issues facing the sector and help generate innovative solutions for the future. You can share your views on the project blog, (<http://californiaculture.blogspot.com/index.html>).

If we use a broad definition of cultural participation, people's engagement with the arts is healthy nationwide. Some estimates which include the "unincorporated arts," defined as community, avocational, or folk arts, suggest that as many as 95% of American adults participate in some kind of cultural activity on a regular basis.¹ Despite remarkable levels of personal engagement in many different kinds of arts activity, audiences at nonprofit arts organizations are generally flat or shrinking. The nonprofit arts are competing for consumer attention not only with other nonprofits, but with the full range of commercial and nonprofit leisure options available. The commercial arts sector, once thought to be inferior to the nonprofit arts sector, now serves large parts of the nonprofit sector's former market.

Shielded from the immediate effects of supply and demand, much of the nonprofit arts sector has been sheltered from broader trends shaping the creation of and demand for culture. Individual organizations and the sector as a whole have increased fixed costs consistently over the past 40 years by building new facilities and adding programs, even while attendance and earned and contributed revenues remain stagnant or fall.² There is now a serious imbalance: the current level of public participation and financial support is not sufficient for what the nonprofit arts sector needs to survive.

Even as they see the pulling away of audiences and funders, many cultural nonprofit groups behave as though the current challenges are a result of a cyclical economic downturn, but the evidence suggests that we are experiencing a permanent structural change. The environment for arts and culture in California and the rest of the

U.S. has irreversibly changed, and the nonprofit arts sector has reached a breaking point where it must adapt to changing technologies and consumer demand or become increasingly irrelevant. Inaction or "business as usual" is not an option. Major factors influencing the sector include:

- Changing demographics, which have implications for the way that culture is created and consumed, as well as what types of creative work are considered art;
- Increasing reluctance of government to spend money on public goods and services, including culture, that are viewed as nonessential;
- Increasing influence of the market in all spheres of life and the breakdown of the clear distinction between for- and nonprofit sectors;
- New technologies, which are transforming the way people work, get information, connect with others, share resources, and create and participate in culture.
- A shift in the way the public values culture, both in style and in substance.

AEA has identified five broad categories to serve as the starting point for further discussion.

1. ACCESS

As a result of the Internet and other communications technologies, there is wider and more democratic distribution of artistic offerings and a proliferation of ways to participate in culture. Affordable personal and home media delivery mechanisms have spurred a corresponding growth in specialized

products and cultural micro-markets. The institutionalized nonprofit cultural sector and traditional corporate cultural providers are struggling to maintain their edge in this context, yet artistic creation is flourishing. An increasing number of artists are successfully self-producing and self-marketing, building networks of audiences and supporters through inventive uses of communications technology. The vast amount of cultural content currently available intensifies competition for consumer attention, and increasingly audiences expect artistic creators and distributors to be technologically literate, responsive to their personal interests, and constantly generating fresh content. As there is greater interest in participatory art and the pursuit of personal creativity grows, there appears to be a decline in public appetite for traditional forms of nonprofit arts presentation and interpretation.

2. CULTURAL POLICY

California, like most states in the U.S., lacks a unified cultural policy to guide the strategic development of the field and maximize public and private investments at both state and local levels. Unlike their work in many other sectors, such as the environment, health, education and social services, very few California funders have invested in arts and culture policy. Cultural policy should be based on a broad assessment of the value of the arts for the public and the supports needed to build a healthy sector and provide public access. This requires informed research and reliable data, which is severely lacking in the arts sector. Instead, driven by decentralized actors with a diverse range of priorities, the sector has grown exponentially

over the past two decades, and is fragmented, undercapitalized and disconnected from an understanding of its public value. In California, the arts lack the essential policy instruments available to many other sectors including: broad-based consensus over public value, understanding of the legitimacy of public support because of market failures, a solid causal model of the effects of investments, and standardized evaluative measures for success of investments. An effective cultural policy would not simply focus on increasing financial appropriations to nonprofit cultural organizations, but on creating a shared understanding and compelling argument about the public value of culture. It would invest in building the broad array of institutional and non-institutional supports needed to provide wider access to culture and build universal appreciation of the value of the arts and culture among the public.

3. ARTS EDUCATION

Multiple studies have shown that exposure to the arts at the elementary and high school levels is a primary determinant in adults' subsequent valuation of and participation in the arts. Arts education correlates with overall academic success because involvement in the arts has a positive impact on children's self-esteem, curiosity, creativity, and ability to collaborate and work in teams. Yet, two generations after Proposition 13, most California school districts are strapped financially and have sparse, if any, resources to support solid, sequential arts education. Even where such resources are available, school teachers and administrators are not well-equipped to integrate the arts into school curricula because they

were not exposed to the arts during their own elementary, high school, and professional educations. While polls show that a vast majority of California adults (as many as 90% in the San Jose area, for example, and close to 99% in San Diego) would like to see their children receive 3-4 hours of arts instruction per week, there has been no consistent, statewide effort to restore this vital element in the arts ecology. Governor Schwarzenegger's proposal to allocate \$100 million to arts education in the FY 07 state budget is a positive step, but only a beginning in what needs to be a long-term, comprehensive, inventive and energetic re-investment strategy. Because of its broad-based public support, arts education has great potential as a galvanizing issue.

4. NONPROFIT BUSINESS MODEL

For the past four decades the nonprofit cultural sector has been encouraged to create new organizations and expand facilities, without a concomitant emphasis on building appetite and audiences for the products and services of these institutions. As a result, many believe the sector is over-built and unsustainable at current levels of attendance and investment. The basic revenue model for nonprofit arts organizations is changing quickly. Whereas 10 years ago, arts groups could rely on a combination of public funding, philanthropic resources and audience fees, now public funding at federal, state and local levels is declining (in some cases, such as California, very precipitously). Overall, philanthropic and corporate funding for the arts is not growing (and in many places is being reduced), and earned

income from audiences is not likely to make up the difference, as attendance, overall, is static or declining. Yet few arts organizations are strategizing new business models in response to these trends. Many, in fact, are still increasing fixed costs (often with the support of private and public funders) at a time when operating income is becoming increasingly difficult to generate. The vast majority of cultural organizations have so far invested in little in research to determine the motivations of either their traditional audiences or potential new markets.

5. PREPARING THE NEXT GENERATION OF ARTISTS AND ARTS MANAGERS

The changes in the environment for culture necessitate that artists and arts managers develop new skill sets to be successful, but so far the sector has not made this a priority. The blurring of the boundaries between the commercial and nonprofit arts means that artistic legitimacy is no longer the sole province of the nonprofit world. Many young artists and cultural workers are abandoning the 501c3 nonprofit sector for more nimble, flexible organizational models, and increasing numbers of talented young people are eschewing employment in the nonprofit arts (with their poor salaries and few employment benefits) to take jobs in the more lucrative commercial sector. Young artists are not being prepared for the realities of the workplace into which they are moving; young arts managers and administrators, too, are not being adequately trained to understand the new context for nonprofit arts development and presentation.

Additionally, boards are not being adequately prepared for requirements of leadership and service in the era of Sarbanes-Oxley.

While there are significant challenges that the sector must face, this should not be misconstrued to suggest that the future of the cultural community in California is bleak. On the contrary, California is a wellspring of artistic and cultural innovation and creativity, and is on the forefront of many of the developments in the sector. In addition to its cultural assets, California possesses a highly diverse population encompassing cultures from around the world, and an economy larger than all but five nations. The

underlying causes of the California arts sector's current conditions are complex and many decades in the making, but the challenges can be dealt with if the people who care about the sector are given the tools and resources to do so. Innovative solutions can lever California's rich cultural and artistic assets. If investments and policies are shaped strategically and informed by solid information about key trends, there is every reason to believe that California, and other states that respond proactively, will be dynamic and generative environments for culture in the decades ahead.

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COACHING THE ARTS QUARTERBACK



BY JOSEPH H. KLUGER

Although modern management gurus Warren Bennis³ and Peter Drucker⁴ have debunked the myth that there is a genetic factor to leadership, it was many years earlier that Vince Lombardi, the legendary coach of the Green Bay Packers football team, said "Leaders are not born; they are made."⁵ Arts organizations now recognize the need for executive leadership training, albeit with a bias that although cognitive learning programs are valuable, they are not a substitute for on the job training.

What has not been discussed with nearly as much frequency in arts administration circles is the kind of experiential learning that is necessary to develop a successful arts leader. According to the Center for Creative Leadership⁶ (CCL): only "experiences that challenge you are developmental;"⁷ "you only grow from challenges when you have the ability to learn from them;"⁸ and true learning can occur only where there is feedback from others, time to reflect on that feedback, and a supportive environment in which to practice ameliorative behavior.⁹

Effective arts supervisors understand that subordinates learn from experiences only when they receive ongoing, specific, timely feedback about an error, understand what behaviors caused it, and know what modifications are necessary to correct it. The challenge for arts CEOs is that the mechanisms to provide regular feedback on their own performance are often lacking, even when human resource systems are in place for others on staff. Boards of non-profit arts and culture groups often place a higher priority on policy matters and fundraising than providing guidance and oversight to the CEO. An annual review of the CEO's performance is helpful, but even when done thoroughly by the Board Chair or an HR Committee, it is not as effective as ongoing feedback.

The members of the senior staff team, who are most aware of the leaders' strengths and weaknesses, are another underutilized source of feedback for executives. Yet, how many arts leaders solicit such feedback? How many really mean it when they say, "Tell me what you think?" And, how many leaders make it safe for subordinates to give them honest, critical feedback? According to Bennis, "One of the tragedies of most organizations is that people will let the leaders make mistakes when they themselves know better."¹⁰ Experienced "leaders know the importance of having someone in their lives who tells them the truth."¹¹ The challenge for inexperienced arts leaders is that when they get feedback, they do not always hear it; and even when they do, the ongoing support mechanisms are often not in place to allow for a developmental learning experience.

Feedback can also be inhibited by the myth that, because a successful leader is so critical to the organization, criticism of the leader somehow weakens the organization. There is a growing sense in business literature, however, that this heroic model of leadership is flawed and, according to author Jim Collins, not correlated with long-term organizational success.¹² Assuming the leader has all the answers is also inconsistent with Bennis' view of leadership development that there can be "no progress without mistakes...indeed, if you don't make mistakes, you aren't trying hard enough."¹³

Recognizing the internal organizational challenges of providing developmental learning experiences for leaders, executive coaching has become an accepted support mechanism in the corporate world in the last decade. It is not a remedial method for correcting poor performance, but a process to help both seasoned and rising executives to become more effective leaders. We accept in sports without question that even a talented athlete like Green Bay quarterback Bart Starr needs the guidance of a coach like Vince Lombardi to be successful. Why should it be a sign of failure or weakness for an executive to receive advice and counsel from a coach?

Executive coaching has not yet become widespread in non-profit arts and culture organizations, in part because of the resources, in terms of both time and money, required to hire a qualified external coach. A typical 12 month coaching program of bi-weekly two-hour sessions costs between \$9,000 and \$12,000. While this is significant for an arts organization on a tight budget, it is minimal relative to the costs of replacing an executive with great potential who fails to achieve it.

It could also be a modest cost relative to the loss of income to an organization because an arts executive did not listen carefully enough to the indirect communications from a disgruntled, but conflict averse, major donor.

Furthermore, executive coaching can save the organization money in the long run by creating more effective leaders, who inspire and motivate employees and volunteers to work toward shared organizational goals. Executive coaching builds the skills that enable leaders to inspire (rather than command) respect and to exhibit the behaviors that motivate "followers"¹⁴ to work together toward these goals.

Executive coaching is an ongoing, confidential, one-on-one relationship between a leader and coach – supported and paid for by the organization – through which they:

- Reach agreement on the desired attributes and behaviors for someone in the leader's position.
- Implement self-assessment instruments, which provide data on the executive's personality type, emotional intelligence, and approach to interpersonal relations.
- Determine which stakeholders can provide the most meaningful feedback on the executive's behaviors (i.e. 360° feedback from customers, peers, subordinates, and supervisors).
- Collect 360° feedback (provided anonymously by stakeholders and shared only with the executive and coach).
- Analyze the results of the self-assessment instruments and stakeholder feedback and create

a list of the executive's strengths and areas for development.

- Develop an action plan, with specific goals and strategies for behavioral changes that leverage the executive's strengths and create developmental learning opportunities. Examples of goals are: becoming a better listener; providing direct reports with more appreciative feedback; and respecting the time of others. If the executive's goal were to be a better listener, examples of strategies could be: don't interrupt people; paraphrase what others say; make eye contact; and pause five seconds before responding.¹⁵
- Agree on a timeline and process for measuring results. It is very difficult for colleagues to perceive behavioral changes, because perceptions are set by previous interactions. An executive who shares his or her coaching goals with colleagues and solicits their ongoing feedback is more likely to have behavioral changes noticed. After six months, a mini-survey of key stakeholders provides a valuable assessment mechanism of whether the executive has succeeded in the targeted areas for improvement.¹⁶

- Review the results and modify the action plan as necessary.
- Establish a transition plan, which weans the executive from the coaching relationship and teaches the executive to solicit direct feedback from colleagues regularly and adapt his or her behavior accordingly.

Executive coaching is not appropriate in every situation. It is not effective if the executive is not motivated to change behavior; if the organization is trying to make a case for termination; or if the executive lacks the intelligence or skills to do the job.¹⁷ When the executive is willing to make a sincere effort to change; when the organization, the executive, and the coach work in partnership to achieve maximum learning and impact; and when there is mutual trust and respect between executive and coach; the individual and institutional benefits can be tremendous. All that is required is the recognition – as John F. Kennedy said – that “leadership and learning are indispensable to each other”¹⁸ and the acknowledgement that “it is the capacity to develop and improve their skills that distinguishes leaders from their followers.”¹⁹

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SECOND LIFE

BY ALEXIS FRASZ

Suzanne Vega recently joined a small contingent of artists who have performed live in Second Life, the much hyped virtual reality world. The show wasn't seamless. Suzanne's avatar, or virtual representation, had trouble picking up her virtual guitar and finally had to borrow one from the audience. The host of the show, John Hockenberry from the broadcast radio program Infinite Mind, disappeared at one point when he lost his internet connection (in real life). Suzanne sounded great but her avatar moved jerkily onstage and did not open its mouth to sing. Despite the glitches, the crowd of about 100 seemed to enjoy it. They (avatars controlled by people sitting at home behind their computer screens) clapped their virtual hands, danced, cheered, and asked questions, all in real time. For a newcomer to the world of virtual reality, the event was fascinating and more than a little bizarre.



Advocates of live music, usually those who have a vested interest in attracting audiences to venues, have become preoccupied with convincing the audience of the primacy of the live experience. For these people the virtual live performance will either be dismissed as an insignificant fad or defensively attacked as another example of how nothing can compare to the live experience. But is this missing the point? In our increasingly “mediatized” society, performance art critic Philip Auslander suggests in his book *Liveness*, the dichotomy between “live” and “recorded” experience is more ideology than reality.

Virtual performance could be more live than a live concert because it offers more opportunity for the performer and audience member to interact.

Recording was intended to be a way for the user to experience live music outside of the time constraints of an event, yet quickly recorded music became a market in and of itself, and now it is seen by many music presenters as a competitor to the live experience. Now it is commonplace for artists to imitate the recorded forms (music videos, albums, etc.) or use video and other forms of media in their live performances. This suggests that the stark dichotomy between live and recorded music may be outdated—we are seeing an increasing number of permutations of ways to experience music, including the virtual live performance. Still, there is something, let's call it the "X factor" of the live experience, which is presumably why there is such an active trade in live Grateful Dead bootlegs. But just what this factor is, and in what forms it can persist, is difficult to grasp.

Instead of an inferior simulation of a real live performance for those who can't or won't get to a real show, the virtual live performance can be seen as an entirely new mode of experiencing music, and begs the question of how "live" is defined. If "liveness" is measured by the degree to which the performer and audience are co-present for the same experience, it is at least as live as a live radio performance, but not as live as attending a music venue. If "liveness" relates to the degree of interaction or connection made between audience and performer, however, then the virtual performance could be more live than a live concert because it offers more opportunity for the performer and audience member to interact. Audience members at the virtual Suzanne Vega performance, for example, were able to ask questions (fielded by a moderator) and even offer a personal guitar to the artist. The medium facilitated a level of intimacy that probably would not have been possible at a traditional

"live" Vega show. Moreover, there is an additional creative component to the experience in terms of the quality and style of the animation. Although the animation in this instance was interesting, it was still rudimentary. One can imagine animation quality increasingly becoming a distinguishing feature of virtual concerts, attracting an audience distinct from that which would be interested by the music alone.

Many would criticize the Suzanne Vega virtual concert as merely a mediocre representation of a real life concert. This critique assumes, however, that the goal of the virtual live concert is to imitate as perfectly as possible the real life concert experience. In this instance it seemed to be the case, but it is not likely it will continue to be so as the medium evolves. Much as film began as a mechanism to record live theater performances and evolved into a medium with its own principles and purposes, this new format will evolve as users and creators become more familiar with its unique potential. Ideally those involved in bringing music to the consumer will investigate and embrace proactively the unique experiential opportunities provided by virtual media. If a quality music experience is viewed as the desired product, rather than particular form it takes, such as CD or concert, then the virtual live concert is not a competitor to the live experience, but rather another mechanism for making a connection between people and music.

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IS THE GRASS GREENER ON THE OTHER SIDE OF THE OCEAN? KNOWLEDGE TRANSFER IN EUROPE



BY ULI SAILER

The history of art and culture is full of cross-border exchange. From Orlando di Lasso to Radiohead, artists have crossed borders, and styles and works have been disseminated, adapted and consumed on an international scale. Cross-cultural knowledge sharing in arts administration and cultural policy-making, in contrast, has been much less common.

The funding and administrative structures of arts organizations in European countries are so deeply rooted in each country's history, beliefs, values, tax systems, labor regulations and attitudes towards government that they cannot easily be isolated for simple and direct quantitative comparison. However, the arts sectors in Germany, France, Italy and other European countries are undergoing a process of fundamental structural change that is forcing them to consider a new *modus operandi*.²⁰

The trends responsible for this transformation include economic globalization and low economic growth rates; the blurring of boundaries between the first (private) and

second (public) sector in terms of their responsibilities for the provision of public goods and services; the changing leisure habits of consumers; the erosion of the value system underpinning the "high arts" and the need to navigate multiculturalism. Taking Germany as an example, arts organizations – as entities embedded into municipal or state governments – used to be sustained through reliable single-source public funding, while enjoying a comparably high degree of autonomy in programming. Stagnating or declining public sector support is forcing these organizations to rethink the way they are governed, funded and operate. Many are struggling to strengthen and diversify their income streams by increasing earned income and raising private philanthropic contributions. Some organizations have explored new earned income ventures such as podcasting and intensified their box office sales through professional marketing / PR activities. The establishment of development and fundraising departments promotes private contributions and helps organizations integrate themselves into "civil society." These organizations have been forced to develop new

operating models as alternatives to being embedded within public funding agencies and are now endowed with full authority over all functions of the organization while also needing to bear a greater level of organizational risk. This requires an adjustment of the organizational mindset and the leadership's professional skill set. The disappearance of art from school curricula, in tandem with concerns over future demand, has led to the addition of education to program portfolios. Some of these changes have been coming for many years, others are recent, but answers to these challenges are not obvious and the current transition process is likely to continue.

Many in the cultural sectors of European countries are looking abroad for ideas and inspiration on how to make effective change and meaningful innovation in an efficient manner. Public funders, service organizations and conference organizers are commissioning a growing number of research projects and presentations in an effort to draw lessons from other countries. The Museums, Libraries and Archives Council in the UK, the Deutscher Orchestertag in Germany, and the Fondazione Rosselli with Formez in Italy have all commissioned comparative work recently. Similarly, many professional associations such as the Fundraising-Akademie are organizing study tours that allow participants to gather first-hand experience abroad. Development and fundraising, audience research and audience development are getting a great amount of attention. Frequently, the comparator is the United States because it provides the most developed and prominent alternative to government funding.

Few arts and cultural organizations in Europe's government funded sectors are experienced at being entrepreneurial and taking their fate fully into their own hands. Take the German example again. Historically, arts organizations enjoyed a greater degree of visibility than in today's crowded leisure markets, and often the prevailing marketing strategy was simply good programming. Public funding without performance agreements shielded organizations from having to "make their case," articulating their *raison d'être* or actively advocating for their cause in the public domain. (Indeed, ties to public funders still restrict the degree of self-governance. As one German museum director, a civil servant employed by a city's culture department put it: "It's not just that I am not paid to champion my museum in the public domain, I am paid not to champion my museum.") Compare this to the US or UK: the need to explain and justify funding requests over and over and to a range of potential funders with different agendas has turned US arts organizations into comparably eloquent, resourceful and flexible advocates for their cause to a range of audiences and agendas. In the UK, the mechanics of "arm's length" funding with its performance agreements and evaluation processes has forced arts organizations, for better or for worse, to align with changing political, social and civic agendas.

Public financial support has bailed out more than one organization that ended its year in the red, however, it is fairly clear that it has also created on the recipient's side a formal and psychological dependence on governments that has in turn limited, if not stifled, attempts at self-reliance and entrepreneurialism. The claw backs recently experienced by

some organizations with success at fundraising have discouraged leaders from regarding public agencies as partners and from approaching the transition with optimism.

So what should organizations seeking comparative information to inspire innovation and change take into account in order to generate useful results? There is no fool proof recipe for success, but here are several things to keep in mind...

1. BEFORE EVEN STARTING

The desire to come up with creative and innovative solutions based on different cultural contexts needs to come with the willingness and time to put in the necessary effort (and it's a real effort) to learn and to develop a fairly deep and holistic understanding of the comparator country (or countries) on its own terms, with all of the usual complexities and contradictions. Several US fundraisers, for example, have found it frustrating to be interviewed by visiting researchers whose purpose it appeared to be to gather evidence to support premature, one-sided and narrow analyses of, say, the influence on programming and policy of individual philanthropists.

2. PICKING THE TOPIC

Different topics require different approaches. In the area of fundraising and marketing, for instance, systems (e.g. IT systems and software) and some professional practices (e.g. conducting market research or direct marketing campaigns) can likely be transferred between different contexts with a relatively modest degree of adjustment. Operating and

governance models are another area that generates much interest; here the promise of comparison is more tentative given that these models are often based on national law and the specific architecture of public policy. Donor motivation and “how to make the ask” are highly culture specific and intricately connected with each culture’s political, economic and social fabric which prevents direct copying from one country to another.

3. DRAFTING THE BRIEF

As with all research projects, an intelligent, well-crafted and detailed brief is necessary to generate useful results. This brief need not be formal, nor does the research need to be academic or large-scale, but it should consider not only the information sought, but also its use and the best format for the data. It should also assess limitations to data collection, asking only for what can be realistically generated. This requires considerable insight and effort beforehand, but it will pay off later. For instance, the amount of public spending on arts and culture in the US and European countries is a popular yet problematic data request. Aside from issues with data availability and standardization, some researchers have duly provided a comparison of direct funding, expended through grants or line item appropriations by governments or agencies. Unfortunately, this neglects an important characteristic of US arts funding: A large amount of public support to the nonprofit sector comes in the form of indirect subsidies, i.e. income/estate/capital gains tax incentives granted to individuals in return for philanthropic donations. Not considering a dollar of foregone tax income (i.e. the opportunity cost of

tax incentives) a dollar of government “giving” provides an incomplete picture. If those drafting the research brief aren’t familiar enough with the subject matter, it is a good idea to involve someone who does in the (re)shaping of the brief.

4. CHOOSING THE COMPARATOR

As a comparator country the US is often the “no brainer,” with its largely privately funded arts and culture sector. Depending on the topic, however, it is worth considering the UK instead, having spearheaded changes in marketing practices and tax legislation, among others, while bearing many cultural similarities with continental European countries.

5. MAKING THE “TRANSFER”

Much research results in descriptive portrayals of one side of the equation along the lines of “How US museums do marketing” or “Corporate fundraising in the UK.” These are interesting, but in order to generate useful knowledge both cases need to be related intelligently along the lines of “What can German museums learn from US museums about marketing” or “Relevant differences between corporate fundraising in the UK and France.” Conference hosts as well as those commissioning research projects are well-advised to ensure that presentations put emphasis not only on data collection but also on interpretation. Inviting speakers from a foreign country to speak (only) about that country may not go the full way; it may prove more useful to involve an intermediary or “bi-cultural agent” in the research and dissemination of

results, i.e. someone who understands all sides of the comparison, in order to prevent simplifications or misunderstandings and increase the relevance of results.

The transition to a new *modus operandi* in Europe’s cultural sectors will continue to be a journey that requires good will, energy and stamina. Without a clear and meaningful destination, however, the journey cannot succeed. International comparison and inter-sectoral knowledge transfer can help in the design of an innovative, compelling and realistic arts sector for a Europe of the 21st century.

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BOOK REVIEW

BY ADRIAN ELLIS

The Long Tail: Why the Future of Business is Selling Less of More

by: Chris Anderson

Hyperion 2006

ISBN #: 1401302378

(And more at www.longtail.com)

The Economics of Attention: Style and Substance in the Age of Information

by: Richard A Lanham

Chicago 2006

ISBN #:0226468828

These books have the same sort of feel as Malcolm Gladwell's *Tipping Point*, or Levitt and Dubners *Freakonomics*, both bestsellers, which seek to offer radical and broadly optimistic analysis of contemporary mass market societies. Gladwell uses epidemiology to show how rapid and unexpected changes in patterns of social behavior can occur in technologically inter-dependent societies; Levitt and Dubner use the application of economic logic to circumstances outside of the conventional market to provide counterintuitive explanations to otherwise anomalous behavior. Chris Anderson, expanding on a now famous article written in 2004 for *Wired* (for which Powell is Editor-in-Chief), seeks to show how revolutions in manufacturing, distribution, electronic fulfillment and, above all, filtering and search engines, mean that markets can be sliced and diced to the point at which the smallest, most obscure niche can be catered for in a profitable way. You like 1960s British jazz? I do, and there are enough other weird types dotted throughout the world to make it

a viable proposition for a label to re-release and sell mid-twentieth century British jazz in small numbers over time, because they can, through the net, reach a global market cheaply, and through technology they can burn short runs of the CD's cheaply; and they can store music virtually in the mean time.

Lanham, meanwhile, an English professor at U Cal, argues that because we live in an age in which there is a surfeit of cheap information, the attribute with real scarcity value attached to it is your attention span. And because everything – cities, cars, food, music – is essentially commodified and otherwise indistinct, it requires style and strong branding to move a commodity to the status of an object of desire. Intellectual property and cultural distinction will command a premium in the market place; real property and the replicable territory of science and technology will not. That's why – and this is book blurb and sounds like it "The new attention economy, therefore, will anoint a new set of moguls in the business world – not the CEOs or fund managers of yesteryear, but new masters of attention with grounding in the humanities and liberal arts."

Richard Florida's *The Rise of the Creative Class* and *The Flight of the Creative Class* appeared to be relevant to cultural organizations until you read them and realize that his creative class is defined with such breadth that his theses had little application to the preoccupations of most artists and arts administrators other than to reassure them – if it constitutes reassurance – that they are able provide some sort of atmospheric background noise to attract computer programmers and bio-technologists to locate or invest in cities like Austin or Seattle with a funky and attractive cultural life. These two books, on the other hand, have the merit of being genuinely relevant. They do not join up all the dots but the lines between them are fairly obvious.

First, *The Long Tail*. The argument is that the decline in the block busters of pop culture – movies, books, pop songs – is being matched by the growth in niche sales in a highly segmented market, reached through distribution channels like Netflix, Amazon and Rhapsody. He also argues that we are entering a new age of producer-consumers in which amateurs can afford to make movies, host web sites, and mix sophisticated digital recordings. Individual creativity is being encouraged by the ability to create cheaply, as the general public has access to the same tools as professionals.

The monolithic, vertically integrated entertainment and recording industries that have long been seen as the unfair competition to the small, undercapitalized nonprofits are being systematically undermined by digital piracy breaches of intellectual property law that cannot be policed and by the changing economics of technology. Smart nonprofits, embracing rather than fighting the reality of their niche-like core audiences, will learn how to exploit the opportunities of the long tail to burrow into those niches, abandoning the unrealizable aspirations of mass appeal. Even where they cannot distribute through electronic media – live performance for example – they can still market through it, and create virtual constituencies of support.

The Long Tail is exceptionally well written for a business book. The arguments are articulated with precision and backed up with case studies and, glory be, data!

The Economics of Attention, meanwhile, is a more discursive, slippery, ostentatiously erudite and polycentric book. In many ways it is simply another riff on the “weightless economy” theme explored by writers like Charles Leadbeater, and roundly criticized as naïve new age puffery. But the core argument that everyone is straining

for distinction in a late capitalist global economy jammed with commodities and information, and that culture and creativity are what affords the producer the possibility of distinction, is surely both correct and relevant to the cultural and creative sector. It explains the universal prevalence of shock tactics in both art and advertising; but it also offers insights into the changing role of the creative artist and the artist’s sensibility in contemporary society, suggesting one that, far from being marginalized, is in fact more highly valued because of its capacity to individuate and discriminate. The phenomenal increase in the number of people describing themselves as “artists” in the past half-century, and the changing balance of power between the technical and the creative are attributable in large part to the inexorable logic of the *Economics of Attention*.

Neither of these books are How To manuals for the cultural sector. Both, however, can help the strategic arts manager make sense of a rapidly changing world and plot organization’s changing relationship to it. And both, importantly, provide grounds for optimism.

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ONWARDS + UPWARDS:

Our loss is the American Museum of Natural History’s gain. After four years of hard labor as a Research Consultant and then Consultant at AEA, Uli Sailer has moved into line management to work on international strategic alliances for the AMNH. It’s a great job, but we are very sorry to see her go.

WORTH NOTING

Creation Museum ●

A new museum will open this spring to provide a strict, exhibition-based interpretation of the Bible. It will teach, among other things, that the earth is 6,000 years old and that dinosaurs were part of Noah's contingent on the Ark. The \$26.4 million Creation Museum (<http://www.answersingenesis.org/museum/>) has been constructed with the vast support of the general public—\$15 million of the donated funds comes from gifts of \$100 or less—indicating the extent of the belief in its mission. The museum portrays evolution and creation as equally valid, opposing scientific hypotheses. Yet many of the underlying premises which form the foundation for the creation hypothesis have been conclusively disproved by substantial scientific evidence. The adoption of the cloak of research-based science by a faith center is troubling. Reportedly, evolution experts find the Museum "amusing but scientifically in error," but the fundraising data suggests that the public finds the museum credible. As the evidence has mounted in favor of evolution, creationism has been treated dismissively by the scientific community, but perhaps science museums may want to deal more explicitly with creationism and clarify what distinguishes scientific scholarship. Next month, the Church of the Flying Spaghetti Monster Museum (www.venganza.org).

● A Toolkit for Cultural Planning

In June Culture South East in the UK released a comprehensive "toolkit" (<http://www.culturesoutheast.org.uk/pages/content.asp?PageID=415>) for planning cultural projects. The premise is that culture is at the heart of the health of communities but only if and insofar as it is developed in a way that is sustainable over the long term. Perhaps the most useful part of the toolkit is a checklist by which a proposed project can be tested against four top line issues: does it fit with the regions' defined priorities, does it fill a gap in cultural provision, does it meet a demonstrable community need, and (if relevant) have alternatives to building a new facility been considered. The toolkit also pushes planners to consider at the outset the resources that will be necessary to sustain a cultural investment over its entire lifespan, from conception through operation. Although the toolkit is targeted toward the Thames Gateway North Kent specifically, it is a flexible mechanism that can be adapted by regions elsewhere to ensure that locally defined cultural values and needs are integrated in a sustainable way within the broader context of the community.

Brooklyn Museum and MySpace ●

What a surprise to open my email and find a request from the Brooklyn Museum (<http://www.myspace.com/brooklynmuseum>) to be MySpace friends. Although there are only a couple of physical blocks between us, I haven't stopped by in ages, so I was heartened to see that it hasn't taken my absence personally. Currently the content on its page consists mainly of fliers of its shows, which feels a little impersonal and uni-directional. Hopefully, with a little investment of time and energy, the Museum will master the conversational nature of the MySpace vernacular and capitalize on the opportunity to build relationships and get feedback from visitors (friends?) in a non-hierarchical setting.

OTHER STUFF

AEA HAS DONE RECENTLY

Trends and Emerging Issues

Clore Duffield Leadership Programme
Short Course, July 2006

<http://www.aeaconsulting.com/site/assets/pdf/Clore%20Trends%20Presentation.pdf>

Strategic Planning

Clore Duffield Leadership Programme
Short Course, July 2006

<http://www.aeaconsulting.com/site/assets/pdf/Clore%20Strategic%20Planning%20Presentation.pdf>

Financial Modeling: Where, When & How

Clore Duffield Leadership Programme
Short Course, July 2006

<http://www.aeaconsulting.com/site/assets/pdf/Clore%20Financial%20Modeling%20Presentation.pdf>

The Implications of Art Fund Collections Shown In Museums

by Adrian Ellis, Art Newspaper
September 2006

COMING UP

Colloquium at the Sterling and Francine Clark Art Institute

AEA is organizing a colloquium, "Reshaping the Museum Collection in the New Century," that will be held 13-14 October, 2006 at the Sterling and Francine Clark Art Institute in Williamstown, Massachusetts. The colloquium will explore the potential impact on museum collections of legal issues (restitution, embargoes and cultural patrimony); the expansion of the sector internationally; the impact of the art market; stewardship considerations; and the potential of collections planning.

FOOTNOTES:

- 1 According to researchers Moni Peters and Joni Cherbo. Referenced in Maria-Rosario Jackson, et. al. *Art and Culture in Communities: Unpacking Participation*. (The Urban Institute, November 2003). Also, Maria Alvarez, *There is Nothing Informal About it*. (Cultural Initiatives Silicon Valley, 2005).
- 2 Kevin McCarthy, et al. *Performing Arts in a New Era*. (RAND Corporation, 2001)
- 3 Warren Bennis and Burt Nanus. *Leaders* (New York: HarperCollins Publishers, Inc.,1985). 207.
- 4 Peter F. Drucker, Forward in Frances Hesselbein ed., et al., *The Leader of the Future*. (New York: Jossey-Bass, 1996).
- 5 Vince Lombardi, <http://www.vincelombardi.com/about/quotes/leader.html>.
- 6 One of the most respected resources for increasing the leadership capabilities of individuals and organizations.
- 7 Cynthia D. McCauley ed., et al. *The Center for Creative Leadership Handbook of Leadership Development* (San Francisco: Jossey-Bass, 2004). 1.
- 8 Ibid, 2.
- 9 Ibid.
- 10 Warren G. Bennis, *On Becoming A Leader*, Cambridge: Perseus Publishing, 2003). 179.
- 11 Ibid, 188.
- 12 Jim Collins, Chapter 2: Level 5 Leadership" in *Good to be Great*. (New York: HarperCollins, 2001).
- 13 Bennis, *On Becoming A Leader*, 179.
- 14 Bennis and Nanus, *Leaders*, 85.
- 15 Marshall Goldsmith, "Coaching for Behavioral Change." www.marshallgoldsmithlibrary.com/cim/articles_alpha.php
- 16 Ibid.
- 17 Ibid.
- 18 John F. Kennedy, speech prepared for delivery in Dallas the day of his assassination, November 22, 1963.
- 19 Bennis and Nanus, *Leaders*, 56.
- 20 Abundant published research exists on cross-country comparison in the field of political science, following the path breaking *Civic Cultures* by Almond and Verba, 1963, among other fields. There is also a wealth of literature on statistical cross-cultural comparison in cultural policy. A good overview of the state of the field and helpful tips is provided by: Christopher Madden, "Cross-Country Comparisons of Cultural Statistics: Issues and Good Practice." *Cultural Trends* 14/4, No. 56 (December 2005): pp. 299-316.