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The Platform is published by AEA Consulting, a company that specialises in strategic and operational planning for the cultural sector. The Platform promotes discussion and understanding of the critical factors affecting cultural planning and the successful management of cultural organisations. Comments or contributions welcomed by Jeanne Bouhey, Editor, The Platform, platform@aeaconsulting.com. Back issues available¹. If you don't wish to receive The Platform again, then just send an e-mail to this address saying 'Just not interested...' and you won't.

Editorial

One of the occasional frustrations of consultancy is that your *bons mots* often end up buried in reports that, if not actually unread, enjoy a fairly narrow circulation. So we are delighted that two reports of ours completed since the last edition of Platform — have at least the possibility of a wider readership.

The first, International Dimensions, undertaken for the UK National Museums Directors' Conference, addresses the vast but under-articulated role that museums play in cultural diplomacy. The report illustrates the breadth and depth of international cultural exchange supported by, in this case, national museums in the UK.

The ramifications of the report are wider. It serves as a counterweight to the rather brittle and narrowly based rationale for resisting certain restitution claims that was recently put together by the International Group of Organisers of Large-scale Exhibitions— that is, the thirty-odd largest museums in the world — prompted by the latest Elgin/Parthenon marbles fracas. It is alarming that such a sophisticated group of individuals and institutions could collectively

¹ At <http://www.aeaconsulting.com/site/platformarchive.html>

assemble such a thinly argued and defensive account of the roles and responsibilities of repositories of world culture, particularly when the stakes are so high.²

The second report deals with the increasingly difficult operating environment in which cultural organisations find themselves after a decade of undercapitalised expansion. It was commissioned by four perspicacious foundations in Arizona that are contemplating a common funding strategy.

In this case, the research also provided us with an opportunity to explore the impact of funding programs that, in supporting a specific set of strategic ambitions, can inadvertently weaken the ecology of the sector when organisations often find it easier to meet the marginal costs of new programs than the overhead of existing ones — thereby often committing themselves to a course of under funded, mission-damaging and precarious growth. This, again, has a resonance well beyond the South Western United States, and readers of *The Platform* in the United Kingdom in particular may find the analysis resonant.

The two reports can be found on the web in PDF format at:

http://www.nationalmuseums.org.uk/int_dimensions.pdf and
http://www.flinn.org/docs/The_Arts_in_AS_Arts_Orgs_930.pdf

We should also take the opportunity to mention briefly some staff moves. First, Geoff Marsh returns to line management as head of the Theatre Museum, one of the Victoria and Albert's constituent organisations, after three stellar years at AEA expanding our minds and horizons. The V&A's gain is entirely our loss, tempered only by their status as a valued client. Two new recruits to AEA are Chris Lorway, who has plunged straight into work on New York City Opera's possible move to Ground Zero, described in this week's New York Times³, and Uli Sailer, who is working on the Academy of American Poets' strategic plan. (Bios available at <http://www.aeaconsulting.com/site/team.html>)

² The statement can be found in full, with a list of signatories, at <http://www.thebritishmuseum.ac.uk/newsroom/current/universalmuseums.html>

³ <http://www.nytimes.com/2003/03/31/arts/design/31DOWN.html> (use adrianellis7 / aellis if you need a password to access the Times)

Two Conference Reviews

1. Protecting Natural and Cultural Heritage in the Western Hemisphere: Lessons from the Past; Looking to the Future

Sponsored by: UNESCO World Heritage Center, the US Committee of the International Council on Monuments and Sites (US-ICOMOS), and the Harvard Center for Urban Development Studies.
December 5-7, 2002

The Graduate School of Design, Harvard University

In 1972, UNESCO's General Conference adopted the Convention concerning the Protection of the World Cultural and Natural Heritage. It was this gathering that first identified sites for the World Heritage List, those considered to be of 'outstanding universal value' to humanity, and that provided guidelines for their protection. The 'World Heritage Convention' has become the leading force in the preservation of the earth's natural and cultural resources; 167 nations have signed the Convention, which currently protects 730 sites on the List.

Over the past three decades, the concept of "heritage" has evolved, and there has been a shift in understanding among heritage professionals about how natural environments shape cultures, which in turn shape and express the identity of different societies. Recognition of the complex relationships between natural and cultural heritage has grown, and areas of current research and policy show an increasing sensitivity to these connections – a fact born out consistently in the conference reported upon here.

Furthermore, the definition of World Heritage has been expanded, and the List has gained many sites from underrepresented parts of the world, notably Africa, the Arab region and the Pacific; underrepresented categories such as cultural landscapes, 'itineraries' and 'industrial heritage' have shown particular gains, as have natural sites such as deserts, coastal regions and small islands. Although still heavily weighted towards sites deriving from Western European cultural heritage, the List is being consciously and continuously expanded to better reflect global cultural diversity.

In November of 2001, the U.N. General Assembly declared 2002 the United Nations Year for Cultural Heritage. *Protecting Natural and Cultural Heritage in the Western Hemisphere: Lessons from the Past; Looking to the Future*, at Harvard's Graduate School of Design, was the last of a series of worldwide events – in Budapest, London, Paris, Potsdam, Strasbourg and Venice – held under the aegis of the World Heritage Center and following the U.N. General Assembly meeting in New York, which marked the end of the convention's 30th anniversary year.

That the Year for Cultural Heritage was declared only months after the destruction of the Bamiyan Buddhas in Afghanistan – and that the preceding conference in this series was held during the fifth highest *aqua alta* on record in Venice (a World Heritage City) – is evidence of the continuing relevance of the Convention and its mission.

As with this introduction, so it is when these sorts of politicians and international policy wonks get together: it takes a lot of words before you get to the real substance of things. Typical is a statement like: "The X organisation of A, together with the Y organisation of B and the S institution of C have created a long-term partnership to effectively address the priorities and strategies required to provide a sustainable 'win-win' solution for the community, which recognizes the competing goals of its multiple stakeholders." Right.... One tired of such statements when the speaker had only time for a sound byte overview, one that disallowed detailing the nature of the 'partnership,' the exact 'priorities' and 'strategies' and what made them 'sustainable,' particularly in the eyes of 'competing stakeholders'. Perhaps this goes with the territory when the ultimate goal is the preservation of the whole of Venice or a large percentage of the world's bio-diversity.

Fortunately, behind the introductions, declarations of common interest, and plentiful acronyms, there was a range of engaging presentations by committed leaders in the field, which, cumulatively, provided an understanding of current priorities and debates – and areas upon which the Convention will focus in the next ten years of its work.

The conference was structured thematically. Sessions overlapped in theme and content and ranged from the general "Conservation and Development" to the specialised "Legal and Regulatory Frameworks and Instruments for the Preservation of Cultural and Natural Heritage." North and Latin America were primary areas from which case studies on natural, cultural and archaeological sites and their challenges were drawn, and these were presented primarily by the institutions and professionals responsible for their management. We'll review a few of the sessions here.

Conservation and Development – With a focus on South America, the presentations discussed investment in local and regional economies as well as what happens to sites after the World Heritage nomination. Demand for the site in terms of tourism often increases without the management capacity or infrastructure to sustain it, leading to the unfortunate dilapidation of sites that should be models for the international community if only because of their designation.

There is therefore an increased emphasis on developing skills and understanding among indigenous populations to manage sites, other cultural assets and tourism effectively. It is what David Maybury-Lewis, Harvard Professor of Anthropology and the founder of the organisation Cultural Survival, called in another session “re-vitalisation... not ‘preservation’; providing the context to give meaning to lives today.” Mundo Maya or “Mayan World” is, despite its unfortunate Disney-fied moniker one such example, although there were several discussed in the conference. Responsible for an area of more than 500,000 square kilometers stretching across Belize, El Salvador, Guatemala, Honduras and Southern Mexico, and in partnership with these countries, Mundo Maya’s goal is to promote the sustainable development of tourism in the Maya region while preserving cultural heritage and the environment; eighteen World Heritage sites, 100 archaeological sites, and significant bio-diversity fall within this region where tourism is rapidly increasing. Mundo Maya has developed a variety of itineraries for visitors to the region and works with individual sites to develop management and technical capacity, a process enabled by significant funding from World Bank-type investment authorities.

Among the most forthright and engaging presentations in this session was that of World Bank sociologist María-Valeria Junho Pena who stated, quite rightly, that development (i.e. financial investment) is always a cultural intervention that changes the definition of the future and the balance of power (“Building a road is as much a cultural intervention as building a museum.”) Reflecting upon the Bank’s stance historically, Madame Pena noted that its first policy was reactive, compensating those who suffered as a result of World Bank actions. More recently, the World Bank has reassessed its cultural role with the understanding that diversity itself is a form of wealth and that the preservation of cultural patterns and customs is necessary. It has attempted to shift its stance from ‘do no harm’ to ‘do some good’.

The importance of protecting ways of life, languages and other intangible forms of cultural heritage, many linked to natural heritage sites (and required for site preservation), was a recurring theme of the conference and will be a focus of the convention’s future work.

Challenges in the Use and Preservation of Natural and Archeological Sites – Bernard Perley, a professor of anthropology at the University of Wisconsin, Milwaukee and a member of the Maliseet community Tobique First Nation in New Brunswick, Canada spoke of “preserving aboriginal ‘deep time’” from first hand experience. The creation stories of his culture that he learned as a child refer to features of the landscape that no longer exist because of development. With the building of dams in his native New Brunswick, the intimate knowledge of the

former landscape and the referents of the stories of his native Maliseet language are submerged in the rivers of progress and modernity. This “deep time”, he argued, is worthy of preservation – indeed necessary for the preservation and vitality of the natural environment itself, populated as it is by the Maliseet.

This session also featured Vincent J. Lujan, Governor of Taos Pueblo in New Mexico, who spoke eloquently of living within and being a living part of a World Heritage Site, a pueblo that has existed for a thousand years. Lujan explained the difficulty of turning away international tourists on days when the pueblo needed to be closed for private ceremonies – a necessary component of preserving the cultural heritage.

As important Native Americans voices acting for the sake of their own preservation and political representation, Lujan and Perley brought a powerful authenticity to the conference and were a crucial complement to the many cosmopolitan politicians and cultural technocrats that, though no less committed, seemed comparatively surgical or white gloved in their analysis and prescription of global preservation strategy. This is not a criticism, however. An evening of lectures was devoted to “Safeguarding the Values and Rights of Indigenous People”, during which the Native American Graves Protection and Repatriation Act (NAGPRA) was a topic of focus alongside archaeology of the Modern Maya. And although Governor Lujan was undoubtedly the highlight of the conference, his voice from the field was well matched by the comprehensive knowledge and pragmatic engagement of the many international delegates.

Most interesting was the discussion of the relationship between natural and cultural heritage that was consistently in evidence and that provided much of the intellectual spark for this primarily culture-centric attendee. Equally, I was convinced of the importance of non-tangible history and living traditions in the preservation and (re)vitalisation of both natural and cultural heritage.

No doubt there is also a salutary lesson in the international attention currently focused simply upon the management of World Heritage Sites, which remains rudimentary in many areas, particularly as the number of tourists to these sites continues to rise. One wonders if appropriate management and governance oversight is half (or perhaps more than half) of the preservation battle.

It is worth noting the list of funders for the conference, which included the David Rockefeller Center for Latin American Studies at Harvard, The J. Paul Getty Trust, Mundo Maya, the United Nations Foundation, and the World Monuments Fund. And further information is available at the conference website: Protecting Natural and Cultural Heritage in the Western Hemisphere: Lessons from the Past;

Looking to the Future. UNESCO's World Heritage website provides more general information about the subject matter.

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2 . Boardsource Annual Convention Washington DC 17-18 November, 2002

This was a two-day, top-level jamboree of non-profit boards and management, fully packed with plenaries, break-out roundtable and workshops interspersed with numerous 'networking breaks'. To this European participant – sadly one of very few – this made for a fascinating stock-take of the state of non-profit America fourteen months after 9/11, with many aspects of the debate resonating strongly with the situation on the other side of the Atlantic.

These are manifestly difficult times. The prolonged financial market meltdown over the last 18-24 months, with its dramatic impact on the portfolios of grant makers and endowment-funded institutions, has slammed the breaks on the expansion of the sector, and revealed many cracks in the edifice which the bumper years of the 80s and 90s conveniently papered over.

Amongst the recurring themes, two seemed to loom particularly large:

- Undercapitalisation and the curse of programmed funding: the sector's 'pay as you go' mentality and the inherent tendency to favour direct mission-related expenditure over organisational overheads (aptly described by one speaker as the 'compassion paradox') has been exacerbated by funders' deep seated reluctance to fund core operational costs. This has conspired against institution building, and left organisational capacity increasingly stretched, with a high 'burn out' factor. The erosion of institutional fabric could be covered up by strong cash flow in the good years but has been brutally revealed by the changing climate.
- An emerging leadership crisis: the baby boomer generation, which provided a substantial recruitment pool of highly committed non-profit executives since the 1960s, is approaching retirement age and the pipeline for succession is by no means secured. Across the US, 2-3 million non-profit board seats are said to require filling in the foreseeable future. And recruitment is widely reported as increasingly difficult, at both board and senior executive levels. The explanation: more hassle and stress for less fun and reward. The jobs for executives have become increasingly demanding, in some cases positively daunting, and rarely more remunerative. The demands on boards have also

increased from the days before public scrutiny and accountability issues turned the spotlight on the boardroom. This is not to imply any wrongdoing; rather, the unremunerated task of boardroom 'business as usual' has become more onerous as it has moved onto the public stage. And then there are deeper shifts in value systems, life styles etc. which have affected people's willingness and ability to take on the roles. So there are genuine succession issues looming.

Combined, these concerns raise major questions about the future of the sector and some of the fundamental principles that informed its growth over the best part of the last 50 years.

In the 'Old World', a response to this sort of challenge would be, more likely than not, a prolonged period of introspection, procrastination (in the hope that the problem might 'go away') followed by orchestrated doom and gloom and calls for knights in shining armour.

This, however, is America, where adversity seems to have a remarkably cathartic and regenerative effect – with diagnosis quickly followed by an energetic search for solutions and their wholehearted embrace.

So what responses have the leaders of non-profit America come up with so far?

The first is a wholesale review of the non-profit governance model in all its aspects, including:

- The re-articulation of board roles and responsibilities in terms of strategic direction and a clear delineation of these from the chief-executive's role;
- Embedding institutional vision and mission at board level ('start and end your board meetings by reading out your mission');
- In terms of board composition, moving from predominantly funder-stakeholder representation to goals-driven skills and constituency-based recruitment;
- Embracing the notion of board training and development – in particular in terms of financial literacy and fundraising capabilities;
- Pro-actively addressing succession planning, on a sector wide basis, through mentoring and other means of introducing the next generation to the task well ahead of handover time.

Next is a greater emphasis, in terms of organisational resource allocation, on capacity building. This will mean a cultural shift, and quite a substantial one,

within non-profits – ‘it’s not bad to spend money on ourselves’ – but also importantly in the attitude and approaches of grant makers. The conference paraded a few examples of enlightened funders who have explicitly made capacity building measures (in terms of core staff recruitment, training etc.) an eligible purpose for grant applications or allowed the application of overhead allowances to be applied to programme-related grants. This is by no means accepted currency in the foundation world, however, as highlighted by the recent example of the Hewlett Packard Foundation which, in its recent dramatic cost-cutting exercise, decided to axe its pioneering grant programme in this area.

Another aspect of this agenda is taking a harder look at earned income generation through for-profit ventures as extensions of core activities. The strategic importance of earned income lies in its being *unrestricted* and therefore freely disposable. As demonstrated by a number of compelling case examples (the Ben and Jerry’s ice cream parlours run by an organisation focused on inner-city youth mentoring and skills development, for example), non-profit activity offers plenty of scope for profitable entrepreneurial activity where mission pursuit has produced marketable assets as a by-product – be it in terms of professional skills, a customer base, brand power etc.

That said, opportunities are not evenly distributed and need to be weighed against market/financial risk and potential conflicts with value and mission which embarking upon these ventures often entails. They also require their own adequate capitalisation levels to get off the ground and survive.

In all of these areas of discussion, and there were many more, the power of the approaches or solution presented lay not in any impeccable concept or rationale, but in their evidence-based pragmatics and articulation by people who had thought ahead, gone out and done it, and come back to talk about their deeds with the right mix of conviction, candour and determination to get it ‘more right’ the next time. Therein lies the disarming strength of self-governing, grass-roots civil society.

One footnote: the cultural world was conspicuous by its absence at this gathering, with only a handful of institutions (mostly small and regional) represented amongst the conference’s 300-400 delegates – a matter of chance or a reflection of ‘high’ culture’s innate conservatism (with a small ‘c’) when it comes to challenging the institutional *status quo*? Sadly, one concludes that the cultural world in America may bear more resemblance to its European counterparts.

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Article

A fish always rots from the head: some thoughts on leadership of cultural organisations

Preoccupation with board performance has grown over the last ten years and at an accelerating pace more recently, following revelations of both incompetence and misconduct in leading corporations and a number of non-profits, from Enron to War on Want. For cultural organisations, incompetent direction and leadership has been the main culprit rather than avarice. Faltering artistic vision, critical opprobrium, declining audiences, rash over-expansion or financial deficits do not happen overnight but are usually translated into the less judgemental language of external threats or operating challenges such as funding cuts, revenue declines and marketing failures.

Organisations rarely take a step back and look critically at the most senior leadership team – the board and its chief executive – and the value they can add or the potential they have for crippling the organisation.

For the most part, the responsibilities of these two positions can be formally separated and clearly differentiated. The board and the chief executive should be a team with complementary skills, committed to a common purpose and approach for which they hold themselves accountable.

The chief executive must be able to rely on the board to confront and resolve issues of governance without straying into management. Likewise, the board should be able to rely on the chief executive to confront and resolve issues of management whilst staying out of governance. This requires mutual confidence, trust and respect. As with any team, it functions effectively only so long as the positions are clearly defined at the outset and respected in their execution. Teams stumble when there is:

- an imbalance or concentration of power;
- a lack of accountability;
- unclear definition or understanding of the roles and responsibilities; or
- a lack of focus on the critical issues.

The board, as the governing body of an organisation, has four main responsibilities: 1.) legal and financial oversight; 2.) determining strategic direction; 3.) appointment and succession planning for the CEO and board members; 4.) acting as an ambassador for the organisation’s interests in the community. As such the board holds ultimate power over and responsibility for the organisation. In the United States, and increasingly in Europe, Canada and Asia Pacific, the ability to give or raise significant sums of money is a fifth key function of the board.

As the guardian of the organisation's mission, values and assets, the board has a primary responsibility to protect the probity of the organisation, ensure the strategic direction and long-term vision are relevant and appropriate, and thereby to secure the organisation's long-term well-being. The board has final authority within the organisation, once it has made a decision, and it is the duty of the chief executive to ensure that the decisions of the board are implemented.

The smooth running of an organisation therefore requires a mutually understood distinction between strategic decisions (governance) and operational decisions (management). This is difficult to achieve in practice and often a source of tension. Boards tend to be drawn instinctively to short-term operational activities not least because these create an immediate sense of accomplishment and satisfaction. Board members do not always manage to curb their natural desire to drift into management and operational decisions. Many board members have extensive experience in specific operational areas, such as marketing or finance, but limited experience in governance, where providing direction rather than 'doing', is critical.

Even experienced board members lean toward management operations, as long-term and policy issues are often less appealing, more difficult to grapple with, or crowded out by what appear to be more pressing management concerns.

This does not mean that boards cannot assist the chief executive and senior management in operational areas where they have expertise. Indeed, in many young organisations this is *de rigueur*. However, in such cases clearly defined roles and responsibilities and a reporting structure, generally to the chief executive in a small organisation or to the operational director in a larger organisation, provides a strong framework that board members can work within. And here the board member needs to be able to wear two distinct hats.

For established organisations, where board members have been selected strategically for the specific skills, interest, knowledge, contacts and experience they bring, the board can be an invaluable resource. This resource is frequently untapped because of insufficient appreciation of the roles and responsibilities by the chair and the chief executive.

Whatever lifecycle transition, capital programme, strategic planning or crisis-in-confidence events that drive the critical moments for boards, most board members agree that their responsibilities have become not only more varied, but also more onerous. When combined with the part-time and unpaid nature of membership, the limited perks and increased emphasis on fundraising, there are not enough willing and civic-minded people to go around unless the board works hard and imaginatively at self-renewal.

There is now a vast literature on how boards can improve their effectiveness and how chief executives can extract the best value from their boards and *vice versa*. All strategies depend on the personalities involved, the level of experience of board members and senior management, and the quality of leadership. But the strategies have in common the following core principles:

- periodic and formal self assessment for the board and the chief executive;
- objects and bylaws, policies and committees (standing, ad hoc and/or advisory) that are reviewed regularly to ensure relevance and fit with the organisation's mission and vision;
- a Chair and Chief Executive who understand their respective roles, invest in their relationship and understand that it provides the cornerstone for the future of the organisation;
- an appetite for the entrepreneurial nature of non-profit management and acceptance by boards that risks need to be managed not eradicated;
- a vigilance about and interest in the changing operating environment – and the views and strategies of stakeholders, competitors and partners.

Board membership brings with it duties and conventions that enable the organisation to work effectively. Neglect leaves an organisation floundering in the short-term, unable to grow and develop into the future. Established organisations have just as much to lose from poor governance as younger ones.

Much of the above may seem trite. But blaming organisational failures on externalities, management and other operational areas can be a form of displacement. To quote the Chinese proverb and German saying, the fish rots from the head!

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