

***American Federation of Musicians
Symphonic Services Division
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Fixing What's Broken

By Michael Kaiser

The International Conference of Symphony and Opera Musicians (ICSOM) is the counterpart of OCSM for musicians employed by major full-time professional orchestras in the United States. At the annual ICSOM conference in August of this year, Kennedy Center President Michael Kaiser addressed the delegates on the subject of the current state of orchestras. In addition to his time at the Kennedy Center, Mr. Kaiser has served as executive director of the UK's Royal Opera House, and as executive director of both the American Ballet Theatre (ABT) and Alvin Ailey American Dance Theater. ICSOM'S Senza Sordino Editor notes, "In recent years, Mr. Kaiser has emerged as a much-respected national voice in the field of arts management, and has been celebrated for his commitment to both fiscal responsibility and artistic excellence." These values are equally relevant for Canadian orchestras. What follows is the complete transcript of Mr. Kaiser's speech to the conference.

Good afternoon and thank you for giving me the opportunity to speak with you today. It is truly an arts executive's dream to be able to speak so freely and in a neutral environment with so many union leaders.

The irony of this situation is that the part of my career I hate most is dealing with union/management issues from grievances to contract negotiations. The reason is quite simple. I have never felt myself to be on the opposite side of any of my union employees and particularly of my artists. If we are not working in the same direction, then what am I there for? My job as an arts administrator is purely a supportive one – I am there to create the resources and the environment for the artists to do their best work. I am failing if I ever work against their interests.

I am intensely interested in the financial health of the organizations I manage and I have never had a deficit in any year that I managed any arts organization in my 18-year career. But I have never felt that I am successful if I negotiate a contract that pays any member of my organization less rather than more. In fact, I consider it an obligation of my work to ensure

that my staff and artists are paid well and fairly. This perspective has made union negotiations painful for me, and has gotten me in deep trouble with many attorneys who represent my side of the table.

It is obviously a difficult time to be on either side of the table when it comes to orchestras in America, and I can only imagine what it must feel like to be a union musician facing the threat of reduced salaries at best and absolute closure at worst in so many American orchestras today. I am absolutely convinced that most of the problems facing orchestras result from poor management. Too many arts managers today know all the vocabulary but have no real idea about creating revenue for their organizations. While the economy is challenging, many arts organizations are thriving. These organizations are well managed. Most of the others are not.

It is not easy to run an arts organization and arts managers require far more training than they receive. We spend hundreds of millions of dollars training artists all over the world but only a small fraction of that amount on training the executives who will employ them. This is one of the reasons I started the Vilar Institute of Arts Management at the Kennedy Center two years ago. I am trying to train smart, entrepreneurial, socially-conscious managers to run arts organizations throughout the world. We have already placed 24 highly skilled managers in arts organizations in San Francisco, Atlanta, San Antonio, London, Valencia, Beijing and many other cities. But far more must be done. I am hoping that serious arts funders will begin to pay attention to this great need; otherwise, we will see a serious decline in arts institutions throughout the world.

It is incredibly frustrating to observe how board and staff leaders are reacting to current fiscal challenges. I believe that most boards and most staffs react in exactly the wrong way and

make matters worse rather than better. Let me explain:

Much of my career has been spent trying to save very troubled arts organizations. When I arrived at the Alvin Ailey American Dance Theater, we had to unscrew every other light bulb to reduce our electricity costs. I lay awake at night in a panic worrying about how I would find the money to pay our dancers each week. When I came to American Ballet Theatre, we had no pointe shoes. We owed over \$5 million to vendors, choreographers, and theatres, most of which were sympathetic... and even to the IRS, which was not.

And the Royal Opera House was little more than a hole in the ground when I arrived; a major renovation had begun but we did not have the money to complete the building project. Fund-raising was at a virtual standstill amid a very public scandal about the mismanagement of the institution.

Working with these troubled organizations has given me a good vantage point to observe what makes arts organizations sick and what makes them healthy. What I have observed during the recent economic slump is that many arts organizations are reacting to this current challenging environment in exactly those ways that lead to sickness. By knee-jerk reacting to short-term fiscal problems by drastically cutting artistic programming and marketing, one virtually assures additional reduction in revenue in the future. Donors and audience members are attracted to important programming, to organizations that are vital and flourishing, not to those which are cutting back on visibility programs and retreating behind stale, if cheaper, programming.

Just this week, a task force organized by the Mayor of San Antonio announced that the best way to save its symphony, currently in chapter 11, was to close it. Huh? The task force report suggested it was impossible to fix a troubled arts organization while it was functioning. I am only glad that this group of 'experts' was not called in by the Ailey Company, or ABT, or the Royal Opera House, before my tenures there. The report concludes that all the money earmarked by the city for the symphony should go to hiring another group of similar experts. This cannot be the way to

build more revenue for the San Antonio Symphony.

Only the promise of greater artistic achievement matched by a comprehensive visibility campaign allow troubled organizations to overcome fiscal challenges. When budgets must be cut, I believe strongly in cutting administrative costs wherever possible to allow for great art and good marketing to continue. And when artistic initiative must be cut in the short term, it is imperative to develop and announce plans for future important projects.

At the Kennedy Center, we are planning our most ambitious season yet. Our 3,000 performances next season include a large scale Tennessee Williams Festival, a week with the great American soprano Renee Fleming, and a Tchaikovsky Festival that begins with the National Symphony Orchestra conducted by Leonard Slatkin with soloists Yefim Bronfman, Gil Shaham and Yo Yo Ma on one single concert. The Tchaikovsky Festival also includes the Kirov Opera with Valery Gergiev, the Kirov Ballet, the Suzanne Farrell Ballet and the Vermeer String Quartet. Our season also includes the Royal Danish Ballet, the New York City Ballet, Cecilia Bartoli, the Opera Comique, the Royal Shakespeare Company and on and on. While finding the resources to pay for all of this work is a challenge, our fund-raising has hit new heights even during the economic downturn of the past two years. The more adventuresome programming tied to an aggressive marketing effort has paid off.

And while many of you must be thinking that it takes money to mount large scale artistic and marketing programs, I can promise you that the visibility campaigns and more exciting programming we developed at the Ailey Company or American Ballet Theatre when we were nearly bankrupt were done on the cheap. We didn't have enough money for Xerox paper but we did find the creativity and time to build important artistic programs and to publicize these programs to the hilt.

In one year at the Ailey Company, for example, we did a Phil Donahue Show reaching 18 million viewers, the first Clinton Inaugural Gala reaching 80 million viewers, an exhibition at the Smithsonian, and a free concert in Central Park. We also wrote two books about the

company, had our street name changed to Alvin Ailey Place and held a 35th anniversary gala with Jessye Norman, Anna Devereaux Smith, Maya Angelou, Denzel Washington, Al Jarreau and Dionne Warwick. Everywhere you looked in 1993 you saw the Ailey Company. Not surprisingly, our contributed income doubled that year and we spent virtually nothing to accomplish these programs. Not enough symphony managers are thinking this way even when times are good; and the number falls when money gets tight.

But the problems we must address in the arts go far beyond the current economic recession and the way we react to it. Even the best managers and board leaders face a difficult environment in which to lead. The central factor we must all acknowledge in the performing arts is the lack of productivity improvement available to us. Our halls have the same number of seats as when they were constructed and we still use the same number of musicians as when works were written centuries ago. Costs go up but productivity does not. That is why managing an arts organization gets harder every year, decade by decade.

When I took the Alvin Ailey Company to perform at the Herod Atticus, a Roman Amphitheatre built on the base of the Acropolis in Athens, the dancers were thrilled to perform with the Acropolis in sight. I only looked at the stone bleachers where the audience sat and noted that the number of seats had not increased in 2000 years! The pressure on all of us to fill an ever larger income gap only gets greater with time.

While the productivity problem is the largest single challenge to all of us in the performing arts, there are other elements of the environment that make our jobs difficult as well. First, we are all facing a gradual but deliberate reduction in the amount of press coverage for arts organizations. Newspapers have changed arts sections into style sections giving less media coverage to the arts and devoting more and more space to popular, for-profit entertainment.

This problem has been exacerbated by the problems of the recording industry. The collapse of the recording industry, the lack of resources available to public broadcasting to

record performances and the prohibitive costs of producing recordings and videos means that it is easier to obtain a recording of Georg Solti than of most great conductors today. We need the support of PBS, of NPR, of the unions, and of all artists to ensure that an entire generation of performances is not lost. And we need to ensure that the most potent vehicle for distributing performances, the Internet, is a central element in this discussion. This is critical if we are to create the history of performance and creativity that inspires future generations and to allow performances enjoyed by a few to be available to many.

And if we accept the fact that strong marketing is one key to creating a healthy arts organization, then the loss of the recording industry, our major for-profit marketing partner, has to be a critical issue for us. Without the marketing help provided by the recording industry and with the reduction in media coverage of the arts, it is increasingly difficult to attract audiences.

We are heading towards a world where primarily white upper middle class people come to performances, because primarily white upper middle class children are being exposed to the arts. Public school arts education is virtually dead, not just in the United States but in most countries. Most arts organizations have jumped into the breach created by the absence of public school arts education. The Kennedy Center has the largest arts education program in America; we spend 15 million dollars each year to train teachers to bring the arts into classrooms in all 50 states, to provide arts programming via satellite to hundreds of thousands of children and to tour family theatre productions. But our efforts are not coordinated with those of other organizations and the arts exposure enjoyed by virtually every child in this nation is episodic. For some children in some schools, the exposure is tremendous in one year and absent the next. For children whose lives have a central theme of 'loss,' this can be more painful than no arts programming at all. This is clearly not the way to proceed.

We must work together to create a plan that would coordinate arts programming in our school systems. We owe every child in this nation a chance to experience the joy of self-expression, the power of discipline and the

self-fulfillment of achievement that come from the performing arts. And we must work together to ensure that the next generation of audience members is large and diverse.

This is a particular problem for orchestras since it is evident that there is currently an oversupply of performances in many cities. This is no doubt a controversial point to make at a meeting of union executives but it seems clear to me that over the past two decades orchestras and their unions have agreed to expand the weeks of performances to a point where audiences are too small to fill every performance in many cities.

We need to evaluate how many performances are sustainable in any given city, pursue approaches to filling in remaining weeks and develop the programming and marketing that assure houses that provide enough revenue to support our orchestras. This will undoubtedly cause a tension between unions and management that must be resolved before other symphonies seek chapter 11 protection.

Despite all of these problems, I remain optimistic about the future of our orchestras. But we have work to do. Together. I believe we need to:

1. Educate orchestra members, especially committee members, in every symphony about arts management issues. The musicians need to understand balance sheets and income statements and be able to pressure management and boards when they see a developing problem. By the time the orchestra is in chapter 11, it is often too late to act.
2. Encourage orchestra committees to support the development of important artistic projects that create visibility for their organizations. It is these important projects that bring future revenue streams. We need to relax rules that discourage special projects by making them too expensive to consider.
3. We need to work together to figure out how we are going to record and distribute performances of importance. Symphony managements don't need revenue from recordings – they need visibility from recordings. There must be a formula that ensures that both sides get something from recording. And we must address the Internet immediately. We finally have a cheap tool to reach millions of new audience members and

donors. There has to be a way to use this tool to benefit everyone.

4. Address the oversupply issue in a mature fashion. We need to find ways to make touring cheaper, to allow for performances in unusual venues and to support free performances and educational performances so that work weeks are secure.

And most important, we need to insist that arts managers and boards are trained so that they become strong stewards of our industry. Without strong management, no musician will have a secure future. With strong management, every issue we face can be handled and both musicians' health and happiness and institutional strength can flourish.

Canadian Locals Elect New VP

There is a new AFM Vice-President for Canada. Bobby Herriot assumed office on August 1, bringing with him extensive experience gained from serving as an officer in Locals 145 (Vancouver), 149 (Toronto) and 293 (Hamilton). VP Herriot has also enjoyed a distinguished career as a performer and conductor.

In his first two months at the AFM, VP Herriot has been extremely active in the symphonic area, traveling to the ICSOM conference in Colorado, the OCSM conference in Regina, and to L.A. for the fall International Executive Board and Player Conference Council meetings. Most recently VP Herriot traveled with SSD Director Laura Brownell to Winnipeg for talks with the Royal Winnipeg Ballet and with Local officers and orchestra committee members about the state of the symphony.

Please refer to the Vice-President's articles in the September and August issues of the *International Musician*, in which he articulates his commitment to improving the working lives of Canadian symphonic musicians. Musicians' tax status, the CBC agreement, concessionary bargaining, and orchestra governance are all issues that VP Herriot has identified as needing attention. Canada's new VP is pleased with the support offered between orchestras during hard times, and looks forward to building strength and solidarity within the entire membership of AFM Canada.

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