

# ACROSS THE BOARD

A Publication of OPERA America for Opera Company Trustees

## From the President and CEO of OPERA America

This February, nearly 50 trustees from over 30 companies joined us for the National Trustee Forum. We talked about national trends, audience research, civic practice and much more. Over and over, we returned to the importance of “learning boards” — boards with a culture of listening, understanding and acting that is based in curiosity.

Our friends at TRG Arts offer thoughts about audience building in this issue of *Across the Board*. With this topic (or any other), it is important that board members ask questions through the governance lens. For instance, you might ask staff to report on proposed multiyear strategies for building loyalty in the context of successful practices at other companies.

Next on the calendar is our annual conference in San Francisco this June.



**MARC A. SCORCA**

## Audience Building is Vital: Trustees Must Provide the Grit and Courage to Succeed

BY ERIC NELSON,  
TRG ARTS



Sustainability is no longer enough. Performing arts organizations need to aim higher. Vitality is the new goal. To achieve this, organizations must apply a generous mix of courage, grit and entrepreneurship to a key area of their business: audience building. It requires that board and executive leadership create a culture where this focus and work style thrives.

How do I know this style

yields success? I work for TRG Arts, a data-driven consulting firm dedicated exclusively to the arts and culture field. For more than 22 years, we have committed ourselves to teaching arts professionals — from executives to marketing and development departments to the box office — how to build stronger relationships with patrons, grow revenue and create organizational cultures where vitality thrives.

In your role as a trustee, you can ensure that audience building is at the foundation of your vitality. You play such an important part in creating an environment where this growth happens. So, what can you learn from TRG’s data and what will make that courage and grit impactful?

Many of you likely read *The New York Times* article “Opera Has a Problem: Fans Aren’t Subscribing” from December 18, 2018. Citing several opera companies, the article pointed out that a “decline in subscriptions has not been offset by recent increases in single-ticket sales, so attendance is down overall.”

TRG’s experience with our clients differs from what *The New York Times* article suggests. Patrons do subscribe and subscriptions grow when there is a culture of vitality at the organization and a clear set of shared priorities, though it is not easy. Data will point you in the right direction.

In 2017, we released our Key Metrics Study that analyzed over 17 million ticket and donation transactions from patrons across 130 U.S. arts and cultural organizations over five years (2012–2016). We wanted to analyze the state of audience building. While we learned many things from the study, I’ll share two key takeaways with you.

First, attrition is an issue. Annually, organizations *continued* >

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Company

*The National Trustee Forum Steering Committee is a group of leading opera company trustees invited to provide insight and guidance into OPERA America’s programming for trustees.*

continued>

bring in lots of new patrons and many of them do not return for a second experience. Some patrons stick with an organization for a couple of years but often drift away. In total, 57 percent of patrons in the study stayed with an organization for two years or less. Our industry is churning through a lot of patrons.

Second, retention is possible, especially when patrons subscribe. When we dug deeper, we were able to see trends that reaffirmed what we see happening with many of our clients: Patron loyalty can grow over time. But it's fragile and takes dedication and work.

Think of building patron loyalty as nurturing a relationship. If you try to rush relationships with patrons, then attrition rates go up. For example, if you ask a first-time single-ticket buyer to become a subscriber as their next experience, then the patron will have a shorter lifespan with your organization. It's as if you've asked them to get married before going on a second date. They are just not ready to commit yet.

From a financial perspective, we know that new patrons are expensive to acquire. The harder, more nuanced truth is this: Getting new patrons to return is also expensive. It requires strategic, relentless and targeted invitations across multiple

channels. If you do get them back, converting them to subscribers can be more expensive still — sometimes more than acquiring brand new patrons.

If loyalty is so expensive, why do it? The answer is also driven by math: Once you've really got them, the cost-of-sale plummets. You need to take the risk and invest in them. Eventually, you

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— MARC A. SCORCA

will cultivate patrons who trust your artistic vision and build you into their routine as a valuable part of their lives. But you can't get there unless you're willing to invest in the expensive, hard work of loyalty. As a trustee, your understanding of this dynamic will serve you well as you work to set priorities and allocate resources.

Without a courageous loyalty strategy that is supported with time, resources and dedication, your organization's core audiences will continue to suffer from attrition issues. And, you'll be caught in an expensive cycle of churn that will damage your sustainability and erode the

vitality of your organization.

There aren't silver bullets or shortcuts. We often find that organizations have put many of their resource eggs in the Millennial basket. It is necessary to cultivate new audiences, and Millennials are part of that conversation. They just aren't the entire conversation.

When you look at retention

through a generational lens, some interesting insights emerge. A recent study of ours shows that Baby Boomers tend to make up the highest percentage of subscribers. Millennials make up the smallest. We see a spike with Generation X that indicates they are increasing their climb up the multi-buying ladder toward subscribing.

As a colleague of mine recently reported, “Millennials are in a phase of their life when they are ‘playing the field’ and our industry assumes these less loyal behaviors are intrinsic to Millennials.” That may be the case, but it is too early to tell. Smart organizations will

court Millennials and look to the data to see when it is the right time to “go steady.” Instead of putting all their resources into one-off parties that target just one generational segment, they will be developing relationships with all segments.

It is important to plan retention efforts that are driven by patron behavior. Then your organization can set key benchmarks that activate invitations for deeper loyalty. Those invitations will have higher response rates and, in turn, will increase the longevity of your patrons.

In the most recent issue of *Opera America* magazine, OPERA America's president and CEO, Marc A. Scorca, made this recommendation: “During my visits with opera company board members, I suggest that strong boards are those whose members exhibit sustained curiosity to learn more about how companies function and what trends and related strategies contribute to success.”

As a trustee, you hold an important key. You can use it to unlock strategic thinking and set priorities around audience building that are driven by courage and fueled by appropriate resources. Here's to greater vitality. ♦

ERIC NELSON IS CLIENT ENGAGEMENT OFFICER AT TRG ARTS. HE WILL BE ATTENDING THIS SUMMER'S OPERA CONFERENCE 2019 IN SAN FRANCISCO AND WOULD LOVE TO MEET YOU. YOU CAN REACH HIM AT 719.323.4125 OR ENELSON@TRGARTS.COM.

## Opera America Magazine

OPERA America's quarterly magazine addresses the issues most important to industry professionals, from marketing strategies and governance practices to exciting new repertoire.



Featured in the spring 2019 edition:

Giving Agency to Female Opera Characters

LGBTQ Operas on the Mainstage

How Saint Louis Attracted Younger Audiences

Instagram as an Audience Engagement Tool

A Conversation with Jessye Norman

## OPERA CONFERENCE

JUNE 12-16, 2019 SAN FRANCISCO

Register for early-bird rates by April 16: [conference.operaamerica.org](http://conference.operaamerica.org)

It is my pleasure to invite you and your fellow board members to join us for Opera Conference 2019.

For board members, OPERA America's annual conference is a unique opportunity to learn about the field and meet over 500 fellow trustees, artists and professional leaders.

This year's conference, hosted by San Francisco Opera, brings the opera field together in a city that leads in innovation and embraces diversity. It is the perfect place to ask questions about the health of the field by examining traditions, exploring business innovations and deepening civic practice.

Alongside the meetings, you will be able to enjoy three San Francisco Opera productions — *Carmen*, *Orlando* and *Rusalka* — and a sneak preview of Jack Heggie and Gene Scheer's latest work.

I hope to see you here!

**ROBERT ELLIS**

EXECUTIVE VICE PRESIDENT, SAN FRANCISCO OPERA  
BOARD MEMBER, OPERA AMERICA

YOU CAN SUBSCRIBE TO OPERA AMERICA MAGAZINE BY JOINING OPERA AMERICA AS AN INDIVIDUAL MEMBER FOR \$75 AT [OPERAAMERICA.ORG/JOIN](http://OPERAAMERICA.ORG/JOIN).

# OPERA America Resources for Trustees

## Trustee Resource Page

For a listing of the resources and services available to you as a Professional Company Member trustee, visit [operaamerica.org/Trustees](http://operaamerica.org/Trustees) or download the 2019 Trustee Quick Guide at [operaamerica.org/TrusteeQuickGuide](http://operaamerica.org/TrusteeQuickGuide).

## Company Workshops

OPERA America President/CEO Marc A. Scorca is available to lead board and staff consultations on topics including governance, civic engagement, leadership transitions and financial health. Consult your general director and contact Megan Taylor at [MTaylor@operaamerica.org](mailto:MTaylor@operaamerica.org) or 212.796.8683 to discuss a workshop at your company.



## Upcoming Webinar for Trustees and Staff

**Inspiring Your Board to Give and Get Its Biggest Gifts**  
**Tuesday, April 16, 2019**  
**3:00 p.m. – 5:30 p.m. EDT**

Are you a board leader or staff member struggling to get your board to give as generously as it could? Or to help you fundraise for more? Join Brian Saber, president of Asking Matters, for an in-depth seminar on best practices for soliciting, training and engaging board members in fundraising.

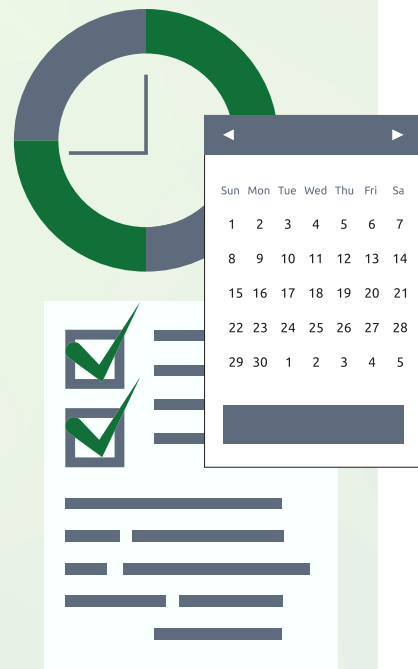
**Register: [operaamerica.org/BoardWorkshop](http://operaamerica.org/BoardWorkshop)**  
 \$25 Live Stream  
 \$50 In-Person in NYC



The newly released Opera Company Governance Report, drawn from data from 78 American and Canadian opera companies, provides a context for company staff and board members to compare their practices to those adopted across North America. The report covers board size, demographics, structure, roles, meetings, terms, policies, giving and participation — highlights of which are excerpted here.

The benchmarks provided are not intended as prescriptive ideals. No company should aim to hit each average. Rather, the information in the report should serve as a reference to make decisions that are appropriate for each company and its community.

<b>NON-WHITE:</b>	<b>5-10%</b>
<b>WOMEN:</b>	<b>47%</b>
<b>UNDER 40:</b>	<b>from 2% (Budget 1) to 20% (Budget 5)</b>
<b>MEETING DURATION:</b>	<b>90-120<sub>min</sub></b>
<b>HAVE TERM LIMITS:</b>	<b>89%</b>
<b>AVERAGE TERM:</b>	<b>3 years</b>
<b>AVERAGE NO. OF TERMS:</b>	<b>2-3</b>
<b>PERCENTAGE OF CONTRIBUTED REVENUE FROM BOARD GIVING:</b>	<b>30%</b>



THE FULL REPORT IS AVAILABLE TO OPERA AMERICA INDIVIDUAL MEMBERS AT [OPERAAMERICA.ORG/TRUSTEES](http://OPERAAMERICA.ORG/TRUSTEES).

## At the National Trustee Forum

The National Trustee Forum engages trustees from across North America in addressing issues of governance. The 2019 program included sessions on civic practice, board-staff relationships, the role of research in cultivating a learning board, strategies for recruiting and engaging board members, and resources for preventing sexual harassment. Some highlights included:

### ON BOARD-STAFF RELATIONSHIPS:

Charles MacKay, the former general director of The Santa Fe Opera, emphasized that the relationship between senior staff and board members needs to be like “a marriage or partnership, based on mutual trust and an understanding of their distinct and complementary roles and responsibilities.” The job of the board’s leader, he went on to say, includes taking care of the organization’s general director.

### ON RECRUITING BOARD MEMBERS:

The analogy of casting and rehearsing board members — as a company would do with artists — was first invoked by Wayne Brown, president and CEO of Michigan Opera Theatre. Start with identifying the roles that the board needs; audition your candidates and then offer them coaching as needed.

### ON BEING A LEARNING BOARD:

Marc A. Scorca reminded trustees to ask questions through the governance lens, not as staff members. “Think about what you want to ask and add, ‘As a board member, what can I do to raise more contributions from corporations? As a board member, how can I support the company’s goal to find a younger audience?’”

FOR MORE ON CIVIC PRACTICE AND ANTI-HARASSMENT POLICIES VISIT:  
[OPERAAMERICA.ORG/CIVICPRACTICE](http://OPERAAMERICA.ORG/CIVICPRACTICE) | [OPERAAMERICA.ORG/ANTIHARASSMENT](http://OPERAAMERICA.ORG/ANTIHARASSMENT)

OPERA America is the national advocate for opera, dedicated to supporting the creation, presentation and enjoyment of the art form for artists, administrators, trustees and audiences.

# OPERA CONFERENCE

JUNE 12-16, 2019 SAN FRANCISCO

conference.operaamerica.org  
Register by April 16, 2019,  
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## Spring/Summer 2019 Issue

- Building Vitality in Audience Building
- Newly Released: Governance Report
- Recap of the 2019 National Trustee Forum
- Invitation to Opera Conference 2019
- Upcoming Seminar on Board Giving

## Future Trustee Meetings

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**OPERA CONFERENCE 2019** | JUNE 12-16, 2019 | San Francisco, CA

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**NATIONAL TRUSTEE FORUM 2020** | MARCH 18-21, 2020 | Washington, D.C.

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**OPERA CONFERENCE 2020** | MAY 14-17, 2020 | Seattle, WA | **50<sup>th</sup> Anniversary Conference**

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You don't need a  
"Popera" Star...  
to build sustainable opera.

Give us one day with your team, at no charge, and catch a glimpse of how we will help you build a loyal patron base that will support your opera for years to come.

Book a Preview Day now:  
[LetsTalk@trgarts.com](mailto:LetsTalk@trgarts.com)

