

STATE OF THE INDUSTRY REMARKS THE POWER OF WHY

By Virginia P. Loulouides

Curtain Call

The Pershing Square Signature Center

September 24, 2012

Good evening, and welcome to the 40th Anniversary of A.R.T./New York's *Curtain Call*! I am Ginny Loulouides, A.R.T./New York's Executive Director, and on behalf of our board and my wonderful staff, thank you for joining us on this auspicious occasion.

I want to thank Jim Houghton, Erika Mallin, Kendra Ramthun, and the wonderful staff of The Pershing Square Signature Center for hosting tonight's event. I am extremely grateful to them for allowing us to have *Curtain Call* here because this beautiful center is the realization of Jim's 20-year dream and living proof of the "Art of the Possible." But it is also the perfect place to celebrate our 40th Anniversary because it embodies so much of what A.R.T./New York's founders believed in and fought for.

Forty years ago, 49 Off Off Broadway pioneers came together to form an alliance. They wanted to ensure their vitality, their success, and their future by changing the way they were being perceived: from disparate Off Off Broadway producers to an integral part of New York City's theatrical ecosystem. But they were also on a crusade to start a MOVEMENT of affordable productions of new works and the classics for the people of New York City.

And so, in October of 1972, the Off Off Broadway Alliance, or OOBA, received its nonprofit status. Today we have a new name and 350 members in all five boroughs! As our membership has grown, so have we. And thanks to your inspiring work and the support of our board and our many generous funders, A.R.T./New York has made its founders proud.

Our founders would be thrilled that 15 of this year's 29 Tony Awards went to work that originated at A.R.T./New York theatres, including Playwrights Horizons' *Clybourne Park*, which received the Tony for Best Play AND the Pulitzer Prize for Drama, and New York Theatre Workshop's *Once*, which received the Tony for Best Musical.

Many of you are pushing the boundaries of the art form through your work with investigative theatre, devised theatre, and multi-disciplinary forms. But most of all, I'm proud of you because you create this work with limited budget and sometimes with nothing more than your imaginations. It is your heart, your passion, and your deep belief in the work that you do that has propelled this community and A.R.T./New York to greater and greater success.

The other day I watched author Simon Sinek's TEDx speech called "How Great Leaders Inspire Action." Sinek opened his speech with the following question:

"How do you explain when others are able to achieve things that seem to defy all of the assumptions?"

One could ask this question about the theatre in which we are seated. Sinek's answer is what he calls

"The Golden Circle," three words: WHAT, HOW, and WHY. According to Sinek:

- Every single person knows WHAT they do.
- Some even know HOW they do it.
- But very few people or organizations know WHY they do what they do.

And by WHY he doesn't mean, "To produce theatre;" no, that's a result. By WHY he means, WHY does your organization exist? WHAT IS your purpose? WHAT IS your cause? WHAT ARE your beliefs? WHY do you choose the plays you produce? And WHY SHOULD ANYONE CARE?

Those of you who have worked with Nello McDaniel, Anne Dunning, and Micki Hobson at A.R.T./New York have been asked these or very similar questions. And having had to answer some of them myself I know that they are not so easy to answer. But they are vitally important because, as Sinek tells us:

"People don't buy WHAT you do; they buy WHY you do it." That's right: "People don't buy WHAT you do; they buy WHY YOU DO IT!"

If we follow Sinek's theories, then to truly succeed in this 21st century economy, our goal is not just to sell to people who want WHAT we have; our goal is to sell to people who BELIEVE WHAT WE BELIEVE.

In order to fully realize and achieve our important and ambitious goals, be they bringing Virginia Woolf's *Mrs. Dalloway* to life as **Ripe Time** did with *Septimus and Clarissa*, or introducing kids in East New York to Shakespeare as **New Perspectives Theatre** does, we need to understand WHY we do this. WHY did **HERE** produce an interactive piece of theatre on immigration, citizenship, and what it means to be an American in the 21st Century? And WHY do Mike and Joanna of **Bond Street Theatre** go to war-torn Afghanistan to introduce young girls to theatre? Once we know their WHYS, then the WHAT and HOW are simply sales closers. Knowing the WHY is how The Pershing Square Signature Center got built.

For 40 years, your WHYS, WHATs, and HOWs have inspired A.R.T./New York to create some of the most unique, progressive programming offered by arts service organizations across the country. You inspired our *Theatre Leadership Program*, where you look deeply into yourselves to find your WHY and adapt to the challenges of change or growth. You inspired us to purchase *South Oxford Space* and *Spaces @ 520*, two affordable shared office spaces enjoyed by tens of thousands of artists a year. And the continued need for free rehearsal space led us to develop the *Creative Space Grant*, thanks to Susan Feder and The Andrew W. Mellon Foundation.

A good crisis is a shame to waste, and you inspired us to respond to the fiscal crisis of 2008 by researching your losses and your needs. This information compelled us to apply for, and receive, a grant from the 2009 Rockefeller Foundation Cultural Innovation Fund to explore new models to help A.R.T./New York and our theatres respond to the "new normal." Thank you, Eddie Torres and The Rockefeller Foundation, for this landmark grant.

Through this grant we were able to hire Nello McDaniel and Anne Dunning to work with 17 companies that wanted to explore change. This work resulted in some important new operating models:

- **The Civilians** decided to secure their future by asking all funders to allow them to put 5% of their grant towards a fund for the future. All donated dollars for this fund will be matched by The Civilians' earned income.
- **Elevator Repair Service** developed a way to pay its company full-time wages and benefits by

employing them as administrators in between productions. When the artists have to leave the office to rehearse a show or tour, part-time workers step in to ensure that the administrative work continues. And when the artists return, the part-timers leave.

- **Take Wing and Soar** abandoned the full theatrical season model in favor of a truncated season in the summer, which allowed Artistic Director and sole employee Deborah Ann Byrd a good seven to nine months a year to focus on fundraising, scheduling, and finding co-producers like the **New Heritage Theatre Group** and partners like the Harlem Branch of the Public Library.
- **New Georges** created *The Pipeline for New Work* in response to a trend they observed, where “brave new ideas are abandoned before they begin.” To encourage the very bold thinking that will keep this industry moving forward, New Georges decided to incentivize their artists by providing free space, seed money, and mentorship. Projects that make it through *The Pipeline* will be called “A New Georges supported production.”

As we enter our 41st year, A.R.T./New York is continuing on the innovation trajectory through two models of our own: the *A.R.T./New York Theatres* and *Collective Insourcing*, which received a second Cultural Innovation Fund grant from The Rockefeller Foundation towards the development of a model and business plan. Again, thank you, Eddie!

Collective Insourcing proposes that routine administrative processes practiced by artists and arts organizations—such as financial management, human resources, information technology, purchasing, and cash management, to name a few—can be delivered through a shared, self-sustaining, client-owned agency. By shifting these processes to a shared system, there is a multiplier effect on limited resources: specifically time, labor, and money. Administrative tasks such as bookkeeping, which are duplicated at increased operational cost by so many organizations, can be streamlined. Financial resources can have a greater residual impact because any surpluses generated would be returned to members in the new model through lower fees, enhanced services, or shareholder distributions. Best of all, these administrative tasks can be produced at a substantially lower cost due to standardized practices and the collective utilization of labor.

That is the WHAT. But if you take this concept to its fullest capacity, you achieve THE WHY! Imagine if the informal sharing that already occurs in the arts community was organized to save us all time and money. Imagine if your projects could receive high-level operational services while reducing overhead and possibly avoiding the need to incorporate. This project is still very much in-progress, but even at the beginning of our work, we are extremely excited about the potential, game-changing benefit to our community. Thank you to those members who are participating in the development phase of this project. More concrete information on the outcomes of our work will be available towards the end of next spring.

But that’s not all. This past spring A.R.T./New York kicked off our 40th Anniversary with a bold initiative to serve the nonprofit theatre community: two new subsidized performances spaces in New York City. Like all of our other innovative initiatives, you inspired this one. When we first began discussing the A.R.T./New York Theatres with funders, I recall Jay Beckner of the LuEsther T. Mertz Charitable Trust asking me, “Why is A.R.T./New York building theatres?”

“Because,” I replied, “in the last decade we’ve lost 50 small theatres; because our members cite affordable rehearsal and performance space as their number one challenge. And because if we don’t build them, who will? The very companies who most need these spaces lack the capacity to launch a

capital campaign, let alone manage the spaces once they are built. But just as we can provide them with affordable office and rehearsal space, we can and should be providing them with affordable performance space.”

The *A.R.T./New York Theatres* would not have been possible without a Construction Fund of \$14.8 million to build and furnish the theatres. This is fully funded and underway, thanks to a \$400,000 grant from the New York State Assembly and a \$14.4 million investment from the City of New York through the office of Mayor Bloomberg; Commissioner Kate Levin; the City Council under the leadership of Speaker Quinn, Finance Committee Chair Recchia, and Cultural Affairs Chair Jimmy Van Bramer; and Manhattan Borough President Scott Stringer. Thanks to them, A.R.T./New York will open two new shared SUBSIDIZED performance spaces 11 blocks away—at 53rd Street and 10th Avenue! We signed a 99-year lease, and the theatres will be available to our community through the year 2111!

But we are not satisfied by just building two spaces: we want to provide you with state-of-the-art theatres that all of our members can enjoy. And so, we are seeking \$10 million towards a Rental Subsidy Fund, a Reserve Fund, and Working Capital.

The two new theatres, set to open in 2014, will have up to 99 and 150 seats respectively, and their fully equipped technical and production resources will be included in the SUBSIDIZED RENTALS. They will feature art from DCA's Percent for Art Program, beautiful lobbies for entertaining and communing, and the highest level of flexibility in response to what you told us in focus groups. (You might say that this description is our WHAT.)

This is a truly visionary project that will change the face of nonprofit theatre in New York City. By providing you with the highest quality space to present your amazing work, we are ensuring the future of the American Theatre. And through a replicable financial model, we have found a way to keep these spaces affordable. Theatres of all budget sizes and their audiences will benefit from the A.R.T./New York Theatres for the next 100 years, thereby guaranteeing New York City's status as the theatrical capital of the world! THIS IS OUR WHY.

I want to thank the 250 members who wrote such beautiful letters endorsing this project; they are a powerful fundraising tool. And I am pleased to announce that the LuEsther T. Mertz Charitable Trust followed the City's lead and awarded us a \$250,000 grant. And since this grant follows their \$1 million gift towards the purchase of South Oxford Space, I am thrilled to announce that we will be renaming our building The LuEsther T. Mertz South Oxford Space!

Tonight's celebration and your presence are proof positive of the power of WHY. You are all critically important to the future success of the American Theatre. You are A.R.T./New York's legacy and our greatest hope for the future. You and my staff—Guy, Frances, Jerry, Roberto, Stephanie, Katherine, Katrina, Emiliya, Taylor, Zach, Max, and our intern Kate—are truly MY LOCAL HEROES.

THANK YOU!