



Operating Successfully in a Down Economy

Presentation to the
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Times Change - Bubbles Burst

- Deep, long recession
- Extremely high unemployment
- Unprecedented house foreclosures
- Many bank and business failures
- Costly government bailouts and risky takeovers
- Lost consumer confidence
- Reduced charitable support

What To Do?

- Category 1 Options: Escape your misery
 - Abandon hope
 - Panic and leap from a tall building
 - Drink heavily
 - Join the army
 - Become a hippie in San Francisco
 - Write epic poetry and set it to operatic music
 - Stick up convenience stores
 - Buy an old VW and tour the heartland with your dog

What To Do?

- Category 2 Options: Practice cultural Darwinism
 - Adapt to the times
 - Find opportunity in challenge
 - Think through the problem
 - Write a solid plan
 - Adapt operating principles
 - Develop new strategies
 - Alter structures, policies, and procedures
 - Reframe thinking and arguments
 - Draw patrons close

Category 1 is not all that practical.

Let's explore category 2.

Concepts to Discuss

- Section 1: New Principles
- Section 2: New Strategies
- Section 3: New Arguments

Section I: New Principles

It's not about you anymore –
it's about them!

New Principles

- Shift empathy: Empathize with patrons
- Share the pain: Identify with patrons
- Emphasize the community: Embed yourselves
- Modify messaging: Tailor your words
- Express appreciation: Show gratitude
- Take advantage of bad news: Speak the truth
- Change your tone: Be frank, candid
- Use challenge grants: Enhance validity & urgency

Section II: New Strategies

Down with received wisdom -
assume nothing – test everything -
it's time to think critically.

New Strategies (1)

- Make a comprehensive, realistic plan
- Allocate sufficient resources
- Focus on patron retention (at first)
- Cultivate patrons
- Recalibrate solicitation levels
- Adjust member benefits
- Confer premiums (like a good Skinnerian)
- Break routine - introduce novelty - create urgency
- Reclaim lost patrons (at last)

New Strategies (2)

- Create new revenue streams
- Deploy challenge grants
- Employ volunteers
- Reframe and integrate arguments and appeals
- Consolidate transactions
- Adopt a patron-centric culture
 - Eliminate patron barriers

New Strategies (3)

- Promote lifetime patron value
- Gather and analyze patron information
- Deploy solicitation media appropriately
- Establish validity
- Increase payment and transactional flexibility
- Communicate, communicate, communicate

Section III: New Arguments

Speak a language they understand!

New Arguments (1)

- Civic pride
- Good business practice
- Candor
- Institutional fragility
- Temporary vs. permanent downturns
- High gift priority

New Arguments (2)

- Resistance
- Multiplier effects
- Setting the example
- Protecting investments
- View through the artist's eyes
- Psychological release and recovery

Handouts

We have prepared printed materials for you that develop some of these concepts more thoroughly. Please help yourselves.

Materials on related topics can be gotten by calling me in my LA office.

Thank you very much!