

Findings from New SMU DataArts Report Suggest That Success for High-Performing Arts Organizations Lies in the Alchemy between Programmatic Excellence and Community Relevance

“The Alchemy of High-Performing Arts Organizations” identifies strategies employed by visual and performing arts organizations that successfully achieved organizational health prior to COVID-19

Report studies 10 organizations with a track record of high performance and 10 who engineered a turnaround from low to high performance

NEW YORK, August 13, 2020 – SMU DataArts, in partnership with The Wallace Foundation, today released a report—***The Alchemy of High-Performing Arts Organizations***—that identifies common strategies that leaders of 20 high-performing arts organizations reported using to achieve organizational health. Though the study was undertaken prior to the onset of the COVID-19 pandemic, it is shared with the hope that the past experiences of these organizations may inform thinking about strategies for recovery. The paper is co-authored by SMU DataArts Director Zannie Voss, Ph.D. and Research Director Glenn Voss, Ph.D., and is available for direct download on the [Wallace Foundation website](#) as well on the [SMU DataArts website](#).

The report examines two cohorts of organizations: 10 with a long track record of high performance and 10 that engineered a “turnaround” from low to high performance. The 20 organizations were selected for their high performance along seven financial and operating metrics relative to others, using a technique called stochastic frontier analysis that allowed the authors to take into account differing contexts and starting points. The factors that leaders credited for the organizations’ success were derived from structured, in-depth interviews. These interviews revealed that leaders had a “mental map” or “playbook” that linked strategic decisions to outcomes. The report analyzes commonalities across the two groups of 10 over the past five to seven years and offers a model of how they achieved organizational health by linking strategy and financial sustainability.

“Our research has shown that success is not accidental or haphazard—it is achieved through a strong vision linked to a series of strategic decisions and outcomes,” said **Zannie Voss**. “While individual organizations are facing their own set of challenges, we hope this report will inspire new thinking about possible ways forward, while providing guidance to organizations for recovery and long-term sustainability.”

According to the interviews, **the cornerstone of high performance appears to lie in the alchemy of high standards in the creation of work that is meaningful to the local community**. While this deceptively simple statement may reflect universal intentions, executing on it, according to these organizational leaders, takes humility and an intensive investment of resources and time.

According to the leaders who were interviewed, organizational health was not built all at once but over the following stages:

- **Strong cornerstones of a strategic vision led to these short-term outcomes:** tactical wins that inspire confidence and excitement, a stronger brand, a high-functioning board, and community relationships and buy-in.
- **Additional key factors were important contributors to success,** including mission-driven decision-making throughout the organization, a healthy culture that invites participation, adaptive capabilities, investments in marketing and fundraising, and a multiyear horizon. Environmental factors such as shifting consumer behavior and funder priorities, local population and policy changes, natural disasters, and national crises such as a pandemic also affect an organization's ability to achieve short-term gains.
- **Short-term outcomes provide a feedback loop that reinforces the cornerstones of strategic vision and leads to intermediate outcomes, including increased organizational capacity and increased engagement among audiences and donors.** These resource and relationship wins reinforce an organization's community orientation and advance its ability to achieve high programming standards.
- **Intermediate outcomes also lead to financial sustainability,** provided the organization exercises discipline. Arts and cultural organizations exist for mission fulfillment, not financial sustainability. **Yet the long-term outcome of financial sustainability undergirds the ability to maximize mission success.**

"As arts organizations are struggling with the pandemic, we hope that lessons from healthy organizations from the recent past will be helpful in informing their thinking about the future," said **Bahia Ramos, director of arts at The Wallace Foundation**. "This report is the first in a series of resources that The Wallace Foundation and our partners will release in the coming months. While there is no silver bullet, these resources can help inform arts leaders as they navigate unprecedented levels of uncertainty."

For more information on findings from *The Alchemy of High-Performing Arts Organizations*, including excerpts from interviews with organizational leaders, background on methodology and the conceptual model or blueprint, please download the full report on Wallace's [website](#) or SMU's [website](#).

For future reports on the arts field, as well as a library of studies on audience building, all available free of charge, visit wallacefoundation.org/buildingaudiences. Simultaneously, SMU DataArts has been working on several white papers that address the pandemic, including a report on its effects on New York City's arts organizations conducted in partnership with Americans for the Arts and the New York City Department of Cultural Affairs. SMU DataArts' most recent publication, *In It for the Long Haul*, developed in collaboration with Jill Robinson, CEO of TRG Arts, synthesizes survey data with historical and projected financial data to estimate the pandemic's effect on the nonprofit arts sector. The report identifies three critical propositions along with related prompting questions for organizations to consider. Reports from SMU DataArts can be accessed at www.smu.edu/dataarts.

ABOUT SMU DATAARTS

SMU DataArts, the National Center for Arts Research, is a joint project of the Meadows School of the Arts and Cox School of Business at Southern Methodist University. SMU DataArts compiles and analyzes data on arts organizations and their communities nationwide and develops reports on important issues in arts management and patronage. Its findings are available free of charge to arts leaders, funders, policymakers, researchers and the general public. The vision of SMU DataArts is to build a national culture of data-driven decision-making for those who want to see the arts and culture sector thrive. Its mission is to empower arts and cultural leaders with high-quality data and evidence-based resources and insights that help them to overcome challenges and increase impact. To work toward these goals, SMU DataArts integrates data from its Cultural Data Profile, its partner TRG Arts, and other national and government sources such as Theatre Communications Group, the National Endowment for the Arts, the Census Bureau, and IRS 990s. Publications include white papers on [emergence from the COVID-19 crisis](#), [culturally specific arts organizations](#), [protecting arts organizations through downturns](#), [gender equity in art museum directorships](#), and more. SMU DataArts also publishes reports on the health of the U.S. arts and cultural sector and the annual [Arts Vibrancy Index](#), which highlights the 40 most arts-vibrant communities around the country. For more information, visit www.smu.edu/dataarts.

ABOUT THE WALLACE FOUNDATION

The Wallace Foundation works to support and share effective ideas and practices to foster improvements in learning and enrichment for children and the vitality of the arts for everyone. Its objectives are to improve the quality of schools, primarily by developing and placing effective principals in high-need schools, promoting social and emotional learning in elementary school and out-of-school-time settings, expanding opportunities for high-quality summer learning, reimagining and expanding access to arts learning, and building audiences for the arts. The Foundation seeks to generate knowledge and insights from these efforts to enhance policy and practice nationwide. For more information and research on these and related topics, please visit the Foundation's Knowledge Center at wallacefoundation.org.

PRESS CONTACTS

Sarah Sutherland / Madison Richards
Resnicow and Associates
212-671-5163 / 212-671-5189
SSutherland@resnicow.com / MRichards@resnicow.com

Aurelia Grayson
The Wallace Foundation
201-317-5819 / AGrayson@wallacefoundation.org

Victoria Winkelman
SMU DataArts
214-768-3785 / vwinkelm@smu.edu