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Engaging a Consultant: Advantages & Challenges to Finding the Right Match

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Many cultural organizations go through a period where they need specialized assistance or an outside, objective perspective in order to successfully tackle a particular project, challenge, or opportunity. After assessing the internal board, staff, and volunteer resources, organizations may recognize the need for external expertise that might only be provided by a qualified management consultant. Professional consultants build their reputation on client successes so they tend to be proactive in finding solutions that serve the organization's aspirations. But what should an organization take into consideration when seeking the best and brightest?

In this issue of *Arts Insights*, the first of a two-part series, we focus on the benefits and hurdles of selecting the right consultant to help minimize the risk of and maximize the return on an organization's investment of time and money. We will look at the importance of a potential consultant's commitment and connection to the arts and culture sector as well as their capacity to meet an organization's needs. We will also address the time, talent, and treasure qualified professionals bring to the table.

Note: The second part of our series will highlight the risks and rewards in becoming a consultant, as many early, mid, and late-career professionals from both nonprofit and corporate sectors consider their options in serving the arts and culture field.

Introduction

Every institution needs clarity before engaging a consultant. It helps the organization understand the skills and experience required for a specific project as well as the added value of a particular individual or firm. As funders require greater accountability and technology moves ahead at lightning speed, cultural institutions must be skilled at selecting not simply a consultant but the right type of consultant who can help navigate difficult institutional issues.

It is crucial to have the precise scope of work outlined where expectations for the consultant and the organization are clearly defined. Keep in mind that sometimes the scope of work evolves in discussions with potential consultants as they introduce new perspectives and unique methodologies. Flexibility is very important at this early stage to ensure that results are achieved.

Once the scope of work is defined, how should an organization reach out to find the right consultant for the project? A few questions for consideration may be the best way to introduce this topic:

- Does the organization need an action-oriented, hands-on implementer or a process-oriented mentor and consensus builder?
- Will a single consultant, a team, or a firm with a local or national perspective meet the organization's needs?
- Why is one consultant or consulting firm more appropriate than another in meeting the particular challenges that the organization faces?
- Why is engaging a firm that is grounded in its commitment to clients in building lasting institutions, advancing the arts and culture field, and enhancing communities the best choice?

Once the questions above have been addressed, consider a variety of other factors outlined below.

Industry Experience – Capacity and Talent

Organizations go through a variety of questions, formally and informally, to determine how important industry-specific experience is in meeting their challenges. There are occasions when a volunteer has the time and interest to perform the services required. But do they also have the industry experience needed to expeditiously achieve results? In other words, would one hire an arts and culture management professional to be one's doctor, attorney, or banker? Probably not. So why would a doctor, attorney, or banker be qualified to provide hands-on services in the arts and culture industry?

Cultural institutions, for example, facing a planned or sudden leadership transition can be tempted to place subjective, short-term urgency ahead of objective, long-term stability. Perhaps an opera company's long-time general director has announced his or her intention to take a position in a larger company in 90 days. Although this may appear to be a significant amount of transition time, every organization likely goes through some form of the "five stages of grief," including denial, anger, bargaining, depression, and acceptance.

The challenge with the grieving process is that there are instances where the transition management decision is made too quickly (the denial or anger stages) or not quickly enough (the bargaining or depression stages). Both situations can create unnecessary crises that are easily avoidable with a clearly yet quickly thought out transition management plan. Remember, the press and funders are watching every move, so credibility during the transition is at stake every step of the way.

In the instance of the opera company, the immediate response could be to name a board or staff member to fill the interim role and to start recruiting for a new general director. The rationale for this tactic could be that the person knows the organization or there will be savings in the operating budget. However, a study commissioned by Arts Consulting Group entitled *The Performing Arts in Transition: Executive Leadership on the Move* showed that 80 percent of organizations that chose this tactic saw more than a ten percent decrease in contributions during this period.

Beyond the financial implications, does the potential interim leader have the time and talent to perform these services? Is the organization overburdening the interim leader with too many responsibilities that may be outside their professional comfort zone, hindering his or her success and that of the organization? Is the expectation that the person who has connection and commitment to the organization will also have the capacity to perform this very challenging job effectively?

In the second instance, the 90-day period comes and goes with little or no movement in determining who will conduct the time-consuming executive search process. An attitude of, "We have plenty of time to make a decision" comes and goes in a flash. Other organizations feel that they just need to put out a few advertisements and it will not take long, as everyone wants to work for them.

The sooner the organization gets to the "acceptance" stage of the grieving process, the better. The human resource professional on the board may have wonderful corporate experience in the pharmaceutical industry but do they also have connections to professionals in the arts and culture field? Have they ever led a nonprofit, university, or government-funded cultural organization? Arts and culture executive search firms have processes, methodologies, and interview questions that are uniquely tailored to the specific needs of this sector.

Ultimately, someone who has the industry expertise, has faced similar challenges in comparable organizations, and has the talent to provide hands-on guidance will show a greater return on the investment of limited institutional time and money. In the same way that one would hire a therapist

to deal with personal grieving because they have addressed similar challenges with their clients, one would also engage a qualified professional who can handle the specific project with a certain breadth and depth of industry experience in a variety of cultural disciplines.

Functional Expertise – Commitment and Time

Organizations also go through a variety of questions, objectively and subjectively, to determine how important functional expertise is in meeting their specific needs. It requires a delicate balance, as sometimes narrowing the options too much leaves only a very limited pool of potential resources whereas too broad of a context complicates the recruitment process. This is often the case when hiring capital campaign consultants, nonprofit merger specialists, or strategic planners when an organization should consider framing its needs in a broader context.

For example, a science museum wants to raise \$200 million for its upcoming expansion. In discussing its needs, the organization may initially believe that a consultant must have raised at least \$200 million for science museums in the southeastern United States. Although that may be the ideal, what if the consulting firm has helped another type of museum achieve its campaign goals? What if its campaign management process was successful in a different part of the country? Or what if the consulting firm has had success in similar nonprofit cultural organizations at a lower campaign goal? In this case, flexibility allows institutions to capitalize on a broad enough pool of resources that can meet its campaign management challenges head-on.

Of course, the other end of the spectrum is also true. Some institutions create requirements that are too broad and the consultant simply has “a proven track record raising money in nonprofits.” In addition to the strategic differences of raising money in arts and cultural organizations, many people have the specific functional experience in the field as well as a passion for a particular art form, which can make a huge difference. Although the process of campaign management in medical, educational, religious, or social service organizations may be similar, the language in each artistic and cultural discipline is unique. There is little time for learning curves in the fast-paced world of arts and culture management consulting, as credibility, time, and resources are all precious commodities.

Note that this article will not review the misconception that any consultant personally raises all the money for a capital campaign, prepares the legal documents related to a nonprofit merger, or writes the strategic plan. Although the end of a consultancy may show increased income, merged organizations, and adopted strategic plans, these and other resulting services are a shared institutional responsibility among board, staff, committee members, and many other individuals and groups of stakeholders. Ownership of the end product is both emotional and intellectual. The ultimate takeaway regarding functional experience is that it revolves around a commitment to the mission and goals of the organization. The right consultant will invest the time needed to help achieve those goals and will have the specific experience needed to deliver impactful results.

Solo Practitioner vs. The Team Approach – Connection and Treasure

Now that the industry experience and functional expertise areas have been addressed, how does an organization know if it should hire one person, a team of individuals, a boutique consulting firm, or an international corporate consulting entity? Does it need someone with local knowledge, a national/international perspective, or both? Many times, an organization believes that a local perspective is best because someone will know its unique community. That can be true but the perception could be the opposite where regional, national, and international benchmarks are needed to advance the organization to its next level. There are no easy answers to the above questions, as each situation, organization, community, and cast of characters involved is different.

For example, an organization is planning to build or renovate a multi-venue performing arts center. Like building a house, one could hire a general contractor or take on the responsibility to engage the architect, builder, plumber, electrician, painter, and others. The latter means multiple interviews of

qualified professionals in each area, individual contract negotiations, and additional planning, scheduling, supervision, contract monitoring, and financing, all of which can be a slippery slope.

The advantage to hiring an individual consultant may be that the organization has known them for years and trusts their abilities. The solo practitioner may also have deeper knowledge of the community or cultural discipline so the learning curve can be very short. The potential drawbacks to engaging a solo practitioner that could jeopardize an organization's project are that they 1) could be "between jobs" where this is a transitional project that they may not be able to complete, 2) have such specific expertise that they may not have broader institutional context, 3) have several projects competing for their time and attention, so this project may not be the priority, 4) can be perceived as being engaged simply because of convenience and perhaps without proper due diligence, and 5) are a one-person shop with little or no professional safety net if something happens to them.

On the opposite side of the spectrum are large corporate consulting firms who may have strong brand recognition in a variety of for profit industries. They have tremendous experience as consultants, a wealth of knowledge, skilled business professionals, and an extensive network of resources available for their clients. However, some of the challenges that cultural organizations can face in engaging these firms are that the 1) fees can be substantial, 2) team members may not have the knowledge of the organization's specific art form or cultural discipline, 3) consultants have not worked in an organization where they have been the implementer of the change that the firm recommends, and 4) service to the organization is a way for the firm to train their junior level staff.

Finally, and back to our original example of building a multi-venue performing arts center, are the mid-sized arts and culture management consulting firms. Extensive market analysis, program assessment, capacity utilization, community venue inventory, industry benchmarking, architectural advice, capital and operating cost projections, fundraising feasibility, and capital campaign management are all needed before even hiring the general contractor who oversees actual construction. When construction is underway, the team of consultants who have a broad range of connections in a variety of cultural disciplines can continue to bring their specific expertise in the field to the organization. These firms share intellectual capital among team members, have worked for a variety of organizations throughout their careers, and are committed to a vibrant arts and culture community. They may be a bit more expensive than a solo consultant but the value of resources they bring to the table is exponentially more. They may not have all the resources of the large corporate consulting firms but they do have a track record of results and many targeted, industry-specific strategic partnerships that specifically benefit the arts and culture industry.

Fee or Free – The Synergy of the Three C's and the Three T's

Nonprofit cultural organizations consistently face scarcity of resources in both time and money. It can be a real challenge to understand the true return-on-investment (ROI) of engaging any consultant or consulting firm in an uncertain world. Many face a significant challenge in that if they do not acquire the time, talent, and treasure (the three T's) they need to advance, it will be extremely difficult for them to maintain the connection, commitment, and capacity (the three C's) of their supporters. But do these institutions need to pay for consulting resources to advance their mission, vision, and community impact?

Many talented volunteers provide their invaluable knowledge to the arts and culture sector each day at no cost – thank you! However, as many nonprofit leaders recognize, it can be very challenging to rely solely on volunteers or in-kind business support. Other personal or professional commitments could make volunteers unavailable for a project, sometimes on very short notice. How does an organization balance minimizing financial risks while maximizing institutional rewards? As with any product or service, value can be measured in many ways – social, educational, political, traditional, artistic, and economic. Weighing the short-term risks and the long-term rewards, most institutions will find a wonderful balance of how best to mobilize the human, technical, and financial resources.

It is true that sometimes “you get what you pay for” but it is also true that one should “never look a gift horse in the mouth.”

There is tremendous synergy in engaging a professional arts and culture management consulting firm where the three C’s and the three T’s converge. In addition to a commitment to this unique industry, they bring a functional capacity from their professional experience as well as connections to the leading intellectual resources available in the field. As consultants, there is a strong tendency to focus specific talents and the return on investment of time so that an organization’s treasures can be leveraged for maximum rewards for its community.

Conclusion

Arts and culture institutions have reverberating effects in the communities that they serve. Although it would be wonderful if internal resources could provide solutions to every organizational challenge, there are indeed times where outside expertise is the wisest and most cost-effective choice. No consultant has “the magic pill” in solving broad institutional challenges, as many of these issues require integration beyond a single project. Any successful consultancy requires ongoing commitment to help an institution grow, provide a forum for the art form to advance, and allow the organization to have the broadest community impact.

Editor’s Note: This article was inspired by an earlier version of this article in January 2011.



Bruce D. Thibodeau founded ACG in 1997 and, as its president, he has been embedded in numerous projects in all practice areas to grow institutional sustainability, advance the arts and culture sector, and enhance the communities served by ACG’s clients. His previous professional experience includes management roles at Los Angeles Chamber Orchestra, Boston Symphony, Hartford Symphony, and Santa Fe Chamber Music Festival. His previous consulting work includes the Boston Center for the Arts, Bravo! Vail, Carmel Bach Festival, Educational Theatre Association, Mesa Arts Center/City of Mesa, National Assembly of State Arts Agencies, and OPERA America. He holds a bachelor of music degree from The Hartt School at the University of Hartford and a master of business administration from the F.W. Olin Graduate School of Business at Babson College. He is a doctorate of business candidate at the Grenoble Ecole de Management (France) focused on how cultural organizations engage stakeholders to advance their major strategic initiatives.

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