

Engaging an Arts and Culture Consultant or Consulting Firm: Advantages and Challenges to Finding the Right Match Dr. Bruce D. Thibodeau, President

To successfully tackle a particular project, challenge, or opportunity, many arts and cultural organizations look for specialized assistance from an objective expert. After assessing the internal board, staff, and volunteer resources, organizations may recognize the need for an external perspective from a qualified management consultant. Professional consultants build their reputations on client successes so they are proactive in finding solutions that serve the organization's aspirations in a contemporary context. What should an organization take into consideration when seeking assistance or guidance?

This issue of *Arts Insights*, the first of a two-part series, focuses on the advantages and challenges of selecting the right arts and culture consultant or consulting firm to minimize risk and maximize return on an organization's investment of resources. This article will address the time, talent, and treasure that qualified consulting professionals bring to the table, examining the importance of their connection to the arts and culture sector, capacity to meet the organization's needs, and commitment to long-term results.

Scope of Work and Expectations

Before engaging a consultant, organizations need clarity on the scope of work to identify the skills and experience required for a specific project. Arts and culture organizations must be thoughtful in selecting the right consultant to navigate difficult institutional issues.

A precise scope of work must be outlined, with both organizational and consultant expectations clearly defined. However, flexibility is also important at this early stage to ensure mutually agreed upon results are designed to be adapted as qualitative and quantitative data is assessed. The scope can also evolve as consultants introduce unique perspectives and methodologies, so it is best to ask the following questions internally prior to sending a request for proposals or engaging a consultant:

- Will the organization need an action-oriented, hands-on implementer or a process-oriented consensus builder?
- Will a solo consultant, local consulting team, or firm with a national perspective meet the organization's needs?
- How is equity, diversity, inclusion, and accessibility considered in selecting the right consultant or firm?
- Is the consultant or consulting firm grounded in its commitment to methods that allow for sustainability of the services beyond the end of the engagement?

Industry Experience: Capacity and Talent

Industry-specific experience is critical in meeting an organization's challenges. While a volunteer may have the time and interest to perform the services required, they may not have the industry experience needed to expeditiously achieve results. Cultural institutions facing a leadership transition, for example, can be tempted to place short-term urgency ahead of long-term stability. Perhaps an opera company's general director has announced their departure from the organization in 90 days. While this may seem like a significant transition time, every organization goes through some form of the five stages of grief. When the transition management decision is made too quickly (denial or anger stages) or not quickly enough (bargaining or depression stages) it can cause unnecessary inertia that creates barriers to reaching the acceptance stage. With a clear transition management or succession plan, a smooth and seamless process ensues.

The immediate response may be to name a board or staff member to fill the role while recruiting a new general director. The rationale for this tactic could be that the internal person knows the organization or there will be cost savings. However, a study commissioned by Arts Consulting Group showed 80 percent of organizations that chose the internal stakeholder approach saw more than a 10 percent decrease in contributions during this transition. Beyond financial implications, the interim leader may not have the time to perform these services if they are overburdened with too many responsibilities that are outside their professional comfort zone. Does this connected and committed individual have the capacity to effectively perform this challenging job?

Perhaps the transition management decision is not made quickly enough. In this instance, the 90-day period comes and goes with little or no movement in determining who will conduct a rigorous executive search process. Organizations often believe there is plenty of time to make a decision or that distributing a few job postings on industry websites will surely result in a long list of qualified applicants. However, developing an objective and thoughtful process and cultivating the best candidates takes time to ensure long-term results and success.

The sooner an organization reaches the acceptance stage, the better the outcome. The board's human resource professional may have exceptional corporate experience but no connections to the arts and culture field. Arts and culture consultants have processes, methodologies, and interview questions that are uniquely tailored to the sector's needs and specific roles. For the greatest return on investment, arts and culture organizations should engage someone with industry expertise who has faced similar challenges in comparable organizations—a qualified professional who has the capacity and talent to provide hands-on guidance.

Functional Expertise: Commitment and Time

Arts and culture organizations must answer a variety of questions to determine the importance of functional expertise in meeting their specific needs. It requires a delicate balance—narrowing the options too much results in a limited pool of potential resources whereas too broad a context complicates the consultant selection process. This is often the case when hiring capital campaign consultants, sales and earned revenue specialists, or strategic planners. Organizations should consider framing their needs in a broader context to build credibility for the process and project.

As an example, a science museum wants to raise \$200 million for its upcoming expansion. The organization may initially believe that the consultant it engages must have raised at least the same amount for another science museum in the same geographic area. While this may be ideal, what if the consultant has helped an art museum achieve its campaign goals or helped a board and staff raise the same amount or more in different state? What if a consulting firm has had success in similar nonprofit cultural organizations at a lower campaign goal? To meet its campaign management challenges head-on, flexibility is needed to capitalize on a broad enough pool of consulting resources.

Conversely, some institutions create requirements that are too broad. The consultant simply has success raising money for nonprofits. However, there are vast strategic differences in fundraising for arts and cultural organizations. Specific functional experience in the field and a passion for a particular art form can make an enormous difference. Campaign management in the medical, educational, religious, environmental, or social service sectors may be similar but the case statement language for each artistic and cultural discipline is unique, as is the community impact messaging. Credibility, time, and resources are all precious commodities in the fast-paced world of the arts and culture sector.

Consulting Firm or Solo Consultant: Connection and Treasure

Does an organization hire one person, a consulting team, or a large corporate consulting entity? Answering this question can be challenging, as each organization's situation, community, and stakeholders are different. Is local knowledge or a national perspective needed? A local consultant may know the unique community but challenges can arise when regional, national, and international benchmarks are needed to advance the organization to the next level. There are no easy answers to these questions, as each situation, organization, community, and stakeholders involved is different. For example, a performing arts center plans to renovate its facility. Similar to renovating a house, either a general contractor is needed or various professionals, like architects, builders, plumbers, electricians, and painters, must be individually engaged. The latter means multiple interviews, individual contract negotiations, and additional planning, scheduling, supervision, and financing—all of which takes a tremendous amount of time and knowledge in multiple areas. This may be outside the performing arts center's expertise.

The solo practitioner with a deep knowledge of the community or cultural discipline may have a shorter learning curve. However, there can be drawbacks to engaging an individual consultant. If a solo practitioner is between jobs, consulting may be a transitional project that they are not be able to complete, especially if they have several projects competing for their time and attention. Additionally, individual consultants often have no safety net of other professionals if something happens to them during the course of the project.

On the other end of the spectrum are large corporate consulting firms that 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. However, fees can be substantial and team members may not have specific knowledge of the organization's arts or cultural discipline. Large firms may employ consultants who have not personally implemented the changes that the firm recommends. Some firms will even drastically discount their services as a way attract new business and train its entry level staff.

Finally, there are mid-sized arts and culture management consulting firms. A consulting team with a broad range of connections in a variety of cultural disciplines can bring their specific expertise to an organization. These firms share intellectual capital among team members who have worked for a variety of similar organizations throughout their careers and are committed to a vibrant arts and culture community. They may be a slightly more expensive than a solo consultant or lack the endless resources of a large corporate consulting firm however, their track record of results and targeted strategic partnerships demonstrate valuable benefits to the arts and culture industry.

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

Nonprofit arts and culture organizations consistently face a scarcity of resources in both time and money. It can be a challenge to understand the real benefit and return on investment of engaging any consultant or consulting firm. If they do not acquire the Three T's they need to advance (time, talent, and treasure), it will be extremely difficult for them to maintain the Three C's of their supporters (connection, commitment, and capacity). But, do these institutions need to pay for professional advice to advance their mission, vision, and community impacts?

Many talented volunteers provide invaluable knowledge to the arts and culture sector at no cost. However, it can be challenging for nonprofit leaders to rely solely on volunteers or in-kind business. 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, economic. Weighing the short-term risks and long-term rewards, most institutions will find a sensible balance of how best to mobilize the human, technical, and financial resources.

There is tremendous synergy in engaging a professional arts and culture management consulting firm where the Three T's and Three C's converge. In addition to a commitment to this unique industry, they bring a functional capacity from their professional experience and connections to the leading intellectual resources in the field. As consultants, there is a strong tendency to focus specific talents and 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 they serve. Although it would be ideal if internal resources could provide solutions to every organizational challenge, there are times when outside expertise is the wisest and most cost-effective choice. No consultant or consulting firm has an easy solution to reinvent a business model or raise millions of dollars, as many of these goals require an ongoing integration of methodologies, processes, and stakeholder consensus beyond a single tactic. Any successful consultancy requires continued commitment in order to help an institution, provide a forum for the cultural discipline to advance, and allow the organization to have the broadest impact on the community.



Bruce D. Thibodeau, President

Dr. Bruce D. Thibodeau founded ACG in 1997 and has guided hundreds of nonprofit, university, and government clients in achieving effective leadership transitions, planning cultural facilities, increasing revenues, developing dynamic institutional brands and messages, crafting strategic plans and business models, and revitalizing board governance practices. He has also conducted extensive research in a threefold exploration of stakeholders, nonprofit arts management, and cultural facility project management and has facilitated numerous community engagement processes that have increased the public dialogue and stakeholder awareness of the arts and culture sector's value and impact on communities. As both a researcher and practitioner, his expertise highlights the important roles of project champions and followers as they overcome inertia and gain momentum derived from their social connections, personal commitments, and financial capacities to support the arts and culture sector. Prior to

founding ACG, Dr. Thibodeau held various management roles at the Los Angeles Chamber Orchestra, Boston Symphony Orchestra, Hartford Symphony Orchestra, Santa Fe Chamber Music Festival, Price Waterhouse, and Museum of Contemporary Art Los Angeles. He is a regular guest speaker at national and international arts, culture, and academic conferences and has several published papers. Dr. Thibodeau holds a doctorate of business administration from the Grenoble Ecole de Management (France), a master of business administration from the F.W. Olin Graduate School of Business at Babson College, and a bachelor of music from The Hartt School at the University of Hartford. He also has multiple certifications in competencies, communications, and motivations analysis from Target Training International.

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grow, advance, and impact your community.**

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