A FEASIBILITY MODEL FOR ORGANIZATIONS
CONTEMPLATING A CHANGE OF VENUE

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A FEASIBILITY MODEL FOR ORGANIZATIONS
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Thesis

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DEDICATION

This thesis is dedicated to my parents and sister who have helped guide me and support me throughout my life.
ACKNOWLEDGEMENTS

I would like to thank those who have helped me with the research necessary to write this thesis. The Atlanta Opera supported this thesis in many ways. They gave me many materials and knowledge necessary to complete my research. I also want to acknowledge Opera Cleveland, who gave me the opportunity to gain another insight into my research and how it relates to an opera company today.
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Many organizations embark on major changes without fully understanding the process of evaluating the feasibility of these changes. One approach to guiding this process is to have a consultant to guide decision-making. For many organizations this is too costly. The model I am creating will help those organizations to self-evaluate the likelihood of success through strategic analysis. This model will be specifically geared toward non-profit arts organizations contemplating a change of venue.

I chose to examine the Atlanta Opera after completing an internship with them in the development department. During this internship, I found out about the changes going on within the organization. The Atlanta Opera was not only embarking on a change of venue, but was also facing a deficit and planning to raise more money for a capacity building initiative.

I will create this model by evaluating an existing feasibility study which was used by the Atlanta Opera. In order to understand the background behind the feasibility study, I must understand the structure, background and history of the Atlanta Opera, leading up to the problems and questions raised in the study.
The Atlanta Opera was founded in 1979 when two smaller Georgia opera companies merged together. Prior to 1985 the Metropolitan Opera toured regularly, bringing a high level of professional opera performance to the city of Atlanta. When the Metropolitan Opera stopped coming to Atlanta, the Atlanta Opera found itself in a unique position to become the foremost opera company in Atlanta. Capitalizing on that opportunity, the Atlanta Opera has endeavored to present top quality opera productions along with education and community programs.

Originally performing at the 1,748 seat Atlanta Symphony Hall, the company moved in 1995 to the Fox Theatre, a historical venue with 4,518 seats. When the Atlanta Opera started using the Fox Theatre, the Fox became the largest indoor venue for opera in the United States. However, the Fox Theatre presented problems for the Atlanta Opera. At the Fox Theatre, many different groups and productions would be booked into adjoining spaces in the facility at the same time. The walls at the Fox Theatre are thin. Noise from simultaneous events often could be heard during opera performances. Efforts were made to
secure priority for the space for the Atlanta Opera, to ensure sound integrity, but the management of the Fox was unwilling to change is rental policies.

Another challenge faced by Atlanta Opera at the Fox Theatre was a very small backstage area. The facility is historic and ill-equipped to accommodate the production needs of large opera sets. Finally, due to the small backstage area and the booking problems, Atlanta Opera moved to the Boisfeuillet Jones Atlanta Civic Center in 2003. The Civic Center, with 4,591 seats, 70 seats more than the Fox, has a much bigger area backstage, making it much easier to handle large-scale opera productions. At the same time the company moved to the Civic Center, a building was purchased for rehearsal space and offices in the Midtown area.

When the Atlanta Opera company began in 1985, it produced only two performances of two productions for a season. Since that time, the season has increased to three performances of each of four different productions. The Atlanta Opera primarily produces traditional opera. The 2005-2006 and 2006-2007 seasons have included productions of *La Traviata*, *Tosca*, *Carmen*, *Don Giovanni*, *Fidelio* and *The Abduction from Seraglio*. However, unlike some companies which exclusively produce Grand Opera, the Atlanta Opera also produces less familiar or less frequently performed works such as *Eugene Onegin*, *La Rondine*, *Macbeth*, *The Capulets and the Montegues*, *Andrea Chenier*, *Amahl and the Night Visitors* and *Die Fledermaus*. 
In 2007, the Atlanta Opera season included *Pagliacci, Carmina Burana, The Barber of Seville* and *Romeo et Juliet*. The 2007 productions are opera “favorites” that draw audiences to the theatre.

The mission of the Atlanta Opera has always been to “strive to present opera productions of the highest standards possible, while fostering education about the art form and encouraging its growth with services and programs designed to fill the needs of the community.” The mission can be translated into the organizational structure of the opera.

The Atlanta Opera company has a traditional organizational structure for a non-profit organization. The board of directors is at the top of the structure; and reporting directly to the board is the chief administrative officer, who has the title General Director. Reporting to the General Director are department heads who supervise the employees of their various departments.

The Atlanta Opera’s board of directors is made up of fifty members. In the 2006-07 season, the president, vice president, secretary, and treasurer are the offices of the board. The general director of the opera is an ex-officio member of the board of directors. The board sees its primary function as fiscal oversight, which includes involvement or at least final approval of season selection, Its fiduciary responsibilities are met through standing committees such as Finance/Administration, Marketing, Development, and Special Events (events related to fund raising).
In the 2007-2008 season, the Atlanta Opera is being led by General Director, Dennis Hanthorn. Mr. Hanthorn has been the general director of the Opera since 2004. According to Mr. Hanthorn’s biographic material, he served as General Director for the Florentine Opera Company between 1989 and 2004. During his tenure, he was responsible for the artistic direction and administration of the company, which included the production of four operas each season with 18 performances as well as special events, concerts, and educational programs. Among Mr. Hanthorn's achievements during his tenure at the Florentine Opera Company was balancing the company’s operating budget for eleven consecutive years, and growing the budget from $1.4 million in 1989 to $4 million in 2004. He also managed the company’s first million-dollar contribution in 2003, thus boosting the endowment fund to more than $4.2 million.

Mr. Hanthorn serves on the Board of Directors of OPERA America, the non-profit service organization for opera in North America; and has been a panelist for the National Endowment for the Arts. Clearly his experience, his success as a manager, and his national and international reputation are valuable assets to the Atlanta Opera.

When Mr. Hanthorn became general director of the company, he inherited a history of unbalanced budgets, and an accumulated debt in the neighborhood of two million dollars.
One of Mr. Hanthorn’s priorities was to develop and implement a plan to balance the budget and bring the company back into fiscal solvency. He has had considerable success at leading the company in this direction.

**Productions**

Eric Mitchko, the current Artistic Director, in consultation with the General Director, selects works to be considered for production. Together Mr. Mitchko and Mr. Hanthorn consider such things as presenting a variety of periods and styles of opera; and the potential for financial success or failure of the opera based on such things as size and quality of cast required, production requirements, and the potential for grant support, sponsorships, and ticket sales. Their recommendations are presented to the board of directors which ultimately approves each season.

The Artistic Director designs and produces the artistic elements of the opera. The design elements of operas are realized in a number of ways. Due to the expense of building large numbers of costumes and sets that will visually fill the stage of a 4000 seat house, these elements are frequently rented from other opera companies, or from professional set and costume companies. Renting costumes and sets is usually less costly than creating new and unique designs. Nonetheless, there is a value to the reputation of the company and to the excitement an audience has about presenting “new” productions. In recent years, the Atlanta Opera has been fortunate to be able to design and build original sets and costumes for productions of such works as *Eugene Onegin, La*
Traviata, Un ballo in maschera, Cosi fan tutte, The Marriage of Figaro. To recoup the cost of new productions, Atlanta Opera stores and rents production sets to other companies. The rental of sets, costumes, and surtitles are all transacted through the production department. The sets and costumes are kept in a storage space accessible to the company and can be rented via the company website or speaking with the company manager.

An example of the considerations that go into the selection of the elements of a season can be seen by looking specifically at the 2006-07 season. Originally announced as a four-production season, it subsequently was reduced to three. The production that was cancelled was Orlando, an opera by George Fredrich Handel.

Orlando, a baroque opera seria in three acts, is rarely produced today. Baroque opera, a genre popular from 1600 to 1759, involves unique historic instrumentation. The Baroque era preceded the development of the modern piano. The two keyboard instruments during this time were the harpsichord and the organ; and the string instruments, which were the most commonly used instrument in newly developing chamber orchestras, included lute, viola, viol, violoncello, contrabass and harp. Baroque woodwind instruments are the flute, oboe, recorder and bassoon. Brass instruments are the trumpet, sackbut, trombone and horn. Baroque chamber orchestras most frequently had fewer than ten players.

While presenting a rarely produced Baroque opera would provide a unique opportunity to Atlanta audiences it is both a rich and very risky marketing
opportunity. The challenges of the opera are finding musicians familiar with traditional instruments and the cost of artists familiar with and capable of singing this challenging score.

There was also the issue of finding or building appropriate costumes and sets with very little rental potential. These issues became strong arguments against mounting this production.

As a result of the Atlanta Opera’s two million dollar debt and cost and risks of the production, the Atlanta Opera made the decision to replace the fourth production—not with another opera, but with a fund raising event. Not only does the postponement of this production decrease artistic expenses for the opera for the season, it also lowers earned income risks, and should provide an opportunity to generate income through a gala event which may also introduce new people to the Atlanta Opera.

Departments

The finance/administration department is headed by the senior director of finance and administration. In the finance department, all money received and paid by the opera is documented, tracked and deposited. This department also helps with the budgeting and auditing of the organization. In addition to these tasks, one member of the finance staff doubles as the technology manager. In addition to many finance duties, such as dealing with purchasing personnel, logging income, developing finance reports, and helping auditors this staff member maintains the computers and other technology,
The Marketing Department is headed by the director of marketing. The
department consists of three positions, the director, assistant director of
publications, and marketing manager. The director is responsible for overseeing
and approving all marketing activities. The person in this position is specifically
involved in the initiation and development of relationships with potential
corporation sponsors. The assistant director of publications is a creative
position, responsible for developing and monitoring the visual aspects of the
marketing department. The marketing manager also takes care of the website
updates. The Atlanta Opera website is user-friendly and highly interactive.
Patrons can find anything from information about the productions and staff to
how to donate online. The website is set up with headings at the top of the
webpage which include general information, a season calendar, information
about how to plan a night at the opera, ticketing services, ways to support the
opera, and information about education and family programs. Under each
heading are subheadings relevant to that subject. For example, under the
general heading of The Atlanta Opera are the following subheadings: about your
opera, leadership/staff, opportunities, program advertising, sponsors, rental
services, press room and related links.

The Marketing Department also cultivates corporate sponsorships. If a
company is interested in becoming a corporate sponsor, there are many benefits
which include the following: website presence, media recognition, special events,
e-mail, marketing partnerships, advertising in the season program and backstage
tours.
The final department is the development department. In this department, the development director is in charge of obtaining money for the organization through individual donations and grants. The development department is broken down into several specific positions. There is an annual fund manager, who takes care of all aspects of the annual fund as it relates to individual donations. The foundations and grants manager develops relationships between foundations and the opera. This manager also manages the grant calendar, writes proposals, manages on-site visits, and handles the annual reporting required of most granting agencies. The final position in the development department is the development associate. This associate is in charge of special events. The special events are coordinated with the help of everyone in the department, but managed by the development associate.

The Atlanta Opera cultivates charitable donations from individual donors in several ways. Donations are accepted online or by phone, fax, email or U.S. mail. Patrons may donate money to the annual fund, memorials or tributes, or the conductors circle. The annual fund is the main financial support of the opera providing 60% of all yearly income. The annual fund is increased not only by individual donors, but government agencies, foundations, and corporations. On the Atlanta Opera’s website, the opera names three main goals for annual fund donations; to: “continue to improve the financial stability of the company, enhance the artistic quality of the product, and raise the level of recognition of the Atlanta Opera from regional to national prominence.”
Patrons with substantial means and strong interests in the company are encouraged to join the Conductor’s Circle. The Conductor’s Circle is made up of people committed to helping the opera to “reach new artistic heights.” Members of this circle are acknowledged in categories determined by the level of their giving. The entry level contribution is $5,000, and the most prestigious level includes donors of $100,000 or more. The members of the Conductors Circle are given special benefits in return for their donations. Benefits include valet parking, priority seating and a nationwide VIP opera concierge. There are approximately 73 donors in the Conductor’s Circle. Several of the Conductor’s Circle donors are members of the board of directors and none of the donors are corporations.

In addition to traditional individual donations, the Atlanta Opera has two unique donation options on its website. Patrons may donate a car, truck or van to the Atlanta Opera and receive a fair market charitable tax deduction in return. Also, patrons may use a website called www.benevolink.com to shop several brand name stores that rebate 13% of the value of member purchases to the Atlanta Opera. Patrons are also encouraged to participate in more sophisticated methods of giving, including gifts of appreciated stock, insurance policies, and a variety of estate planning options.

The General Director meets every week with the heads of the departments in order to keep apprised of all activities and workings inside the opera. All the departments work together to present not only opera, but several educational and community programs. All programs are a direct part of the
mission. The opera presents school programs, audience education, opera interactive, and family and community programs.

The Atlanta Opera presents many programs in the schools, the most popular being *Opera Adventure*. The *Opera Adventure* tours a children’s opera to schools and community groups throughout the state. In this program, the opera is performed with props and costumes on a portable stage. The opera also supplies teacher study guide materials and other teaching aids. The program is geared for students in the elementary grades and can accommodate up to five hundred people.

The Atlanta Opera also offers an opportunity for students to see a student matinee of an opera performance. This performance is a dress rehearsal matinee of the Atlanta Opera’s main stage production. This program is designed for students of all ages and it is geared to introduce students to opera.

*Music! Words! Opera!* is a program designed by opera professionals and Opera America, the national service organization for the field, to provide teachers with the necessary training and materials to lead students through opera exploration. In a week-long training session, teachers learn how to integrate the *Music! Words! Opera!* program into a school curriculum. In the classroom, students will learn about opera through listening and exploration. Finally, the students work together to write, create and perform their own opera. The Atlanta Opera has been using this program in the Metro Atlanta school system for several years with great success. The long-term goal for this program is to
cultivate children as a knowledgeable and enthusiastic opera audience and patron base for the future.

The Atlanta Opera also has a program called *Opera Trunks*. This program provides a school with an opera trunk filled with books, videos, compact disks, slides, activities, costumes and props geared toward performing a certain opera. Along with the trunk, the opera production staff presents a brief introduction to the featured opera, as well as to the contents of the trunk and related resources such as online study guides. The trunk remains at the school for two weeks. Currently, Atlanta Opera has five trunks, one for each of the following operas: *Otello, Aida, The Marriage of Figaro or The Barber of Seville, Carmen and The Magic Flute*. In addition to *Opera Adventure*, student matinees, *Music! Words! Opera!*, and the *opera trunks*, the Atlanta Opera has resources available to home schooled students.

The Atlanta Opera presents two different types of audience education: *Pre-Opera Lectures*, and the *Opera 101* series. The *Pre-Opera Lectures* provide information about the current main stage production. The lectures are provided in a friendly and non-threatening atmosphere. Each lecture helps the listener understand the opera with a synopsis of the opera, a brief history of the work, information about the composer, and specific details about the Atlanta Opera’s specific production

*Opera 101* provides audio and video previews of all of the Atlanta Opera’s current season productions. As with the *Pre-Opera Lecture*, the *Opera 101*
program provides a synopsis of the opera, historical information and fun facts about the composer along with video and audio clips.

The Atlanta Opera also provides some unique opportunities on its website. At www.atlantaopera.org, the opera offers a variety of fun ways to learn more about opera. There are several interactive learning activities such as terminology, a monthly online quiz, opera surveys and screensavers. Audiences can learn about opera etiquette, getting to the opera, the facilities and expectations for first time attendance. Opera audiences can also purchase tickets and make a donation online.

Finally, the opera has many programs for families and communities. The most unique family and community program is the annual *Family Day*. *Family Day* takes place in March at a local university. At *Family Day*, the public is invited to experience hands on activities, demonstrations and interactive exhibits. For a small fee, everyone can experience an instrument petting zoo, stage combat demonstrations, an interactive costume shop and the opportunity to make your own instrument. At this all day activity, the opera provides performances of the opera and an opportunity to become part of the Atlanta Opera.

**Finances**

The 2005-2006 budget projected expenses of $5,887,958 and revenue of $5,879,947, anticipating a deficit of $1,989. In the previous year there was a real deficit of $63,770. Most of the revenue for the opera comes from the Development Department. The most revenue is generated from the Annual
Giving campaign including gifts from corporations, foundations and individuals. Public funding accounts for $161,500 and special events account for $309,175. Overall, the Development Department generated 57.9% of the total revenue for the company.

The Marketing Department also accounts for a large portion of the revenue. Revenue for subscriptions, tickets and advertising, amounted to $2,307,500, 39.2% of the total revenue in 2006. The revenue from the Education, Administrative and Facilities departments each account for less than 1.6% each of the total budget.

In terms of expenditures, in 2005-06, the Marketing Department accounted for 15.3% of the total expenses. In dollars, expenses which include such things as publications, public relations, ticket printing, and subscriptions amounted to $901,882.

The Education Department spent $282,821, 4.8% of the budget. The Education Department has expenses for travel, resource materials, costumes, singers and musicians.

The Production Department spends the most money of any department. Production expenses make up 45.7% of the total expenses for the opera, largely due to the payroll for singers, musicians and technical personnel. In ‘05-’06, these three payroll categories of expenses amounted to $1,818,153 of the total $2,687,412 spent for production. Other production expenses include such things as wigs, makeup, set rental, transportation, hotels, music royalties, instrument...
rental, and hall rental. However, the costume shop expenses comprise only 3.6% of the total budget expenses.

Administrative expenses account for 18.2% of the total expenses for the opera. These expenses include insurance, retirement plan matching, postage, credit cards, computer, telephone and payroll. Also, depreciation accounted for $170,000 and interest expense was $126,000.

“The Atlanta Opera strives to present opera productions of the highest standards possible, while fostering education about the art form and encouraging its growth with services and programs designed to fill the needs of the community.” This is the mission statement of the Atlanta Opera. Not only does the opera fulfill the goals of the mission, but it has does so in a fiscally responsible manner. Through the efforts of the production, finance, marketing and development departments there are many opportunities for patrons to contribute financially to the success of the opera company. The many programs the opera offers are inclusive to all ages and financial backgrounds. In my opinion, the Atlanta Opera is a responsible organization with a commitment to its community and the art of opera.
A model of feasibility has many parts including self-assessment, interviews, analysis and implementation. In order to create this model, I examined the history, problems, and case study put forth by the Atlanta Opera. Then, I extracted questions and put them into a model of feasibility so that other organizations who cannot afford to hire a consultant may benefit from this experience. The primary goal for this feasibility model is for organizations to determine if they should change venues and embark on a capacity building initiative.

Before implementing a feasibility model for a change of venue, there are many questions that the organization should ask itself. In his book, *The Drucker Foundation Self-Assessment Tool*, Peter Drucker distills the process into five core questions (Drucker, 5). The questions are as follows: What is our mission? Who is our customer? What does the customer value? What are our results? and What is our plan? These five questions will help an organization to clarify its goals and to make decisions that will help it meet its mission. Similarly, in her book, *Consulting with Nonprofits*, Carol Lukas outlines five steps essential in order to decide what information is needed and how to retrieve it (Lukas, 39). The five steps are the following: decide what information is needed and how to retrieve it.
obtain it, communicate with various constituencies about the data collection, gather needed information, summarize and analyze the information, and share the information with the organization. Lukas also lists categories of information needed to analyze an organization. Some of the information needed includes mission, history of the organization, audience served, board structure, results or performance, goals and objectives, staff structure and leadership, finances and legal structure. Amassing this information in a clear form will be crucial to answering the five Drucker questions and other questions about the organization.

Only after asking and answering the five questions is an organization ready to evaluate strategically the advisability of such a large issue as a proposed move to a new venue. In order to answer this question, the board of directors, executive director and staff should complete a SWOT analysis of the current venue. A SWOT analysis involves an in-depth evaluation of the strengths, weaknesses, opportunities and threats an organization faces at any point in time. Generally speaking, the analysis of strengths and weaknesses focuses on the organization itself, while identifying opportunities and threats involves looking at the external environment in which the organization exists. This analysis will help the organization to determine if a new venue is needed and what would be needed in the new venue. Then, after a search for potential venues, each one should be evaluated in light of its own strengths and weaknesses in relation to the identified needs of the organization. When looking for new or alternative venues some of the elements to keep in mind are such things as parking, acoustics, seating capacity, location and booking dates.
Dr. Maidie Rosengarden, director of production and education for Opera Cleveland, is concerned primarily with issues related to production itself. She analyzes the following characteristics: audience capacity, pit capacity, parking capacity, stage size, portal opening, lighting equipment, sound equipment, soft goods, and rent. This type of information often can be obtained by accessing the rental page of the theatre on the internet or certainly by contacting the theatre in person.

After considering possible venues, the analyses will only give the organization an idea of possible venues that will fit the organization and how much money would be necessary to facilitate the move. Then, it may be necessary for the Director of Production and the CEO to speak to the possible venues about the space. They should tour the space and speak with the venue representative about each of the questions raised during the SWOT analysis, as well as concerns identified above. Only after carefully analyzing the organizations needs and evaluating each possible venue can an informed decision be made about which venue best suits the needs of the organization.

Having made a decision that moving is a necessary and logical step, there are other issues to consider before going ahead with any plans. At this point the financial position of the organization should be factored in as part of the SWOT analysis. Next, the organization will have examined its budget, outstanding debts, anticipated income, as well as real revenue and expenses. Each of these elements will have an impact on the organization’s ability to finance such a move. For instance, if there are outstanding debts, it may be difficult to secure funding
for a new project. The organization should also consider the following: What will be the costs of moving—in terms of good will, in terms of the potential for losing funding and facing new competition in a new location. What will be the gains—in terms of the buzz of being in a new place and in terms of new potentials for building a donor base.

The model for feasibility in this chapter will help an organization determine how the constituents perceive the organization—how they respond to the case statement for the move, whether they feel the financial goals set by the organization are realistic how the current leadership of the organization is valued, and the readiness of the staff to take on a large project. The questions identified in the feasibility model are meant to be asked to volunteers, staff, foundations, corporations, community leaders and board members in confidential interviews along with an analysis of the programs, goals and action plans of the organization. The questions should be asked in both the current community and if applicable the new community of the venue. These questions should be asked at least one year prior to the change of venue. This gives the organization ample time to conduct interviews, analyze data, both fiscal and performance related, before the organization changes locations. It is also important that the interviews are done confidentially so the interviewees are not pressured to respond in a certain way. Often, interviewees will be more candid if they know that their words will be taken seriously, but not attributed with their name. Both current and potential stakeholders should be included in the interviews in order for the
organization to receive a comprehensive view of the organization from both an inside and outside perspective.

**Perceptions**

The first section of questions to be asked the interviewees is about the perceptions of the organization. It is crucial to understand how the public views the organization and its mission before embarking on any major changes. The answers to the questions about the perceptions will help the organization understand whether time and resources should be spent in adjusting opinion. If these questions demonstrate negativity about the organization, or about its potential move, there is an opportunity to specifically identify the issues.

What was your first time experiencing this art form?

Is this art form important to you city?

How do you feel about the quality of the performances?

What are the reasons you attend?

What do you enjoy or like about going to performances and this art form?

What do you not particularly like about this art form?

Are you drawn to certain composers?

What are your thoughts on set design?

Does it matter whether the set is grand or minimalist?

How does (your organization) compare in terms of its relative importance to you compared to other events or things you spend your entertainment or cultural dollars on?

Will you continue to subscribe if the company continues with its plan to move locations?
Do you feel that the organization can sustain itself in this new venue?

Have you had the opportunity to see or attend the new location at any time?

What are your thoughts and feelings about the new venue and how it relates to this art form?

What positives and negatives do you perceive for the venue?

The first questions about public perceptions of the organization would seek information about how stakeholders feel about the programming and the quality of productions and performances. These questions will give the organization an idea of what programs and performances the public views are positive and negative. The next questions ask if the interviewees about feelings for the art form and how it relates to the city. These questions will help the organization understand the importance it plays in the city’s arts and culture. The next questions deal with the person’s views of the organization’s ability to sustain itself in a new venue and overall. The answers to these questions will help the organization to understand the potential of donors and the public through funding. The last two questions that deal with perception are about the thoughts and feelings of the current and new performance venues, both positive and negative. The answers to these last two questions will help the organization understand if the public will support a new venue or if they prefer the current venue.
Case for support

The next set of questions is about the case for support put forth by the organization. They will help the organization understand if it the public will support the case for support and how they view the achievability of the campaign.

How do you see the evidence and the case for support for this move?

Did you perceive the last financial campaign to be successful?

Do you feel that the organization makes sound financial decisions?

Do you feel the organization gives assurances for its financial success?

What assurances do you want to see that this move will be successful both financially and practically?

Do you think our audience and donor base needs to be expanded?

In your opinion, what ages are not represented at the performances?

What does the organization do to achieve financial responsibility with respect to art, marketing, public relations and education?

The first two questions in this section deal with the case for support. The questions asked pertain to feelings about the case and if the organization is moving in the right direction. These questions help the organization to understand the impact of the case and how it is being perceived by the public.

The third question in this set is only for organization with a past history of financial difficulties. The question asks how the case for support is viewed in lieu of past financial difficulties. This will help the organization who has struggled in the past to understand if the public will support a step in the right direction or will
concentrate on past discretions. The next question asks about reassurances for income generated during the campaign. This will help the organization understand and know what kinds of assurances are expected of them. The fifth question is only for those organizations with a current deficit. The question asks what kind of actions the person would take to bring the budget back to the positive side. Although the people answering the questions may not have the qualifications to correctly answer them, their answers give the organization an understanding of possible actions the public views as steps in a positive direction toward a balanced budget. The final question about the case for support deals with what the organization needs to do to achieve financial stability with respect to several fields such as art, education, marketing and public relations. Again, this gives the organization an idea of the public’s perceptions of the organization and how they think the organization can achieve financial stability.

**Goal setting**

After hearing the goal amount, do you feel it is an appropriate amount to ensure the survival of the company?

Do you feel that the move to the new location gives the company a new set of donors to cultivate?

Have you seen participation in the organization from the board?

The goal setting questions in the feasibility study help to gauge the amount of support the community will withstand. The questions about goal setting start with community perceptions of the goal amount. It is important to understand if the goal amount is feasible and if it is possible for the organization to raise that particular amount of money. If the focus groups feel that the goal is
not achievable, a new goal amount can be suggested by the focus groups or re-evaluated by the organization. Other goal related questions are in reference to the organization's location.

What opportunities does the new venue have in relation to income?

Will the organization be losing any money or grants by moving to a new location?

Also, is the organization relying on a niche market?

The last questions about goal setting are in relation to the board of directors. How is the board going to contribute to the goal? Are they willing to give more than usual in lieu of the campaign? All of these questions can help the organization not only determine if the organization’s goal is realistic, but if the board of directors is willing to contribute more money to achieve the new goal.

Leadership

How do you perceive the CEO or company manager?

What experiences have you had in giving to the organization?

Do you feel you are kept informed about developments within the organization?

Do you feel the current development plan outlines priorities and details the cultivation process to be executed?

Do you have any questions or comments you did not get to express? If so, what are they?

The last two question areas deal with the leadership within the organization and the development department. It is very important during a move that the community, board of directors and staff are all behind the CEO or general director of the organization. The community and staff will look to this
person to lead them through the move with success and ease. If the perceptions of the CEO are weak; than the move should be reconsidered. The organization's Board President and Board of Directors should also be examined for the feelings and perceptions within the organization and throughout the community.

As mentioned above, the last category of questions is about the development department in the organization. The term development refers to the fundraising and donation aspects of the organization. The questions in this section ask the focus groups about the type of experience they have had with the organization in relation to giving. They also ask how this compares to similar organizations within the community. The last question asks if the focus group feels the organization has a strict development plan; and if so, is it followed. Lastly, it is important to give the focus groups a chance to express their feelings about the organization, possible venue change, leadership, goals and development. The comments can give insight to the organization about the perceptions of the organization to the donors and community.

Once all the appropriate questions are asked, the organization should sit down and evaluate the answers. After thorough examination and analysis, the organization can then decide what actions should be taken.
CHAPTER IV
FEASIBILITY STUDY OF THE ATLANTA OPERA AND OPERA CLEVELAND

The Atlanta Opera

While sound in terms of managerial structure, the Atlanta Opera has recently faced two major problems. The first problem was their budget deficit of two million dollars. The second problem was that the venue utilized by the organization was insufficient for the needs of the organization’s performances.

In 2006, Coxe Curry & Associates was contracted to conduct a feasibility study for the Atlanta Opera to test a proposed fund-raising initiative, to develop a case for soliciting financial support, and to assess the organization’s current fundraising activities and develop a plan of action. An important component of this study was to find out perceptions of the community in regard to Atlanta Opera, and in regard to the proposed performance venue change.

The study consisted of a series of thirty-four confidential interviews conducted by four individuals from the Coxe Curry & Associates team. The list of people to be interviewed was made up of a variety of individuals from foundations, representatives of major corporations, community leaders, and opera board members. Six interviews were also conducted with Cobb County leaders. The feasibility study helped the Atlanta Opera develop a plan to
stabilize the organization’s finances and to build a solid foundation for future growth. It also showed that establishing a substantial reserve fund would be perceived as a positive step for potential funders during any fundraising campaign.

As stated above, a major problem for the Atlanta Opera was the budget deficit of $2 million. When facing this problem, the Atlanta Opera decided to restore its financial vitality by making use of its assets. The Atlanta Opera owns its own building and real estate in Midtown Atlanta, a growing business district in the city. In June of 2006, the board of directors decided to make use of this highly desired real estate and authorized the sale of the property for $4 million. The board anticipated that the proceeds from the sale of the property would retire the company’s $2.5 million debt. This would leave $1.15 million for a cash reserve.

The second problem for the Atlanta Opera was their performance space at the Boisfeuillet Jones Atlanta Civic Center. The Opera has been at the Civic Center since 2003. However, the Civic Center has 4,591 seats, the acoustics are not very good, and there is little leg-room between rows of seats. For a smaller opera company such as the Atlanta Opera, 4,591 seats are too many. With the decline of ticket sales after the move to the Civic Center in 2003, the Atlanta Opera made the decision to explore options to find a new venue. One option was to try to stay in the Midtown area, performing at the Woodruff Arts Center’s new symphony hall. However, the new hall will not be completed until 2011.
No other viable alternatives presented themselves in Midtown Atlanta; however, outside the Midtown area, to the north, the Cob Energy Performing Arts Centre was a possibility. The John A. Williams Theatre is a 2,750 seat theatre specifically designed for opera. The Performing Arts Centre has state-of-the-art technical systems and superb acoustics. The acoustics were designed by world-renowned Kirkegaard Associates for the purpose of an intimate opera experience. The Centre is located inside the Atlanta perimeter near routes I-75 and I-285 right outside the Fulton County line, about eight minutes from downtown. The venue will have more than 1,000 parking spaces with additional parking across the street. There will be a wide variety of restaurants within five minutes of the venue. The Atlanta Opera hopes that this new venue not only will increase ticket sales, but also will increase the quality of its productions by attracting new artistic talent from the opera world.

The Atlanta Opera planned to launch a $3.2 million capacity building campaign in order to raise funds to finance a number of initiatives. This campaign would provide the money necessary to finance the move performances to the Cobb County Energy Centre, to pay for new administrative and rehearsal space, and to develop organizational infrastructure to support future growth. Finally, it would make it possible to balance the budget for the three years the company anticipated it would take until ticket sales and contributed income could grow to a level that would support the company’s ongoing operations without the need for raising additional capacity building funds.
The feasibility study indicated that people interviewed doubted that the company could reach the capacity building goal of $3.2 million. Coxe Curry & Associates suggested that a more feasible goal would be $2.7 million. The study also identified eleven potential donors capable of giving gifts ranging from $1.9 million to $2.6 million and provided the Atlanta Opera with ideas for development of donors, new solicitations, external communication, and identified the need for public relations, marketing, and development plans.

Atlanta Opera has carried out their plan according to the feasibility study and started performing at the new venue on September 29, 2007. The 2007-2008 season continues with new productions and the 2009 season has recently been announced.

**Opera Cleveland**

Another organization that has recently faced the challenge of considering a change of venue is Opera Cleveland. Opera Cleveland was created in 2005 out of the merging of two local opera companies in the Cleveland area—Lyric Opera Cleveland, and Cleveland Opera. Each company had performed in its own unique space. Lyric Opera Cleveland performed at the Cleveland Play House, one of the areas premiere regional theatre facilities, in a relatively intimate venue appropriate for the smaller and more experimental productions favored by this company. Cleveland Opera, with its tradition of producing grand opera on a grand scale, performed at the State Theatre in Playhouse Square
Center. The State Theatre is a large theatre in one of the largest performance complexes in the United States.

When the two companies merged to create the new Opera Cleveland, the new organization was challenged to find a single congenial performance location for the first season. In the end, the board of directors decided to showcase both of the former opera companies and present a five show season with two productions at the State Theatre and three summer productions at the Cleveland Play House. The company decided to present opera at both locations in order to reduce the impact of the merger on the dedicated subscribers of each company. The board’s challenge to find a location that will meet the artistic goals of the company, the technical requirements of opera production, and the more elusive desires of the opera audience has not been resolved.

In order to make the decisions, Opera Cleveland conducted its own focus groups to determine the opinions of audience members of each of the original companies. To a question asking respondents to indicate what element of the opera experience was most important to them, the overwhelming majority of patrons stated that having high quality singers was the highest priority. Issues related to specific venues appeared to be far less important.

Opera Cleveland also analyzed the previous budgets and developed comprehensive data that help them predict how well specific productions might sell. Data about productions previously mounted by each component company were analyzed. Additional information was gathered about how a particular opera had sold in similar locations and venues. To this information was added
projections of the number of seats available and the percentage of single ticket sales that can potentially be sold to the public. This information will help Opera Cleveland make an informed decision about the suitability and the marketability of specific productions.

Another issue added to the mix is the varying size of the orchestra pits in the State Theatre and Cleveland Play House theatres. In order to obtain an accurate figure of how much it would cost to pay an orchestra, the number of musicians, various pit sizes, and the number of orchestra parts had to be considered.

In the end, the board of directors decided to produce three operas in their second season, all at the State Theatre at Playhouse Square. While the State Theatre holds 3,000 people, the largest theatre in the Cleveland Play House only holds 600 people. This variation in size would have made it necessary for the company to present more performances of each opera presented at the Cleveland Play House. Even with additional performances, the tickets held by season subscribers would have severely limited the number of single tickets available to non-subscribers. Rather than having two weekends at a small theatre, the management decided to produce one weekend of each opera at the larger venue. This will enable the opera to expand the size of the audience without having the increased expenses related to more performances.
CHAPTER V

CONCLUSION

The challenges that face any arts organization contemplating major changes in venue are complex. It is a rare company that has the financial resources to find an ideal solution to space needs. It also is a rare company that collects sufficiently sophisticated data on a regular basis to make this kind of critical decision in the most strategic way.

In the case of the Atlanta Opera, a professional consulting company was hired to develop a feasibility study that took into consideration the strengths and weaknesses of the company’s current situation, and the opportunities that were on the horizon in regard to new facility availability. As well as the implications any move would have on the ability of the company to produce the best possible product, the feasibility study also assessed community perceptions of the company, and the likelihood of the Atlanta Opera being able to reach the financial goals which the board of director had set.

Opera Cleveland was at much more critical moment in its development. Merging two companies with long established histories, distinctly different kinds of productions, and, in many cases, unique audiences, created unique challenges—challenges that had to be addressed very quickly. This newly formed company took the route of doing a self evaluation rather than hiring an
outside consultant. They were able to gather enough information to make an informed decision for the short term, and will continue keep a watchful eye on the possibility of finding a venue that will meet more of their production and audience requirements.

It was the study of these two cases and organizations that lead to the creation of the model in chapter three. Learning from the feasibility studies of each company helped create a model that will enable organizations to reduce the possibility of making naïve and un-strategic decisions about changing locations.
BIBLIOGRAPHY


