Strategic Planning in the Arts: A Practical Guide

Understanding the Environment

External Analysis

An external or industry analysis reviews the structure of the business environment in which an organization operates. Given the characteristics of success defined by the organization's mission, the external analysis answers the question "What does it take to be successful in this environment?". More than a catalog of descriptive data about the organization's business environment, the external analysis provides critical insights that guide the internal analysis.

Since the early 1970's, it has become very fashionable to use the modifier "strategic" whenever one discusses planning. While it may seem sophisticated to talk about "strategic" planning or "strategic" marketing, few people using the word know its meaning. What turns old-fashioned, "long-range" planning into "strategic" planning is the explicit analysis of the environment in which the organization operates. Strategic planning came late to the business community but has been a primary tool in other forms of competition for centuries. Who would consider developing a military or sports strategy without first analyzing the field of play and the strengths and weaknesses of the competition?

For an arts organization, a thorough review of the environment includes two distinct activities: analyzing the industry and analyzing peer organizations. Industry analysis reviews the structure of the field in which the organization operates and answers three important questions:

1. What are the constraints placed on the organization by its environment?
2. What are the requirements for "success" in the industry?
3. How is the industry evolving?

Peer analysis typically follows industry analysis. It allows the organization to learn from the behavior of other similar arts institutions and provides benchmarks against which one's own performance can be measured. An environmental analysis performed by the Detroit Institute of Art, for example, may include an analysis of the art museum industry and peer company analyses of the Los Angeles County Museum of Art, the Boston Museum of Fine Arts, and the Philadelphia Museum of Art.

INDUSTRY DEFINITION

Before proceeding with an industry analysis, one must answer one basic question: in which industry does the organization operate? Despite the simplistic example above, there is not one single arts industry, nor is there one "museum" industry, "opera" industry or "ballet" industry. An industry is a group of organizations offering a similar product or service to the same customer group and/or drawing from the same resource pool. By this definition, the Chicago Symphony is not in the same industry as the St. Joseph (Missouri) Symphony while American Ballet Theatre is in the same industry as the New York City Ballet. Determining the correct parameters of the industry is not simply an academic exercise. It defines the data that needs to be obtained for the planning process and, more important, ensures that the results of the analysis are pertinent to the organization. For example, the St. Joseph Symphony can probably learn very little from examining the Chicago Symphony. In fact, it is likely that improper implications can be drawn from such an analysis. The fund-raising and marketing methods that are successful for the larger orchestra will probably bear no fruit for the smaller one, for example. The New York City Ballet, however, must take American Ballet Theatre into consideration when it develops its plans, learning from its counterpart's successes and failures.

While it is dangerous to broaden the industry analysis to include organizations that face very different situations, one loses an important opportunity if one defines the industry too narrowly as well. Two major museums, opera companies or theater companies in different regions might not serve the same customers but they do draw from the same talent pool, compete for national funding and serve similar types of customers. The Seattle Repertory Theatre can learn a great deal from evaluating the Guthrie Theatre, and vice versa.

Although defining the industry is a crucial step in industry analysis, frequently the correct definition of the relevant industry will only emerge after some data collection and analysis has been initiated. Just as an organization's mission is fine-tuned throughout the planning process, so the definition of the correct industry boundaries becomes clearer throughout the environmental analysis process and after important strategic decisions are made. For example, if a regional ballet company decides to pursue an ambitious path to world-class quality, the relevant industry segment and peer companies will change. The Pacific Northwest Ballet in Seattle, which has become one of the country's leading companies, provides a good example of a company that must begin to broaden its industry definition. With frequent tours to major cities in this country and abroad, this dance company can no longer limit its analysis to other regional companies or those in its home territory.

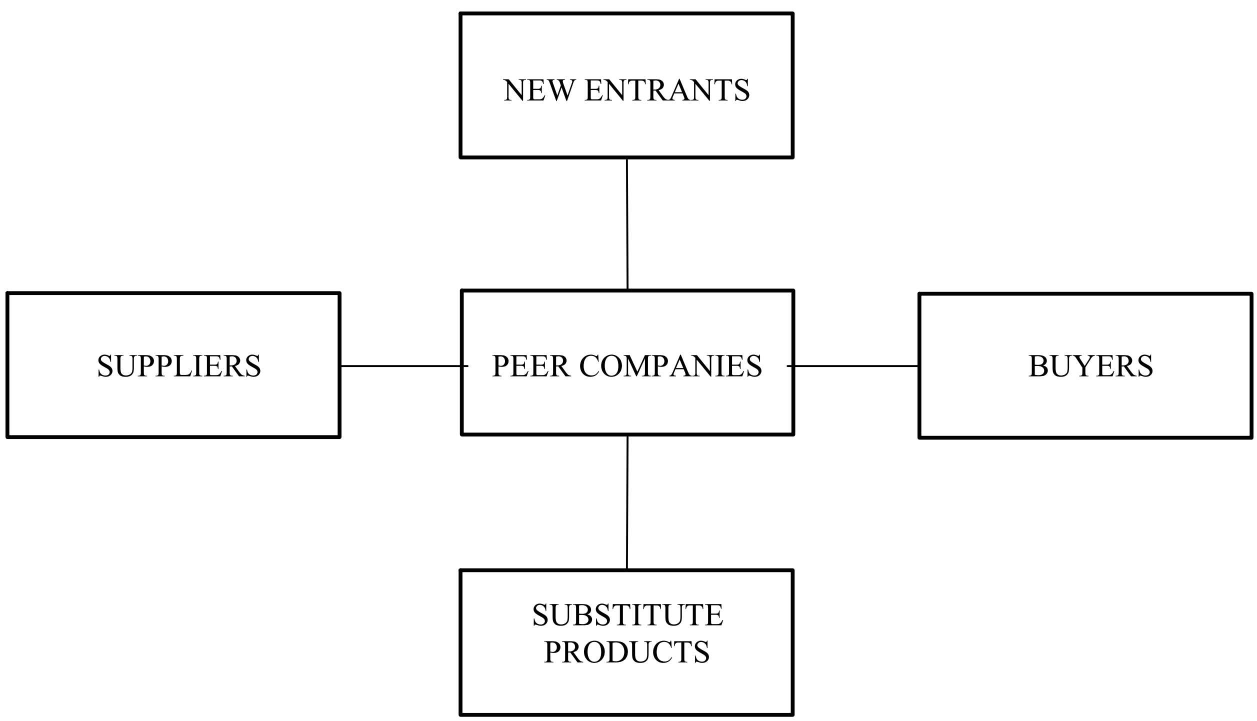
INDUSTRY STRUCTURE

Industry analysis begins with a review of the structure of the industry - a systematic look at the key industry participants. The simplest way to reveal the structure of an industry is to use a model developed by Michael Porter of the Harvard Business School. This model has proven to be as relevant to arts industries as it is to the for-profit sector. It separates industry participants into five key categories, including:

Peer Companies — Those organizations that offer the same level of product or service and therefore compete for resources, customers and patrons. The Chicago Lyric Opera and the San Francisco Opera are peer companies. The Amato Opera does not use the same level of singer, designer, orchestra, etc., and is not a peer company of either of these two larger companies.

New Entrants — New organizations that might become peer companies in the future. For example, several serious theater companies have started operations in Philadelphia over the past ten years. Their opening has had a major

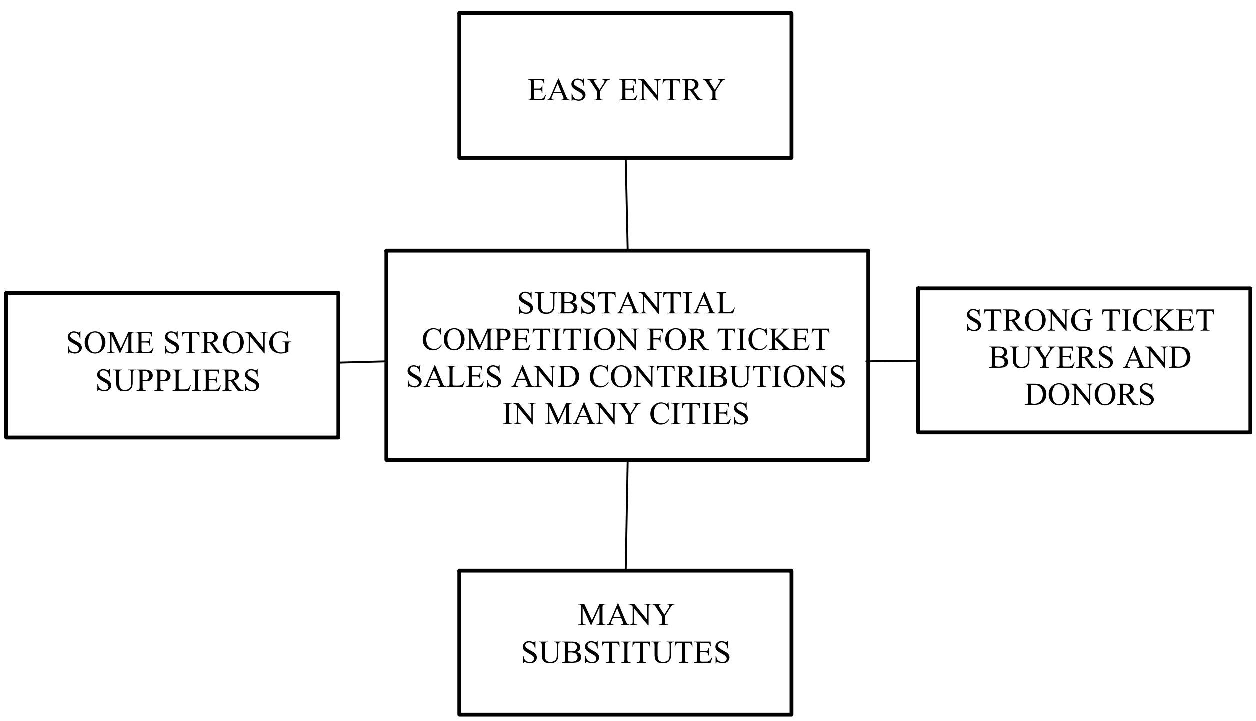
	impact on the city's few major theater organizations, including the Wilma Theatre, since the companies compete for many of the same donors, audience members, plays and artists.
Substitute Products	Those products or services that offer an alternative to the customer. There are several levels of direct and indirect substitutes. Opera on videotape is a direct substitute for live opera. Movies are an indirect substitute for opera performances.
Buyers	Most arts organizations must market to, and compete for, three kinds of "customers." Clearly, those people who buy tickets for performances, exhibitions, etc., are one important set of buyers. A second set of buyers is the presenters that engage performing arts organizations for tours, or museums that rent shows from other museums. A third group of buyers is contributors who support the activities of the organization. While their "purchases" are less concrete, contributors, like ticket buyers, give money to arts organizations and receive something in return.
Suppliers	The artists, technicians and other personnel who provide their services to an industry, as well as other suppliers of materials, venues, etc.



Each of these five groups of participants creates tension in an industry; the magnitude of these tensions will determine the difficulty of sustaining financial health and artistic performance in that industry. If there is a great deal of competition among peer companies, if the potential for new entrants is strong, if buyers and suppliers are powerful, and if substitutes are numerous, then industry participants are going to have a difficult time sustaining a high level of performance.

Most not-for-profit theater companies suffer from this difficult industry environment. Since creating a new theater company is relatively easy, there are many new companies formed each year. The large number of choices between theater company offerings and numerous substitute products (movies, television, DVD's, Internet services, other performing arts, etc.) makes the ticket buyers extremely powerful and makes it difficult to attract substantial funds from contributors. While the oversupply of acting talent makes suppliers "weak", name performers have a great deal of clout and can create high costs for the theater company. This combination of easy entry, strong competition, buyers and suppliers, and numerous substitutes creates a terribly difficult environment in which to operate.

THE THEATER INDUSTRY



In most industries, the problems are not this severe but one or more of these factors do present a problem; isolating the factors that create the problem is crucial to identifying the solution. For this reason, it is productive to review each set of participants in some depth.

PEER INSTITUTIONS

If more than one organization offers a similar product to the same buyer group, the industry becomes substantially more "difficult." For this reason, it is important to understand those peer organizations that might influence your industry segment.

While the analysis of peer organizations can yield a significant amount of information for strategic analysis, peers only affect an industry structure to the extent that they provide direct competition for patrons, customers or suppliers. (In fact, in the for-profit sector, peer company analysis is termed "competitive analysis," a direct name that is considered inappropriate for the more harmonious arts community.) Most arts companies secure regional funding and sell to local audiences and, therefore, are not affected by most peer companies.

Even "national" organizations (e.g., New York Philharmonic, Chicago Symphony, etc.) do not compete directly for ticket sales. They do compete for some funding although most arts patrons tend to be regionally focused as well. (This trend is changing and is providing for increasing competition in many arts industries.) Thus, there is very little direct competition for income between the Chicago Symphony and the New York Philharmonic. There is substantial competition between these two organizations - and numerous other orchestras throughout the world - for the services of soloists and conductors, however. In most cities, with only one major participant in each art form, direct competition comes more from touring companies and from substitutes.

In cities with more than one major opera company, museum, etc., (e.g., New York City), the impact of peer organizations is greater than in cities with less "cultural density"; ticket sales will be harder won and fund-raising will be more competitive. This does not mean that analysis of peer companies is not useful for regional arts organizations. Instead, peer company analysis becomes more informational and less strategic, providing insight into the way a similar organization operates rather than how that organization's activities will affect one's own performance.

NEW ENTRANTS

If the number of peer organizations increases, the competition for artists, audiences and donors will similarly increase. For this reason, the number of new participants in an industry has a considerable impact. For example, as many new chamber music groups have been formed, it has been difficult for all of them to receive enough bookings to form a substantial tour, adequate fees for their performances, and significant funding.

In most arts disciplines, it is unlikely for a large number of new entrants to emerge owing to the high cost of establishing a presence. Opera companies, ballet companies, symphonies and museums tend to face few new entrants and, hence, less direct competition. In those art forms where costs are lower - modem dance, chamber music - one is more likely to see a significant number of new companies. It is very easy to establish a poetry reading organization; one only needs a public space. This has led to a high level of competition for a very small group of buyers, a very difficult environment for established literary organizations.

Those factors that make it expensive or difficult for a new organization to perform successfully are termed "barriers to entry." For example, the time and cost required to establish a unified ensemble quality in ballet and symphonic music serve as substantial barriers to entry. Similarly, the cost of mounting grand opera prevents the establishment of new companies. (Not surprisingly, many new concert opera groups, that offer "unstaged" - therefore, less costly - versions of operas, have been established in recent years.) And the high cost of building both an important collection and a suitable facility makes it extremely expensive to establish a major new museum.

This does not imply that museums, opera companies and ballet companies, etc. are "protected" from all new entrants. New "competitors" may be formed, but substantial resources will be necessary. Frequently, national companies on tour pose the biggest threat of entry to regional performing arts organizations. While these may not represent new organizations, they may be new to the region. Although touring companies do not often compete directly for contributions, they do compete for ticket sales. And, in most cases, a local presenting organization does compete for funding with those local organizations that self-produce. The Metropolitan Opera used to present an annual spring tour following its New York season. This tour represented the biggest competitive threat to many regional opera companies. Since the tour has been canceled, these local companies have had an opportunity to solicit the local ticket buyers and funders of the tour.

SUBSTITUTES

Ballet companies do not compete only with other ballet companies, nor do opera companies compete only with opera companies. Art forms compete with each other and with other forms of entertainment and leisure time activities for ticket buyers and for patrons. The presence of substitute products affects arts organizations as much as the sale of tea affects coffee merchants.

Companies face both direct and indirect substitutes. Ballet, symphonic music, opera, etc. are direct substitutes for each other. There are many similarities among these types of performances and among the people who attend them. Indirect substitutes include other forms of entertainment: television, radio, sports, etc. It is essential to identify those substitutes that provide the greatest challenge before one can create a strategy to overcome them.

A new form of substitute, and an increasingly important one, is electronically-distributed performance and education programs. Symphonies have had to compete with recordings for decades; now other performing arts companies are facing competition from cable television programming, DVD’s, satellite distribution, internet programming and iPods. The difference between watching live performances and taped performances is substantial. However, the cost of video performances is falling so dramatically, and the cost of live performances and the ancillary expenses of attending a live performance - babysitters, parking, etc. - are rising so rapidly, that many people may decide to "attend" the opera in their homes. (This could be a particular problem in those cities where the local arts companies do not employ the "name" performers typically featured in electronic performances.)

Whether, in the end, electronic performances help to build an audience by exposing more people to an art form or cannibalize a limited audience has yet to be determined. But it is important to note that a DVD of world class caliber can be purchased for less than one ticket to a ballet or opera performance.

While electronic media will not eliminate the demand for live performances, the need to improve quality and the pressure to keep a rein on price inflation will build for all arts organizations as world class videos produce a wide-spread standard for performances. To date, video technology has not yet become a substitute for museums, although CD-ROM technology is now being used to distribute images of collection items into private homes and video technology is employed in many museums themselves.

BUYERS

As mentioned above, arts organizations serve three kinds of buyers: purchasers of tickets, presenters of touring groups or exhibitions, and contributors. Ticket purchasers traditionally form the largest group of buyers. As one evaluates the strength of these buyers, one must determine the choices available to them, their dedication to the art form, and their sensitivity to price increases. Each of these factors will have a major impact on the industry.

A simple audience survey can be most helpful in addressing these issues. In addition to revealing the demographics of the ticket buyers and the best ways to market to them, surveys help to determine the value buyers place on the repertory chosen, the importance of recognizable performers, the importance of high production values, and the need for amenities (parking, restaurants, etc.).

The results of an audience survey must be used carefully. In many arts organizations great tension arises from the dichotomy between artistic priorities and the audiences' tastes. Marketers/administrators will often encourage programming of well-known, accessible works (with a famous guest star) while the artistic staff wants to try something new and experimental. (This is a particular problem in smaller cities where the audience for experimental works may be small and dispersed.)

No arts organization should change its mission solely because of its audience's interests. An organization aiming to produce experimental theater but selling to ticket buyers who want musicals is either marketing improperly or needs to pursue a major educational effort, or both. However, it is equally important for the artistic and administrative leadership of an organization to understand the interests of its audience, and to be realistic about the potential for survival if the mission and audience tastes are hopelessly divergent. The most congenial situation, of course, is when the mission of the organization is consonant with the desires of its audience.

Audience surveys will also indicate the level of price sensitivity of the ticket buyers, giving a first approximation of the amount of business an organization may lose if it raises ticket prices.

Typically, since very few arts organizations market to homogeneous groups, there will not be one simple answer to any survey question; buyers will tend to be grouped by type. It is important to understand the needs and desires of each buyer grouping, or niche. Sometimes, individual marketing strategies can be developed that address the needs of a particular market niche without adversely affecting other buyers. For example, many performing arts groups have experimented with "singles' nights" that offer unmarried adults the chance to attend performances and post-performance parties with their peers. This has built larger audiences without affecting the programming prerogatives of the artistic staff.

Institutions - presenters who "purchase" a company for one or more performances, one museum contracting to mount an exhibition produced by another museum, etc - are a second buyer type. Since their purchases are so large, these buyers are more powerful than individual ticket buyers, and consequently have a greater ability to influence repertory and to demand reduced fees, The extent to which any buyer, individual or institutional, has power will depend substantially on the popularity of the organization'. When the Bolshoi Ballet tours, they can demand and receive complete artistic control and substantial fees and still repeatedly perform to sold out houses. A small regional ballet company typically does not have this freedom.

A third set of "buyers" is the contributors to the organization. Just as it is important to determine what ticket buyers value, it is vital to understand why donors support the institutions in the industry and the level of their commitment. Each of the key contributor groups should be reviewed including government, foundation, corporate and individual donors. Trends in contributions and key donor priorities should be evaluated.

In the museum industry, for example, support from individual and corporate donors has grown far more rapidly than support from government agencies over the past decade. Not surprisingly, museums have become more responsive to the wishes of these donor groups. The importance corporate donors place on visibility has been a major reason for the increasing importance of "blockbuster" exhibitions - large-scale exhibitions that guarantee substantial attendance because of the popularity of the subject matter.

SUPPLIERS

While buyers are responsible for industry income, suppliers are responsible for industry costs. Many companies are faced with direct competition from peer companies (and indirect competition from film companies, recording companies, etc.) for their performers. This is especially problematic in the opera industry where the number of singers with a major reputation is quite small and fees, therefore, can be staggering.

The problems of the opera industry were traditionally exacerbated by the alternative sources of employment for opera singers, especially recordings. In recent years, the decline of the recording industry has reduced the ‘power’ of star singers; this alternative form of employment is now harder to come by and the missing marketing clout of the recording industry means fewer opera singers develop huge reputations. Not surprisingly, ballet dancers have tended to earn substantially less than opera singers since alternative forms of employment are less readily available. Ballet dancers' bargaining power is further reduced since they tend to commit themselves to one company, and one dance technique, for an extended period of time. As a result, even principal dancers with major companies do not get to re-negotiate their fees with the same freedom as opera singers who may perform with many companies in one season. therefore, more bargaining power.

Of course there are many other suppliers to each art form, including stage labor, set designers, costumers, curators, administrators, venues, etc. Each of the major suppliers to an industry must be reviewed to determine whether they present a problem to the organizations in the industry.

SUCCESS FACTORS

An integrated analysis of the five sets of participants in the Porter model reveals the pressures that will influence the way industry participants function. An industry characterized by few peer companies, weak suppliers and buyers, no substitutes and few new entrants will be an "easy" one in which to prosper. Few arts organizations enjoy this advantageous environment.

In addition to suggesting the problems that will face an arts organization, industry structure analysis reveals those characteristics that will be required for an organization in that industry to succeed. Isolating these success factors is crucial to the entire planning process. If we know what an opera company must have to be successful, we can focus our planning on developing that asset. For example, an analysis of corporate donors suggests that visibility is becoming increasingly important. In the current cost-competitive environment, most corporations can no longer afford to give away money simply to be good citizens; increasingly, the marketing departments of corporations are becoming involved in giving decisions. For this reason, many arts organizations are challenged to enhance public awareness of their programs and services.

If new entrants are establishing themselves, this will increase "competition" among peer companies for ticket sales and contributions. This increased competition will require more expenditures on making the company seem different from others - a sophisticated marketing program supporting a strong artistic vision will be increasingly important in the future.

If a substitute technology is becoming more of a factor, one must decide whether the industry should embrace the new technology. The Metropolitan Opera has had great success adapting to technological advances: first with its radio broadcast, followed by television, video cassettes, DVD’s and, finally, supertitles. This "beat 'em or join 'em" decision requires a great deal of careful thinking. The industrial world is littered with failed companies that made the wrong decision.

If suppliers are a problem, one must decide whether to accept the restrictions or find substitutes. Obviously, if the key suppliers are the artists, only a change in artistic vision will accommodate a change of suppliers, and the vision should never change solely on the basis of a planning analysis! However, if the problem is the supplier of other materials or services, frequently a change in suppliers will not affect the product.

Industry analysis does not reveal the optimal strategy, but it efficiently isolates the area that needs to be addressed. For planning to be effective, and for the industry analysis process to be more than an exercise, it is essential that the data described above are used to generate insights.

These insights will relate to the challenges facing the organization and the requirements for success.

THE CURRENT ARTS ENVIRONMENT

At present, many of the challenges facing arts organizations stem from the high rate of growth of their services and quality, and, hence, cost structures, over the 1990’s. Revenue growth, however, has not matched this cost inflation. Difficult economic conditions, changing tax laws and limited government funding have led to increased competition for both earned income (from ticket sales, tour fees and tuition) and contributions. Arts organizations now work harder, and often with less success, to balance their budgets.

Audiences' inability to pay increased ticket prices and arts organizations' inability to build new audiences rapidly enough have all conspired to limit earned income. As arts institutions struggle to build earned income, their attempts to grab "a larger piece of a shrinking pie" has created substantial competition for local audiences and tour dates. Competition for audiences is intensified by the rising indirect costs of attending performances and exhibitions. Transportation, parking and dining costs have all risen substantially over the past decade.

In addition, non-live presentations of performances via television, movies, video discs and the Internet are now widely available. The effect of these media on attendance at live performances has yet to be measured. While some observers expect the number of people interested in the arts to increase owing to exposure to "electronic performances" others believe that audience members may limit the number of times they attend live performances.

Increased pressure to mount highly popular works, frequently with famous guest artists, often results. While major productions of tremendous appeal certainly help attendance and, hence, earned income, they should not dominate the performance calendar of any company unless they also fit within the objectives of the artistic director. (Tour presenters, who typically have less interest in the artistic direction of the company than on their ticket sales, are particularly, and understandably, insistent on "popular" repertory.)

Fortunately, high levels of attendance are not solely dependent on the nature of the production. Experience also suggests a strong correlation between public relations, marketing and advertising expenditures and attendance. (However, some productions are so esoteric that even substantial marketing efforts will not attract large crowds.) Attracting sponsors willing to underwrite investments in marketing has become an increasingly important element of an arts organization's strategy.

Of course, the need to advertise depends upon the location of the performances. Institutions in New York City face more competition from their peers than do their counterparts in other less culturally-dense locales. This means that both the blockbuster syndrome and the need for sophisticated marketing approaches are especially significant there.

Enhanced marketing efforts can be pursued on two tracks: individual marketing of specific programs and institutional marketing of the entire organization. Individual marketing, the more traditional approach, builds an audience for a specific production, subscription series, etc. While the short-term benefits of this kind of promotion are clear, the longer-term benefits are marginal unless the institution does a superior job of on-site re-marketing. Institutional marketing educates the public about the organization's mission and builds an underlying base of knowledge. This may reduce the amount of individual marketing required for any given program.

Not only must arts institutions compete for audience in an effort to build earned income, they must also build attendance to please potential funders. Institutions that successfully attract large numbers of visitors will achieve the level of earned and contributed income they need to fund growth in the future. Those institutions that are unsuccessful at building visibility will not succeed on either count, placing their long-term success in jeopardy. This analysis suggests that the gap between the "haves" and the "have-nots" will continue to widen in the future.

Substantial efforts to upgrade the professionalism and scope of fund-raising activities have been pursued by most kinds of arts organizations. As all arts organizations expand development activities, they compete more directly with each other. No longer can "traditional" donors, even in the largest cities, be expected to underwrite completely the activities of resident arts organizations. Arts institutions are now actively soliciting the donors of other arts organizations, even those from other cities and states. The competition for federal and state funds has similarly intensified. As a result, all arts organizations have now become part of a national "arts industry." This has significant implications for the way they must operate in the future.

Whereas traditionally the majority of support for arts organizations came from a small group of wealthy individuals, over the past twenty years a growing portion of funds have come from a new donor pool of national funding sources: major corporations, national foundations and the newly wealthy.

These new funders are demanding changes in the operations of the institutions they support. Major corporate givers are looking for exposure; they want as many people as possible to be informed of their association with high quality "products." Government agencies are looking for a different form of exposure; they want a large number of people to be exposed to programs with significant educational content. (It is essential to note here that government agencies are, in general, looking for a level of educational content that is accessible to a broad spectrum of visitors.)

One final source of revenue that is becoming increasingly important is endowment income. This reflects the desire for a base level of "guaranteed income" as well as the experience that it is more efficient to solicit large, one-time gifts for endowment capital than to mount an ever-larger funding drive each year as expenses grow.

While inflation has a major impact on all expense categories, one must expect expenditures for development and marketing initiatives to rise most quickly. Salary levels are not likely to escalate as quickly as in other sectors of the economy since the demand for specialized personnel is moderate at best.

This brief analysis of the current environment has several implications for the formulation of a long-term strategy for arts organizations:

- Long-term financial stability and consistent artistic achievement are inextricably linked. Institutions that do not recognize this fact will become increasingly weak.

- There are a growing number of opportunities for ticket buyers to see performances at home at a cost less than an evening at a live performance. These video performances, while not live, feature some of the world's greatest performers in the popular, standard repertory. As the availability of "electronic performances" increases, it will be incumbent on all companies to convince the public that live performances are worth the cost.

- Despite the need for earned income growth, the importance of a solid fund-raising effort will continue to increase.

- Competition for funding will continue to accelerate as more organizations attempt to expand the geographic scope of their development efforts.

- Those organizations that build relationships with the new donor pool are the most likely to succeed.

- Efforts to build visibility will be rewarded. Increased visibility demands performances that attract large numbers of people. In addition, the pursuit of strong, well-planned public relations programs will be a key success factor.

- Success begets success in attracting operating funds, endowment funds, audiences and students. Consistent public demonstration of current accomplishments is the surest way to guarantee future achievements.

- Newer donors, particularly government agencies, are looking for programs that serve a broad spectrum of the population. Organizations that depend on government financing must develop a range of educational offerings.

- Institutions that fail to build their level of service will weaken. Austerity is not the road to success in the arts; however, very careful allocation of resources will be essential for long-term success.

- The gap between the organizations that have sufficient funding and those that do not will continue to widen.

- No arts organization is going to have an easy time growing consistently. Costs are rising, ticket prices are already high, touring engagements are difficult to obtain, substitute products abound and funding will be competitive. In this difficult environment, development and implementation of a comprehensive long-range plan will be essential for success.

PEER COMPANY ANALYSIS

While industry analysis reveals the major issues facing all industry participants, peer company analysis suggests how individual organizations have addressed these issues.

There is a great deal to be learned from the experience of other, similar organizations about fund-raising sources, marketing techniques and staffing options. Simply reviewing the donor lists in a peer company's program will indicate who supports the art form, and in what amount. This can be helpful in expanding one's own development effort.

It is not necessary to study every peer company in equal depth; the New York City Ballet can learn from the San Francisco Ballet, but it needs more knowledge of American Ballet Theatre to develop its plans. For those organizations facing direct competitors (e.g., the New York City Ballet and ABT), peer company analysis is crucial. If peer company analysis suggests that a direct competitor is stronger than your organization, your strategic plan must reveal explicitly how you intend to bridge the gap unless your region can support two similar organizations of differing strengths.

Characteristics of peer companies that might be evaluated include:

- Artistic Profile
- Financial Profile
- Management Structure
- Board Capabilities
- Development Sources
- Marketing Strategies
- Production Methods

A "complete" peer company analysis is frequently not required. Rather than simply collecting large amounts of data on every peer company, the analysis should focus on the success factors revealed in the industry analysis. The aim is to generate insights about strategy formulation, not to develop a complete book of information. As in every step in the planning process, when in doubt, err in favor of creating insight at the expense of gathering data.

Collecting data need not be a cloak-and-dagger operation. Given the public nature of virtually every not-for-profit organization, the information needed to complete a peer company analysis is readily available from industry associations (Dance USA, Opera America, etc.), annual reports, audits, articles and marketing materials.

Armed with a clear understanding of their industries and a knowledge of the peer companies' strengths and weaknesses, planners have a substantial head start in constructing the optimal strategic path for their own organizations.