

# *Harmony*

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## The Elgin Symphony Orchestra: Growth with a Plan

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## The Elgin Symphony Orchestra: Growth with a Plan

**T**he Institute follows the organizational fortunes of a universe of more than 200 professional orchestras, and when we discover practices that improve an organization's effectiveness, we often explore them in some depth. Several years ago, the Elgin (Illinois) Symphony Orchestra came to our attention by virtue of its rapid growth. It is now the second largest orchestra in Illinois, its budget grew from \$875,000 in the 1995-1996 season to \$2.2 million in the 2002-2003 season, and its 2002-2003 schedule included more than 50 performances. To what does the organization attribute its success, we wondered? We set out to learn.

### A Brief History

The Elgin Symphony Orchestra (ESO) can trace its roots to 1917, though the organization as it exists today dates to 1950. In 1971, Margaret Hillis was appointed music director for the ESO. Hillis, known worldwide as director of the Chicago Symphony Chorus, provided the energy and expertise to allow the symphony to experience unprecedented artistic and organizational growth. She served as music director of the ESO until 1985.

In 1974, Robert Hanson was named the ESO's associate conductor. He became co-music director with Hillis in 1983 and was named music director upon Hillis's retirement in 1985. In that same year, the ESO became a fully professional orchestra. Today, the orchestra plays annually for more than 45,000 concertgoers from northeastern Illinois, Indiana, and Wisconsin. The ESO's music education programs reach more than 10,000 students each year.

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### It's a Matter of Planning

To achieve and sustain its growth, the ESO relies on an annual strategic planning process that involves representatives of all orchestra constituencies

and includes the music director as an active participant. *Harmony* editor Marilyn Scholl sat in on two of the 2002-2003 strategic planning sessions. When the updated strategic plan was complete, she held a roundtable discussion with several ESO participants in November 2002. We present here an edited transcript of that roundtable.

**Institute:** Please introduce yourselves and describe your role with the Elgin Symphony Orchestra.

**Doris Gallant:** I am office manager for the organization and also serve as executive assistant to the executive director. I am celebrating my first anniversary with the orchestra.

**Michael Pastreich:** I am the executive director of the Elgin Symphony Orchestra and have been with the organization for seven years.

**Emanuel Semerad:** I am a retired orthopedic surgeon, and I became president of the Elgin Symphony Orchestra board in January 2002.

**Tim Shaffer:** I am the principal bass in the Elgin Symphony Orchestra and this is my seventh season with the orchestra. I have participated in the large-group planning sessions for the last two years.

**John Totten:** I am a past president of the board and currently serve as the vice president for planning. I have been on the board for nine years and chaired the strategic planning process for 2002.

**Institute:** Explain for our readers the location of the Elgin Symphony Orchestra, and the challenges and advantages your location poses.

**Pastreich:** Elgin, Illinois, is a far western suburb of Chicago, and one of many suburbs that calls itself home to a symphony orchestra. Chicago itself, of course, is home not only to the massive Chicago Symphony Orchestra organization, but also the Chicago Sinfonietta, Music of the Baroque, the Grant Park Symphony, and many other classical music entities. While we are certainly challenged by the fame of the Chicago Symphony, we see our location as providing more advantages than challenges.

Not long after I became executive director, we agreed as an organization that our job was not to attract musicians and staff who would remain with the organization forever, but rather to attract highly talented individuals with the understanding that it was all right if they eventually moved on to larger organizations. This formula has served us well up to this point.

At the same time, we had a board member who argued successfully that we needed to change our focus from selling tickets to people in Elgin and

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concentrate our efforts on selling tickets to people throughout northeastern Illinois.

**Totten:** Seven years ago, we sold 49 percent of our tickets in Elgin; today, that number is less than 25 percent. The gratifying part of that is we are serving more people in Elgin than ever before, and we are also serving almost three times as many classical-series subscribers who come from as far away as Wisconsin and Indiana.

A definite advantage of our location in a suburban area near a major orchestra is our ability to produce a very strong artistic product and offer our concertgoers the opportunity to experience that product in an easy-to-reach location at a modest price. And over the last five or six years, we have more than doubled our numbers of classical, pops, and family subscribers.

**Pastreich:** Adding to what Doris just said, I would note that Chicago has one of the best pools of freelance musicians in the nation. So we operate from the premise that if we can get the best available musicians on the stage and produce an outstanding artistic concert, everything else in the organization—ticket sales and fundraising—will also grow. That’s upside down from the conventional wisdom practiced by many suburban orchestras of putting fundraising and ticket sales first, but it is working well for us. We’ve added concerts to our schedule in each of the last six years. That translates to more weeks of work for our musicians, which, in turn, brings us better musicians.

**Shaffer:** Speaking from a musician’s perspective, there is no question that the message that comes through to us is that we are extremely valued. The staff also understands that when we are offered more money for work elsewhere, we sometimes need to take it. Their attitude is, “One of these days, we are going to be able to offer you more than they’re offering you.” As a consequence, we musicians think this is a gig worth holding onto. As a matter of fact, I’ve turned down subbing opportunities in the Chicago Symphony more than once because I needed to fulfill my contract in Elgin and I thought it was worth it in the long term. This season, the Elgin Symphony Orchestra is offering us about 13 weeks of work.

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**Institute:** This litany of success that you have all just described did not just happen. So explain when and why you established your strategic planning process.

**Pastreich:** When I arrived, there was a plan that had been around for several years. Soon thereafter, one of our board members, who at the time was the president of a large suburban newspaper chain, stepped forward and took the lead in instituting a much more organized planning process. One result of

that initial effort was to get members of every constituency on the same page. Our initial process included only board and staff. We added the volunteers, and then the musicians were added three years ago. We must admit that the musicians were added in anticipation of what we expected to be a difficult master agreement negotiation. Of course, the musicians initially viewed their invitation with great suspicion, but as we have reiterated this process each year, they have participated in growing numbers and with growing enthusiasm. We added the musicians as a pragmatic move to improve negotiations and learned that we have a group of people who care about the long-term health of the organization and know the field intimately.

**Shaffer:** The first year that the musicians were invited to be part of the strategic planning group, I must admit that my reaction was: “What is this?” But as the years passed, I realized that I owed the organization something and I began to participate. What I have learned is that something really interesting goes on in this process and that everyone’s voice is actually heard. I have also learned a great deal about the very high aspirations that the board and the staff have for this organization.

**Pastreich:** We are very impressed by the significant number of musicians who drive from Chicago to Elgin multiple times, without pay, because they consider our strategic planning process valuable to the overall organization and especially to the artistic product.

**Totten:** Getting back to the question of why an annual strategic planning process was instituted, there is no question that we needed to force the issue of looking ahead at our financial plan. We developed a process to do three-year budget forecasts, working principally on the revenue side, and recognizing that we had a detailed expense budget to work with and manage against. We also recognized our need for a narrative plan which was underpinned by our financial resources. So each year, we go through a process that ties our aspirations to our financial realities with the expectation that we will be in at least a break-even position.

**Institute:** As you thought about the process you would use in 2002, describe the elements you considered important.

**Totten:** In 2001, with the assistance of a facilitator, we spent a good deal of time drafting belief, mission, value, and vision statements for the ESO. As we began thinking about 2002, we decided that we could quickly affirm our work of the prior year and then move forward on many fronts. I am a retired

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executive and have been through many planning and budgeting processes in large companies, so we agreed to do our own work this year without facilitation. We also lengthened the time frame of our planning from three years to five.

**Semerad:** I would note that while a facilitated process can get a group's thinking started and worked well last year, the in-house method we used this year was very specific to the Elgin Symphony Orchestra. We dealt very directly with the issues that have to do with this organization's growth and development.

**Shaffer:** To me, last year's facilitated process was a visionary one and probably necessary. This year's process was substantive and, frankly, more satisfying.

**Pastreich:** One reason that we could assume that things would go well is that we have a situation in which everyone can talk frankly. Board members say what they honestly believe. Musicians say what they honestly believe. The staff says what they honestly believe, as do our volunteers. In our small-group meetings, there is often real disagreement. But because we all value this organization, we find ways to come to terms with those disagreements and find solutions.

**Semerad:** As we were deciding how to approach the process this year, John suggested that we try something we had not done in the past. We also involved our concertgoers—people who attend performances but have had no other involvement with the organization. He thought we should have input from the people who buy the tickets.

**Institute:** You began the 2002 strategic planning process with a large-group meeting. Who was invited to attend and what was the agenda for the meeting?

**Totten:** For the first large-group meeting, we invited representatives from what we call the five pillars of our organization (board, staff, musicians, volunteers, concertgoers) and encouraged them to participate.

**Gallant:** We also invited representatives from the Elgin community. An assistant city manager and two city council members took part in the initial large-group meeting. Fifty-six people attended that first meeting, including ten musicians, which was up from four musicians in 2001.

**Totten:** Michael, Doris, and I built a timed agenda for the meeting. We agreed to begin by validating the belief, mission, value, and vision statements. Because we knew we were going to have many participants who had not been part of the process in prior years, we agreed that we needed to review the 2001 plan and give an update of our progress against that plan. So the first half of that meeting was spent in what I would call level-setting, making sure everyone was starting in the same place.

**Semerad:** The board's vice president for the annual fund, the vice president for marketing, and our treasurer made reports. Each was a comprehensive PowerPoint® presentation. And I think the most important thing that came from taking that approach was that everyone in the room understood how thoroughly our board members know what is going on in the organization. Ours is not a board that sits on the sidelines, but one that is very engaged in what we do now and what we want to do in the future.

**Totten:** For the second half of the meeting, we divided the participants into constituent groups. We asked each group to take 30 minutes to answer two questions about the Elgin Symphony Orchestra as an organization: What do you like best? What do you fear most? We also encouraged them to list as "other" items that did not fall neatly as an answer to one of our questions. Each constituency was also asked to select two people who would participate in small-group sessions to be held over the next several months.

**Semerad:** An important aspect of the breakout sessions was that neither Robert Hanson nor Michael participated. They did not want their roles as music director and executive director to influence the thinking of any of our constituent groups.

**Totten:** This was the only time throughout the strategic planning process that we formed single-constituent groups. We wanted to know early on if there were items or ideas that varied depending on the group's point of view.

The groups then reassembled and reported out their thinking. Staff members wrote those ideas on flip charts as they were reported. The large group ended the day discussing what had come out of the constituent groups and beginning to focus on areas of agreement.

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**Pastreich:** If what we have just described sounds like a long day, it was. People came and participated because they wanted to be part of the planning for the Elgin Symphony Orchestra's future. And, yes, 56 people is a large group with which to work, but by using the constituent-group strategy for the breakout sessions, it was actually a very productive day.

**Institute:** The next part of the planning process was carried out by what you call the small group, which included two representatives elected by each constituent group, as well as key staff members. Please describe those sessions for our readers.

**Totten:** Following the initial large-group meeting, Doris, Michael, and I defined four categories on which we wanted the small group to focus: artistic, development, marketing, and other. We took all of the ideas that came out of the large-group meeting, assigned them to one of the four categories,

and sorted them into concerns, likes, and needs. For example, in the artistic category, one “like” was that customer service is of high quality. One concern was the possible loss of the music director, and one need was to continue our in-school educational programs.

At the first small-group meeting, we distributed those lists and talked through them to make certain that everyone understood them.

**Semerad:** It was an interesting exercise because not everyone had the same recollections of what had been said in the large-group meeting, and not everyone agreed as to what the ideas really were.

**Totten:** That’s right. We were actually asking: Did we hear it correctly? Did we document it correctly? Did we miss something? Are we working on the right things? We made many amendments to our original lists.

It is also important to note that at this point we did not yet bring financial screening into the mix. The ultimate screen for any idea is, of course, can we afford it? But we wanted to explore ideas first.

We scrutinized the lists for items that were outside our vision and mission statements and removed several. We also talked about how many new initiatives we could undertake given staffing and funding realities.

**Gallant:** At the end of the day, we once again had pages and pages of flip-chart notes which the staff then used to prepare an initial draft of a five-year strategic plan.

**Pastreich:** We clearly understood that this draft plan was being put together to be torn apart.

**Totten:** That draft was also the first time we began to include financial implications of the ideas we had been discussing. At the second small-group meeting, we used the draft as the starting place to develop our narrative plan. We worked on action statements, on the steps we would need to take to get where we wanted to go, and on questions of timing. The timing questions included discussion of people resources, funding resources, and the availability of the hall that we do not own. Because we were working across a five-year plan, we were trying to develop a reasonable growth process.

**Semerad:** There was a concurrent activity taking place that was also important. In the large-group meeting, we had agreed that one place where we were underachieving was fundraising, and we had already hired a consultant who was leading us through a process by which we would develop a five-year fundraising plan.

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At the conclusion of the second small-group meeting we had a plan that had its expenses built in and all of its revenues built in except fundraising. At that point, our board's annual fund committee held two meetings to build a five-year fundraising plan.

**Totten:** We also vetted the draft with the board's marketing committee.

**Pastreich:** By the time we convened the third small-group meeting, we had a document that contained income for five years and expenses for five years. Because we had previously worked primarily on ideas, or in other terms, expenses, this document showed clearly that expenses would exceed income and the job became to determine which items we would remove from the expense side or for which we needed to adjust the timing. For example, we need to purchase a set of timpani. But we agreed that we needed to move that purchase back a year because an overriding concern is to balance our budget. Matching our dreams against the realities of expenses also caused us to delay indefinitely a chamber series.

**Totten:** When that third meeting ended, we were quite satisfied with our work, and we were ready to reconvene the large group and present the plan. Because the small group's work began with ideas that originated in the large group, it was important to go back and ask: Did we get it right? It was also important to have everyone in the room aware of, and in agreement with, the plan and solidly behind what we intended to do. Many members of the large group are influential members of the Elgin community and it is very important to the Elgin Symphony Orchestra organization that those people know exactly what it is we plan to do and to have some ownership of those ideas.

So the large group came together one final time to review the plan. We went through it section by section and answered questions that people had. There were one or two places in which we altered the language to make the ideas more clear, but the large group essentially endorsed the strategic plan as the work product of a very deliberative process.

**Pastreich:** We came out of that meeting with at least 80 percent of our board and active representatives of every constituency understanding that in nine years we are going to be paying our musicians at Chicago AA scale. They also know exactly how we are going to expand our artistic offerings, as well as our staff support, for each of the next five years. As they left the room, they had in their hands a narrative plan covering every aspect of the organization, a year-by-year fiscal impact statement, audited financial statements for the past three years, and projected financial statements for the next five years. One thing we work very hard to achieve in this organization is to make

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sure that those who support us understand clearly our ambitions and their financial realities.

**Institute:** Your organization makes good use of the time of both staff and volunteer leaders. John, you chaired this process with a very deliberate and professional approach and you set high expectations for the participants. What prompts you to contribute such substantial volunteer time to the Elgin Symphony Orchestra?

**Totten:** When I joined a Chicago-based financial institution in the early 1990s, it was suggested that people at my level needed to be involved in some type of local community service. I indicated that I wanted to work on something that had to do with quality of life and was encouraged to contact the Elgin Symphony Orchestra which was right down the street from our offices. I was invited to join the ESO board and became an active member. Since Michael's arrival as executive director seven years ago, I've been heavily involved in helping to add and improve processes for the organization. A planning process. A financial process. A review process. A reporting process. I have very much enjoyed taking some of corporate America's best practices and introducing them into this organization.

**Pastreich:** Part of the strength of this organization is that John is just one of many board members who bring valuable organizational tools to our work. We actively seek board members who are willing to make substantial time commitments and to share their expertise. By knowing and using available community resources, orchestras of our size can make and implement ambitious artistic plans that might otherwise be unachievable.

**Institute:** And you all make it clear that you consider annual comprehensive, inclusive, long-range planning an important factor in the Elgin Symphony Orchestra's success. We thank you for your time and willingness to share your processes in detail.

## **Reprise**

As a result of the change in the publication schedule for this issue of *Harmony*, it has been nearly a year since we held our roundtable discussion with our friends at the Elgin Symphony Orchestra. We felt some follow-up was in order. In September 2003, Marilyn Scholl met with roundtable participants Emanuel Semerad, Tim Shaffer, and Michael Pastreich.

It was not entirely surprising to learn that the ESO made some mid-course corrections to the strategic plan it adopted in 2002, and that it has moved toward best-, worst-, and average-case scenario planning in 2003.

Semerad describes the past season as one of mixed results. Ticket sales and contributions to the annual fund each increased 17 percent, with gifts from board members jumping 47 percent. Midway through the season, the organization was greeted with the news that some anticipated government grant funding was not going to materialize. To counter that revenue shortfall,

the orchestra scheduled an additional concert featuring a well-known “big draw” artist, only to have that artist cancel on very short notice. Semerad, now past president of the board, describes the experience as an “invitation to disaster,” and notes that the fiscal year closed with a deficit of just over one percent.

So the 2003-2004 strategic planning process began with an air of caution and with the knowledge that some goals would need to be postponed and others possibly eliminated. The schedule for the season had already been shortened by nine services (six performances and three rehearsals), though Shaffer quickly notes that the season still includes more musician services than it did two years ago. “Over the past several seasons, we have increased our performance schedule each year and tried several new things,” observes Pastreich. “We are keeping the ones that work.”

The result is a performance schedule rooted in classical music, with fewer holiday and sacred-music concerts, and with a discontinuation of the family series. The organization’s plan still calls for the addition of an eighth classical series in the 2005-2006 season and the reinstatement of educational concerts of some format in 2006-2007.

The overall aura at the Elgin Symphony Orchestra remains one of optimism. A group sales and public relations staff position was added this past summer, and the organization is likely to engage an education consultant in 2004. Successful negotiations were recently completed on a five-year musicians’ master agreement, the longest agreement in the orchestra’s history.

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In discussing this year’s negotiations, Pastreich describes the process as “traditional bargaining,” but notes the effect of a concurrent, ongoing strategic planning process. “Three of the five members of the musicians’ negotiating committee are either currently involved or have been involved in our planning. We are all very accustomed to having open, frank discussions and to working together to resolve potentially contentious issues.” Although not a member of the negotiating committee, Shaffer concurs with the reality and importance of openness. “In both large and small ways, this organization works hard to treat its musicians professionally. That translates into things that may sound simple—feeding us when we have more than one service on a given day, making sure that even as part-timers we have opportunities to know board and staff members, providing each musician with a schedule book with all ESO work printed in. I don’t know many suburban orchestras that take such a ‘big orchestra’ approach.”

And Semerad sums it up very well. “In our planning, we wrestle with dreams versus reality, we often come to the table with widely divergent thoughts about a given topic, and we have been known to have hot debates. But once we come to a decision it is *our* decision, and because our planning process includes representation of every constituency, we move forward with confidence.”

The Institute again applauds the Elgin Symphony Orchestra for its comprehensive, inclusive approach to its work. And we again thank Emanuel Semerad, Tim Shaffer, and Michael Pastreich for taking the time to share that work with our readers.