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Louisiana Philharmonic Orchestra: A Cooperative Institution



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Editor's Digest

Louisiana Philharmonic Orchestra: A Cooperative Institution

As a full-scale, professional symphony orchestra that is “musician owned and operated,” the Louisiana Philharmonic Orchestra is a case study that the Symphony Orchestra Institute could not pass up. Since its inception, the Institute has suggested that increased musician involvement in orchestral governance is an important step toward greater organizational effectiveness.

From the Ashes

The founding of the Louisiana Philharmonic is a story all too familiar to readers of Harmony. Caught up in fallout from the precipitous decline of the oil industry in the 1980s, the New Orleans Symphony Orchestra ceased operations in 1991. But a core group of players, with a keen understanding that “business as usual” was unlikely to succeed, was determined to carry on. Their “board room” was cellist Ann Cohen’s kitchen table, and they did not hesitate to enlist the assistance of local community leaders.

What’s Different?

As Harmony readers will learn, the answer to that question is everything. The bylaws themselves reflect the musicians’ commitment to retaining ultimate authority over all organizational activity, and we review key provisions in depth. The board committee structure also began with musicians holding all appointments, though membership and decision-making involvement by non-musicians are now well advanced.

The founders recognized that it was critical to build links to and solicit advice and support from the community. We examine the relationships and work of the Community Advisory Board and the Symphony Volunteers. We then review how this organization approaches music direction, staffing, and education and outreach.

Following discussions of financial results and planning, and an exposition of the orchestra’s working relationship with the American Federation of Musicians, we turn our attention to the concept of musicians as leaders as they look to the future. It is clear that all active participants take tremendous pride in what they have accomplished, and that the orchestra is at something of a crossroad. The Institute will keep its eyes on Louisiana, and we thank all of our new friends for their candor in the preparation of this report.

Louisiana Philharmonic Orchestra: A Cooperative Institution

The Louisiana Philharmonic Orchestra was formed in September 1991, as successor to a symphony organization founded in the mid-1930s. The orchestra currently comprises 70 musicians, a 14-member board, nearly a dozen staff, and more than 500 volunteers. It plays more than 125 concerts a year, and conducts major outreach and education programs. As do many orchestra organizations, the Louisiana Philharmonic faces such challenges as audience development, subscription sales, and balancing the budget. On the surface, the Louisiana Philharmonic Orchestra appears quite similar to other American orchestras. Not so. It is organizationally quite different. As stated in a recent brochure, the

Louisiana Philharmonic Orchestra musicians and advisors in 1991 became the architects of a new orchestra management model. Not only was this framework new to LPO musicians; [but] several aspects of the model were new to the national orchestra industry, which now recognizes the Louisiana Philharmonic Orchestra as both a new standard and as a management and governance laboratory.

The Symphony Orchestra Institute believes that the Louisiana Philharmonic Orchestra is the only full-scale, professional symphony orchestra organization in North America that is wholly musician owned and operated. The orchestra's players, as a group, legally control all aspects of the organization—from strategic planning and finances to artistic programming and hiring of the executive director, music director, and guest conductors. To prepare the following discussion, members of the Institute staff spent many hours in face-to-face, telephone, and e-mail conversation with members of the Louisiana Philharmonic "family."

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The Past

For decades, the New Orleans Symphony Orchestra was a glittering jewel in the cultural crown of a city renowned for its rich musical heritage. But the jewel lost

much of its luster when the bottom dropped out of the oil business in the early 1980s. New Orleans found itself in a severe crisis that affected every aspect of community life. However, according to one of the symphony's major supporters, former board president Adelaide Wisdom Benjamin, the orchestra remained relatively stable and initially survived these rough times.

However, by the mid-1980s, the orchestra began to experience significant financial problems. By 1990, despite Herculean efforts, the symphony was deeply in debt and had spent its endowment trying to remain afloat. The 1990-1991 season was both delayed and abbreviated, and finally, under pressure from creditors, and suffering from conflicting and sometimes inaccurate stories in the media, the board canceled the entire 1991-1992 season. Although never officially declared bankrupt, the organization ceased operations and continued to exist only on paper. The demise of the New Orleans Symphony left the community in

shock. Supporters were disappointed and angry. Staff members were upset. A number of musicians sought employment with other orchestras, took on full-time music teaching positions in local institutions, went back to school to train for new careers, or took jobs outside the music field to support their families.

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But a core group of about 60 players was determined to resurrect the orchestra. They were unwilling to let New Orleans remain a city without a symphony. However, they felt that reestablishing the orchestra under the old, traditional structure would not work. Instead, they decided to form an organization that was owned, controlled, and operated by musicians; one that would encourage democratic participation and open communication. Such longtime supporters as Adelaide Wisdom

Benjamin, who knew firsthand how challenging it could be to run a successful symphony organization, were concerned the idea might not work. But, as Benjamin says, even the doubters soon realized the musicians were “the quickest group of learners we'd ever seen. They had to do it all and they did.”

Many people were instrumental in the formation of the Louisiana Philharmonic. But everyone who talks about the early days names flutist/piccolo player Patti Adams, cellist Ann Cohen, and timpanist Jim Atwood as key “movers” in the effort. This core group, along with a number of their colleagues, spent hours around Ann Cohen's kitchen table discussing how the new organization should function. With assistance from local attorneys, consultants, former board members and supporters, business and community leaders, the families and friends of the players, and the media, the group established what today is the Louisiana Philharmonic Orchestra. In November 1991, the Louisiana Philharmonic played a gala benefit concert to raise seed money, and the following January, launched its 16-week inaugural season.

The Present

The current mission statement of the Louisiana Philharmonic Orchestra states that the organization’s mission is “to provide New Orleans and the Gulf South region with the highest quality symphonic music and education programs by maintaining a fully professional orchestra.” The orchestra fulfills this mission with a 36-week season during which it performs classical, pops, jazz, children’s, educational, special, and outdoor concerts. The orchestra also offers numerous outreach and educational programs, including a “Bach to School” program for children in kindergarten through grade three, in-school concerts, and programs targeted to specific populations within New Orleans’ diverse ethnic communities.

Organizational Structure

Founding member Jim Atwood observed of the orchestra’s formation, “We didn’t really use a model, although we looked at the Colorado and London Symphonies.” The founding members also examined corporate models and “looked long and hard at the New Orleans Symphony and what didn’t work so we wouldn’t make the same mistakes all over again.” The philosophy, values, organizational structure, and governance created by the original members have survived relatively intact.

As a nonprofit corporation, the Louisiana Philharmonic Orchestra models the legal and general structure of other symphony orchestra organizations. Under Louisiana state nonprofit corporation law, the “Members” of the corporation have established and operate the institution in accordance with a set of bylaws that provide for the election of a board of directors which has overall responsibility for its affairs. The orchestra’s other organizational groups—volunteers, professional management and staff, the orchestra itself, and a music director and guest conductors—are quite similar to their counterpart components in other North American symphony organizations.

The fundamental difference between the Louisiana Philharmonic and other North American symphony organizations lies in the corporation’s “Members,” those persons who, under law, and as with shareholders in a for-profit corporation, “own” and possess all the beneficial interest in the nonprofit corporation of which they are “Members.” The bylaws provide that a Member must be an orchestra member, and the orchestra, as a whole, “owns” the Louisiana Philharmonic Orchestra. The words “cooperative” and “share enterprise” are often used to describe such nonprofit corporations. In the following discussion, the word “Member” is purposely capitalized, where appropriate, to identify a Member of the Louisiana Philharmonic Orchestra corporation, as distinguished from the common use of the word.

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Corporate Bylaws

The first provision of the bylaws defines a Member as a full-time contracted musician who has committed in writing to perform with the Louisiana Philharmonic Orchestra for the current season, and who is a member of the American Federation of Musicians. Membership thus parallels orchestra employment:

- ◆ Players declining an offer of employment for the following season cease to be Members with respect to matters beyond the current season.
- ◆ Probationary players are Members as long as their employment contracts are renewed.
- ◆ Membership is not transferable or inheritable.

Overall, the bylaws are significantly more extensive and detailed than those of most for-profit and nonprofit corporations. They reflect not only the musicians' commitment to retaining control of both the board and organizational activity, but also reveal the depth and breadth of thought and the care that went into establishing a governance structure and decision-making process. They also express the musicians' core values of open communication, fiscal prudence, artistic excellence, democratic participation, and full musician involvement, and have been thoughtfully adjusted, based on experience and organizational learning.

Some of the most significant provisions relate to the fundamentally complete authority of the Members:

- ◆ Corporate action (by the orchestra as a group) may take place at any duly called meeting of Members at which a majority is present in person or by proxy, and then by the action of a majority of votes actually cast, each Member having one vote.
- ◆ The primary corporate duties of the Members, at duly called meetings, are the annual election of the executive, personnel, and concert committees from among the Membership, and the annual election of nonmusician board members; the filling of vacancies and the removal of members of these groups; amendments to the bylaws and the tenure provisions of the operating rules; and the removal of a person from further Membership in the corporation.

More broadly, the bylaws later provide that “the directors of the corporation

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may make, amend, and repeal the bylaws of the corporation and its operating rules, subject always to the power of the Members to change the action of the directors.” Also, certain decisions and responsibilities, such as selecting the music director and serving on the executive committee, are limited only to tenured Members.

Board of Directors

The bylaws require that the “affairs of the corporation shall be managed by the board of directors,” which “may invite the executive director, the music director, and members of the orchestra or any other person to attend any and all of its meetings.” In current practice, the executive director attends all meetings of the board and its committees, and appropriate senior staff also attend these meetings (for example, the director of marketing and public relations attends meetings of the marketing committee). Board meetings are also open to any Member who wishes to attend.

The original seven-member, musician-only governing board, which was then called the executive committee, was responsible for making day-to-day operating decisions and also had policy-making and fiduciary responsibility. As noted earlier, the Members, in a duly called meeting, can review and, if necessary, overturn any decision of the board. (This has only happened once, in regard to an artistic matter.) The current board retains policy-making and fiduciary responsibility, while responsibility for day-to-day operational decisions for the organization (but not for the orchestra itself) is handled by professional staff and overseen by the board, which has final authority for all decisions.

The board of directors is elected at the annual meeting of Members. From 1991 until 1995, the board was composed exclusively of musicians. In 1995, the board decided to include members of the community on a trial basis. The experiment proved successful, and current bylaws provide that the board consist of seven Members and up to seven nonmusicians (the chairpersons of the Advisory Board and the Symphony Volunteers, and up to five other nonmusicians from the community). While a nominating committee has responsibility for proposing candidates for the board, any Member may nominate any other Member for election to the board. The seven Members of the board are elected from among tenured Members by a plurality of votes at the Members’ annual meeting and serve two-year terms.

The board annually elects its own chairperson—the president—who must be a Member/musician, and the vice president, who must be a nonmusician board member, each for a one-year term. The president of the Louisiana Philharmonic Orchestra is the chief executive officer of the corporation. The

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president or any other board member may call meetings. A majority of board members constitutes a quorum; each director has one vote; and a vote by the majority attending constitutes an act of the board. Further, in the event of a tie vote, the president has two votes. Two other officers, the secretary and the treasurer, are elected by the board. These two officers must be members of the board but may be musicians or nonmusicians.

The bylaws detail specific duties of the board:

- ◆ Selection, evaluation, and retention of the executive director.
- ◆ Establishment, from among the board members, of a small management committee to assist the president in his or her role as chief executive officer, particularly in overseeing the operating management of the orchestra.
- ◆ Development of the process for the search, selection, and retention of the music director. These actions must be undertaken by tenured Members at duly called meetings.
- ◆ Adoption of an annual budget, including the Members' planned compensation for the coming season. When completed, the budget must be presented to the Members.

The board normally meets monthly, and the meetings proceed much as board meetings in any traditional symphony organization, including informal reviews of recent organizational activities, concerts, and fundraising. Over the course of a season, as a matter of practice, the most important decisions of the board include:

- ◆ approving the budget recommended by the finance committee;
- ◆ participating in periodic defining and implementing of the processes for reviewing the performances of the music director and the executive director;
- ◆ making policy decisions regarding the length and mix of the season, based on recommendations from the concert committee; and
- ◆ approving decisions about special events or fundraising.

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While there are many community members who can be tapped to serve on the board, there are only 70 musicians from whom to draw musician board members, and an even smaller number who are willing to serve. Valborg Gross, a violist, former board president and treasurer, and incoming chair of the board's concert committee, says that the orchestra has to “recycle” many of its musician-

leaders. She estimates that 50 percent of the orchestra participates in the work of board committees, with about 10 percent of the orchestra serving in leadership positions (board officers and committee chairs) at any time. Given the intense time commitment, it is not always easy to find Members willing to serve. However, according to immediate past president Kent Jensen, “We’re turning a corner in terms of developing new musician board members. This year, we actually had competition for board seats!”

Primary Board Committees

The founding members developed a comprehensive board committee structure. Administrative functions were originally governed by an elected, seven-musician executive committee, which, at the time, served as the orchestra’s board of directors. Administrative policies were implemented by the finance, development, marketing, and office committees. Artistic functions were coordinated by personnel, concert, and education committees composed entirely of musicians. This basic committee structure remains in place. A September 1998 revision of the bylaws further clarified, but did not substantially change, the composition, structure, duties, and responsibilities of the board committees, although, generally, since the orchestra’s founding, there has been a trend toward more membership and formal decision-making involvement by nonmusicians.

Executive Committee: There is currently no executive committee as exists in a traditional board setting. The executive committee of the Louisiana Philharmonic Orchestra consists of the seven musician Members of the board, who have sole responsibility (separate from that of the whole board) for dealing with issues pertaining to operating rules within the orchestra. They may also call meetings of the corporation and the orchestra, handle broad personnel matters not specifically delegated to the personnel committee, and make decisions regarding the interpretation, waiving, and/or suspension of the operating rules as appropriate. The executive committee has ultimate authority for decisions in these specific areas and does not bring them to the full board for consideration or vote. The executive committee is also responsible for making day-to-day “working condition” decisions for the orchestra and, in this regard, functions somewhat as “an orchestra committee working with the personnel manager” in a traditional orchestra. This group does not, however, have authority to set overall policy for the organization; those decisions are handled at the board level.

Val Gross says the matter of how much authority the executive committee has “is a matter for interpretation.” She says that during the year she was president, for example, if a rehearsal-schedule change was four weeks out, she asked the executive committee to approve the change, then published it. However, if a change to an already published schedule was needed, she took the matter to the full orchestra. “If something’s really important, we almost always take it to the orchestra,” says Gross, who also notes that such decisions are nearly always made by consensus or informal vote.

Personnel Committee: The personnel committee is composed of 10 Members, elected annually to serve one-year terms, plus the music director and the personnel manager (who is also a musician). Only tenured Members are eligible to serve on the personnel committee, and no person may serve on the executive and personnel committees simultaneously. The chair of the committee is elected by the committee members, but neither the music director nor the personnel manager may serve as chair.

Much of the work of the personnel committee is done by consensus. Tenure decisions are determined by secret ballot, and hiring decisions following auditions may be made by either secret ballot or consensus, reflecting the committee's preference. When audition and tenure decisions are made, the committee is augmented by musicians from the appropriate section. For example, string principals and tenured members of the viola section are added for a section viola audition or tenure decision. Therefore, there may be as many as 20 musicians involved in such decisions. In these situations, each member has one vote, except for the personnel manager, who is a nonvoting member of the committee, and the music director, who is allotted a number of votes equal to one-third of the number of Members voting, plus one.

“The personnel committee is primarily responsible for administering the operating rules and derives its authority from these rules. . . . (They) are not considered etched in stone; they are considered changeable as the situation requires.”

The personnel committee is primarily responsible for administering the operating rules and derives its authority from these rules. The operating rules cover orchestra seating; length and use of services; intermissions; limits on number of services; starting times; attire; leave requests; duties and obligations of the musicians in respect to attendance; the composition, duties, and responsibilities of the personnel committee; audition procedures; contracts; tenure, probation, demotion, and non renewal; run-outs; and outdoor events.

The personnel committee also decides which audition candidates will receive offers of employment, and whether new players completing two years of consecutive employment will receive offers of employment for a third year, thus establishing status as tenured Members.

The operating rules are not considered etched in stone; they are considered changeable as the situation requires. As noted above, the areas covered in the operating rules generally correspond to those normally addressed in a collective bargaining agreement in traditionally organized orchestras. In a sense, the operating rules of the Louisiana Philharmonic Orchestra represent a “written compact” among the player-Members and are administered, enforced, and waived by them, either through a representative group (the executive committee

or the personnel committee) or at a full orchestra meeting. All Members (along with senior staff) receive copies of the bylaws and operating rules when they join the orchestra.

Concert Committee: The bylaws charge the concert committee to “manage (conceptually plan, coordinate, and control) the annual program of concerts. This includes determining the number of concerts, the division of the program into series of concerts, the selection of pieces to be played in each performance, and the selection of guest artists and guest conductors. This includes the negotiation of all fees for such services.”

The concert committee, originally composed solely of musicians, was established to ensure that Members retained artistic control of the orchestra. When a full-time music director was hired four years ago, artistic programming became a collaborative venture between the music director and the concert committee. According to the bylaws, the contract between the orchestra and the music director provides that the music director “will be responsible for programming and will engage soloists, after consultation with the Orchestra’s concert committee and within the limitations of the Orchestra’s budget. . . . [The music director] and the Orchestra’s concert committee will agree on the engagement of guest conductors by mutual consultation.”

“How the [artistic decision-making] process functions depends on who holds the concert committee chair, which can be a very strong role,” says former executive director Bob Stiles. He adds, “The current process is that the music director solicits input from the orchestra on conductors and artists, possible repertoire, venues, and other related matters. The music director then prepares a first draft based on that input and includes his own ideas. He may engage artists or conductors he doesn’t know based on the orchestra’s recommendations. The final draft comes back to the concert committee for approval. All of this takes place about a year ahead of time. The committee is currently completing the program for the 2000-2001 season.”

The concert committee currently consists of six musicians and two community members, plus the orchestra librarian (who is also a musician and an ex officio, nonvoting member), the music director (an ex officio, voting member), and the personnel manager (also an ex officio, voting member). A chair is elected from among the committee members; the music director may not serve as chair.

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Other Committees: There are five additional board standing committees—legal, finance, development, marketing, and education—composed of both musicians and community members. These committees closely resemble, in authority and duties, similar committees in traditional organizations. Each standing committee has co-chairs, one a musician, the other a community member. The co-chairs are appointed by the president, in consultation with the board and the executive director. The bylaws allow community members and/or musicians who are not board members to serve on standing committees.

Community Advisory Board

Early on, the Louisiana Philharmonic Orchestra’s founders recognized that it would be helpful to build links to and solicit advice from the community. They also wanted to cultivate potential funders and subscribers. To accomplish these dual purposes, they formed a 40-member advisory board (now called the community advisory board or CAB) and recruited key members from the community to serve.

“... (the) founders recognized that it would be helpful to build links to and solicit advice from the community.”

The CAB is currently composed of approximately 60 community members and is advisory in nature, with no policy-making or fiduciary responsibilities. It meets six times a year, and each meeting features a presentation about a particular topic relating to orchestra operations, such as public relations, ticket

sales, artistic programming, education and outreach, or marketing. The board and staff take the CAB’s advice quite seriously.

This group has its own set of bylaws, which outline basic responsibilities. To select new members, a nominating committee seeks input from the executive director and the director of development, as well as current members of the CAB, and presents a slate to the full CAB at its last meeting of the season. Nominations from the floor are allowed, but rare, and the slate is usually accepted as presented. CAB members serve two-year terms, and may serve up to three consecutive terms.

The president of the CAB is an ex officio member of the Louisiana Philharmonic Orchestra board, and members of the CAB may be appointed to serve on orchestra board committees. CAB meetings are open to board members, musicians, and staff.

Symphony Volunteers

The Symphony Volunteers are a separate 501(c)(3) organization which has purposely maintained its independence from the Louisiana Philharmonic Orchestra corporation, but has grown and flourished along with the orchestra. Although membership dropped to a low of 50 in the early days of the new orchestra, it now totals more than 500, including Crescendo, an active group of

“under-40s.” The president of the Symphony Volunteers serves as an ex officio member of the Louisiana Philharmonic Orchestra board.

The Symphony Volunteers raise between \$150,000 and \$200,000 annually from such activities as a resale consignment store, fundraising and other special events, a symphony store, and an annual book fair, at which some 1,000 boxes of donated books, art, music, and musical instruments are sold.

From the beginning, the Symphony Volunteers have provided strong financial and moral support to the Louisiana Philharmonic Orchestra. Perhaps the best example of this support occurred in the founding days when the Volunteers acquired ownership of the former New Orleans Symphony’s music library, and generously donated this collection to the fledgling orchestra.

This group continues to have a close and cordial working relationship with the orchestra members. One of their main goals is to foster community appreciation of the orchestra. For example, the Volunteers retain and compensate musicians to play at various community events or fundraisers. Says Babs Mollere, current president of the Symphony Volunteers, “We realize that the musicians’ salaries are low, so we make an effort to pay them for any volunteer-sponsored events at which they perform.”

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Conductors and Music Direction

Klauspeter Seibel, the orchestra’s first full-time music director, was hired in 1995. Maestro Seibel is viewed as very much a part of the orchestra and the community. The Louisiana Philharmonic is his only current permanent U.S. conducting engagement, although he serves as principal guest conductor of the Frankfurt Opera, and accepts other American and international guest conducting engagements.

The music director’s role in artistic planning is central and substantive, but not dominant, and his input to orchestra personnel selection and retention is important, but not decisive. The relationship between the music director and the orchestra is described as collaborative, collegial, cordial, open, and mutually supportive, according to several musicians with whom we spoke.

Quite similarly to other symphony orchestra organizations, the Louisiana Philharmonic engages a number of guest conductors, who are hired at the direction of the concert committee. Guest conductors who will appear with the orchestra during the 1999-2000 season include Timothy Muffitt, Philippe Entremont, Miguel Harth-Bedoya, Michael Palmer, David Lockington, William Eddins, and Robert Page.

Executive Director and Staff

The staff has grown from a small group of volunteers to ten full-time and two part-time members. While this is only about one-half the staff employed by the predecessor organization, the commitment and involvement of musician-Members, and the high level of cooperation between Members and staff, has allowed the organization to function efficiently.

“Musicians took on most administrative and management tasks in the early years, but they soon realized they couldn’t do everything.”

Musicians took on most administrative and management tasks in the early years, but they soon realized they couldn’t do everything. In early 1992, they hired a part-time secretary to answer the phones. Says Jim Atwood, “We were good at some things, like knowing what an orchestra does, but we weren’t as good at knowing what was needed in staff and infrastructure.”

When former executive director Bob Stiles was hired in January 1995, his first priorities were to professionalize, streamline, and routinize the organization’s operational activities; to hire and supervise key staff who took on administrative tasks previously performed by musicians; to monitor fiscal growth; and to build community outreach programs. Stiles came to the Louisiana Philharmonic with orchestra operational experience gained in Denver, Spokane, Springfield (Massachusetts), and Indianapolis. His background proved invaluable in helping the orchestra continue its growth and maintain financial stability.

Some key tasks listed in the written job description of the executive director include personal involvement in fundraising activities; management and supervision of the staff; administrative and logistic support of the orchestra’s operations and the activities of all its organizational elements; preparation of the annual budget for approval by the treasurer, finance committee, and board, and adherence to the approved budget; leadership and oversight of marketing and public relations to achieve increased earned income; communication and collaboration with the music director, musicians, board, and the various community support organizations; providing visionary and creative ideas in the planning and operations of the LPO; an annual update and implementation of the five-year strategic plan; and representing the orchestra locally, regionally, and nationally.

The executive director attends all board meetings, and is responsible for overseeing staff in carrying out the day-to-day operations of the organization. The president of the Louisiana Philharmonic Orchestra is understood to be the chief executive officer of the organization, and the executive director has functioned in a role similar to that of a chief operating officer. The board of directors is responsible for hiring and firing the executive director, and the executive committee and full board review his or her performance, but ultimately,

decisions in this area may be brought to the Members for approval. As noted earlier, the bylaws establish a management committee, composed of the president and two to four other board members, to assist the president (a musician) in his or her duties as chief executive officer, and in personal leadership and supervision of the executive director and staff. However, this committee has only functioned rarely.

Although the executive director is not a Member of the corporation, his or her compensation is based on the “share” compensation received by the Members. All other staff members are paid as in other traditional symphony organizations.

Current staff members, in addition to the executive director, include a director of development and two half-time development assistants; a director of marketing and public relations and an assistant; an operations manager; a controller; a box office manager and an assistant; an administrative assistant/receptionist; and a part-time education coordinator.

The staff is seen as key to the central coordination and operation of the Louisiana Philharmonic Orchestra, carrying out the day-to-day operations, seeing that board policies are implemented, and supporting and coordinating the decision making of the various board committees, and the work of the CAB and the Volunteers.

“The staff is seen as key to the central coordination and operation of the Louisiana Philharmonic Orchestra”

Education and Outreach Activities

The Louisiana Philharmonic Orchestra has a strong education and outreach program which is primarily managed by violist Margaret Shields and her part-time assistant, bass player David Carbonara. They are assisted by the board’s education committee and a part-time education coordinator.

Shields has developed a number of innovative programs for the orchestra’s education effort, helped write grant applications seeking funds for the program, and worked closely with local educators to develop an annual curriculum for the in-school program. She also works with local organizations to promote music education in the schools. A \$100,000, three-year grant from Texaco supports the ensembles which play in the schools.

A core group of 16 to 20 orchestra members participate in in-school concerts, and are paid on a per-service basis for these concerts. They usually volunteer their services for other education-related concerts. The musicians also independently administer the Greater New Orleans Youth Orchestra.

Financial Results and Planning

Based on its budget, the Louisiana Philharmonic ranks just above 50th among U.S. orchestra organizations. In its later years, the New Orleans Symphony ranked approximately 40th. From the beginning, the Members have been committed to strict fiscal responsibility, which translated into a “no deficit, debt-free” policy.

For the 1997-1998 fiscal year, the Louisiana Philharmonic had revenues of approximately \$3.15 million and expenses of \$3 million, with the resulting operating surplus boosting the institution’s accumulated net surplus to more than \$300,000. Revenues for the 1998-1999 fiscal year, just concluded, were budgeted to be up 10 percent over the prior year, with a small operating surplus projected. However, the recently completed audit shows that the orchestra experienced a break-even year.

Each musician receives a “share” in the corporation’s financial results, with the value of the share now being set each year by the board, and reported to the Members. In the early days, each musician’s “share” was a variable amount that could vary from week to week, depending on cash receipts and disbursements. At year end, any surplus was divided equally among the musicians as a bonus. If there was a deficit, the musicians reduced their compensation. As the financial picture has stabilized and improved, shares have become more stable and are established at an annually agreed level.

The orchestra has just completed a five-year plan that raised musician shares approximately 10 percent per year from just over \$12,000 in 1994-1995 season to \$18,000 in the season completed this past June. Says former executive director Bob Stiles, “Ten percent a year may sound like a big increase. However, it is tempered by the reality of the musicians’ salaries five years ago. And of course, the Louisiana Philharmonic continues to play ‘catch up’ with its peer orchestras across the country.” For the 1999-2000 season, each Member’s share has been set at \$19,000.

A new five-year plan, which the board will likely approve this fall, is designed to give top priority to boosting a share to \$30,000 by 2003. The plan will also implement a principal pay premium, which will eventually become about ten percent, and longevity pay, which will provide one percent additional pay for each five years of service with the orchestra. The musicians currently have health insurance and instrument insurance, and are members of the American Federation of Musicians’ pension plan.

For the most part, the Louisiana Philharmonic has maintained a balanced annual budget. Although some small deficits have occurred, they have been

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more than offset by surpluses, and the orchestra has a small accumulated surplus. The Members remain committed to their original policy of strict fiscal responsibility and have reduced their “share” to minimize shortfalls. Recently, the Louisiana Philharmonic was able to set aside a modest cash reserve which will allow the organization to fund future small operating deficits. When the Members voted to establish this cash reserve several years ago, the players agreed to use part of the year-end surplus for this purpose, reducing the amount of their annual bonus.

Collective Bargaining Agreement

Although the establishment of the Louisiana Philharmonic Orchestra in 1991 offered many tasks to its founders, one of the more challenging was working with the American Federation of Musicians to develop a trade agreement that would satisfy both the musician-owners and the union. Neither the orchestra nor the AFM had any guiding precedents. The AFM central office sent a consultant from Boston to work with the Louisiana Philharmonic, and eventually an agreement was reached. The musicians would continue to pay dues to the AFM but would not operate under a traditional master agreement. Instead, it was agreed that the orchestra would function under a set of musician-developed operating rules, which were discussed earlier.

With respect to its players, the Louisiana Philharmonic Orchestra, as employer, has a three-page, annually renewable, one-year collective bargaining agreement with the AFM Local, a key provision of which is:

Inasmuch as the Employer is a Louisiana Corporation solely owned and operated by professional musicians as a share-plan enterprise, Local 174-496 agrees there shall be no basic wage-scale, weekly or casual, to cover services rendered by playing members of the cooperative corporation.

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The collective bargaining agreement also includes provisions for the determination and remittance of AFM pension contributions and work dues, the handling of disputes and grievances, and the control of recording activities. General working conditions for the orchestra are spelled out in the orchestra’s operating rules.

Since the Louisiana Philharmonic’s founding, and pursuant to the operating rules, no tenured player has been dismissed for failure to meet the orchestra’s

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standards of musical performance, nor has any player been dismissed for cause, and, pursuant to the collective bargaining agreement, orchestra members have filed no grievances.

The players do not have individual employment contracts per se. Instead, each has a letter of employment, which, under the corporation bylaws, makes him or her a Member with all the privileges and entitlements thereof.

Patti Adams says that the local AFM president, who occasionally plays with the Louisiana Philharmonic, is cognizant of the orchestra's unique structure. She believes the orchestra has a good relationship with the Local and credits this to the Local president's cooperative attitude, the active role that Louisiana Philharmonic players take in the Local, and good communications among all the parties.

Members as Musicians and Leaders

The average length of service of Louisiana Philharmonic Orchestra members is currently about six years. Former New Orleans Symphony players compose more than 30 percent of the current orchestra's membership. Many players feel the Louisiana Philharmonic has a high rate of turnover due to low salaries, but they hope the plan to raise salaries and implement principal and longevity pay will significantly help recruitment and retention efforts.

New orchestra members are hired through a normal audition process. Prior to auditions, candidates receive packets of information describing the orchestra's structure and governance. However, leadership potential and skills, and interest in becoming involved in governance, are not considered during the audition process. Newly hired players attend an orientation to acquaint them with the unique organizational structure of the Louisiana Philharmonic. Not surprisingly, former executive director Bob Stiles says, “New orchestra members may not always have the strong entrepreneurial spirit and commitment shown by the original Louisiana Philharmonic Orchestra members.”

Members who do not wish to serve on the board or its committees have ample opportunities to serve in other ways, including helping with fundraising events or participating in the orchestra's education and outreach programs. Although the staff now takes care of much of the work originally handled by the musicians, some musicians continue to assist with administrative tasks, such as telemarketing calls or mass mailings.

For those musicians who do choose to become involved, the burnout rate, especially for officers, is high, because participation in governance requires a heavy commitment of time and energy, in addition to orchestra rehearsal and

performance. Officers and board members may serve more than one term, but almost no one chooses to do so. Says Patti Adams, "There are times when we've all suffered from burnout and have needed to regroup. Our colleagues have always understood and have discovered another member of the orchestra willing to step forward and assume more responsibility."

Looking Forward

In late 1998, Members decided the orchestra was at a crossroads. They felt the primarily inward-looking focus (establishing an infrastructure, stabilizing finances, streamlining operations) of the past several years needed to be turned outward to concentrate on strengthening ties to the community, expanding the orchestra's local focus to a more regional and national one, and increasing fundraising and development efforts.

In August 1999, Sharon Litwin, former director of development for the New Orleans Museum of Art, was hired as the new executive director. Although the executive director will continue to play a fundamental role in the administration and management of the organization and the staff, and in supporting the board, the job description is currently being rewritten to further emphasize fundraising, development, increasing the orchestra's visibility, and establishing strategic coalitions and partnerships in the community and beyond.

As Litwin takes up her new position, she is enthusiastic, with many ideas to help the orchestra move into the next century. She speaks of helping the musicians "tell their story" to increase community support, and hopes to develop a stronger staff to perform routine administrative work, allowing the musicians to focus on their music making and on larger leadership issues. She also wants to attract additional outstanding players to the orchestra.

Immediate past president Kent Jensen says that the musicians are not all of one mind about the way the orchestra should be run. "I think many musicians would like to go back to the 'old' system, primarily because of the current low salaries," says Jensen, but he hopes that won't happen. He feels that the current way of operating "is the right, mature thing to do." He adds, "We all work toward a goal and must be aware of all sides of the issues. This assures common ground in understanding administrative versus artistic issues and musician pay versus fiscal responsibility."

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Although satisfaction with the structure is still relatively high, a five-member committee is evaluating possible changes designed to meet the evolving needs of the organization. For example, the committee is working to develop a more

efficient way for the board and Members to handle decision making without losing the open, democratic process the orchestra has always promoted. They are also discussing adding community members to the personnel committee and expanding the board. Executive director Sharon Litwin thinks it is important to “grow” the board, not only to establish deeper links to the community, but also to ensure that it better reflects the economic and ethnic diversity of New Orleans. While such an expansion would mean adding more community members, the committee is giving careful thought to how to accomplish this and yet maintain Members’ legal, ultimate control. They are also discussing how to continue to increase the already high interest and involvement of nonmusician board members.

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Both musician and nonmusician board members commented that their involvement with the Louisiana Philharmonic Orchestra is pleasurable because of the orchestra’s unique governance structure; because it is a “success story” to which the entire community can point with pride; because it has become a respected and artistically excellent part of the city; and because of the high level of interaction and communication among all participants.

Members, staff, community members, and volunteers with whom we spoke expressed pride in the Louisiana Philharmonic, noting that the Members’ high level of involvement promotes a strong sense of ownership and excellent cooperation among musicians, board, volunteers, and staff. And says longtime Louisiana Philharmonic supporter and CAB chair Hugh Long, “There’s something really impressive about the moment after the orchestra tunes up, when Kent Jensen walks out and says, ‘Hello, I’m the president of the Louisiana Philharmonic Orchestra. I play cello in the orchestra, and I’d like to welcome you to this concert’. He then goes and sits down to play.”

As the LPO looks ahead, Patti Adams sums up the feelings of many of her colleagues when she says the experience “has been the most gratifying and terrifying thing I’ve ever done.” She continues, “We’ve never lost sight of our core values, and we continue to be committed to controlling our own futures and the future of our orchestra, to governing wisely and well, and to bringing the message of music to the forefront, to keeping music as the focal point of the Louisiana Philharmonic Orchestra. A lot of us share a feeling of passionate guardianship for this orchestra. The thing we’re most proud of is the playing level of the musicians. But the most exciting thing for all of us is that, from the beginning, we knew we could do anything!”

The Institute thanks the following Louisiana Philharmonic Orchestra musicians, volunteers, community members, and staff members for their insights, openness, and hospitality during the preparation of this discussion: Patti Adams, Jim Atwood, Adelaide Wisdom Benjamin, Ann Cohen, Dr. Stephen Hales, Kent Jensen, Allan Kolsky, Sharon Litwin, Hugh Long, Babs Mollere, Margaret Shields, Bob Stiles, and especially Valborg Gross.