

# My House is Your House: Groupmuse's Revival of Chamber Music

## TEACHER NOTES

### Learning Objectives

- Describe the tension between managerial control of an arts organization and daily operations of the business
- Recognize factors that could prompt a market expansion for an arts organization.
- Devise guidelines for rolling out an arts enterprise into new markets.
- Determine different ways a growing arts organization can expand its business.

### Topics For Discussion

#### • Market Expansion

- ♦ The case leads toward a central question about market expansion and scalability for Groupmuse, the company that provides chamber music concerts “on demand” to hosts that request it. Sam Bodkin resists the urge to “automate” Groupmuse, concerned about possible loss of control over the reliability of hosts and the quality of the music making. Prompted by a team of students who studied the business, the CEO and his team have decided to survey the city of Los Angeles for a possible entry into that market. They have identified 50 prospective hosts but are seeking a stronger guarantee than they usually expect in the current operational markets. The Groupmuse executives are interested in obtaining “assurances” to keep the momentum of the business in a place where the management team cannot physically attend the events with any consistency. Focus discussion on the students’ responses to the type of assurances one could reasonably ask of potential Groupmuse hosts during a “barnstorm” of the Los Angeles market.
  - What could be the structure of the commitments the executives want to receive from hosts?
  - Depending on what ideas are developed for obtaining “assurances,” how can they be monitored and enforced? What if a host does not fulfill her pledge?
  - Presumably a new model agreement between Groupmuse and its hosts could be rolled out to new markets, but should hosts in the current markets (New York City, Boston, San Francisco, and Seattle) have more formal agreements in place?
  - If new ground rules are developed for hosts, how can these be pitched in the Los Angeles interview? What is the incentive for hosts to commit at some level? Even in current markets, how can the CEO and his team most effectively relay the expectations of hosts to maintain a respectful and enjoyable domestic atmosphere for chamber music?

- When the 50 interviews are completed with potential hosts, Bodkin will have to decide whether to enter the Los Angeles market formally. What factors will bear on this decision?
- What are some creative ways that Groupmuse management can monitor the Los Angeles events to ensure quality listening environments? How can it build on its initial set of interviews to sustain momentum in the new market?
- If Groupmuse is successfully rolled out in the Los Angeles market, how should the CEO determine which market should be next for expansion? When Groupmuse enters a new market, how should the news of the launch be communicated to the public?

#### • Financial Model

- ♦ Groupmuse endeavors to develop communities of classical music listeners by uniting willing hosts with interested audiences. The company is committed to ensuring fair pay for musicians enlisted for Groupmuse events. It also aims to be transparent about the basic finances of the organization. **Appendix 1** reveals two charts that are updated quarterly on the Groupmuse website. One chart demonstrates the average income for musicians who perform a single event. This figure has risen steadily since the founding of the organization. Groupmuse also publishes basic information on staff salaries and on overhead costs. What are the benefits and drawbacks of publishing such information? What other data could be presented to show a transparent and accountable side to the company?
- ♦ The strategic growth document developed for Groupmuse (**Appendix 2**) likewise highlights aspects of the company's financial model, providing recommendations beyond the potential market expansion detailed in the case. Probe the class on how the competitive landscape has changed for a company like Groupmuse. Also, evaluate the recommended tactics for becoming an "app-centric, growth-minded company."

#### • Alternative Formats and Genres

- ♦ Sam Bodkin believes strongly that a high level of musical excellence can never be compromised in the Groupmuse model, or else potential audiences will not be inspired to attend more events and develop interest in traditional classical music. The case revealed one situation that could have potentially driven away audience members. Namely, a woman in New York City offered to host a monthly Groupmuse if her daughter could be featured as part of the evening's musical offering. Bodkin had never met the daughter but knew she was neither a professional musician nor in training to become a professional. He was therefore reluctant to consent to this arrangement, assuming the standard would have been lowered. However, the CEO did not want to give up entirely on this prospective host. Discuss with students whether there are circumstances in which could a young, developing musician could be part of a Groupmuse event.
- ♦ Groupmuse has staked its reputation on offering concerts in the home, reviving the original environment of chamber music. What are some compelling ways that Groupmuse could expand types of settings it offers for intimate concert offerings? Can concerts in alternative intimate settings (e.g. coffee shops and workplaces) be accommodated under the guiding philosophy behind the company?
  - Similarly, Groupmuse has considered whether intimate environments are mandatory for each of its offerings. The management team is now offering a "Massivemuse" for larger concert spaces that still do not approach the size of traditional concert halls, such as art galleries and residential or commercial loft spaces. Explore with students the upside of freeing Groupmuse concerts from the home.
- ♦ Groupmuse has demonstrated a commitment to canonic western musical works. As part of its guiding philosophy, the company states, "The masterworks of classical music have stood up to generations of study and scrutiny, and they continue to inspire and amaze us regardless of how the times and tastes have changed. That's why at every

Groupmuse, at least half of the music performed needs to be ‘standard rep’ classical music: music that has endured epochal change.” The canon of classical works is by no means a permanent and unassailable set of pieces, and the canon of chamber music even less so. How should management oversee and rule on the appropriateness of programming? What constitutes allowable classical music in a chamber setting? What other genres and styles of music could be permitted at a Groupmuse event?

- ♦ One of the auspicious aspects of the Groupmuse enterprise is that it has developed from its events a list of hosts and registrants, who are enthusiastic about classical music in general and chamber music in particular. As the case explained, an overwhelming majority of attendees are young adults or “millennials” (born after 1980). The organization also attracts a racially diverse audience that traditional arts institutions have been eager to recruit. The New York Philharmonic and the Chamber Music Society of Lincoln Center have already developed incentives with Groupmuse, and it has become the fastest-growing part of the Groupmuse business. What kinds of incentives from local symphonies and similar institutions would be most attractive for current users of Groupmuse? What are the pitfalls of allowing other organizations access to user lists of this sort? Should Groupmuse partner with arts institutions in markets in which it does not operate house concerts?

#### • **The Larger Listening Community**

- ♦ Groupmuse believes that the musical art they facilitate in homes can build communities. They encourage short programs to allow time for social interaction among guests. Hosts necessarily have a limited audience capacity at Groupmuse events and sometimes can fill open “slots” easily with friends. The company, however, asks that hosts leave space to allow new guests to attend, as a way to promote a deeper sense of community around chamber music. Because the organization is presumably unable to tell a host’s friends from strangers, Groupmuse cannot monitor the suggestion to hold slots for new attendees. If Groupmuse did discover that a host was inviting only friends to his house concerts, what would be the most reasonable course of action for the company to take with that host?
- ♦ When community guests register for a Groupmuse event, they are required to show a picture of themselves to the host online. The host must then approve or reject the guest. When a host approves, only then does the guest receive the address of the host. This screening process could have the unintended consequence of hosts turning down guests for arbitrary reasons based solely on a single photo or a name. What steps could Groupmuse take to avoid the perception of discriminatory practices in the guest approval process?
- ♦ Groupmuse welcomes audience diversity of all sorts at the house concerts of its hosts. Some audience members might require special environments that are compliant with the Americans with Disabilities Act of 1990. Many hosts cannot offer such accommodations. How should Groupmuse as an organization address the accessibility of house concerts?