

CelloBello

TEACHER NOTES

Learning Objectives

- Describe the range of content areas for a music education website.
- Evaluate strategic partnerships among arts organizations and levels of organizational independence.
- Survey options for funding an educational music website.
- Analyze audience research data of an online resource and propose marketing opportunities.

Topics For Discussion

This case study centers on the evolution of CelloBello, an online arts education organization that caters to student, amateur, and professional cellists. The online resource was founded by the well-known cellist and pedagogue Paul Katz of the New England Conservatory. The study raises several questions regarding the organizational structure and growth of CelloBello, the challenges of fundraising, and the role of online resources in the global cello community.

Becoming a Nonprofit

- CelloBello began as a limited liability company (LLC) and forged relationships with New England Conservatory and Fractured Atlas. In 2017, the decision was made to seek independent 501(c)(3) status as a nonprofit, which was approved by the federal government in 2018. That decision was made based on Katz's wish to share the burden of administrative duties, apply for grants, and expand CelloBello's global presence.
 - ♦ Describe the timing of the change in organizational status for CelloBello.
 - ♦ What benefits did CelloBello garner from partnerships with NEC and Fractured Atlas? What were the disadvantages?
 - ♦ What is the value of becoming a nonprofit? What are the challenges that CelloBello faces with its independence?

Financing Free Online Music Education

- Since its inception, Katz has been adamant that CelloBello remain a free online resource. Raising funds to operate the website has been difficult since it does not generate revenue from its online content, as valuable as it is for the global cello community. The new executive director and board of directors have a mandate to secure the necessary funds for both administration and content creation. The future of CelloBello will depend on its ability to remain financially viable while

keeping hold of its audience of enthusiasts. The case builds towards a decision Katz has to make soon concerning whether users will be required to pay for content. It is a question that has loomed for online education more generally.

- ♦ Many free online resources have been moving to subscription models or “paywalls” to boost revenue. Ask students to share experiences with such websites. Solicit their ideas about whether a subscription arrangement might be appropriate for CelloBello users. How would the subscription work? For example, would customers wait for a video download? What other possibilities did students develop for subscription models?
- ♦ Katz is brimming with ideas to expand content on CelloBello. He intends to develop a new section dedicated to orchestral cellists and plans to stream more “on-location” events around the country. Collecting substantial and consistent donations will be crucial for the website to continue as the leading educational resource for performance and discussion of the cello. Should Katz look to CelloBello’s audience to support the website with donations or should he continue to use personal contacts from the cello world at large to raise funds?
- ♦ CelloBello currently hosts third-party advertisements on its site. One stipulation is that advertising revenues cannot exceed 20% of the organization’s operating budget. What are the advantages and disadvantages of relying on third-party advertisements for an educational site like CelloBello? Invite students to visit the site and assess how they are used.
 - Another potential source of income for CelloBello could be product sponsorships. How might the organization arrange for “like-minded enterprises to sponsor chat rooms, blogs, or masterclasses”? Can this help to someday cover the costs of paying contributors? Are there better alternatives to third-party advertising?
- ♦ As the case outlines, the year 2019 will include the new executive director’s salary, budgets for development, marketing, and travel costs. These costs are associated with CelloBello’s new series of livestreamed concerts around the country. Review **Appendix 5** with the students, which shows how the 2019 budget is quadrupled from the previous year. What are the risks of such a leap in projected costs? What priorities might the board or executive director set for 2019 if revenue does not keep pace with expenses? Which projects, such as the livestreamed concerts or the merger with the Internet Cello Society, would students consider more in line with CelloBello’s mission or more vital to the organization’s ability to raise funds, and why?
- ♦ As a 501(c)(3) organization, CelloBello is now eligible for more grants and endowments. Are grants from private foundations or public entities more likely to generate funding for the organization? Where should CelloBello look to find these opportunities?
- ♦ In 2018, CelloBello hired its first ever executive director, Gregory Evans, while Paul Katz remained the artistic director. Evans has taken over day-to-day operations and development efforts. With this new hire, the annual costs of running CelloBello have increased greatly. What strategies can be employed to be sure that revenue will cover these higher costs in future years?
- ♦ CelloBello has always relied on the generosity of its audience to raise funds for the free website. How can the new CelloBello team make the most of these existing relationships to ensure continued and increasing support from visitors to the site?

- What demographics should be targeted, and how? Consider data from **Appendices 1** and **4**, as well as the breakdown of student, amateur, and professional visitors.
- Should CelloBello look only towards its current visitors? Should the organization seek out support from “offline” communities of wealthy amateur cellists or established professional performers and teachers?
- Are there noticeable trends in online giving which can inform these strategies?

Generating Support for the Mission

- In 2017 and 2018, Katz made a pitch to existing and potential high-capacity donors of CelloBello in order to fund the organizational expansion. Much of his recent fundraising success of CelloBello is related to impressive reports on the increasing number of visits to the site. How can this data be used in both the administrative and creative sides of the organization?
 - ♦ Examine the user data found in **Appendices 1-4**.
 - Who are the visitors to CelloBello? How can data on age and gender demographics help to develop fundraising strategies? (**Appendix 1**)
 - How can user data help in developing strategies to reach a specific demographic? (**Appendices 1, 3, and 4**)
 - How can the data inform content creation going forward? (**Appendix 2**)
 - ♦ Ask students to imagine that they are developing a marketing or fundraising strategy for CelloBello. What types of data do students think would be useful for developing those strategies? What characteristics of users would they most want to understand or prioritize for the purposes of marketing and fundraising?
- Among the responsibilities of new executive director Gregory Evans will be to increase the global presence of CelloBello. The strategies he is exploring include both online and off-line projects and events, which mark a distinctly new direction for the site.
 - ♦ CelloBello has launched live events with prominent cellists and major donor prospects in large cities across the country. How could these events, or future collaborations with local cello societies, etc. benefit CelloBello and help to grow the organization?
 - Is there an organizational benefit to a greater off-line presence? How will events like these affect the annual budget?
 - What are other ways in which CelloBello can capitalize on its increasing popularity?
 - ♦ Ask students to evaluate the risks and rewards of taking what was a purely online resource into the real world.