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Two For The Show

Sometimes organizations need partners to achieve their goals. But relationships mean compromise. Can they be built without sacrifice?

The Organization: Soulpepper Theatre Company was founded with a mission to bring challenging productions to the Canadian stage. It was successful right from the start. It tripled the number of plays in its annual program in its first few years, garnered the admiration of critics and the devotion of theatregoers — and quickly outgrew the theatre and rehearsal spaces where it got its start.

The situation: Initially, Soulpepper relied on renting space for its rehearsals and performances wherever it could find it. To grow, it needed a permanent home. When an opportunity to build a \$14-million performing-arts centre in partnership with the arts department of a local college arose, Soulpepper was intrigued. To succeed, however, it would have to become a fundraising and project-management juggernaut.

TORONTO'S SOULPEPPER THEATRE COMPANY opened in 1998, founded by a dozen well-known Canadian stage actors. It had many aims in those formative days, including mentorship and training for young actors. But the core of its ambitious mandate was to stage challenging classical theatre productions. Its first season included Molière's *The Misanthrope* and Schiller's *Don Carlos*. Hardly the kind of lightweight fare that one might expect from a company trying to draw Toronto's summer-theatre crowd.

But Soulpepper's choice of material and flawless execution drew critical praise and filled theatre seats, and the company kept faith in the sophistication of its audiences. Season after season, it treated them to important and daring repertory theatre. Financial rewards followed the company's artistic success. Within a few years,

Soulpepper was generating annual revenue of \$2 million. "We were a new organization," executive director Leslie Lester says. "But we had extremely experienced artists. We were able to leverage that maturity and grow quickly."

At the heart of Soulpepper's success was the rapid expansion of the number of plays it produced each season. By its third year, the



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The stage is the thing. The Young Centre for the Performing Arts – created from a partnership between Soulpepper Theatre Company and George Brown College – opened in January. With a permanent home, Soulpepper now stages its critically acclaimed productions year round

company's production schedule had expanded to six from two. But while this growth was part of a clear arc of creative and box-office success, the company was struggling. For starters, it had quickly outgrown its original home at Toronto's Harbourfront theatre. As a result, Soulpepper was forced to begin staging plays at a range of venues, including the historic Elgin and the Royal Alexandra theatres. For rehearsal space, it turned to the University of Toronto – and any other decent room it could find.

Financially, Soulpepper was also feeling the sting, as it was spending a substantial chunk of the organization's budget on renting venues without building any equity. More importantly, however, the constant search for space kept Soulpepper from expanding its season to offer year-round theatre. "It was a gruelling cycle when we only had the summer season," Lester recalls. "We'd have to gear up, blast off quickly and then grind to a full stop." This cycle not only strained Soulpepper's organization, but also ran the risk of cannibalizing the patrons. With six shows squeezed into a single summer season, the theatre company's management worried that they might be asking too much of their audiences' summer calendars.

There was a solution, however: Soulpepper could build its own theatre. Thanks to its

growth, reputation and place in the public eye, establishing a home of its own was within the realm of possibility. The company was making money. Its original board, populated by actors, had also stepped aside, and the company was now being governed by well-connected patrons and business leaders. The only problem was that the demands of producing a full season of plays left Soulpepper unable to spearhead a theatre-building campaign.

Then, in December 2000, an unusual opportunity presented itself, and the seed of a new facility was planted. Paul Carder, the dean of Business and Creative Arts at Toronto's George Brown College, approached Soulpepper's artistic director, Albert Schultz, with the idea of partnering on shows, using students from the school's theatre program. Carder was no stranger to such partnerships. He had previously launched similar collaborations between the school's graphic arts program and design luminary Bruce Mau, as well as a partnership between George Brown's dance school and Ballet Jörger, Canada's fifth-largest company.

Soulpepper liked the idea of working with George Brown, and before long the partnership blossomed into a larger strategic alliance. Not half a year after their initial collaboration, Schultz proposed that George Brown and Soul-

pepper join forces to build a performing-arts centre that would provide both of them with space for performances, rehearsals, classes and technical work.

Soulpepper and George Brown College couldn't take their time in deciding whether such a partnership would work. If they were to move ahead, their capital campaign would be running in parallel with much larger drives for expansion and renovation at the Art Gallery of Ontario, the Royal Ontario Museum and the Ontario Science Centre – major campaigns that would be competing for scarce donor and governmental arts funding. "We had to decide fast," Lester says. "We simply couldn't be the last ones at the trough."

Indeed, it was far from clear that Soulpepper would be able to marshal the fundraising resources needed for a capital campaign exceeding \$10 million. The theatre company had only two staffers dedicated to fundraising, and they were already overworked. "We were starting at zero," Lester says. "And since our artistic reputation was what gave us credibility in this partnership, we couldn't afford to get distracted from our artistic mission."

Furthermore, there were a number of issues surrounding how George Brown and Soulpepper would go about structuring the fundraising

INNOVATIVE IDEAS.
RELEVANT EXPERTISE.

and governance for their new partnership. Soulpepper would need to raise money for its share of the building fund; George Brown's downtown space crunch meant the school already had a budget for building new facilities. And could a single building meet both of the partners' needs? George Brown would need dance facilities and large classrooms, while Soulpepper's needs would be more squarely on the theatre side.

"We started to look around," Lester recounts, "and we realized that this type of partnership had never been done in Canada.

organization, in which they were equal partners. The partnership split both control and fundraising responsibility down the middle. Since George Brown and Soulpepper faced significantly different fundraising environments, they kept their capital campaigns entirely independent. The two partners also agreed on a key milestone: The project wouldn't be green-lit until they had a lead sponsor.

They met that hurdle in 2003 when entrepreneur David Young pledged \$3 million as a lead donor in exchange for naming rights. The Ontario government also added \$2 million to

raise our share of the building fund, and we also were able to create an endowment to support the Young Centre moving forward."

With funds in hand, the Young Centre snapped up a building in Toronto's Distillery District, a historic neighbourhood that's now home to arts festivals, boutiques and restaurants. To create a space that would address their diverse needs, Soulpepper and George Brown turned to Tom Payne of Kuwabara, Payne, McKenna & Blumberg Architects. This investment in design yielded a plan for an imaginative and flexible 45,000-square-foot

In 2000, Soulpepper formed an artistic partnership with Toronto's George Brown College. Within six months, the school and the theatre company were collaborating on building a brand new theatre facility

Even looking globally, we couldn't find many parallels to this type of alliance." Soulpepper already had a rather unique mission, blending theatre, training and mentorship, so its founders had no fear of being first. But the combination of a trail-blazing model and a tight timeline made this opportunity a risky one for the theatre company. "But this whole business is risky by nature," Lester says, "and we're entrepreneurial by spirit."

The Outcome

In the end, Soulpepper's entrepreneurial spirit came through for the company. Moving quickly, the college and the theatre worked together to hammer out a deal: They created a third

the fund. But Soulpepper's work was far from over. "You have to understand," Lester says, "we still had more than \$4 million to raise to cover our share."

Faced with this task, Soulpepper could have increased its staff and hired more fundraisers. But instead of swelling the ranks, the administration turned to its board of directors and asked for help. The board obliged and launched an ambitious campaign – led by Roger Garland, Soulpepper's chairman and the former vice-chairman of Four Seasons Hotels Inc. – based on leveraging its own contacts and working in concert with Soulpepper's small team of staff fundraisers.

"Those networks were critical," Lester says. "With our board's support, we were able to

space. Classrooms could easily be rearranged, for example, to reveal lighting grids for technical work and sprung floors for dance studios. There were also performance and rehearsal spaces, a costume shop and offices for the school's, and the theatre company's, administrative staff.

Likewise, the partners were disciplined in their use of the space. "There was the temptation to look at how to align our training and educational programs," Lester says. "But to keep things manageable, we decided to give the idea breathing room." But since George Brown and Soulpepper share their new digs, collaborations have emerged organically. "We've kept the programs independent, and we're allowing for nice soft overlap," Lester says.

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For Soulpepper, the project has yielded dramatic results. The company now mounts a year-long season. The halting stop-start pace of a summer-only program is a thing of the distant past. Soulpepper's box office is also booming, with \$6 million in revenue last year, proving the wisdom of the company's innovative partnership – and the passion of their audiences for imaginative and dynamic theatre.

The Expert View

By Greg Wanless

Professor of Drama, Queen's University
Founding Artistic Director & General
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Unlike Soulpepper, not every creative organization can lay claim to an all-star list of founding artists. And not every theatre company has their enviable connections to patrons and sponsors. So what's to be learned from this story for other small arts organizations? A great deal, it turns out. There are three lessons I would draw from the case of the Soulpepper Theatre

They need to make their vision an unshakably central consideration in partnership arrangements. And they need to be able to communicate their vision to people outside the organization by telling compelling stories that inspire passion and interest.

The first lesson is the importance of governance. In an organization's early years, it's often appropriate, and perhaps even indispensable, to have a board of artists: the founders; the people who are bringing the group its energy and passion. But as organizations mature, so must their boards. In Soulpepper's case, having well-connected directors who could advocate on behalf of the group allowed a community of supporters to coalesce around the project. But that is only half the story: The other important element is that their board had both corporate and community credentials – and a passion for Soulpepper's vision.

One of the worst impulses among non-profits is to stack a board with the best-connected people that they can find, without a thought to the directors' passion for the group's mandate. In my experience, performing arts groups need to find directors who not only offer skills and networks, but who also subscribe enthusiastically to the vision and mission of the organization. At Thousand Islands Playhouse, our directors all came from our patrons, who came in turn from our season subscribers. They understand business, but they love theatre. Having a board that offers equal parts support and skill is one of the reasons Soulpepper succeeded in an ambitious fundraising campaign while preserving its reputation for artistic excellence.

The second important lesson is making

to satisfy partners; they enter into collaborations with cost savings as their solitary aim.

What Soulpepper did was dramatically different. With fewer resources at hand, it would have been easy to be a junior partner in the Young Centre, leaving the lion's share of the fundraising to George Brown. Instead, they insisted on being equal partners. They took on a daunting fundraising campaign, and they did so because they needed to retain control over their vision – something they could only do in a partnership of equals.

This applies to more than just constructing buildings. Most theatre companies get involved in "co-productions" – collaborations with other performing-arts groups. Across the non-profit sector, joint projects are flourishing, and are a way of life for many organizations. If there is one thing I have learned over the years, it is that such projects should be undertaken because of vision, not money. At our playhouse, we pursue joint projects to raise our profile, to learn new ways of working, to take on productions we couldn't stage on our own. With Soulpepper, it is clear that they weren't involved with this collaboration just to save money – it was to advance their mission of theatre, training and mentorship.

The third lesson to draw from Soulpepper's experience is the importance of crafting a story for supporters. One of the reasons this project gained momentum was that it was more than a capital campaign for a building. It was about an innovative collaboration. It brought together the classroom and the stage. It added vitality and energy to the renewal of Toronto's Distillery District. If the project had merely been building a new concrete-and-glass building for Soulpepper alone, it might not have captured the same widespread interest.

Creative arts organizations are already expressive through artistic media. They need to be just as adept in communicating their vision through fundraising. Soulpepper's success has come because they have invested energy into sharing their vision with their supporters.

Note: The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The views represented here are solely those of the case authors and are based on their own professional judgment. Certain names, scenarios or identifying information may have been disguised to protect confidentiality.

The project had momentum because it was more than just a building. It was an innovative collaboration

Company – and they are important ones for organizations of almost any size. In order, those lessons are vision, vision and vision.

Organizations need directors who subscribe wholeheartedly to the organization's vision.

vision the central – if not the only – consideration when evaluating an opportunity for collaboration. All too often, organizations let their mission fall by the wayside in order to secure resources. They compromise on their purpose



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