

Arts & Business:

Partners in Building a Strong Community

**A Special Report
of Dade Community Foundation's
Community Partners for
Arts & Culture Program**

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Dear Friends:

Sometimes it seems that the arts and business operate worlds apart. In reality, both are driven by a common desire to provide valuable, quality services that enrich our community. While the business and arts sectors may approach this common goal from different directions, both want to see a dynamic, thriving Miami-Dade community. Corporations value an environment that is conducive to growing their business. The arts are a key ingredient of a healthy community and play a significant role in bolstering a community's reputation, economic prosperity and its appeal as a place to live, to work, and to do business.

Arts & Business: Partners in Building a Strong Community represents the Foundation's efforts to explore opportunities for aligning the needs of arts and culture with the business interests of large and mid-size corporations in Miami-Dade County. Our local businesses and corporations are important partners in the development of our growing cultural sector. The Foundation is grateful to the business leaders who gave of their time to share their experiences and insights for this project.

Supporting arts and culture based largely on the quality of the programming and a philanthropic spirit continue to be strong motivating factors in business support of arts and culture. However, as companies become increasingly strategic in their giving, the Foundation wanted to examine the nexus between business people's key business objectives and goals and the unique assets that cultural organizations have to offer which might help businesses further these objectives and goals.

This project is part of the Foundation's Community Partners for Arts & Culture program, a five-year initiative whose goal is to build participation in arts and culture by fostering new relationships between communities and the arts. Through the Community Partners program the Foundation awards grants to community-based organizations, conducts and disseminates research and sponsors educational programs. The Foundation has established this program through the generous support of the Lila Wallace-Reader's Digest Fund, one of the nation's leading philanthropic supporters of arts and culture.

We present this report as a tool for sharing the best thinking of key leaders in our community and not as a comprehensive study. The Foundation hopes these insights will help expand the dialogue within both the arts and the business sector and lead to productive partnerships that can strengthen both Greater Miami's cultural community and our community as a whole.

Sincerely,

Ruth Shack
President

Introduction

The explosion of arts organizations in Miami-Dade County has created tremendous new cultural assets for our community - and also created a growing need for resources to nurture this important and unique sector. In 1997, the Foundation established the Community Partners for Arts & Culture program expressly to explore and foster community partnerships that can help build participation in arts and culture. During our planning for this initiative, the need to build understanding and relationships between arts organizations and the business sector emerged as an area of significant concern and interest.

Since the late 1980s, the number of nonprofit arts organizations in Miami-Dade County has soared from about 100 to more than 750. At the same time, Greater Miami has witnessed the closing, exodus and merger of many of the major corporations that had provided philanthropic support to the arts community. Arts organizations face keen competition from within their own ranks for support from the corporate sector. At the same time, trends in corporate giving point to businesses becoming increasingly strategic.

In undertaking this **Arts & Business: Partners in Building a Strong Community** report, the Foundation sought to examine the question of how and why companies support cultural organizations on a somewhat more strategic level: What are business leaders' key business interests and objectives, and how in their view can arts and culture organizations and the programs they provide help to further these interests? The Foundation modeled this project after a similar effort conducted by the Cleveland Foundation. It posed these questions to business leaders in its community as part of an initiative to build support and a broader constituency for the city's major cultural institutions.

Dade Community Foundation conducted interviews with 22 business leaders in Miami-Dade County during 1999. They represent entities that range from the regional headquarters of major national corporations, to mid-size Miami-based firms, to the county's major economic development agencies. In producing **Arts & Business: Partners in Building a Strong Community**, the Foundation has synthesized common themes that emerged from the interviews. The Foundation presents this report not as a comprehensive study, but as an opportunity to share the valuable insights of key individuals in our community which can help to build understanding between the two sectors.

The discussions with participants in this project yielded a variety of perspectives about the nature of the relationships between the arts and business communities and about approaches to effective partnerships. In nearly every case, the interview participants saw some degree of potential for how the arts can help them achieve their goals for growing their business and building community. Even participants who saw little or no connection between their line of business and the arts were open to new possibilities.

PERSPECTIVES

"Ultimately for the arts to be successful, they need to realize that our fates are intertwined."

- Frank Nero,
President & CEO,
The Beacon Council

PERSPECTIVES

"We are now more strategic in our giving. We need to pursue our business goals and pay attention to the people who are important to us."

-J. Don Sadler, Area Director, Corporate and External Affairs, BellSouth

What firmly ties together the business and cultural community is a shared desire and commitment to promoting the social, cultural and economic development of Greater Miami. In order to thrive, both sectors need a healthy community in which to operate. In Miami-Dade County, as nationally, there is an increased appreciation of the positive impact of artistic activity on important community factors that also create a productive business environment - generating economic activity, improving the quality of education, elevating the stature of the community, enhancing its reputation, and generally adding to the quality of life. But sharing the vision is not enough. The interviews with business leaders pointed to the need to bridge gaps in knowledge, understanding and priorities if arts and business are to capitalize on the valuable assets each has to offer the other. Bridging these gaps becomes especially important as market forces pressure arts groups to be more creative in seeking funding and prompt businesses to re-examine their approaches to giving.

Art as a Priority

The arts compete with any number of priorities on the agenda of local businesses. Among the participants interviewed for this report, arts and culture tended to rank somewhere in the middle of their priority areas for charitable involvement. Many leaders stated they support cultural activities simply because they believe it is the right thing to do and they value the arts as a community asset. In many cases, the head of the company or key executives have a personal involvement in the arts. A change in leadership from a CEO who shared a passion for the arts to another who does not can immediately reduce the importance of arts and culture as a priority.

Clearly giving for companies is about more than the bottom line. But while supporting arts for arts sake remains an important motivating factor, businesses are increasingly moving toward targeting their giving through the lense of their business-related objectives. This trend toward strategic giving presents a challenge for cultural organizations. As one participant stated: "We will continue to support worthwhile arts and culture organizations because they are a part of what makes this a good place to live. But strategically, in terms of links to our business, arts and culture are not a high priority." Finding a link with companies' business interests means addressing more complex questions about the priority companies' place on the arts in terms of their giving: How can partnerships with arts organizations create opportunities for business to raise their visibility among audiences that are becoming more targeted, elevate their stature as a good corporate citizen in the eyes of people who are important to their business, reach new markets, or attract and retain quality employees?

While participants in this project clearly varied in the degree to which they saw the arts as a viable vehicle for achieving such goals, several common themes emerged that help inform how arts organizations can meet this challenge.

Building Understanding

Arts organizations, which often struggle for recognition of the contributions they make to the community, know how vitally important it is for people to understand the quality of the product they provide, how they operate and the challenges they face. Business leaders in this project consistently expressed their desire for the same understanding. Business people value arts partners who acknowledge the value of the company's goals, work to help achieve them, and take business goals as seriously as artistic goals. A strongly recurring theme was the need for arts organizations to develop a greater understanding and awareness of how businesses operate, how business people think and the environment in which they must make decisions.

Changing markets, corporate buy outs, consolidations, downsizing and the general pressure to operate more efficiently have affected businesses' capacity for charitable giving. These trends have also reshaped the context in which companies make decisions: Mergers that have shifted decision-making outside of Greater Miami; local giving budgets that are tied to the level of local profits or number of employees in the area; executives who have heavier work loads and less time for civic involvement. With fewer resources and more pressure to achieve their business goals, corporations increasingly plan their philanthropic commitments the same way they plan the rest of their business activities - by setting goals, allocating resources, focusing efforts and measuring results.

At the same time business leaders stressed the importance of arts organizations learning more about the business sector, they expressed a strong desire to better understand the cultural sector. This interest is both in terms of the many roles arts organizations play in the community and the elements that make for quality cultural programs - knowledge which arts and cultural devotees take for granted. "The breadth and depth of our cultural assets are not well known," said Frank Nero, President and CEO of the Beacon Council. "Ours are scattered and small. People tend to think of Miami for sun and fun, not a cultural center." He, like others expressed a strong desire to change that. "Help us sell the area. Provide us information about what's going on. Help the business community plug into the arts."

PERSPECTIVES

"We are impressed when a nonprofit shows some level of awareness of our business. Nonprofits need to demonstrate that they are paying attention to where we are going as a company. They need to study our company and understand how we think."

- Barry Johnson
Director,
Corporate Affairs,
Florida

PERSPECTIVES

Arts and culture activities can offer many benefits to business - access to desirable target markets; opportunities for enhancing their corporate image, networking, and promoting products and services; entertainment and gifts for clients and employees. The arts also advance issues important to business - enriching quality of life; strengthening educational opportunities; stimulating economic activity, economic development and job creation; revitalizing neighborhoods."

Finding Common Ground

Most arts professionals can not imagine life without concerts, theater, museums and art exhibitions. In pursuing partnerships with companies, they will no doubt find like-minded business partners. Those who share their affinity for the arts. Those who choose to support cultural activities and organizations simply because they believe it is the right thing to do. Those who value creative expression as an important community asset to be developed for the enrichment of the community. Take a company like The First National Bank of Homestead, for example. The arts are a high priority both because of the personal interest and commitment of the CEO and because as the oldest business in the area, capturing and sharing the community's history has a special place in the culture of the business, said Vice President, Robert J. Jensen. In such cases it is relatively easy to foster partnerships based on common ground - a shared strong interest or passion for the arts. In Miami-Dade, however, this combination occurs in a fairly small sector of the community. The reality is that many business - and other non-arts professionals - live perfectly well without the arts.

Even when the interests between business and the arts are not immediately evident, there are many opportunities to cultivate them based on other common interests. Business leaders recognize that the role of arts and culture in Miami-Dade County extends far beyond the basic value of art for art's sake. What they may share is a desire to enrich children's education, provide community entertainment, or stimulate growth of a neighborhood. The arts do much to impact these areas. The direct relationship, however, may not always be as clear as it is with organizations that provide human services, economic development and education programs. Arts organizations, report participants said, often fail to give these benefits their due. More often than not, cultural leaders continue to emphasize artistic quality alone - art for art's sake - discounting the value of culture's broader role in the community issues that are high priorities for businesses. This viewpoint may keep the focus on the artistic product. But it may miss opportunities for linkages with businesses that do not immediately see connections between their interests and the arts, when there are many.

Economic Growth and Community Development

Building a strong economy and communities that are conducive to growing a business are vitally important issues to business. The arts and culture sector represents a major economic force and valuable tool for promoting community development. In terms of stimulating economic and community development, the arts tie into the interests of business on several levels. First, arts and culture are a business sector that makes a substantial contribution to Miami - Dade County's overall economy. The cultural sector generates commerce in many ways: Through direct ticket sales for the programming groups provide for the community; through retail ventures organizations operate themselves; through the goods and services purchased from other companies; and through business that the arts indirectly brings to surrounding restaurants, stores, hotels and other service-oriented firms. As an industry, the cultural sector also represents a valuable component of local efforts to create employment opportunities, providing jobs for both artists and non-arts people who want to use their professional skills in the cultural sector. An estimated 4,300 people in Miami-Dade County make their living through employment opportunities created by the cultural sector. Growing and strengthening our culture community can help ensure that talented individuals in Miami or from elsewhere have competitive options for pursuing careers in Miami -Dade County.

Secondly, the strength and quality of the cultural sector plays a role in Greater Miami's appeal as a place to visit, to live and to do business. Arts may not be on the same level as other factors that weigh into these decisions. Tourists are looking first and foremost for sun and fun. Businesses are looking at strength of markets, infrastructure, government relations, education and other primary issues. Convention planners are looking for quality, appropriate facilities for their events. Nevertheless, business leaders interviewed agree that the arts are a valuable asset in selling Miami-Dade County as a destination to visit or do business. A key example of this recognition was the Greater Miami Convention and Visitors Bureau's addition of a cultural tourism director in 1997.

Arts and culture fall into a class of important secondary issues about lifestyle, quality of life, and the quality of the experience people will have while visiting or living in Greater Miami. "Arts and culture or the lack of it, play an important role in recruiting companies and individuals to relocate in Miami-Dade County," said Mr. Nero of the Beacon Council. " Especially when you're dealing with the Beacon Council's primary geographic target market, the northeastern United States. These people are used to having arts and culture in their lives. They want arts to be accessible and abundant. They consider arts and culture an intrinsic part of everyday life."

The more business people know about the quality, diversity and appeal of Greater Miami's cultural activities, the greater their ability to incorporate arts and culture into their efforts to bring business to Miami-Dade. They can use the knowledge to sell the community as an attractive, vibrant place for a corporation's employees to live, or to integrate cultural outings on the menu of options for conference goers, or to feature local cultural groups as part of conference activities. Unfortunately, business leaders cited a lack of knowledge about the breadth and depth of the cultural sector as a barrier to

PERSPECTIVES

"As an industry, the annual impact of the arts on the local economy is conservatively estimated at well over \$325 million, employing more than 4,300 people and generating a payroll with direct sustaining value to the area's economy in excess of \$52.3 million and reaching audiences of nine million event goers."

- Mayor's Economic Summit Report, Creating a Blueprint for the Future

PERSPECTIVES

We are in the business of building community. Our main business is investing in neighborhoods through the acquisition of properties then improving these neighborhoods through creative vehicles. Our support of arts and culture is not something we do simply as a philanthropic gesture. Arts and creativity are an integral part of our business."

- Craig Robins,
President DACRA
Companies

Being a Good Corporate Citizen

capitalizing on these opportunities. They encouraged arts organizations to build relationships that may not be as much about money as about sharing information that can help business play an effective role in advocating on behalf of the arts.

Finally, the presence of arts and culture venues and activity have the potential to increase the value and appeal of an area and revitalize communities. Cultural activity and the emergence of new arts organizations were a key catalyst in the revitalization of Miami Beach. Supporters of the new performing arts center are banking on the venue having a similar impact on downtown. Still, discussions with business people in the development industries made clear that connecting the arts with their business interests was a stretch or that they saw no relationship at all. However, a notable exception illustrates the potential in this area. Craig Robins, President of DACRA Properties sees no separation between the arts and his business of investing in neighborhoods by acquiring and revitalizing properties. He cited his work with the Wolfsonian Museum on redevelopment efforts on Miami Beach and the Design District as prime examples of fusing the arts and business based on shared mutual interests. Creative expression is part and parcel of building livable communities, Robin said. Artists and the arts are an integral part of that process.

While recognition within the general community was important to business leaders, many spoke of becoming more targeted in their approach. For one, broad visibility can be as much a problem as it is a blessing - more publicity leads to more requests, which they may not be able to handle. Secondly, they are looking more closely at raising their visibility among select constituents. Building a reputation as a good corporate citizen can give a business a competitive advantage. In pursuing a partnership with business, it is important to know by whom does the company want to be perceived as a good corporate citizen? The answer in many cases is by people who are important to their business. Barry Johnson of AT&T cited an example of how this issue plays into developing the company's giving priorities. Each year, AT&T interviews key influential local opinion leaders about what community issues are important to them. In looking for opportunities for exposure, AT&T is looking for recognition that will be seen not only by the community at large but in particular by the company's customers and by key public leaders. AT&T is most interested in proposals that fall into one of the top priorities identified by the community leaders, providing an opportunity to do good while building relationships with these key leaders and providing marketing benefits.

Reaching New Markets and Target Audiences

Businesses focus carefully on their customers and key constituents. They stay attuned to what their needs and interests are now and what they will be in the future. Arts and culture organizations have strong potential to provide access to audiences that are important to business. In demonstrating their value in this regard, arts groups need to have an in-depth knowledge about their own constituents and how they might tie into the specific segments of the community a business wants to reach. A private bank or trust company that targets high net worth clients might find more appeal in working with a symphony orchestra with an affluent, older audience. A company whose business caters to families and children might be better aligned with a cultural organization that provides children's theater or a science museum.

Arts groups, however, should not assume that the "audience match" relates only to the people who attend their performances and who might be potential costumers for a business. They should look broadly at the constituents they have access to who support and are involved with their organization. That might be board members, donors, vendors, volunteers, or civic supporters. Part of businesses becoming more strategic means looking carefully at who are the people in a position to affect their ability to grow. That might mean other business people, civic leaders, public officials and policy makers. So while one company may benefit by putting its corporate logo before hundreds of patrons at an arts event, another may gain greater benefit from attending a more intimate social event or serving on a board next to a key community leader.

Developing New Business

Another theme to emerge among business leaders was the desire not only to gain visibility among the audiences important to them, but to have the opportunity for interaction. They value the chance to network, to talk to people about the company's products and services and to encourage people to use them. In the same way arts groups need to look broadly at who they have access to, they need to look broadly at the range of activities they provide that offer access to their audiences. That may be through arts and culture events that lend themselves to opportunities for interaction, such as festivals or fairs that provide space for businesses to showcase their products and services. But it might also be social gatherings with selected attendees before or after a performance or exhibit, or a fund raiser, or board meetings that bring together the arts groups' key constituents with the business partner. Northern Trust, for example cited the mutual benefits of hosting a fund raiser for an arts organization rather than providing direct funding support. Not only did the group have the cost of the event underwritten, but the event brought the arts group's constituents together with the clients of the business - a pool of potential donors. The business representatives had the chance to network with patrons and donors of the arts organization - a pool of potential clients. American Express offered an example of how it teamed up with arts organizations and the convention and visitors bureau in Broward to create a combine hotel, car rental, restaurant and retail promotion package and a marketing campaign. The attractive partnership provided opportunities to generate new business for both the arts and business partners.

PERSPECTIVES

"I'm not involved in order to get new business. What I really get is the opportunity to meet and work with truly great people. But I do get new business."

- Rosa Sugrañes,
President, Iberia Tiles.

PERSPECTIVES

"The best partnerships are when we have someone who is genuinely interested in working with us, who wants to be creative and wants to pay attention to what American Express can do most effectively."

- Ana M. Palmer, District Director, American Express

Employee and Client Satisfaction

The opportunity to participate in cultural activities can offer businesses a unique tool for fostering relationships with key constituents. Tickets, memberships, and social activities can provide companies with perks, rewards, or incentives for employees, clients and customers. But in and of themselves, these tangible benefits are rarely the driving force in establishing relationships between arts and business. The reality is that there may not be enough demand for arts and culture among the employees or clients to make these benefits of great value. As one business leader interviewed stated, the big clients the firm works with already have tickets to the major cultural events they want to attend. What they want is a great seat at a major sporting event.

However, arts organizations that look to engage employees on a deeper level can open the door to establishing relationships in the company that could pay off in the future. Businesses welcome opportunities for their employees to become involved in community organizations through service on boards and volunteerism. Many also seek to be responsive to requests for support that address the interests of their employees. By more deeply engaging employees - not just the head of the company or the person in charge of the giving program - arts organizations may find an important entry point for building a relationship within the company.

Elements of Good Partnerships

A Business Approach

Regardless of whether a business leader supports the arts for purely artistic or business-related reasons, the manner in which an arts organization handles its business was of great importance to those interviewed. The lack of financial and business sophistication on the part of some arts groups emerged several times as a concern among business leaders. So did the perception of arrogance by arts organizations in the way they emphasize artistic merit to the exclusion of other issues as the basis for being worthy of financial support. Businesses are looking for arts organizations that not only provide a quality, valuable artistic product and do meaningful work, but demonstrate professionalism, business sense and accountability in the way they run their organization and the way they handle their relationships with business.

Building Relationships

Whether the decision at hand is selecting a new office site, hiring a subcontractor, or supporting a charitable cause, business professionals usually base their judgments at least in part - and sometimes entirely - on their personal relationships and sense of trust in the individuals involved. There is no getting around the significance of who is asking for support as a key factor. On the surface, that may be discouraging news for arts professionals, especially in younger organizations where relationships with business have not yet formed or matured. But the good news is that the dynamic, changing nature of Miami-Dade County presents many opportunities for building relationships. Arts organizations need to approach these relationships not as a short-term request for support, but as a long-term process. The relationship need not start at the top. It is short-sighted for groups to only consider top executives and discount lower-level employees who can be their champions within the company, and may be the way to get into the door of a company who would otherwise not pay attention.

Mutual Benefits

Without a doubt, the most effective partnerships between culture and business are those which provide real benefits on both sides, and those in which the partners make the effort to understand each other's perspectives and meet each other's needs. Arts organizations need to take careful stock of all the assets they have to offer. They need to explore the interests, goals and direction of the businesses they are approaching for support. They need to pay close attention to what the business is in the best position to give. That might be money. But it might also be some in-kind services that directly tie into their line of work. Both sides need to be clear about what benefits they expect to receive and have the capacity to deliver.

PERSPECTIVES

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In-kind Support

Many companies are giving less cash and giving more of themselves. In-kind support is among the most attractive approaches to partnerships with business. Arts organizations that focus entirely on cash contributions often overlook the value of corporate products and services which can replace the need for cash. The examples are numerous: food and supplies for a fund raiser, art supplies for a children's program, construction materials for a renovation project, a venue for a fundraising event, audience research services, plane tickets or hotel rooms. In-kind contributions often mean higher levels of support, and they also can provide direct opportunities for promoting a sponsor's business interests, resulting in a more rewarding relationship.

Arts organizations should also identify volunteer opportunities within their programming that businesses can share with their employees. More and more companies are encouraging employees to get involved, allowing them to take time off to volunteer, sponsoring corporate volunteer events and creating volunteer programs. Some require that executives serve on boards of nonprofit organizations.

Engaging New Business Partners

Several participants in this project pointed to mid-size companies in Miami-Dade County as the future of business involvement in the arts. They encouraged the development of opportunities for mid-size businesses (50 to 100 employees) to see the benefits of such involvement. The county has only about 150 companies with 100 or more employees. While Miami-Dade has lost several large corporate supporters of the arts, mid-size businesses are growing to the point where they can begin to look around and become more involved in the community. In doing so, they typically reach out first to people they know and into areas in which they have a personal interest. They like the idea that in a community like Greater Miami, they can have an impact within their limited resources. "Miami is new. In an old city, one individual or a few thousand dollars won't make much difference," said Rosa Sugrañes, President, Iberia Tiles. "Here I can really make a difference with my

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