The Role of an Effective Board During Times of Stress
Part II: February 9, 2021

Claire West Consulting
Claire West and Mollie Quinlan-Hayes
Welcome from MassCultural Council
Welcome and Welcome Back

Claire West   Mollie Quinlan-Hayes

Guest Speakers

John Linehan, Zoo New England
Mike Machnowski, Tower Hill Botanical Garden
Christine McCarthy, Provincetown Art Association and Museum
Poll: Did you participate in Session I?

Yes
No
Reflections on Part I

- Dashboards
- Scenario Planning
- Emergency succession plan
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What We’re Going to Cover – Part II

Part II – Tuesday, Feb 9

- Supporting the CEO in Making Difficult Decisions
- Determining Mission-Critical Programming
- Approaches to Scenario Planning
- Digging Deeper into the Numbers
- Using Tension as a Productive Tool (Embracing the Devil’s Advocate)
- How to Handle the Unexpected
- Stories from the Field
- Q&A
- Wrapup
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What We Covered in Part I

Part I – Tuesday, Feb 2

- The Criticality of Mission and Focus
- The Board’s Role in Supporting the Chief Executive
- Methods for Transparent Communication Internally
- The Information Needs of Today’s Board Members
- The Meaning of the Current “Numbers”
- Stepping Up Board Participation
- Scenario Planning/Strategic Planning/Contingency Planning
- Enhanced External Communication
- Stress Creates Opportunities
- Emergency Succession Basics
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Claire West Consulting
Claire West and Mollie Quinlan-Hayes

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Supporting the CEO in Making Difficult Decisions
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Determining Mission-Critical Programming
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SOAR

STRENGTHS  OPPORTUNITIES

ASPIRATIONS  RESULTS

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The Role of an Effective Board During Times of Stress Part I

What is core to our mission?

KEEP

CHANGE

LIBERATE

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The Role of an Effective Board During Times of Stress Part II
Determining Mission-Critical Programming
Approaches to Scenario Planning
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External “Macro” Forces/Trends

- The economy
- Societal changes
- Technology
- Politics/public policy
- Cultural
- Environmental/climate change
- Public health/safe gatherings
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External “Macro” Forces/Trends - Local

Public arts/culture funding
Rural/suburban/urban
Demographic trends
Trends in your arts/culture discipline
Potential Scenarios –
Global/National

- Pandemic does/does not get under control in 2021
- In-person participation does/does not return to previous levels
- Public-sector response to climate change does/does not accelerate
- US economy/employment does/does not improve
Potential Organizational Responses
Growing societal demands for anti-racist actions
Programming choices
Participants you engage
Who is on your board and staff
Increased equity in pay and opportunities
Continued social distancing/limited gatherings

Programming which reflects/showcases the locals
Site-specific programming
Maximize capacity to reach participants
Responding to “on-demand” mindset
Be ready for the demand when gathering can take place
The times’ effect on public health
Partnering with mental health providers
Programming around public health best practices
Offer venue as a distribution center
Approaches to Scenario Planning
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Digging Deeper into the Numbers
### Monthly Balance Sheet Sept 15, 2020 - Fiscal Year 2021

<table>
<thead>
<tr>
<th></th>
<th>August 2020</th>
<th>Sep 15, 2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Cash accounts</td>
<td>$315,725</td>
<td>$315,725</td>
<td>$0</td>
</tr>
<tr>
<td>- petty cash</td>
<td>$50</td>
<td>$50</td>
<td>$0</td>
</tr>
<tr>
<td>- restricted endowment cash</td>
<td>$5,994</td>
<td>$5,994</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total Cash</strong></td>
<td>$321,229</td>
<td>$321,229</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Receivables</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- accounts</td>
<td>$10,000</td>
<td>$10,000</td>
<td>$0</td>
</tr>
<tr>
<td>- trade/other</td>
<td>$10,000</td>
<td>$10,000</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total Receivables</strong></td>
<td>$20,000</td>
<td>$20,000</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Prepaid/Other</strong></td>
<td>$5,000</td>
<td>$5,000</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>$286,229</td>
<td>$286,229</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Fixed Assets Net of Depreciation</strong></td>
<td>$100,000</td>
<td>$100,000</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Long-term investments</strong></td>
<td>$100,000</td>
<td>$100,000</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$486,229</td>
<td>$486,229</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- accounts</td>
<td>$30,000</td>
<td>$30,000</td>
<td>$0</td>
</tr>
<tr>
<td>- trade/other</td>
<td>$30,000</td>
<td>$30,000</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$60,000</td>
<td>$60,000</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td>$426,229</td>
<td>$426,229</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total Liabilities &amp; Equity</strong></td>
<td>$426,229</td>
<td>$426,229</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Working Capital</strong></td>
<td>$100,000</td>
<td>$100,000</td>
<td>$0</td>
</tr>
</tbody>
</table>

### Key Takeaways
- Cash drawdown slowed by offsetting revenues from COVID appeal
- Receivables Up
- Endowment up due to Market conditions
- Liabilities Down
- We are currently Liquid & Solvent
### Results YTD FY 2021 (JUL-AUG & ¾ SEP = Roughly Q1)

2021 Budget Revised in July when decision made to delay live performances until Jan/Feb 2021

**KEY CHANGES:**
- 33% drop in earned revenues from Board Approved 2021 Budget: 17 Artists, 30 performances
- 11% reduction in total operating expenses
- Operating Loss doubled but cash on hand of $300K could still cover if able to open in January

**KEY TAKEAWAYS**
- Initial COVID Appeal reaction positive and partially offsets lagging support in other areas
- AZ & National Endowment for the Arts Grants offset loss of others
- Current Expenses driven by Utilities, W/S/B and G&A to maintain operations
- Despite circumstances, Profitable YTD

### Profit & Loss FY 2021 September YTD

<table>
<thead>
<tr>
<th>REVENUE</th>
<th>YEAR TO DATE</th>
<th>BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>EARNED REVENUE</td>
<td>15-Sep</td>
<td>as of 7/22/20</td>
</tr>
<tr>
<td>THEATRE</td>
<td>$584</td>
<td>$362,223</td>
</tr>
<tr>
<td>OTHER</td>
<td>$544</td>
<td>$22,037</td>
</tr>
<tr>
<td>TOTAL EARNED REVENUES</td>
<td>$544</td>
<td>$396,260</td>
</tr>
<tr>
<td>SUPPORT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ANNUAL</td>
<td>$3,920</td>
<td>$194,000</td>
</tr>
<tr>
<td>GIFTS INCLUDING COVID APPEAL</td>
<td>$186,000</td>
<td>$186,000</td>
</tr>
<tr>
<td>SPONSORS</td>
<td>$ -</td>
<td>$122,000</td>
</tr>
<tr>
<td>GOVERNMENT</td>
<td>$58,394</td>
<td>$58,394</td>
</tr>
<tr>
<td>MADE IN WICKENBURG</td>
<td>$ -</td>
<td>$27,000</td>
</tr>
<tr>
<td>OTHER GRANTS</td>
<td>$20,561</td>
<td>$20,561</td>
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<tr>
<td>SPECIAL EVENTS</td>
<td>$ -</td>
<td>$15,000</td>
</tr>
<tr>
<td>TOTAL DONATIONS</td>
<td>$189,000</td>
<td>$393,000</td>
</tr>
<tr>
<td>OTHER REVENUES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ARTS 4 KIDS</td>
<td>$ -</td>
<td>$5,000</td>
</tr>
<tr>
<td>CAMP IMAGINATION</td>
<td>$826</td>
<td>$132,900</td>
</tr>
<tr>
<td>ADVERTISING</td>
<td>$6,720</td>
<td>$32,000</td>
</tr>
<tr>
<td>TOTAL OTHER REVENUES</td>
<td>$7,076</td>
<td>$166,900</td>
</tr>
<tr>
<td>TOTAL UNRESTRICTED REVENUES</td>
<td>$196,076</td>
<td>$1,037,900</td>
</tr>
</tbody>
</table>

### Operating Expenses

<table>
<thead>
<tr>
<th>OPERATING EXPENSES</th>
<th>15-Sep</th>
<th>BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>THEATRE PRODUCTIONS</td>
<td>$2,551</td>
<td>$427,166</td>
</tr>
<tr>
<td>WAGES/SALARIES/BENEFITS</td>
<td>$573,712</td>
<td>$545,946</td>
</tr>
<tr>
<td>GENERAL &amp; ADMINISTRATIVE</td>
<td>$90,345</td>
<td>$178,123</td>
</tr>
<tr>
<td>MADE IN WICKENBURG</td>
<td>$ -</td>
<td>$41,000</td>
</tr>
<tr>
<td>ARTS 4 KIDS</td>
<td>$ -</td>
<td>$53,500</td>
</tr>
<tr>
<td>CAMP IMAGINATION</td>
<td>$ -</td>
<td>$39,500</td>
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<tr>
<td>TOTAL OPERATING EXPENSE</td>
<td>$1,150,524</td>
<td>$1,229,053</td>
</tr>
</tbody>
</table>

### Operating Profit (Loss)

<table>
<thead>
<tr>
<th>OPERATING PROFIT (LOSS)</th>
<th>Year to Date</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEPRECIATION &amp; AMORTIZATION</td>
<td>$6,250</td>
<td>$40,874</td>
</tr>
<tr>
<td>NET ORDINARY INCOME (LOSS)</td>
<td>$75,096</td>
<td>($19,147)</td>
</tr>
</tbody>
</table>
Programmatic Data
Donor Data
Using Tension as a Productive Tool (Embracing the Devil’s Advocate)
The absence of conflict is not harmony, it’s apathy.

Kathleen M. Eisenhardt, Jean L. Kahwajy, and L.J. Bourgeois III
Harvard Business Review
Using Tension as a Productive Tool (Embracing the Devil’s Advocate)
Handling the Unexpected aka Readiness Planning
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Have processes in place:
- Decision-making
- Revising financial projections
- Sourcing quality information
- Communicating
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Readiness Planning Resources

ArtsReady.org
PerformingArtsReadiness.org
NCAPER.org
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Stories from the Field

John Linehan, Zoo New England
Christine McCarthy, Provincetown Art Association and Museum
Mike Machnowski, Tower Hill Botanical Garden
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Q&A
Thank you!

Join us for Successful Board Recruitment and Retention in Times of Stress,
Thursday, February 11, 10:00-11:30AM

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