

# Charting a Path

Board members are on the front lines as orchestras maneuver through thorny economic and cultural challenges. Two distinguished leaders discuss what it takes to be an effective board member today.

by Robert Sandla

**S**ustainability. Fiscal responsibility. Diversity. Endowments. Underwater endowments. Executive-director searches. Community connections.

Serving on an orchestra's board of directors can be immensely satisfying—but the job also comes with its fair share of challenges and complexities, many of them unique to the field. Strong governance is essential to the efficient functioning of nonprofit organizations, but it can be daunting to get up to speed on all the topics involved. And as seldom before, nonprofit organizations and their boards are coming under new scrutiny.

We caught up recently with two board leaders with extensive experience on orchestra boards to talk about the evolving roles of boards of directors.

**Lowell Noteboom**, chairman of the League of American Orchestras' Board of Directors, has written and lectured extensively on the subject of nonprofit governance and strategic planning. An attorney, he has focused his community-based activities in the areas of music education and orchestras; he's a past chairman of the Saint Paul Chamber Orchestra, a member of the Board of Overseers at Philadelphia's Curtis Institute of Music, and serves on a variety of other nonprofit and for-profit boards.

As president of the San Francisco Symphony for the past ten seasons, **John D. Goldman** has overseen tremendous

growth in the orchestra's artistic profile under Music Director Michael Tilson Thomas, leading-edge media projects, and expansion of the orchestra's education and community programs. Active in the Bay Area's community and philanthropic endeavors, Goldman was also recently appointed by President Barack Obama to the Advisory Committee on the Arts for the John F. Kennedy Center for the Performing Arts.

**Robert Sandla:** The economy and the cultural scene are changing fast, and orchestras are facing a lot of challenges. But are those challenges unique to the present moment?

**John Goldman:** There are underlying issues and challenges that have long have faced orchestras. But the economy has exacerbated those issues and brought them to the forefront. Many of these forces have been endemic to the industry—especially structural deficits—and have been covered over in better times. So everything has become more acute. But the fundamental issues have always been there.

**Lowell Noteboom:** One of the debates in the industry has been whether the stress being felt by orchestras is cyclical and will improve when the business or economic cycle improves, or whether we're dealing with something more fundamental and structural—that is worse in bad economic times and continues at unacceptable levels even in good times.



Lowell Noteboom, chairman of the League of American Orchestras' Board of Directors, at the League's 2010 National Conference

The evidence shows that it's both of those things. In good business cycles, we've either been able to camouflage it or somehow better cope with it. But what we're facing and what we have to address, what I think is really the underlying governance challenge, is structural. High fixed costs that continue to grow and declining audiences are chief among them. Having been involved with a number of large and small orchestras that are in distress, I am more convinced than ever that we must address not only the financial deficits but also the governance deficits. To navigate these troubled waters orchestras need strong boards that are really engaged, focused on the right stuff, and have the courage to act. I think it's all about governance.

**Sandla:** How do boards work to ensure sustainability?

**Noteboom:** Let's start with the fact that boards need to fully understand all the realities of their financial situation and that they are dealing not just with short-term financial stability, such as balancing this year's budget, but with longer-term financial viability. They should be doing financial planning five years out, not one year out—and strategies for the orchestra should be capitalized in the sense that they know where the money is going to come from.

**Goldman:** In San Francisco, one of the things that has made us relatively successful is that our board is populated by individuals who aren't serving simply to build up their resumes; they are active, they are involved, and they are passionate. People seek out being on our board not only because the expectations are high, but also because we're recognized as a well-run organization.

**Sandla:** What is the board's role in your organization?

**Goldman:** The board is charged with making the critical policy decisions and charting the organization's path. At the San Francisco Symphony, we're very much a volunteer-led organization. Lowell and I have been involved with organizations that are not volunteer-led; when you have rotation of board chairs or presidents every couple of years, it becomes more staff-driven. There's not as much involvement on the part of the volunteers when there's regular turnover in leadership. And that's one of the things that's unique for us: we have what some may call "endless-terms" participation and a longstanding presence of volunteers. It's important to build a culture of involvement and know that oversight on policy and financial matters is done without getting involved in day-to-day management.

**Sandla:** Should there be an expectation, particularly for board chairs, of a certain length of service? And on the other side, should there be term limits?

**Noteboom:** Continuity of service is invaluable. On the staff side, we would never think of hiring a new CEO every two years or simply have people take turns in that role. Nor would we want any other significant staff position to rotate every two or three years. Too many orchestras do precisely that with their board leadership position. It is no better to have high rotation in board leadership than it would be in the CEO or senior staff positions, because the board's role is so vital and the board leadership is so critical. Longer is better, provided the person has the capacity and willingness to serve and that it doesn't create a situation where the board member overstays his or her effectiveness. The San Francisco Symphony has been a wonderful example of how longer-term service is even better. John is in, I think, his eleventh year.

**Goldman:** I'll have served eleven years when I'm finished in October.

**Noteboom:** And John's predecessor served fourteen years. An important part of that orchestra's stability and growth over those 25 years has been incredible



John D. Goldman, president of the San Francisco Symphony's Board of Directors

continuity of leadership. Term limits were imposed historically because boards didn't trust themselves to help the nonproductive board members to leave; they've used term limits as a crutch. But term limits deny continuing service from really good board members, and it's better to find another way to help the non-engaged board members to leave, than to have everybody be subject to term limits.

**Goldman:** Symphony organizations are quite complex, given the multitude

**"The Bay Area is quite diverse, and we have made an effort at all levels to be more reflective of the diversity, ethnically and otherwise, in our society."**

**—John Goldman**

of constituencies with which they're engaged. It takes time to see how the pieces fit and to be in a position to address the issues of every constituency. As far as term limits, I agree with Lowell. We have three-year terms for board members, but there is no limit to the number of terms that one can serve. We have expectations that we review with every new and existing member of the board, and we review each person's compliance with those expectations every year. If there is an issue with any one of them, we'll bring it to the attention of that individual and ensure that this is a good fit with them and with us. And if they can't comply, that's an opportunity for us to say, "Well, maybe this isn't the best place for you."

This raises the topic of self-assessment. Each year for the past four years, the board has evaluated me and my performance, as well as the effectiveness of the

board in general. This has fostered some good thinking about what we can do to make the experience better and is a great feedback loop to learning what we can do to improve. We figure out what to do and bolster areas that might not be as successful. That's important in getting us to a stronger place as a board and reflects the interaction that's needed among board, administration, and musicians.

**Noteboom:** This evaluative process works both ways: to provide constructive feedback to the leader and to own the question of whether that continuing leadership is right for the organization.

**Sandla:** How do you interest a diverse range of individuals in board service?

**Goldman:** That's something near and dear to me. Since the beginning of my tenure as president, I have emphasized how important it is for us to reflect our community. The Bay Area is quite diverse, and we have made an effort at all levels—including board, administration, and, to the extent that we can, in the orchestra itself—to be more reflective of the diversity, ethnically and otherwise, in our society. One effort that I've insisted on is a goal that half of our incoming board reflects the diversity of our community. Our executive director, Brent Assink, fully subscribes to this objective, and we've made progress on the board and administrative fronts. For the orchestra, it's much tougher because we have blind auditions. That's a big issue: how do you attract people of color and diverse backgrounds to be players? You can't go out and say, "I want this person." You hope that there are two or three candidates of equal talent, and then, perhaps, diversity comes into play. I think we all recognize that, to attract a broader audience, we have to reflect the demographics of our community.

**Noteboom:** John, do you work at diversifying the staff of the San Francisco Symphony?

**Goldman:** Yes, we do. We don't have a lot of turnover because our staff is excellent and committed to staying with us, but whenever there's an open position, we do take that into consideration.



San Francisco Symphony

Following John Goldman's retirement this fall after a decade as president of the San Francisco Symphony, Sakurako Fisher, shown here with Music Director Michael Tilson Thomas, will lead the orchestra's board of directors.

**Noteboom:** What we've learned as an industry over the last several years is that orchestras must be more than institutions that put on performances in halls and expect the community to come and consume what we provide in that venue. We must engage with our communities in a two-way process in a much more complete way than was historically understood. And if we're going to have a true two-way relationship with our community, then we need people on our board and staff who come from the diversity of our community to help us make those connections. It's essential to our mission.

**Sandla:** This feels like a change in course for what orchestras have traditionally been. The notion of excellence, of the canon—is that changing?

**Noteboom:** This isn't a matter of

dumbing it down or reducing the quality standards. This is a matter of understanding that, in addition to mounting the finest performances possible, we have to be much more engaged with our community if we expect the community to be engaged with us.

**Goldman:** I'll add one more point: orchestras would be nowhere if they weren't excellent. What we have strived to do for years is not only to make a symphony experience more accessible, so it's not just a purview of the privileged, but also go out into the community. We strive to engage our Chinese and Hispanic populations by having special concerts. And we're going to continue to broaden our base of activity to reach further into society, including the free concerts that we do.

**Sandla:** Where do you think things will stand for orchestras and their communities ten or twenty years from now?

**Noteboom:** The music will survive, and orchestras will survive and thrive in proportion to their ability to adapt as their local cultural and philanthropic patterns change. Doing things the same old way and expecting improved results when our environment is undergoing significant change makes no sense. The vast majority of our orchestras are not going to disappear, because communities will want live music. But those that don't adapt and

change will be at much greater risk.

I started this conversation by saying it's all about governance. But I would say it's also all about accessibility. That means both location and price. The Saint Paul Chamber Orchestra has greatly expanded the concerts that we do in neighborhood venues all across the metropolitan area. We still do a full season of performances at our main downtown venue, but we also do 60 or 70 performances a year in suburban communities. And the second thing we've done is dramatically reduce ticket prices so that you can go to those concerts for a top price of \$25. With both location and pricing we are eliminating barriers to entry. That has allowed us to grow our subscription sales by 40 percent during a time when other orchestras generally have continued to see decline. Whether it's location or ticket price or a half a dozen other things, accessibility is the key to the future.

**Goldman:** We're part of the entire entertainment field, and we have to make going to a concert a viable alternative to other entertainment choices. We also must be an organization that addresses how people listen to music—and today, they listen electronically and over the Web. Who knows where technology is going? One of our goals is to not only disseminate the music we create but also receive music—and performances—from around the world and integrate that into our performances and activities. It's a different model entirely from just concerts in the hall.

**Noteboom:** That kind of innovation is what matters. This field needs to continue to explore what San Francisco, Saint Paul, and other people are doing to adapt and change and engage their communities. Those are the laboratories where we as a field will figure out what can work. It has to fit the local community. At the end of the day, this is not about one-size-fits-all. It's about being innovative and recognizing the dynamics and needs in your own community. **S**

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## Governance Resources

The League of American Orchestras offers a vast array of resources for orchestra board members. The League's Governance Center, made possible by MetLife Foundation, spotlights the most up-to-date information about governance to help board members tackle the issues they are facing now. "There are many things that the League provides for its members," says John Goldman, president of the San Francisco Symphony. "Clearly, advocacy and education are key elements, but I think that the toolkits are a critical adjunct, especially for board development." Among the resources at The Governance Center are self-assessment tools; a toolkit to help communicate public value; and audio and video interviews in which board members share their strategies and tactics. In addition, The Governance Center connects board members with governance experts through conference calls, mentoring circles, and discussion groups. The Governance Center also features vlogs, among them League Chairman Lowell Noteboom's "Avoiding the Governance Deficit." And the League's National Conference, June 5-8 in Dallas, includes sessions and meetings exclusively for board members, about which Goldman comments, "There's nothing better and more impactful than getting people in similar positions together to talk about the issues in an unfettered and unrestrained matter." Find out more about The Governance Center at [americanorchestras.org](http://americanorchestras.org).