

Master Thesis

The survival toolkit of Dutch performing arts organizations

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Abstract

In 2013 the Dutch cultural sector had undergone huge cuts of the governmental subsidies. The victims, who suffered the most, were performing arts organizations and this research aims to explore how some of them managed to survive. The two case studies include a youth theatre in Amsterdam and a regional opera house, which lost more than half of their subsidies.

I conduct qualitative content analysis of the annual reports of both organizations in a period of 2011-2015 to trace the internal changes in organization, which happened after the cuts. The interviews with the directors serve as an additional source of data. Findings illustrate that both organizations mobilised all available resources to keep their doors open. Unfortunately, it included losses not only of the financial, but also artistic and human resources. Many cultural professionals became jobless, while the remained staff followed reorganization and pay cuts. However, both opera and youth theatre became incredibly active and entrepreneurial in search of a new funding sources, employing new marketing strategies and reaching new audiences, which in a long run may establish additional financial sources.

Keywords

Subsidy cuts, performing arts organizations, artistic resources, entrepreneurship.

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1. Introduction

In 2011 the Dutch Ministry of Education, Culture and Science announced cuts of a quarter of cultural subsidies (Goudriaan & Koops, 2015). Diminishing the state funding became a necessary step in dealing with the economic meltdown. Unfortunately cultural sector is usually the first to face the cuts. 137 organizations completely lost governmental support, 23 organizations stopped operating and the rest faced partial cuts of subsidies. Cultural sector faced huge reorganization and the new system of subsidizing left some organizations with the deficit of more than 50% of the prior funding. Out of all the organisations, performing arts suffered the most from this cultural massacre.

The governmental discourse, which accompanied the subsidy cuts, focused on stimulating the art sector to become less dependent on public money (Ministerie van OCW, 2011; Raad Voor Cultuur, n.d.). Although this line of discourse was not new, since it was articulated in the political circles already in 2003, the scope and abrupt character of the subsidy cuts shocked the cultural sector (The Ministry of Education, Culture and Science & Boekmanstudies, 2006). The government's vision of the future of cultural establishments is to make them financially secure with growing own income (Raad Voor Cultuur, n.d.). To do so they are expected to employ new strategies to attract private money and tap into the market demand.

State-funded cultural organizations are non-profits, they primarily exist to fulfill the public function— producing high quality art for society (Brooks, 2006). Requirements to grow own income and start acting like for-profit organizations might confront their genuine mission. The problem stems from the fact, that for most of those non-profit cultural organizations, subsidies serve the main source of income and cuts threaten their future existence. Majority of organizations survived the cuts, including performing arts non-profits, whose losses sometimes reached 70%. So an interesting question that arises is how those organizations managed to cope with the cuts? Answering this question will present the survival toolkit, which allowed those organizations to keep the doors open.

The goal of this research is to collect the best practices from the organizations, which faced the biggest cuts. Since austerity policy is rolling all over the world, more and more organizations happen to be in the similar situation as Dutch organizations. Learning from the case studies of others might not be a definite cure, since each case is context dependent, but at

least it shows the possible scenarios. The subsidy cuts are relatively fresh event and scholarly database is poor on studies about the consequences of the former. This research is a case study of two performing arts organizations, which will try to fill the existing gap in scholarly literature.

The conceptual framework of the current research is based on the research dependency theory, which allows to expect altered internal dynamics of the organizations, caused by the changes in its environment (Hillman et al., 2009). Economic meltdown and new cultural policy represent changes in financial and legal environments of organizations. Drawing from the distinctive features of the performing arts' resource management, the four main dimensions of the research are outlined: financial resources, artistic resources, human resources and marketing orientation (Lee, 2005; Boorsma, 2006; Brooks, 2006).

The exploratory character of this research requires descriptive data analysis. I use qualitative content analysis to answer the following sub questions: (1) how management of the financial resources changed after the cuts, (2) how changed artistic resources after the cuts, (3) how marketing orientation adapted to the cuts, (4) how human resources changed due to the cuts. The main source of data, which help to track internal changes in organizations, are annual reports. Interviews with the directors of the two companies serve the additional source of data. Five annual reports from each organization are analyzed and findings are given in Chapter 4.

Chapter 2 presents the theoretical framework and the context of this research, while Chapter 3 explains the methodology. Chapter 4 provides descriptive findings of the research which form the base of the conclusions in Chapter 5.

2. Theoretical framework

2.1. Introduction

In order to realize the necessity of the state support for the non-profit cultural organizations, it is essential to grasp their special nature in contrast to for-profit organizations. The distinctive qualities include: the immaterial nature of cultural product, discontinuous mode of production and specific economic phenomenon, like Baumol's cost disease. (Colbert, 2011; Towse, 2010; Brooks, 2006). Unlike commodities, cultural products cannot be easily measured in monetary terms due to the immaterial intrinsic value and that is why economics do not work same as in the other industries. That is where comes a necessity of the government to intervene in order to secure the existence of non-profit cultural organizations.

The financial meltdown of the last decade forces many western countries to reconsider public spending, which results in cuts for culture. The austerity policy rolls over Europe causing the subsidy reductions. For example, the Art Council in England announced cuts of 29.4% of the art subsidies in 2014, while Dutch government - of 25% in 2013 (BBC, 2010). Cultural organizations, who have been long dependent on state funding, suddenly were forced to find alternative sources of income. Such changes in the environment, in which cultural organizations operate, often cause internal changes, according to the resource dependency theory (Hillman et al., 2009). The need to find new sources to compensate the loss of the state funding is mostly directed towards attracting private money, like sponsorships, donations, memberships and other giving. Any private funding is based on the principle of reciprocity: the private givers expect gains in return (Byrnes, 2009). This can result into an intrusion of private interests in public art organizations. While government requires the recipients of public money to perform their public function, sponsors can demand private benefits, which vary from exposure and publicity to ability to influence programming (Schatteman & Bingle 2017). At the same time, shrinking subsidies stimulate organizations to earn bigger revenues, which might result in broadening their target audience to rise the tickets sales. This strategy requires reconsideration of the marketing orientation, which might shift from product-oriented towards more market-oriented (Lee, 2005). How far can organizations go in a hunt for money in order to survive without losing the initial mission?

The loss of 200 million euros results both in the macro-level changes in the cultural sector, like restructuring of the basic infrastructure, and at the micro-level changes inside the organizations (Goudriaan, Koops, 2015). While government monitored the implementation of the new cultural policy at the macro-level, the micro level evaluation of the changes inside the organizations in response to the cuts is missing (Goudriaan, Koops, 2015). In the last couple of years scholarly database was enriched by the case-studies research of cultural organizations which experienced cuts performed by the young scholars (Mini, 2014; Ricketts, 2016). This research aims to expand this database with a case study of those art organizations, which kept operating.

The performing arts sector became a victim of the biggest cuts. Those performing arts organizations, which lost more than a half of their subsidies, needed to quickly adapt to the new funding and take certain measures in order to survive. Their cases are particularly interesting to investigate, since they provide a survival toolkit for the other non-profit cultural organizations which might be affected in a same way in the future. Given everything said above, performing non-profits could employ different strategies in order to compensate the loss of the state funding in order to keep the doors open. Due to the practical considerations, the scope of this research is limited to two performing art organizations. I aim to answer the question: **How do Dutch performing arts organizations respond to drastic subsidy cuts and new policy for 2013-2016.**

2.2. Non-profit performing arts organizations

Since I decided to focus on performing arts organizations, not only it is essential to know their definition, but also understand why they are non-profit and where it stems from.

Non-profit organizations, according to Brooks (2006), are the organizations which perform public tasks or provide public goods including religion, health, social services, arts and culture. The goods are called public if they provide benefits not only to the direct buyers/owners but the whole society in general. Which is why they do not conform completely to the free market rules, such as private ownership. The main task of non-profits is to fulfill the public function, unlike the businesses, whose goal is to generate profits. Usually, the earned and unearned revenues of non-profit organizations equal to the total costs and result in zero profit.

Majority of the performing arts organizations, which include theatres, operas, dance and music, are non-profits because their goods apart from being experience goods also demonstrate features of the public goods. In terms of experience economy, performing arts products are experience goods that the use value of which is in providing different types of experience: educational, entertaining, aesthetic and escapist (Pine & Gilmore, 1998). However, those goods also possess public values, also called as nonuse values, which according to Frey include: existence value, option value, education value, prestige value and bequest value (Brooks, 2006). For example, existence value directly relates to people's appreciation of opera just because it exists, while option value works for those who do not attend concerts yet but consider attending it in the future. The ability of the established opera houses to enhance reputation of its city or region illustrates a prestige value, while preserving diverse theatre and dance genres for the future generations exemplifies the bequest value.

The nonuse values listed above create difficulty in measuring the monetary value of a product. This difficulty in practice results in discrepancy between the actual price of the cultural goods and the audience's estimation or so-called willingness to pay. This discrepancy is defined by cultural economics as a market failure (Throsby, 2010). Subsidy represents a tool which government uses to compensate this gap and to guarantee the production of cultural products in future. That is the reason why the performing arts depend heavily on subsidies and in case of the cuts are left in a very challenging position, which threatens their operation (Hansmann, 1981).

2.2.1 Distinctive features of the performing arts organizations

Performing arts organizations differ in certain aspects from the companies in other sectors of society. The distinctive features of day-to-day operations begin with the personnel and product and extend to the sources of income. Since the aim of this research is to look inside those organizations, necessity to grasp how they operate becomes obvious.

Unlike the assembly line production, the cultural product is being produced on a project-base (Colbert, 2011). Performing arts organizations come up with the season programming, and each new production is a new project, which will involve particular props, actors and rehearsal time. This mode is quite distinctive from the production of commodities. Although some productions may be reproduced in other seasons, there are rarely prototypes to build upon, and that is why performing arts have high fixed costs, which is explained in a detail in the next sub-

chapter. This mode of production requires also specific human resource management. Very often performing arts organizations have a small core staff, which works full-time, and the rest are hired as free-lancers, usually project-based.

Another distinctive feature of the performing arts organizations derives from high fixed costs of production (Hansman, 1981). The fixed costs of performances includes rehearsing, organizing, creating props, costumes, technologies and copyright expenses. These costs do not depend on the amount of audience that will buy the tickets, which cannot be predicted. Overall, non-commercial performances are attended by limited amount of people because they are considered high-brow. Thus, fixed costs of the production are spread between the shows and the amount of visitors. Box office revenue of the non-profit performing arts organizations in reality never covers the total production costs. The genuine prices tickets which would correspond to the costs would be so high that people would not be willing to pay it. The statistics on culture participation in the Netherlands revealed that with every percent of price increase attendance diminishes on 0,3- 0,6 % (Goudriaan, Koops, 2015). This is one of the reasons why governmental funding is essential for the performing non-profits.

The highest fixed costs are observed in orchestras and opera companies, since their staff numbers in hundreds (Brooks, 2006). Labour costs have been rising quickly in the last decades, while productivity in the performing sector remains relatively stable (Throsby, 2010). Nowadays, it takes same amount of time to train musicians or actors to perform the music piece or opera as hundred years ago, whilst the use of technologies and innovation increased productivity in other areas of economy many times. This phenomenon of the performing arts sector got the name of Baumol's cost disease. Subsidies is one of ways to cure the Baumol's cost disease because the gap between the productivity and labour pays is growing. (Last & Wetzel, 2011).

Three main sources of income of performing arts organizations are: subsidies from the government, revenues and donations (Brooks,2006). As it has been pointed out few times earlier, governmental funding of arts is essential to their particular nature, such as public qualities of the product, high fixed costs and Baumols' cost disease (Throsby, 2010; Hansman, 1981). Sponsorships, contributions of the foundations and donations fund performing arts non-profits based on certain motivation, which can be completely altruistic or beneficial. In some countries, private unities supporting arts receive certain tax benefits.

Another distinctive feature of the non-profit arts organizations is marketing orientation dilemma, deriving from choice of focusing either on audience or on product (Lee, 2005). It takes its roots from the particular nature of cultural product, which combines features of utility and a public good. From one side, the classical aspect of marketing is to satisfy the needs and wants of the customers by a creating suitable product, from the other arts marketing can serve to promote already existing products, which are considered to benefit the whole society.

Art marketing appeared in 1970s as a branch of business marketing, which became a tool of the art organizations to promote their product (Lee, 2005). At that time was governing the romantic ideology, which treated arts as autonomous sphere of society, separated from the everyday life. According to this romantic view, art possessed magical power to enlighten and change people for better. Artists were cherished because they were geniuses, deserving an artistic freedom to create new masterpieces. This line of reasoning protected art organizations from the pressure to give audience what they want. Marketing was employed to sell already created product. However, with the rise of postmodern philosophy in 1980s, romanticism was replaced by the relational view (Boorsma, 2006). The new ideology determined art as a socially-embedded phenomenon directly connected with everyday life. Art products were no more designed to be passively observed but instead experienced. The role of the audience changed from passive consumers to co-producers. Boorsma (2006) argues that audience co-produce piece of art by ascribing the meaning to it. This change in the ideology also resulted in a different approach of arts marketing, which became more audience-oriented than product-oriented. It moved from a role of tool to the overall philosophy of the cultural organizations.

The orientation dilemma for non-profits performing arts organizations, especially in the times of financial scrutiny, poses question whether organization is ready to sacrifice the artistic purity of its product in order to make appealing to broader audience and thus grow revenue.

2.3. The context

2.3.1. The Dutch cultural policy

In order to grasp the effects of the subsidy cuts in 2013 for the performing Dutch non-profits, it's important to have some knowledge of the context, in which they took place. The context is a combination of the politics/ruling ideology, cultural policy tradition, audience, and certain features of Dutch non-profits. Each country has its own cultural policy, which has been

forming during the last few centuries. Understanding of the current situation requires knowledge of the history of funding culture in the particular country. For example two western countries: USA and the Netherlands have completely different attitude in funding arts. American cultural institutions are not as heavily funded by the government as Dutch, at the same time they receive most of the funding from the private sources (Toepler & Zimmer, 2002). While in the USA there is a strong tradition of patronage of arts by wealthy individuals and corporation, it is not the case in the Netherlands. This chapter provides a brief overview of the tradition of funding arts in the Netherlands which illustrates how Dutch cultural organizations became so much dependent on the subsidies.

Before the 19th century, there was no tradition of aristocratic patronage for the arts (The Ministry of Education, Culture and Science [TMECS] & Boekmanstudies, 2006). Artists worked on the commission basis for the municipal authorities. During the French occupation 1795-1813, the first prototype of national cultural policy appeared followed by the establishment of the Royal Institute of Sciences, Literature and Fine Arts. After King Willem seized the control over the country, state continued taking care of the arts, training craftsmen and nationalising the museum collections.

In 1848 parliamentary democracy replaced the monarchy system and led to major changes in state control (TMECS & Boekmanstudies, 2006). Religion and state became separated, and Parliament took over responsibilities for diverse sectors, including culture. It decided on a course of creating one unified national cultural sector. At that point emerged first open museums, which showcased collections of the national treasures. The frontman of Dutch politics - Thoerbeke offered a principle, which still governs the Dutch cultural system, suggesting that government should abstain from judging the quality of art and only provide conditions for its development. It is not the politicians' competence to judge what is good art and since 1848, this role is delegated to the advisory bodies.

In 1918 art and culture had got the rightful place among the governmental areas through the formation of the Ministry of Education, Arts and Science (Council of Europe/ERICarts, 2014). State streamed its efforts towards educating the Dutch citizens in grammar, culture and national heritage to occupy a decent place at the international arena. From 1920 until the 1960s Dutch society was organised according to the 'pillarization' principle where diverse groups - like Protestants, Catholics, liberals, socialists - maintained and developed their own organizations,

means of transmitting, etc. Those pillars, especially religious, possessed considerable autonomy in relation to state, limiting its power and promoting their ideologies through own newspapers, libraries, clubs and other institutions.

In 1960s the pillarization became less distinct and was replaced by the principles of diversity and artistic expression principles (TMECS & Boekmanstudies, 2006). Diversity in the context of Dutch cultural policy refers to “the variety of arts, genres and styles, regional forms and values, and popular likes and dislikes.” (p.47). Government adopted a national standard of quality, which became the base for the national cultural infrastructure and criteria for receiving subsidies. Thoebeke principle still kept the government away from judging the artistic quality.

The Dutch state moved towards the welfare state in 1970s and culture occupied a prominent position in the new agenda as the part of the welfare (TMECS & Boekmanstudies, 2006). Its significant role among the other social benefits encouraged a rapid increase in state subsidies. During the welfare state focus of the cultural policy shifted towards the cultural participation and diversity. The welfare agenda aimed at elevation of the society and culture was one of the tools to implement that.

In 1980s, economic recession resulted in cuts of the generous welfare governmental support for culture. The welfare discourse started to lose positions, which also influenced the culture (TMECS & Boekmanstudies, 2006). Quality became again the central principle of the cultural policy, this time articulated as combination of professionalism and authenticity. Moreover, cultural organizations like museums and performing institutions started involving private money. The public funding funded the high quality institution regardless of low public demand. In 1994, cultural sector separated from all-encompassing Ministry of Welfare, Public Health and went under the control of the Ministry of Education, Culture and Science – OCW (in Dutch).

So far, Dutch cultural policy indeed shows tendency to continuity. Firstly, the lack of tradition of supporting arts is traced through all the history of policy development with some exceptional periods of generous support as welfare period. Secondly, the principle of distancing the politics with the cultural evaluation suggested by Thoebeke is still at use and keeps the task of the quality judgement to the advisory bodies, which possess relevant level of competence and expertise.

Today the national cultural policy funds culture through three main streams: the basic infrastructure, six cultural funds and separate programmes (The Ministry of Education, Culture and Science [TMECS], 2013). Since 1988 the cultural policy is cyclical and is adopted every four years, it constitutes the part of the overall subsidies plan, for which the Ministry of Education, Culture and Science [MECS] is responsible. It manages the distribution of the funds and adopts the cultural policy. However, MECS does not decide which organizations are granted the state support but delegates it to the Council of Arts, an arm-length organization, which has an expertise in art. Such division of tasks corresponds to the Thorerbeke principle, which states that politicians should not judge the quality of art.

2.3.2. The subsidiary cuts of 2013-2016

The budgetary cuts of culture is not a spontaneous phenomenon, but a context-situated event. In 2003, State Secretary introduced a new policy objective – bigger individual responsibility of the cultural organizations (Council of Europe/ERICarts, 2014). This event lays the cornerstone for big changes in the Dutch cultural sector in the next decade. A new policy “Making the Difference” in 2006 closes the door for many small cultural institutions to the four-year subsidies plan. Cultural Funds are appointed to distribute the grants among the ‘abandoned’ organizations. The financial crisis in 2008 led to some budget cuts, the further decrease of public support for culture followed.

In 2011, Ministry of Education, Culture and science announced the detailed plan of budgetary cuts of 200 million euros for the period of 2013-2016. This amount constituted a quarter of the governmental budget for cultural sector. Instead of spreading cuts proportionally, the Council decided to make strategical choices and completely reorganise the basic infrastructure (Raad Voor Cultuur, n.d.). The direct consequences of the cuts were impressive: 137 organizations lost completely state subsidies, 23 of which closed same year (Goudriaan, Koops, 2015). The biggest losses of subsidies experienced performing arts. All production houses stopped existing, while government decided to leave only one dance company per city. Which meant that some dinosaurs of the Amsterdam dance scene had lost the case in favour of

the National Ballet. Radio Philharmonic Orchestra and the Radio Chamber Philharmonic merged into a single orchestra, while 80 out of 200 musicians lost their jobs.

Tabel: sectorale spreiding meerjarig gesubsidieerde instellingen (BIS en cultuurfondsen), bedragen in € mln

	2012	2013	verschil	Verschil (in %)
BIS-instellingen:				
Dansgezelschappen	23,3	17,8	-5,5	-23,6%
Toneelgezelschappen	20,6	19,0	-1,6	-7,8%
Orkesten	44,3	34,5	-9,8	-22,1%
Operagezelschappen	34,8	29,4	-5,4	-15,5%
Jeugdgezelschappen	7,7	4,3	-3,4	-44,2%
Productiehuizen	11,9	0,0	-11,9	-100%
Presentatie-instellingen	3,7	2,6	-1,1	-29,7%
Musea	162,9	160,7	-2,2	-1,4%
Festivals	10,9	5,9	-5,0	-45,9%
Ondersteunende instellingen	82,2	49,8	-32,4	-39,4%
Totaal instellingen (BIS)	402,3	324,0	-78,3	-19,5%
Fonds Podiumkunsten	60,2	44,0	-16,2	-26,9%
Fonds Cultuurparticipatie	17,3	12,4	-4,9	-28,3%
Filmfonds	35,3	29,3	-6,0	-17,0%
Letterenfonds	10,3	10,2	-0,1	-1,0%
Mondriaanfonds	36,9	26,0	-10,9	-29,5%
Stimuleringsfonds Architectuur	6,5	nvt	Nvt	nvt
Stimuleringsfonds Creatieve Industrie	nvt	11,6	Nvt	Nvt
Totaal Rijkscultuurfondsen	166,5	133,5	-33,0	-19,8%
Totaal instellingen en Rijkscultuurfondsen	568,8	457,5	-111,3	-19,6%

Bron: Administratie OCW, Bewerking: AR

Table 1. The scope of the cuts of the governmental support for the cultural sector.

Source: Ministry of Finances (2015, p. 35).

The scope of the cuts is clearly presented at evaluation report conducted by the Ministry of Finances (2015). The table 1 illustrates the differences of state money distribution among the cultural organizations between 2012 and 2013. As it can be seen, all production houses have been left out of the four-year subsidy plan. The state funding of festivals decreased by half, same as the youth participation. Exhibition and presentation organizations faced 30% of subsidy reduction, while the dance sector and orchestras - 23,6% and 22,1% respectively. Theater subsidies had reduced by 7,8% compared to 2012.

Since the budgetary cuts took place, government monitored the cultural sector and commissioned an evaluation report, which gave a general overview of the policy implementation (Ministry of Finances, 2015). This evaluation presented a one-dimension of the situation, because it only covered the external view of organizations, the macro level, while the influence of cuts on internal level, the micro level, lacked attention. For example, the report noticed that the competition among institutions seeking the state support had greatly increased, as the rigour of selection process.

With the new policy the Ministry of Education, Culture and Science (2011) announced following criteria for organizations to meet in order to get public subsidies: quality¹, public orientation²; entrepreneurship and own sources of income³; education and participation⁴; exhibition/collection of works of (inter)national importance⁵; innovation and experiment⁶; diversity⁷. The third criteria requires a certain degree of economic logic and stimulates the cultural sector to be less dependent on state support. Government adopts Cultural Entrepreneurship Programme 2012-2016, which is designed to help the organizations to search for the alternative sources of income with advice and coaching tools (Council of Europe/ERICarts, 2014). Fulfilling all the listed above criteria for performing arts is rather demanding, since innovation and diversity are addressing two opposite approaches – producing new experimental repertoire, which might not appeal to audience, or turning to good old classics. Same story about quality and public orientation. To sum up, the cuts and new cultural policy create particularly difficult conditions for the performing arts to keep the doors open. Not only have they had to deal with the financial deficit, but also to keep up to the highest requirements.

¹ Expertise, eloquence, development/innovation.

² Institution has to reach out for different audiences and demonstrate its eagerness in attracting diverse visitors in terms of age and background.

³ A certain level of independence is expected from the organizations that receive the state funding, which is articulated in the norm of own income and is increased yearly by 1% starting from 17.5% in 2013.

⁴ Institutions have to demonstrate the capacity for carrying out the educational mission of the art organizations.

⁵ The organizations, which hold considerable collections, should attract not only national population but also positively influence the foreign visits.

⁶ This criterion requires the art organizations to pay attention to research, innovation and experiment to guarantee development.

⁷ Cultural institutions are expected to address diverse groups of the society.

2. 4. Conceptual framework

2.4.1. Resource dependency theory and change

The research question of this thesis is based on the assumption that the cuts of subsidies caused changes in the operation of performing arts organizations. This assumption is built upon the resource dependency theory, which explains the interaction of the organizations and the environment, in which they operate. This chapter explains the basics of the theory and its consequences for the current study.

In the past few decades management theory inclined towards the perspective of organizations as **open systems**, which means that organizations are not autonomous formations but exist in a constant interaction with their environment (Morgan, 2006). Byrnes (2009) distinguishes legal, political, economic, demographic, technological and social environments. Current research takes place at the point when performing art organisations face changes in the legal and political environments in the Netherlands through the acquisition of a new cultural policy and cuts. It focuses at following two changes in legal and political environments of the performing arts organizations:

- 1) Cuts of the governmental funding.
- 2) State policy of entrepreneurship among cultural organizations.

Resource dependency theory (RDT) is the widely used management theory, which implies that changes in the external environment influence the internal processes in organization (Hillman et al., 2009). It was introduced in 1978 by Pfeffer and Salancik and builds upon argument, that organizations are open systems and their behavior is dependent on the context in which it functions – the environment. This research aims to find out about the practical implications of the new policy and cuts on the behavior of performing arts organizations, which we trace through looking at **management of organizations**. According to the RDT, the primary function of the organization's management is to recognize external threats and continually attempt to reduce the context dependency or uncertainty. In our case, reducing the uncertainty is what the government promotes with its policy of entrepreneurship, with which it encourages organizations to become less dependent on public funding and increase own income. A common method to deal with resource dependency found in the scholarly literature is diversification of funding, because it spreads the risk over more sources (Schatteman & Bingle, 2017).

However, in the case of performing arts organizations the reduction of governmental support and funding diversification has a row of disadvantages. First, subsidizing is an external resource, which provides *stable* financial base, unlike the rest of the resources (Schatteman & Bingle, 2017). In the Netherlands, cultural plan is being adopted every 4 years and that means four years of continuous funding for an organization, which unlikely the case with sponsors and individual donors. That is why turning to the other sources means much more unreliable sources, which can result in other requirements posed to the management.

Secondly, as Schatteman & Bingle (2017) argue, the tricky part of resource diversification in the case of performing arts is because “(...) different revenue sources impose different, and possibly competing, burdens on management, including resource dependence and accountability.” (p.35). Number of case studies of cultural organizations in the following chapter illustrate that such burdens can translate into programming limitations.

Third, a number of studies find that that governmental grants positively influence the private giving, which is called crowding in (Schatteman & Bingle, 2017). This is a very context dependent phenomenon, because at the same time, some empirical research proves a completely opposite effect of public funding - crowding out. There is no information about crowding-in crowding –out in the Dutch art sector after the cuts. One could only expect hypothetically, that because Netherlands does not have a strong tradition of private support of art like in the USA, people would not suddenly start eagerly support arts.

To sum up, the specific nature of the non-profit arts organizations makes them very sensitive to the cuts of state funding, comparing to other spheres of economy. Drawing on resource dependency theory, we expect to find internal changes in Dutch performing arts organizations, which experience severe cuts. The next sub-chapter provides illustration of how external resources – funding can influence the internal resources of cultural organizations – repertoire.

2.4.2. Dependence of the artistic product on the sources of funding

As it was elaborately explained earlier, the performing arts non-profits carry public function and unlike the for profit organizations, they are not solely demand- oriented. Their primary mission is to preserve and develop the quality of the genre (Pierce, 2000). However, the high fixed costs and Baumol’s costs disease make it difficult for the non-profit performing arts

organizations to survive from box office revenue and make them dependent on indirect sources of income, such as subsidies, sponsorships, private foundations' money and donations. A number of studies had illustrated that certain sources of funding of performing non-profits influence their choice of repertoire (Alexander, 1996; Pierce, 2000; Tamburri et al., 2013). Since Dutch performing arts organizations experience drastic cut of the main source of funding and need to employ new sources of income, the question arises whether this could influence their artistic resources. This sub-chapter illustrates correlation between funding of the performing arts non-profits and their repertoire through different case studies.

Symphony orchestras (SOs) in US are discovered to play conventional repertoire if funded by the local government or businesses, while federal government funding stimulated more experimental programming (Tamburri et al., 2013). Similar trends are traced among operas and theatres in other countries in the studies of Neligan (2006) and Martorella (1975). Martorella (1975) examined programming of operas in 1975 and found out that Metropolitan and Lyric Opera of Chicago performed the conventional operas because they depended on ticket revenues and public gifts, while the New York City opera could afford new repertoire since it received financial help from Art Council. Similarly, German theatres were ready to experiment with the programming if they received their funding from the government (Neligan, 2006). In contrast, they were more timid with program choices if they relied on private donations. The suggested reason why state funding encourages the performing art organizations to include new unfamiliar programmes into repertoire is that it makes them feel more financially secure about future. Sponsorship and patronage in contrast requires more familiar and recognisable art pieces to satisfy the givers.

A completely different view on relationship between state funding and programming is found in the study of opera programming conventionality by Pierce (2000). If private donors put on pressure on the opera companies it is not necessarily in the direction of the conventional repertoire. Moreover, the funding from the local government turns out to be most active in supporting the conventional operas, since local politicians favour the popular material in order to reach broad audience of their potential voters.

Alexander (1996) found that change in funding shifted the balance of the exhibitions since it represented to some extent the tastes of the funders. Her research dealt with 4 thousand exhibitions in the US, which took place in a period of 1960-1986. Instead of conventionality

concept, Alexander distinguished between few types of the exhibitions: scholarly, accessible and popular. She found out that individual givers usually supported small exhibitions, sometimes even borrowing the collection of the giver. Government funded both scholar and popular exhibitions. Corporations also supported popular exhibitions but mostly aimed for wide audience and therefore accessible programming, since they wanted to be visible to the biggest amount of audience possible.

The choice of repertoire is governed by the current logic of the institution, which can be influenced by the changes in funding (Glynn & Lounsbury, 2005). The analysis of the critics' reviews shows that after experiencing the cuts of state funding, American orchestras increased use of the market logic, which was indicated by more attention to ticket sales and profit-oriented management. At the same time aesthetic logic, articulated through description of the performance as artistic, expressive and transcendent beauty, remained same after the cuts.

The studies presented above demonstrate that funding resources do influence the repertoire of the cultural organizations.

2.3.3. Entrepreneurship

As stated in chapter 2.3.1. one of two environmental changes was based in the new policy of the Dutch government to stimulate entrepreneurship among cultural institutions. In the context of the cultural policy Meer Dan Kwaliteit, '**entrepreneurship**' entailed that organizations begin to grow own revenues and become less dependent on state funding (MOCW, 2011). Entrepreneurship was articulated as an strategy to establish 'balanced funding mix'.

However, in context of this research it is not sufficient to view entrepreneurship only as an ability to find new sponsors or increase ticket sales. The volume of earned revenues is the top of the iceberg, while how those sources were incorporated into the working body of the organizations remains hidden from the "outsiders". That is why this thesis draws from another definition of the 'entrepreneurship'.

The scholarly literature provides an extensive amount of research on entrepreneurship in different fields, including economics and management and later on in arts management specifically (Mini, 2014). There are generally three streams of scholarly interest in entrepreneurship:

- 1) Personal trait approach of the entrepreneurs.
- 2) Establishment of new organizations.

3) Process of management in direction of opportunity exploitation.

The last stream is the most relevant for this research. Entrepreneurship as managerial process still is a complicated definition, very often is explained as a **form of organizational leadership** (Wyszomirski & Chang, 2015). Wyszomirski & Chang collect definitions of entrepreneurship by different scholars and create a taxonomy of definitions. DiMaggio (1987) views entrepreneurship as manipulation of artistic and financial resources. Similarly Rentschler (2002) argues that “Entrepreneurship in PAO (performing arts organizations) consists of innovation in two activity areas: funding diversity and creative programming.”(p.2). Funding diversity refers to diversification of funding in RDT and for the performing arts means balancing sponsors, donors, governmental support and ticket revenues. The creative programming is meant to combine programming appealing to both critics and the broad audience. The innovation part of in this definition includes risk-taking, proactive approach and new techniques in leadership in reaching funding diversity and creative programming. So besides of above-mentioned definitions of entrepreneurship as leadership techniques in managing funding and artistic resources, it is also presented as innovative marketing strategies and new partnerships, especially as beneficial business relations with other cultural organizations and businesses. Thus, entrepreneurship in its broadest sense can be defined as form of organizational leadership, streamer in manipulation of artistic and financial resources, deploying novice marketing strategies and establishing new beneficial partnerships.

3. Methodology

3.1 Sampling and data

The choice of the sample of Dutch performing arts organizations for this research satisfies three conditions: the organization experienced loss of funding due to the cultural policy of 2013-2016, it is currently operating and is willing to provide data for this research.

The first condition implies that the organization received state support before 2013 and lost part of the subsidies with the new Cultural Policy. The distribution of subsidy among the cultural organizations was carefully examined and organizations, whose budget has been reduced by 17 % and more, were filtered out (MOCW, 2016). The rest of organizations faced insignificant reductions in comparison to the selected organizations and did not face the need in finding other sources of funding as those, who lost more than a quarter of their subsidies. It is assumed that the most changes took place in organizations, which experienced the biggest cuts of state subsidies in 2013. Three out of eleven selected organizations have suffered the loss of more than a half of the state funding in 2013: theatre in Amsterdam De Toneelmakerij, Het Balletorkest and Nederlandse Reisopera. (Table 2).

Organization	Location	OCW subsidies		Cuts
		2012	2013	%
Stichting de Toneelmakerij	Amsterdam	1,579,028	532,038	66
Stichting Het Balletorkest	Amsterdam	9,778,512	3,550,417	64
Stichting Nederlandse Reisopera	Enschede	8,456,928	3,546,197	58
Stichting Theater Artemis	Den Bosch	915,747	532,038	42
Stichting Het Gelders Orkest	Arnhem	6,022,119	3,550,417	41
Stichting Het Zuidelijk Toneel	Tilburg	2,599,589	1,597,114	39
Stichting Scapino Ballet Rotterdam	Rotterdam	2,681,370	1,645,245	39
Stichting Orkest van het Oosten	Enschede	5,544,096	3,550,417	36
Stichting Theaterproductie Rotterdam	Rotterdam	2,124,085	1,597,114	25
Stichting Het Residentie Orkest	Hague	3,624,000	2,739,000	24
Stichting Toneelgroep Maastricht	Maastricht	1,916,106	1,597,114	17

Table 2. Set of selected organizations

Secondly, I selected the organizations who were still operating as the purpose of this research is to record how the institutional dynamics changed after the reduction of the state support, which would make no sense if the organization had to close its doors. Thirdly, the organizations would have to be willing to provide the data for the research purpose. Getting the permission to gather interviews and get access to the documents, which are not in public access, was an important factor in research and the ability to see a full image of the backstage of organization. In January 2017 I established contacts with Toneelmakkerij and Reisopera. In the following months I conducted exploratory interviews and built trust with those companies.

Afterwards, I was granted a permission to use annual reports of both organizations for my thesis. Among many possible sources of data such as websites, interviews with senior executives and questionnaires, the annual reports were chosen as the primary source of data for several reasons. First, annual reports have an advantage over the questionnaires and interviews, since they do not have a threat of bias, based on distorted recollection of the facts in retrospective, because current case looks 6-7 years back (Duriau et al., 2007). Second, both organizations necessarily have annual reports, unlike any other documents and that makes data consistent. Toneelmakkerij provided also catalogues and applications for the state subsidies, but they were not analysed since same type of documents were missing from NRO. Last, reports contain information about operation of the whole company and provide opportunity to trace dynamics of the organization before and after the subsidy cuts, because they are produced every year. Annual reports illustrate high validity as data resources, since executive management spends much time on designing and checking it.

The time period covered by the reports is decided to be limited by two years before the cuts and two years after the cuts which leaves us at 2011- 2015. This is done out of consideration, that two years before the cuts is sufficient to get an idea of the operation before the cuts.. Also including reports of more years would require more time, than available for this thesis, since reports include 10-15 sub-chapters in each, and there are ten reports in total. That leaves around 100 units of analysis.

To sum up, selection of the organizations was done in two stages, firstly research was done in the cultural sector to find the Dutch performing non-profits, which faced the biggest losses. Secondly, out of the eleven organization top three (Table. 2) were contacted and two appeared ready to co-operate. Collection of data was also gradual, at first exploratory interviews

were carried with the executive directors of the companies and after the trust was built, I enquired about annual reports.

3.2. Methodology

The purpose of this thesis is to study what is the response of the Dutch youth theatre and opera companies to the subsidy cuts in 2013. The method is based on content analysis of the annual reports collected through 2011-2015 in both companies.

Qualitative content analysis was chosen as the method of analysis this research because of the following reasons: it is systematic, flexible and it reduces data (Schreier, 2012). In the beginning of the research it was decided to use available documents of the organizations apart from interviews in order to spot changes inside the management after the cuts. One of the convenient methods to analyse documents is content analysis. It helps to reduce the data by attributing certain categories to the paragraphs of the text. It is systematic, because the whole process is guided by the rules of the coding scheme and can be replicated by other researchers which will bring similar results (Bryman, 2015).

Qualitative research avoids a pitfall of overlooking the data which are represented in a less obvious way and require interpretation. That is why qualitative content analysis is being chosen. It allows to look more for the latent content, is more flexible and descriptive (Schreier, 2012). Moreover, to answer *how* selected organizations acted after they lost 70% of subsidies research would require a qualitative approach. Specifically qualitative nature allows to account for data-driven categories apart from pre-defined by theory categories. This is great advantage that helps to avoid partial analysis of data and guarantees all the data will be completely analysed.

Content analysis in this thesis is mostly deductive, as main categories are based on the theoretical conceptual framework. However, since it is qualitative research, there is space left for categories that emerge during the first round of coding.

The analysis of the data included following steps as recommended by Schreier (2012):

- 1) Creation of the coding frame. At this step were defined main four categories and nineteen sub-categories, based on the theoretical base. The formation of the coding frame is explained in the next chapter.

- 2) Dividing data into coding units - segmentation. Annual reports contain a number of chapters, reporting on programming, finances, marketing and communication, personnel, budget, capital capacities, assets and other. Most of them were selected for further analysis. The parts of the reports that were left out held information on capital capacities, since the focus of the research was qualitative content analysis of the textual information.
- 3) Trial coding. The first round of coding based on the theory-driven categories helped to check the relevance and moreover define some new additional sub-categories.
- 4) Modifying the coding frame. Flexibility of qualitative research allowed to expand the coding frame with the new sub-categories to take all the relevant information into account.
- 5) Main analysis. After the coding scheme was completed with additional sub-categories, some units were reassigned to the new codes. Coding was a time-consuming process of extracting relevant information and organizing it in the coding sheets in orderly fashion as follows (Appendix 2, Appendix 3). Main categories are presented in separate sub-chapters one-by-one, which contain the codes of different sub-categories appearing chronologically. In such way, the extracted information, which falls under one main category, is presented through the timeline of five years 2011-2015. Each sub-category has its own colour, which simplifies process of tracing the patterns and trends during the analysis.

The findings are reported based on the statement that 2013 is the time when organizations started functioning with the new subsidies. That is why any dynamics before and during 2011 and 2012 reflect the time indication “before the cuts”, while the beginning of 2013 indicated “after the cuts”. In this way we answer the research question of how the organizations responded to the budgetary cuts by illustrating the dynamics inside the organizations, their articulated strategies and realized plans before and after the cuts.

However, the major trends and patterns were searched among the coded categories in relation to the time label – 2013. Although in both companies the response to the new policy already was articulated in the annual report of 2011 and following 2012, the real consequences were seen in 2014 and 2015. There were even – discrepancies between the budgeted and realized plans. Approach of this study was based on looking a little beyond the manifested information of the annual reports and extracting the latent information.

3.3. Operationalization

Choice of the categories for the content analysis derives from the overview of the distinctive features of performing arts organization operation given in the theoretical framework. I assume that according to the resource dependency theory the cuts of the subsidies have influenced the management of the following resources: financial, artistic, human resources and the marketing orientation. This chapter explains the formation of the coding scheme (Appendix 1) and the way it reduces the data from annual reports.

Since in the Dutch cultural organizations rely heavily on the subsidies, severe cuts of latter push organizations to arrange a funding mix including diverse private sources (Raad Voor Cultuur, n.d.). Therefore the broad question how they respond to cuts could include a sub-question concerning how they fix the deficiency in the budgets. The category of **financial resources** helps to collect necessary information to answer it. Financial resources of performing arts non-profits as mentioned before include: subsidies from the government, revenues and donations (Brooks,2006). Following the logic I proposed in previous chapter, the analysis will imply a comparison between the two time periods: before and after the cuts, in order to spot the changes. That is why one of the sub-categories of the financial resources is **usual sources of income**, which refers directly to the financial resources that existed before the cuts in 2013. The next sub-category **strategy to grow income** deals with the ways, in which organisations intend to increase the income, including ticket sales, private donations and sponsorships.

As illustrated in the Chapter 2.4.2., changes in funding sources can be reflected on the choice of repertoire. For this reason **artistic resources** is one of the four main coding categories. It represents the programming/repertoire of the youth theater and the opera. Since government stimulates these organizations to search financial support from private sources, I anticipate possible shifts in management of the artistic resources, given the described before examples of German theaters and American operas (Neligan, 2006; Martorella; 1975). Sub-categories of **classic repertoire** and **innovative repertoire** are designed to observe the conventionality/popularity of the repertoire. **Classical repertoire**, which is also called conventional (Neligan, 2006), comprises of the canonised operas and drama pieces, written by the established composers and play writers in eighteenth, nineteenth, and early twentieth centuries which attained world fame and success (Pierce, 2000). In the text of the annual reports it is very often accompanied with a word “classics” or “classical”. **Innovative repertoire** covers

several aspects: genre conventions and novelty. Genres are demarcated by certain list of conventions, according to Beckers, and innovativeness emerges when artists shift the borders of the genre conventions (Urrutiaguer, 2004). The piece of text will be coded under innovative repertoire sub-category if it describes the repertoire as on the edge of the genre conventions. The second aspect of this sub-category is novelty of the material. It will cover the new opera/theatre productions based on the texts that have never been performed before.

Choice of **marketing orientation** as one of the pillars of the coding frame is based on the new cultural policy. The recommendations of the government for the art organizations of the basic infrastructure that operate under new policy of 2013-2016 state:

“(...) Entrepreneurship does not come into being all by itself. It requires that organizations and artists adopt a modus operandi in which marketing is allowed to play a bigger role. (...)” (Raad Voor Cultuur, n.d.).

This recommendation clearly stimulates for change in marketing orientation. That is why it is interesting to find out whether organizations comply to it. In the context of the subsidy cuts art organizations face an orientation dilemma: to turn to repertoire that satisfies broad public and compromise the quality of the product or to keep own identity and preserve product. The two logical sub-categories driven by the theoretical background will be product orientation marketing and audience oriented marketing. The **product-oriented marketing** sub-category aims to collect data about how organizations target specific audiences for specific productions – fitting people into performance. Audience-oriented marketing represents strategies and actions of the companies directed on attracting broader audience and engaging with new audience. This sub-category was later renamed in **broadening audience**.

One of the distinctive features of the non-profit performing art organizations, described in Chapter 2.3. is Baumols’ cost disease, caused by the unproductivity of the labor in relation to wages rise. Labor costs form a considerable part of overall company costs. As practice shows, in the times of financial recessions and subsidy cuts, dance companies and opera houses used layoffs and pay cuts in order to reduce the part of expenses (Giles, 2011; Siegal, 2013). That is why I decide to include **human resources** category into the coding frame in order to trace possible changes in the staff of the organizations. No particular sub-categories are defined at this stage.

Entrepreneurship runs a red thread through all the coding scheme and as conceptualized in the theoretical framework refers to: manipulation of artistic and financial resources, marketing strategies and partnerships. In the text of the annual reports entrepreneurship will be assigned to new marketing approach, new funding source, new funding approach, networking novice (Wyszomirski & Chang, 2015). As it might become clear the trigger word is “new”.

Qualitative character of content analysis allows me to leave space for data-driven categories, which will be described in Chapter 4.

To sum up, I select artistic resources, marketing orientation, financial strategies and human resources to be the main dimensions of current research. This is why following sub-questions join the main research question:

- 1) How management of the financial resources changed after the cuts?
- 2) How changed artistic resources after the cuts?
- 3) How marketing orientation adapted to the cuts?
- 4) How human resources changed due to the cuts?

4. Findings

4.1. The discourse

Analysis of the annual reports of different years of two performing arts companies illustrated that annual reports are narratives, which can be told in a variety of ways. Content-wise reports were very similar, since their primary function is to present the summary of the one year of life of organization. However, discourses and structure varied greatly. Qualitative research gives big room for data analysis, which apart from searching what is manifested can pay attention to the way it is manifested. This sub-chapter will highlight the most interesting findings after employing the elements of discourse analysis.

Structure of the reports between the organizations does not appear to conform to any universal guideline. The order of the chapters is flexible. Reports of Toneelmakkerij start with reaction to cuts one year, and focal points or awards the other. Moreover, the language and the style of writing is quite contrasting between the two cases. According to the discourse analysis framework, language is not as an impartial tool and reflects the principles and bases of the speaker. The reports of Tneelmakkerij use cohesive stories often saturated with the literary language. In NRO language is more technical and dry. Both companies react very emotionally to the cuts, while Toneelmakkerij uses more emotionally-charged language, like:

'The dark clouds came not only at the governmental level. ("Niet alleen op Rijksniveau hingen er donkere wolken- original)

'The intentions of the State Secretary in Culture to set equal financial limit for all youth theatres from the basic infrastructure in perspective of the cultural policy period 2013-2016 stroke Toneelmakkerij like a thunder in a clear sky. (De Toneelmakkerij werd als een donderslag bij heldere hemel getroffen door het voornemen van de Statssecretaris voor Cultuur om alle jeugdtheatergezelschappen in de basisinfrastructuur hetzelfde beperkte maximale financiële plafond in het vooruitzicht te stellen binnen de Cultuurperiode 2013-2016.)

It may be also linked to the fact that Toneelmakkerij invested a lot of efforts into the lobby and other ways to return to previous subsidy distribution.

4.2. Newly emerged sub-categories

During the first round of coding, certain aspects of data appeared to be very relevant and required adding few sub-categories to the existing coding frame (Appendix 1); sub-categories expanded the existing main categories.

The category of financial resources was completed by sub-categories reducing costs, limitations and new subsidies. Apart from growing income, both organizations strived to cover the deficiency in budget by cutting expenses and information about it was arranged as a separate sub-category – **reducing costs**. Since sub-category **growing income** concerned only private funding, new sources of subsidies were decided to form a new sub-category – **other subsidies**. The sub-category **limitations** turned out to be significant and emergent frequently in the financial parts of the reports of the both organizations. It reflects the limitations of the environment, which stay on the way of diversifying funding mix.

Trial coding helped to define few new sub-categories in the category of artistic resources: scale, talent-development and education. **Scale** represents information about the size of the production, including the size of the stage/venue, the amount of props and other requisite. It turned out as an important indicator of the costs of the production. Education and talent development are important part of artistic resources of the theatre and opera organizations, which receive funding from the government. **Talent development** covers the information about activities of the company dedicated to teaching and coaching students or fresh graduates of relevant major. **Education** helps to take track of how organizations managed activities for school children and programmes for schools.

Data from the annual reports of both companies suggested following sub-categories under the main category of human resources: change in organisational structure, reduction of the workload personnel, organisational culture and social security. Any alterations in amount of levels or hierarchy in the organization was assigned to the **change in organisational structure**. **Reduction of the workload** included information about layoffs, pay cuts and other changes in human resources volume. Frequent data about the emotional state of the employees, communication, interaction was assigned to the **organizational culture** subcategory. And last category emerged from the reports of the Reisopera, which dedicated considerable part of the reports to the **social plans**.

Marketing strategies **to target particular audience** were treated as a separate sub-category, because in contrast to product-oriented marketing, dealt with the specific groups of audience linked to the theme of performance, rather than tried to fit people into the ready repertoire.

Annual reports of both companies paid a lot of attention to building close connection with audience. It was decided to assign **connection with the audience** to the marketing orientation main category because it connected well with the relativistic approach in art marketing. In postmodern times art acquired more participative character and audience was not a passive consumer anymore. Miranda Boorsma (2006) argued about the role of audience as co-creators. Both companies practice not only participation and engagement with the audience, but also involving them in the creation process. In the next sub-chapters those practices will be described.

4.3. Toneelmakkerij



4.3.1. About Toneelmakkerij

Toneelmakkerij is a result of merge of two theatre companies: Huis aan de Amstel and Wederzijds. The Ministry of Education, Culture and Science supported the initiative of artistic leaders of those theatres to create the largest youth company and allocated 2,7 mln of subsidy. The mission, stated on their website, is to create high-quality theatre for children and teenagers, also their parents which is based on social topics, interdisciplinary experimentation and language (About Us, n.d.). Apart from producing 'free' performances, played in theatres in Amsterdam and the province of North Holland, Toneelmakkerij works with primary and secondary schools. They design educational programmes and repertoire for school children of different ages, which can take place in classrooms or in big theatres stages. Their focus is to reach to the children, who would otherwise not come to theatre, by coming to their schools. Toneelmakkerij also provides resources and coaching for young talents, who are either talented secondary school students or theatre graduates.

Organisational structure of the organization is based on bringing two companies together. Nowadays, Toneelmakkerij is governed by a board, consisting of three members, and two directors: artistic and managing (financial). There are following departments: actors (3 people), producing directors (3 people), dramaturgy (1 person), education (2 people), marketing (3 people), fundraising (2 people), production (2 people), technical department (2 people), office management (1 person), finances (1 person), rentals (1 person) (About Us, n.d.).

Before 2013, Toneelmakkerij received subsidies from the Ministry of Culture – 1,58 mln, provincial government 0,5 mln and Amsterdam municipality 0,62 mln with a total amount of 2,72 mln. After the cuts, not only subsidies from the ministry reduced by 66% to 0.53 mln, also provincial government wanted to stop financing, but under the lobby pressure it agreed to cut by 50% provincial subsidy. In contrast, Amsterdam subsidy increased by 23% in 2013 and it became the main funding source. After the cuts in 2013 total sum of subsidies reduced from 2,72 mln to 1,55 mln (Toneelmakkerij, 2013). There are two resident writers, while also some texts are commissioned from the well-known theatre writers, while others from cooperation with Textmederij.

The following sub-chapters will present findings of each category separately one-by-one.

4.3.2. Financial resources

Current sub-chapter provides findings in one of the main categories - financial resources, which incorporates two theory driven sub-categories: usual sources of income from 2011, strategy to grow revenues and three emerged from the data sub-categories: reducing costs, other subsidies and limitations. The main trends among the coded data are reported below.

The usual sources of income before 2013 consisted of subsidies from three governmental streams, which encompassed 81% of total income, tickets revenues – 12% , co-productions 3% and private foundations 1%. In 2013 the year when the subsidy cuts took place the percentages had changed in a following way: subsidy - 71%, tickets revenues – 14%, co production - 5%, rented staff - 1%, foundations - 8%.

Generally, no big changes in the diversity of the funding resources are spotted in the annual reports of the Toneelmakkerij after the subsidy cuts. Ticket sales remain the main source of direct income after the cuts varying around 12-14%, which does not see any considerable growth after the cuts. Both in 2011 and 2012 the actual revenues from the ticket sales are much bigger than budgeted. The amount of performances in 2013 drops by 24% comparing to the average in 2009-2012 period. Interesting, throughout the years ticket sales and distribution are presented in a separate sub-chapter from marketing and financing, which is called **acquisition**. And although the ticket sales revenues result in own income, still they are not presented together with other sources. Acquisition reports on how the ticket sales work and some partnerships and programmes that allow to reach target audience. More about this will be highlighted in the marketing orientation category, since it was coded under sub-categories of that category.

The layout of the reports, as mentioned before, vary from year to year, and so does the financial chapter. Interesting is that in the report of 2011 it does not pay attention to anything but subsidies. In the report of **2013** all sources of income are united under the headline of **finances**. From **2014** onwards, the information about financing is divided between two subchapters: **fundraising** and **financing & government**. The first one illustrates how the contributions of different foundations support certain programming. Funding from foundations comprises 1-8% of the total income and is repertoire-dependant. Since the cuts the potential givers - foundations experience crisis as well. Between 2012 and 2013 the contributions from foundation grow from 177 000 to 217 000, which is a small increase comparing to the losses of subsidising.

Among other sources of income, co-productions appear already in the report of 2011 and remain throughout next years. As an example, Toneelmakkerij co-produced together with Norwegian theatre a production IK/EG/I. Among the new funding sources stand out the European Union subsidies, which are granted to produce the international initiatives, like Theatre Cafe festival.

Toneelmakkerij sets a goal to become more entrepreneurial. From 2013 more attention is paid to private funding. This is articulated through opening a position in fundraising, which is in charge of attracting sponsors, foundations and crowdfunding campaigns. For the first time crowdfunding appears as a funding source in the report of 2014, however, it generates incidental and comparatively small contributions. Only in 2015 first steps are made in attracting corporate sponsors, although in 2014 it is briefly mentioned as intended strategy.

Great deal of the financial chapters of the reports concerns the environmental limitations. Toneelmakkerij emphasises absurdity of the situation when the required by government norm of income is same for both youth and adult theatres, while possibility of the direct income through ticket sales for the youth theatre is much lower. The price of the tickets for the children and youth is always considerably lower than adults' price. The other external limitation is cause by mediators – such as CKV, which holds the prices for educational material for schools down. Legal flaws, according to Toneelmakkerij include regulation disregarding youth theatres as part of the obligatory art education subjects at school and the rise of taxes on revenues.

4.3.3. Artistic resources

Following sub-chapter illustrates the findings in the category of artistic resources, which consists of two theory- driven sub-categories: classical repertoire and innovative repertoire and few data driven: scale, educational activities, talent-development, co-productions and recognizable names.

Every year Toneelmakkerij produces programming based on newly-written texts, while also remaking some classics, including Shakespeare and Greek myths. Approximately two classical pieces are produced per season, while amount of new texts varies from three in 2015 and five in 2011. The ratio of classical and innovative repertoire does not change noticeably after the cuts, although one would expect increase of classics to attract broader audience. In 2014

Toneelmakkerij tells about intention to produce more recognisable material, but in 2015 few contemporary productions are made, after which it introduces itself as the developer of contemporary material. Moreover, in 2013 and 2014 few productions cross the line of theatre genre, offering an innovative fusions. The play *Ontspoord* in 2013 represents a fusion between pop concert and theatre. Next year two unusual production are made – Javastraat and Metro. First one involves local shop owners from the Javastreet to be part of the experience, which combines the performance and guided tour. In the second production, performance incorporated social media and film together with theatre. As a pattern, from 2013 onwards Toneelmakkerij deploys more innovativeness in genre, which may mean that it chooses to be more original than recognizable.

After the cuts, Toneelmakkerij continues to co-operate with diverse organizations and theatres, also abroad, in productions of the new performances. The co-producers include other youth theatres, dance companies and even museums. As it explained in the previous sub-chapter, co-productions serve as an additional source of income. Moreover partnerships extend beyond country level. The cuts have not disrupted neither an international co- production with Norwegian theatre, which was prepared throughout 2011 and 2012 and performed in 2013, nor Theatre Café Festival – festival with other countries: England, Norway and Germany.

Besides the repertoire, Toneelmakkerij invests a lot of resources in developing educational and talent-development streams. In 2011 started a project TM Jong, which allowed students of the middle schools to get into a backstage of the production for few weeks. It continued the next years, despite the cuts, and even hosted own productions in 2013-2015. Apart from that, TM Studio worked as a platform for young makers, who had just graduated or were graduating, to use the facilities and help of the experienced staff to make their own productions. Besides, there were also artists in resident, some of which were kept and later joined team Toneelmakkerij. The volume and variety of educational activities does not change. Many of the activities are linked to the repertoire and happen just before or after the performance, while others at school. Annual reports provided detailed description of the rich diversity of the educational activities: workshops, games, online platforms, work with actors and so on. The stress on the worthiness was sometimes underlined with the use of quotes of the teachers or students. Creativity and imagination were underlined as the values, which Toneelmakkerij wanted to target.

The sub-category scale was the one to show changes in artistic resources after the cuts. In 2012 Toneelmakkerij announced that big family productions will not be produced anymore. Another indication of scale change was decision not to play Mehmet in reprise, because of the high costs of this production. In the premier year of Mehmet, the annual report emphasised the large size of the venue and exuberance of the props and costumes. It was a great loss for the Toneelmakkerij, since Mehmet was not only the production which won few prizes two Zilveren Krekels and Taalunie Toneelschrijfprijs , but also symbolical – since it was the last production dedicated to farewell of one of the artistic leaders Ad de Bont.

4.3.4. Marketing orientation

The current sub-chapter pays attention to the marketing orientation category. Besides the theory driven subcategories: product- orientated and broadening audience, emerged two new sub-categories: targeting particular audience and building connection.

Toneelmakkerij presents itself as audience-oriented theatre, mentioning in every report its goal to reach young audience of diverse ethnical groups and socio-economic layers. From 2013 onwards it employs more entrepreneurial approaches to further broaden the audience. In 2014 for example, in co-operation with other theatres it launch a new project *Voorless Express*, which helps to introduce youth theatre to poor families by sending them volunteers, who explain and promote performances. During 2013 – 2015 it reaches completely new types of audience: elderly, weekend schools and people of all ages of a certain neighbourhood. Elderly happen to become Toneelmakkerij's audience, because the elderly organization World Granny commissions a play. People of different ages attend *Expeditie Javastraat* - an entrepreneurial project with a novice format of experience. It combines a tour through the Amsterdam neighbourhood of Javastraat and performance, which engages local shop-owners to be co-creators of the experience. Moreover, participation in festivals abroad allows to be exposed to foreign audience. From 2014 onwards, Toneelmakkerij noticeably increases attention to the social media and new technology, which allows to reach new audiences. Focus is on being more present in social networks like Facebook and Instagram.

Besides attracting new audiences, Toneelmakkerij continues exploiting the existing partnerships with schools to target specifically children of the high schools in Amsterdam and province of North Holland. The project *Binden & Boeien*, which offers education activities for to

eleven schools, is carried out through all the years. In the end they even come up with the solution for working with schools almost on a subscription basis. **De Ontplooiing** is the project introduced in 2015 to strengthen cooperation with schools and provide them specifically tailored educational programmes on a condition, that those schools regularly attend the performances for minimal period of one year. Toneelmakkerij practices also joint marketing and co-operation with Theater Bellevue, De Krakeling, Rozentheater later also Bijmer parkteater, Meervaart to create a bundle offer for middle schools, to reach more schools and act on a bigger market.

It appears, that Toneelmakkerij invests a lot of efforts on participative interaction with the audience. Most of the diverse educational activities require active participation and very often connect to the repertoire. It aligns well with the earlier explained relativistic framework, in which audience is active force in consuming and even co-producing art. In fact, in 2012, 2013 and 2014 children are granted an opportunity to become co-creators of the material for the performances. For example, they are inspired to make short videos, which are later incorporated in a performance *Metro*, while the other time, stories specially posted by the young audience on Facebook become part of the play text.

At the same time, despite of growing popularity of visuals and images, Toneelmakkerij is very conscious not to lose their focus and remain the language-based theatre. Creation of a new public identity in 2014 only emphasises centrality of language and points to product orientation in marketing. Design of a new public identity was not though only by staff, but also external stakeholders, including audience. In such way Toneelmakkerij wanted to stay true to its real image and stick to its initial vision, rather than invent a new identity and change. Cuts of the subsidies have not affected the overall marketing orientation of the company in any radical way. It can be concluded from the reports from 2011 till 2015 that Toneelmakkerij before and after the cuts practice a balanced combination of audience- and product-oriented marketing, which helps to sustain the product quality and at the same time to broaden the audience.

4.3.5. Human resources

Findings in the last main category, human resources, are presented in this sub-chapter. Data suggested following sub-categories in the coding frame: in organisational structure, reduction of the workload and organizational culture

Right in 2011 when the cuts were announced, Toneelmakkerij announced the reorganization to a company of a smaller size. Management decided to keep the personnel and instead to reduce the workload, which meant transfer from full-time to part-time contracts. The logic behind this decision was to keep the knowledge and expertise of the company in the house. Workload cuts resulted from 22 full-time equivalent (fte) to 13,7 fte, as reported in 2012; 21,8 fte to 15,4 fte- 2013. Concerning the organization culture, Toneelmakkerij underlines the high motivation of the employees throughout whole 5-year period, which keeps them together. In 2013 is mentioned that organizational chart became flatter, however, not explained how.

4.3.6. Interview

Although interviews carried initially an exploratory function during the planning phase of the research, later on they turned out to be an additional source of data. Together with the reports, interviews formed a complete storyline about the cuts. Moreover they provided information, which was not mentioned in the reports. So, later on interviews were thematically analysed, using same categories as in the content analysis of the reports.

In the case of Toneelmakkerij, interview helped to understand which changes happened in the organizational chart. Before the cuts each department was led by a manager, the reorganization after cuts took all those managerial positions out of the structure. Such information about the removal of the whole managerial level was completely missing in the reports. Absence of the whole layer imposed large burden on the monitoring process. Earlier, managers were responsible to control and supervise implementation of projects on the department level. After the cuts, this function shifted upwards to directors. It became challenging for directors to be aware of all the details in different departments, because they are “not with your feet in a mud” (Interview Mrs Erica). This change in reorganization disrupted the communication channels inside organization.

Interview provided more informal information about the organization, which was not included in the document. Mrs Erica told about the “unrestful situation” in the organizational culture, caused by personnel working over hours, which is not reflected by the salaries. Although people kept their places in the organization, changing from full-time to part-time workload, they became unsatisfied to work almost as much, as before, since it was not corresponding to the pay

check. At the same time more freelancers means bigger choice of actors, which makes the casting a lot easier, than fitting house actors into the plays.

An interesting finding in artistic resources management was also spotted in the interview. As stated in the reports, Toneelmakkerij decided to cut on big-scale productions, but theatres, which used to buy those productions from Toneelmakkerij, now were in need of big stage performances. They convinced Toneelmakkerij to play medium-size productions on the big stages. It was definitely beneficial for the box office revenues, since bigger stage meant bigger venue and therefore bigger audience with smaller costs.

4.4. Reisopera



4.4.1. Introduction

Nederlandse Reisopera (NRO) is a touring opera, which exists for 60 years in the province of Overijssel. This opera house produces both well-known operas for broad public and innovative pieces. It co-operates with different Dutch orchestras. The mission, stated on their website is “to produce beautiful and relevant operas” (De Kracht van de Stem Centraal, n.d.). It is governed by a board of six people and until recent two directors. Since few months, Nicolas Mansfield became both artistic and executive director. Reisopera has a following organizational structure: dramaturgy and education (1 person), marketing (1 person), production (4 people), technical department (7 people), finances (2 people), volunteers (5 people) and freelancers (10 people). In the context of cuts in 2013, Reisopera lost 66% of its subsidies, from 8,6 mln to 3,5 mln euros per year.

As previously with the case of Toneelmakkerij, each sub-chapter will cover findings in one of the main categories.

4.4.2. Financial resources

The biggest change in the management of the financial resources, following the cuts, entailed layoffs of the staff. The total workload reduced from 74,16 fte to 13,5 fte. A whole sub-chapter

in the beginning of report in 2012 was devoted to the staff cuts in order to minimize the biggest costs of organization – human resources. The company faced a complete reorganization, details of which will be explained in the sub-chapter concerning human resources.

The sources of income consist of subsidies, box office revenues, sponsorships, donations and co-productions. For example, funding mix of 2011 had following components: subsidies – 8,6 mln, box office revenues – 1, 2 mln, while sponsorships only 62 500. In 2012 besides very similar numbers of subsidies and ticket revenues appear donations 68 000. The income from co-productions in 2013 equalled 75 000, while same year both subsidy and ticket revenues dropped significantly. New sum of subsidy was 3,6 mln, while total income - 727 800. Donations remain very small, no more than 37 000, while sponsoring can be as little as 4500.

In 2015 box office revenues grew due to *partage* strategy of selling tickets, explained later.

Among many possible strategies how to cover deficiency in budget, NRO practiced a lot reduction of the costs were possible. Besides cutting the biggest expenses, which are human resources, it continuously optimized the production costs. Saved expenses on costumes, decor and props were reported every year from 2013-2015. Another strategy to reduce costs, as first mentioned in the report of 2013, was focus on co-productions with other companies. It was realized through 2013-2015.

As in the case of Toneelmakkerij, NRO dedicates considerable part of annual reports to limitations of the financial growth. Those include absence of own venue for performing repertoire and therefore dependence on mediators of the distribution process - the theatres which do not negotiate the lump price they pay to NRO per each performance, lack of knowledge of entrepreneurial activity and refusal of theatres to share the database of the audiences, which could help marketing.

Another important finding relates to the sub-category of growing incomes. In 2013 NRO employed the new approach in selling tickets. Before the cuts, performances were sold to theatres for a standard price of 23,5 thousands. Raising this price was not an option, since theatres were already under financial pressure. Novice approach, called *partage*, allowed NRO to grow income, since both theatres and NRO share the revenues from box office, but that also meant sharing risks.

Starting from 2013, Reisopera becomes more entrepreneurial. A bright example is initiative of 2013 to create a business club around opera, in other words, a community of donors

from the corporate world. Unfortunately, it does not sustain. Unlike predecessor, similar enterprise, aiming to facilitate donations, called Reisgenoten, started bringing results already in the first year 2015. Annual reports of different years mentioned that company takes a serious step towards growing the third source of income – private contributions.

Unfortunately, years after the cuts Reisopera closed with negative balance which could be covered by the reserves. Although, realized negative balance was smaller than projected in both 2014 and 2015.

4.4.3. Artistic resources

One of the most noticeable pattern is that both before and after the cuts Reisopera relies greatly on the classical repertoire. In 2011 three out of five productions are world known pieces, in 2012 – four. There is also traditional repertoire, like *Meezing Messiah* performance in the Christmas time, which is performed on the yearly basis. NRO plays operas in reprise if they were successful before, for example, *De Parelvissers* is produced in 2015 after a long break since 1993. Nevertheless, during the between period 2011 and 2015 NRO develops innovative material, although its proportion is minor to the amount of classical. Some classical operas are reproduced in a very innovative style, as emphasised by the quotes of the critics, which are embedded in the text. The reason according to annual report of 2015 is in the scarce funding which is insufficient for producing new brand new repertoire.

Apart from repertoire, NRO offers a wide range of activities for high schools and art colleges from the province, amount and variety of which does not seem to change after the subsidy cuts . The educational resources include both passive activities, like guided tours or a glimpse in a backstage processes, and participative activities, like chance to make own operas. They can be repertoire-based and autonomous. An ongoing project Art-2-go for second graders from the middle schools in Enschede, providing the workshops in the backstage of the opera, is carried out yearly, as well as the special long-term programmes for school children, which last 7-8 weeks.

However, talent development sub-category offers a different picture. It is noticeable that talent development resources gain much less attention and weight in the reports after the cuts. While in 2011 a whole page explained in detail the steps of the programmes, repertoire and activities, while in 2015 it was mentioned in a few sentences. NRO focus in these resources had

shifted from autonomous programmes towards involvement of the young talents in the productions, which probably helps to save human costs.

Before the cuts, NRO produced five big productions per year but due to the diminished funding it became not possible to sustain this amount. Sub-category scale showed that NRO mobilized its resources and succeeded in making big productions despite the cuts. Only in 2013 NRO did not manage to deliver planned productions, because the logistics of production, which are planned beforehand, were disrupted by the cuts. However, in consequent years NRO managed to reach and outperform the required quota of the Ministry - three big scale productions by delivering four big opera productions a year.

Amount of co-productions grew in 2014 and 2015. Before 2013 cooperation with orchestras and youth theatres in joint productions was called partnership and was less frequently practiced.

4.4.4. Marketing orientation

Both before and after the cuts opera aims to reach broad audience. There are few examples how NRO fulfils this goal: yearly guided excursions at the opera house for diverse age groups, including corporates and schools, broadcasting live performances on the big screens in the city squares and online in 2011, which allowed people who might have never allowed themselves to go to opera to watch it for free. Moreover, in 2015 NRO organized a bunch of events to attract new audience: performance in the open air theatre in Vondelpark, participation in some free festivals, cooperating with escape rooms. At the same time, the new public image positioned NRO as accessible, and later in 2015 mentioned the range of prices, tailored for different layers of society.

Despite the trend described above, in 2013, right after the cuts, NRO launched a new marketing plan, which targeted certain groups and adjusted the company's communication to appeal to them. The groups were based on wealthy investors; cultural intellectuals; cultural omnivores 25-40; provincial appreciators above 40. Targeting those groups can be interpreted as a product-oriented marketing, in a sense of genre-oriented marketing based on the assumptions that those groups of people are most definite opera consumers. However, it does not do deeper into repertoire-based marketing. Apart from that, in the same report of 2013, NRO declared itself as demand-oriented, in a sense of attracting corporate sponsors and accounting for their opinion

without harming the quality. No elaboration followed on how this strategy was going to be implemented, although it re-appeared in the report of 2014 again.

Before the cuts, contact between NRO and audience was mediated by the theatres, which sold tickets. The new marketing plan, delivered after the cuts, initiated the creation of own audience database, which was define by the opera as an attempt to build a direct connection. This move allowed to skip the mediators and to get a grip on the audience. An attempt to build the connection was to start with the newsletters, which is bit of a one-way communication.

A good example of two-way connection with the audience is a traditional Christmas performance of Meezing Messiah. Each year NRO engages in a performance few hundreds of local amateur singers, an example of co-creative role of audience. Starting 2013 Reisopera comes up with entrepreneurial approaches in attracting audience: organisation of special events with audience, which combine drinks or meal and performance conducted by the young talents, which has a great success.

Overall it is not simple to define the major marketing orientation of Reisopera, since after the cuts it targets audience likely the main consumer of the opera, and at the same time arranges a list of activities to appeal to broader audience.

4.4.5. Human resources

The annual reports offers a new sub-category to the research – social plan. Since NRO was a huge institution employing around hundred people and suddenly it had to shrink to 1/5 staff capacity. The layoffs do not end on just getting rid of people. Contracts and law regulations protect employees to a certain agree in cases of contract breaches. NRO with the help of a special committee, designed a Social plan to secure people who lost their jobs. It projected a special fund for re-education of the ex-employees to help with their search for new jobs. In the report of 2012 social security plan gained a lot of detailed attention. Costs of this reorganization were later covered by the subsidies. No information was available on organizational culture of the opera.

4.4.6. Interview

Additional findings from the interview presents an advantage of growth of freelancer number, since it provides bigger choice of actors. Moreover, interview introduced a new strategy of reducing costs, which was not mentioned in the reports, was elimination of the

building day, which saved on average from 100 000 till 150 000 per production. However, it required some technical adjustments in the production. Nicholas mentioned an entrepreneurial strategy of planning the tours. Rather than performing once in many cities, management was thinking of performing few times in one city while visiting less cities. This could help to save the travelling costs.

5. Conclusions

This thesis explored two case studies of organizations which were on the top of the tsunami of subsidy cuts, which hit the Dutch cultural sector in 2013. Both youth theatre Toneelmakkerij and the opera house Nederlandse Reisopera lost approximately 66% of the Rijks subsidie in 2013 and were left with the budget deficits. I conducted a qualitative content analysis of the annual reports of both companies, which helped to extract most out of the data to create small narratives in four dimensions of the operation, which covered period of 2011-2015.

The main research question was: How do Dutch performing arts organizations respond to drastic subsidy cuts and new policy for 2013-2016. The following sub-questions included:

- 1) how management of the financial resources changed after the cuts,
- 2) how artistic resources changed after the cuts,
- 3) how marketing orientation adapted to the cuts,
- 4) how human resources changed due to the cuts.

The first question is answered with the findings in a category of financial resources. Both organizations become more entrepreneurial and put a lot of efforts in the search of new sources of funding. NRO came up with an idea of creating business club around opera, which did not develop, but later was replaced by more successful entrepreneurial strategy - to involve donors on a membership basis. Toneelmakkerij began to target the corporate sponsors in 2015, also practiced crowdfunding in attempt to fundraise. Both organizations decided to open a fundraising position and raise more private money. Change to a new system of selling performances – partage- helps to grow revenues.

At the same time, after the cuts both organizations seek for the possible ways to reduce costs. They cut in the first instance the biggest costs - personnel, although do that in very different ways. Moreover, NRO pays much attention to optimization of production and minimizing the costs. In general it can be said that organizations become very entrepreneurial, although still in 2015 there are no significant changes in the funding mix. Nevertheless it takes time to strengthen new sources and it is quite difficult to build in two years.

The answer on the second sub-question points to few aspects of the repertoire. First, biggest changes happened in the scale of productions. Toneelmakkerij decided to cut big family productions, while NRO reduced the amount of big productions per year. Second, no changes occurred in the ratio of innovative and classical repertoire in both cases. While Toneelmakkerij

produces more innovative and new material than classical, opposite picture is with the NRO. Nevertheless, cuts have not influenced those trends. Moreover, the variety of educational activities, which are also a part of artistic resources, in both companies continued developing.

It is more difficult to answer the third sub-question, since marketing orientation in both youth theatre and opera company is not. Toneelmakkerij employs a lot of creativity and entrepreneurship to design activities and programming that will broaden their audience. However, they do not lose their core identity as a language based theatre under pressure of growing popularity of image based theatre. In the case of NRO, whose new marketing plan is oriented towards potential opera-goers, still employs plenty of ideas how to share opera to those, who rather unlikely fall into the former group. Both companies are active in preserving own values, and at the same time try new approaches to attract new audiences.

The human resources faced tremendous changes due to the cuts. NRO was forced to cut $\frac{3}{4}$ of its permanent personnel. Toneelmakkerij took another decision – spread the cuts of the workload evenly among all the personnel but to keep jobs for people. It also was accompanied by flattening of the company.

So answering the main research question, I can say that both organizations mobilised all available resources to keep their doors open. Unfortunately, it included losses not only of the financial, but also artistic and human resources. Layoffs and pay cuts were the first visible consequences. Next after suffered the scale and volume of performances suffered. However, both opera and youth theatre became incredibly active and entrepreneurial in search of a new funding sources, employing new marketing strategies and reaching new audiences. Moreover, despite the losses of funding, they remained true to their core missions.

Possible limitations of the methodology is that its qualitative nature, makes questionable to what extent it is reproducible.

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Appendix 1. Coding scheme

Category	Origin of the category	Definition	Coding Rules
Marketing			
specific audience (audience orientation)	Theory driven	Marketing strategies to target pre-determined groups of audience.	Difference between this and product – oriented marketing is that in this category still product are audience oriented, like educational activities for certain schools.
Broad(en) audience (audience orientation)	Theory driven	Marketing activities and strategies to get new audience, broadening existing audience	
Building participative connection (audience orientation)	Data-driven	The strategies to build close connection between audience and product, active consumption, including co-creation (Boorsma)	
Product-oriented marketing	Theory driven	Marketing strategies oriented on finding particular audience for already created product	
Artistic resources			
Classical repertoire	Theory driven	Programming of the world known art pieces, also accompanied in a text with a word “classic”	Very often could be also remade in an innovative style. In that case both sub-categories applied to same paragraph.
Innovative repertoire	Theory driven	New productions based on new texts, contemporary material, genre innovations.	
scale	Data-driven	To this subcategory was determined any passage referring to the volume of the production	
Talent development	Data-driven	Activities of the company which are directed on providing resources and experience for students or fresh graduates of relevant educational establishments.	Usually separated under a separate sub chapter and usually are in a form of manifested content

Co-productions	Data-driven	Productions carried out in partnership with other companies which results in sharing production resources	
Educational activities	Data-driven	Activities and programmes for schools.	Usually separated under a separate sub chapter and usually are in a form of manifested content
Financial resources			
Usual sources of income from 2011	Theory driven	Financial resources that existed before the cuts in 2013	
Reducing costs	Data-driven	Actions to cut expenses, save production costs.	
Strategy to grow revenues	Theory driven	deals with the ways, in which organisations intend to increase the income, including ticket sales, private donations and sponsorships	
Other subsidies	Data-driven	New sources of subsidies.	
Limitations	Data-driven	Legal and other kind of limitations of the environment, which stay on the way of diversifying funding mix.	
Human resources			
Change in organisational structure	Data-driven	Any alterations in amount of levels or hierarchy in the organization	
Reduction of the workload personnel	Data-driven	Information about layoffs, pay cuts and other changes in human resources volume	
Change in culture inside personnel, atmosphere	Data-driven	Information about emotional state of the employees, communication, interaction was assigned	
Social security	Data-driven	Information about measures of the company to provide social security for its employees.	Appeared only in Reisopera.

Appendix 2. Coding sheets of annual reports of Toneelmakkerij.

Marketing orientation

- Targeting particular audience
- Targeting broader audience
- Building connection/participative connection
- Product-oriented marketing
- Entrepreneurship

2011

- For some children it is first time in theatre – responsibility in approaching kids that will result in sustainable contact.
- Oriented on different age groups of children.
- Educational activities - try to reach all layers: black and white, rich and poor.
- Marketing activities targeted on audience particularly linked to the topic of performance.
- Focus in educational activities on doing-it-yourself and experiencing.
- Use of social media – to build connection to the topic with activities.
- *Theater Bellevue+De Krakeling+Rozen theater* → joint development of the art education centre, which offers art educational programmes for the schools in whole city
- *Binden & Boeien* – partnership with 5 middle schools in the city, 6 in province to employ the tailored educational programming.
- First time played in refugee centre.

2012

- For some it is first time in theatre – responsibility in approaching kids that will result in sustainable contact.
- Oriented on different age groups of children.
- Work for education- try to reach all layers: blacks, white, rich and poor.
- To prepare for the performance Mehmet audience had to pass *inburgeringexam*, - online game-based task, which helped to engage audience with the theme of the Middle East.
- Active participation of particular group together with actors in special project ABN.
- *De Boevenkoning* – performance for the whole family.
- First time active participation of students in creating material – co-creation
- *Theater Bellevue+De Krakeling+Rozen theater* → joint development of the art education centre, which offers art educational programmes for the schools in whole city – further developed and named De Pit. Received subsidies from the municipality.
- *Binden & Boeien* – partnership with 5 middle schools in the city, 6 in province to employ the tailored educational programming.

2013

- For some it is first time in theatre – responsibility in approaching kids that will result in sustainable contact.

- Oriented on different age groups of children.
- Education is Participative in its character
- Co-creation of the text in I/IK/EG
- *Theater Bellevue+De Krakeling+Rozen theater* → De Pit sells performances for schools – not much yet though, still figuring out identity (is not mentioned further in 2014 and 2015)
- *Circus Rouda* – in each city that it performed worked not only with schools but also elderly organizations and municipality. Building connection between young and old
- Broadening of public happens through the participation in festivals abroad: Oslo, Berlin, Moscow.
- Special approach to Russian speaking audience in Moscow – synchronised translation to secure better connection with small kids; performance translated in German when performing in Zurich.
- Reorientation on market stated as a strategy.
- Attraction of broader audience – elderly in the production of *Circus Rouda*, the production commissioned by international elderly organization.
- Targeting specific groups when sales didn't go well, because of the difficult topic – slavery.
- For the first time performance in English in Amsterdam for the local expats.
- *Binden & Boeien* expanding plans for this project.

2014

- Work for education- try to reach all layers: blacks, white, rich and poor
- Current focus – search of the new media.
- Articulation of the governing principle: right audience for right performance with right price tag.
- Stick to their identity as a language based theatre.
- Created a new public identity – visuals, website, posters, considering opinions of not only staff but also audience and external stakeholders, aiming to establish as realistic identity as possible.
- Co-creation of Metro production together with children.
- Broaden audience- spoken strategy
- Education – connection – playing with actors together
- New approach – social media campaign: video blog, playful manner,
- New project to diversify public – *Voorless express* – in cooperation with *De Krakeling+Bijmer parkteater+Meervaart* – go to families and introduce the performance.
- Bundle offer and joint marketing with De Krakeling to target primary and middle schools
- NEW public – *Expeditie Javastraat* – the local shop owners are co-creators of the whole experience, which includes both guided tour and performance.
- Set a goal to cooperate closely with more theatres, spread around the country, to develop long-term relations.

- *Binden & Boeien* – more intense contact with the schools, which entitles schools as *Toneelmakerijschool* and obligates them to attend the performances at least during one year and more

2015

- New technologies employed – Real time bidding.
- Social media – switch to Facebook, appeared on Instagram
- New approach – social media campaign: video blog in a playful manner.
- NEW public – Weekend schools,
- to diversify public – *Voorless express* continues
- Special performances for parents of the kids, who watched the performances and following workshops
- Direct contact with primary and middle schools for education activities, **Pilot**
- **Continuous line of relations with schools – *De Ontplooiing***
- Focus on educating primary and middle school teachers and those who study to become teachers.

*****De Pit – did not continue in 2014 and 2015

Financial resources:

- Usual sources of income from 2011
- Reducing costs
- Strategy to grow revenues
- Other subsidies
- Limitations
- Entrepreneurship

2011

- Cuts of 69% BIS
- Province also cut 50%
- Absurd: “Although educational work is of great importance, still small perspective for growing earning potential” (p.6.)
- Own income grew due:
 - to big halls performances
 - Co-productions
 - International touring
- Saved the costs thanks to careful management
- STIP sells performances outside Amsterdam
- Performances at schools and educational act. Are sold directly
 - Revenue from performances 60k higher than budgeted
 - Contributions 190k higher than budgeted

2012

- STIP sells performances outside Amsterdam
- Performances at schools and educational act. Are sold directly
- LIMITATIONS:
 - -CKV hold prices down so no way of raising own income;
 - Btw risen from 6% to 19% and 19%;
 - They are not among the recommended art education disciplines, obligatory at schools;
- Strategy – find where possible partners
- Won subsidy together with Norway, Germany and England for Theatre Café Festival

2013

- A person added doing fundraising
- theatre for youth and kids brings much smaller income comparing to the adults theatre (prices are smaller)
- Amsterdam municipality – become major financial source – even compensates a bit for the loss of the BIS and provincial subsidies
- **STIP** – continues selling on their own

- Each production has its own financial source
- Subsidies – Amsterdam municipality raised 23% comparing to 2012

2014

- Crowdfunding works only for small NEW
- New approach in During De Tantes – restaurant in Krakeling – changed into 4 sisters and had special menu in line with production
- Each production has its own financial source
- Focus on building Intense and personal contact with schools (clients)
- No sponsors yet
- European Union subsidy for Theatre Café festival
- Co-productions bring money
- Mehmet is not payed in reprise – not enough funds
- Big competition with other cut art institutions

2015

- STIP
- First steps towards the corporate sponsors
- European Union subsidy for Theatre Café festival
- Crowdfunding – new, something incidental
- For the foundations it is not clear why BIS organizations do not get the subsidies for the programming. Each time it needs to be explained.
- Direct sales in Amsterdam and education, that is why personal and customised, experiment with long-lasting offers for schools(at least one year)

Artistic resources

- Classical repertoire
- innovative repertoire,
- scale
- Co-productions
- Talent development
- Educational activities
- Entrepreneurship

2011

- from classroom, to big stage
- 2 classical
- 5 new texts
- Het Syndicat, Firma Rieks, Het Lab, Rijksmuseum – Golden Age – co-productions.
- International co-production with Oslo is being prepared,
- Co-production with makers from Gaza
- Partnership with Tekstmederij- development of Dutch drama writing
- Clyde Bonnie – recognisable, classics –mmm
- 4 jong maker get opportunity to make a performance
- Innovative project set *TM JONG* – project with schools, in which selected students from middle schools get chance to look into how Toneelmakkerij is being made, participate
- Bonny Clyde – community platform
- In-class activity 2 weeks before the performance
- After the performance – a workshop
- Game in eth class after the performance
- 52% educational performances, 48% - general performances
- Creativity and imagination

2012

- *Icarus* – reproduction of myth, *Pinokkio* – too,
- Large scale production – Mehmet – 2000/ m2 venue, 3 decors, prizes.
- Made their own policy – to make sure they don't lose their social responsibility – they cut on big family productions
- 4 new texts
- CO-PRODUCTION and marketing Theatre de Vest, Firma Rieks (new production), Rijksmuseum (education for 2013)
- Partnership with Tekstmederij
- International CO-PRODUCTION with Oslo is being prepared
- NEW Preparation of Theatre Café Festival with England, Norway, Germany
- *TM JONG* continues

- Co-production *Wat do jij?* with art college students
- Also with Art college students co-production *Wat do jij? For high schools*
- Workshop after the performance
- Creativity and imagination
- Interactive museum, naturalization exam and workshop for Mehmet
- Making own drama text and development of the story for Pinnokio
- Solely educational programmes – specially for high schools

2013

- 2 new works: *Circus Rouda*, *Verkocht*,
- TM JONG continued.
- 26 students are undertaking the internships
- Co-production *Wat do jij?* with art college students
- Innovative project set *Ontspoord* – mixture of theatre and pop concert
- International CO-PRODUCTION with Oslo is being performed. I/IK/EG – also CO-PRODUCTION with audience – through internet
- Preparation of Theatre Café Festival with England, Norway, Germany + European Writer's Lab
- Co-operation with Scheepvaart museum in education
- Circus rouda – one week of work in each city with schools, municipality,
- Jeugde Aterschool made their own version of I/IK/EG
- Tailored workshops
- Excursion in scheepvaartmuseum together with performance
- Workshops for both teachers and students
- Solely educational programmes – specially for high schools VMBO
- Also with Art college students co-production *Wat do jij? For high schools*
- Project with Rijksmuseum
- Creativity and imagination

2014

- 6 premiers
- 2 classics
- TM JONG continues, production OTELLO
- Theatre Café Festival in 2014 is held in England, Norway, Germany
- New project at European Theatre Convention – research work
- Co-operation with Royal Palace on Dam Square for a new production
- No reprise of Mehmet – too expensive because of its scale
- Innovative production *Metro* – cutting edge of film, theatre, social media. Although it is reproduction of classics
- Innovative production *Expeditie Javastraat* – a combination of tour on a local area and then performance, involving shop-owners on the street, interviews,

- Choice of more recognisable repertoire is very appealing as strategy
- A workshop with actors in the décor right after the performance
- A chance to look behind the scenes
- A special quest through the shops in Javastraat
- Co-production with the use of mobile phones
- Game to be played at school setting

2015

- Macbeth classics
- Contemporary material – *Lief en leed in het leven van de giraf*, new text *Jamal*
- Claim themselves as developers of the contemporary material
- Specially made 3 monologues for *Verborgen Verhalen* in Royal Palace
- **TM JONG continues own production, TM STUDIO**
- Theatre Café Festival in 2015 - Netherlands is the host
- Direct Toneelschool
- Creativity and imagination
- A talk before the performance with the schoolchildren
- Game after the performance
- Spoken world tutorial, dance workshop,
- Own production of young Macbeth by several schools,
- Kids are invited to observe the rehearsals, making own slideshow about the performance

Appendix 3. Coding sheets of annual reports of NRO.

- Usual sources of income from 2011
- Reducing costs
- Strategy to grow revenues
- Other subsidies
- Limitations
- Entrepreneurship

2011

- Consultation with the provincial governments to support – they are ready to support
- NRO does not have own venue to play and sells performances to theatres in standard price 23,5K. Increase of selling price of performances is not an option because it is already under the pressure for the theatres in the Netherlands which buy it, while each production costs almost 3 times more than this price.
- The tax increase on revenues from performances rose from 6% to 19%
- The last years OCW didn't allow to build up the reserve costs, and it cannot now afford the reorganization
- New organization starts on January 1 2013, friction costs may be paid by G.
- Total production costs were 347k lower than budgeted.
- Activities costs were also lower 504k because the announced cuts were kept in mind.
- Strategy to increase the range of visitors

2012

- NRO does not have own venue to play and sells performances to theatres for standard price 23,5K. Increase of selling price of performances is not an option because it is already under the pressure for the theatres in the Netherlands which buy it, while each production costs almost 3 times more than this price.
- The last years OCW didn't allow to build up the reserve costs, and it cannot now afford the reorganization
- 12 millions – sum for social plan and friction costs for reorganization
- Cutting personnel
- Received a lump subsidy of 12 mil for the reorganization as under the regulation of OCW for those who suffered severe cuts, used for judicial payments, firing refunds+

2013

- **Finish with negative exploitation result**
- The costs for additional productions and activities 400k are relied upon liquidity, and saving in 2014-2015.
- Saved costs not –essential spending, maintenance
- Strategy to target the corporates for new financing sources
- Corporate income – in 2014 strategy will be developed

- Partage selling tickets – that allows to gain revenue from the amount of tickets. New multitrack policy to increase own income – joint marketing with the theatres, development of own visitors' database and new channel to personally approach audience
- Still too little knowledge of how sell performances and more entrepreneurial in commercial activities, will be compensated in 2015
- Theatres do not want to discuss the lump price of performances, and they don't want to share the contact information of the audience, which NRO can use to establish direct connection.
- First efforts to build business club around Reisopera (very difficult)
- Poor incomes by specific programming should be compensated by the commercial productions
- Building background for future Co-productions with operas in Leeds, Malmo, New York, Chicago, Magdeburg – to share operational costs

2014

- Finish with negative exploitation result 536k (90k better than budgeted) – will be covered by the bestemmingreserve
- Not enough of own income percentage – 20.1
- Saved a lot of costs: some ex-employees didn't use available funds for schooling, housing costs became lower than expected, saved on costumes and décor. But there were also extra costs
- Transfer of the subsidy leftover for funding the activities to 1,1 mil is not anymore a provision but as a bestemmingreserve.
- Initiative to develop apart from direct income, more of indirect(mentioned few times)
- Meeting the norm of audience numbers – although it is 28 k comparing to 41 required by OCW, the technicality of counting numbers actually is a an average between two years – 2013 and 2016. Moreover, apart from programming Reisopera participated in festivals and was presented in media – that is why real numbers of reached audience are much bigger
- Theatres do not share the contacts of their audience
- Not sufficient own income percentage because of ticket price pressure in theatres, troubles with shrinking organization in 2012
- Income from broadcaster – NTR
- Shift from lump sum selling to partage

2015

- Visitors numbers are 50% higher than in 2014
- own income percentage – 28,2 , when required is 23,5%
- New thing –started with Reisenoten – facilitate donations- already results
- Saved a lot of costs: due to change in programming, new production was cheaper, décor cheaper, saving on utilities because of soft winter
- Saved costs on co-production with De Nationle Opera and Opera Zuid

- Higher ticket sales revenue Orphee et Eurydice
- Expect higher contribution from foundations and donors

Artistic resources Classical repertoire

- innovative repertoire,
- scale
- Co-productions
- Talent development
- Educational activities
- Entrepreneurship

2011

- 5 productions for big theatres
- Classical – Johannes Passion, La Boheme, Wagner – Der Ring,
- Traditional performances (yearly) Meezing Messiah
- Not-classical repertoire – La voix humaine
- Talent development Resident Artists Programme –internship for young talents with certain education in the area – to bridge the gap between students and the professional – they participate in production. In 2011 they produced 2 productions (parallel to main programming). Several steps(very detailed description)
- Working with the dancing schools in Enschede, Maastricht
- RAP worked also with schools from eschede, students of which could observe the process of opera creation
- Projects for high schools in region and cities – CKV; also project Art-2-go co-production with Rijksmuseum Twente

2012

- With the new organization – only incidentally the big productions will happen. In general – smaller will be planned. Smaller technical programming
- 4 big productions made
- **Co-production** with Theater Sonnevank and Symphony orchestra
- La Traviate – third time played
- Le nozzi di Figaro – Mozart- touring
- Popular opera Lucia de Lammermoor
- Last from the 4 music dramas of Wagner – played last time, after being yearly programme from 1994.
- Traditional performances (yearly) Meezing Messiah
- Talent development Resident Artists Programme, Figaro in four quarters
- Special oproject around Le Nozzi Fiagro for students from college next to normal program
- Special project with middle(7 weeks) and primary schools

- Mini ring project – primary schools , try-out and small customized performance

2013

- 4 productions per year , touring limited to 10 theatres in whole country projected
- Because of the change in planning, no big productions were realized in the first half of 2013 and, less performances played than stated in budget (6 productions planned: 3 for big theatres)
- **Tristan und Isolde , Barbiere di Siviglia – Rossini**
- Wilderman – **co-production** with Enschede youth theatre Sonnevand; opera Gala with Blazers ensemble
- Very special co-production for the commemoration of slavery abolishment – initiative Tania Kross, who lacked resources and that is why asked Reisopera
- La Boheme and Segreto di Susanna –reprises of young talent productions. They also performed La Boheme in England
- 2 extra productions by Artists in Residence
- Traditional performances (yearly) Meezing Messiah new programme developed
- Intentionally decided to produce more productions – with the purpose to set on the map a new organization
- New educational project from Reisopera for primary education as part of ‘culturage’ – Enschede project, workshops and excursions for schools
- Bij productief Wilderman – additional programme for schools
- New project – Zommeropera – summer opera for 8-12 years old own opera making – 45 kidspartnership with other organizations
- For middle schools – 200 kids from different cities visited opera and special explanatory lesson given, also participation in workshops
- Art-2-go
- Special project with middle(7 weeks) and primary schools
- Talent development Resident Artists Programme developed into a complete operaproduction house
- ****requirements from OCW 3 big productions per year

2014

- 4 big productions realized
- Co-production with Swedish Gothenburg Opera – *The Telephone*. Also supported by Dutch Culture and donors, *Headphone Oratorium* with Geluid Maastricht, *Being Arthur* with Kameroperhuis Zwolle
- Co-creation Muziektheaterensemble de Veenfabriek- *The Fairy Queen* , **part is Shakespeare A Midsummer Night Dream**
- The News with help of Nederlands Blazersensemble
- Musical thriller – Sweeney Todd , help of Het Gelders Orchest
- Traditional performances (yearly) Meezing Messiah

- Reprises of *Candide*, *Il Barbiere di Siviglia*, *Johannes passion*(innovative character in review)
- For middle schools – 468 kids from different cities visited opera, also participation in workshops. Some 150 got extra excursion to ateliers, drama workshops
- Two tailored opera projects for schools 8 weeks , own music drama
- Around The News was made project – students were making their own video operas of news,
- Attention to schoolchildren to look at the backstage
- Art-2-go workshops, also small video-operas NEW
- Also for primary schools
- Culturage project – more partnering with schools education also for teachers
- Talent development – SO MUCH LESS INFO – just give them roles in products,

2015

- 4 big productions realized
- *Orphee et Eurydice*, *madame Butterfly*
- New production *De Parelvisers* but was a yearly performance before 1993 and loved by audience
- Not enough means to produce some surprising and innovative repertoire
- *Amahl and the Night Visitors* – small opera
- Simple décor, limited cast, little orchestra
- Co-production Het Geluid Maastricht location performance. Youththeater Sonnevank – Kereltje, with kameroperahuis Zwolle – Ik Vertrek
- Co-production of *Il Matrimonio Segreto* with De Nationale Opera and Opera Zuid
- For middle schools = special performances with educational programmes
- Broadened range of schools who visit activities
- Art-2-go workshops video-operas NEW
- Two special projects funded by Prins Bernhard Fonds
- Culturage project
- Talent development – even LESS than 2014- just give them roles in products,

Marketing orientation

- o Targeting particular audience
- o targeting broader audience
- o building connection/participative connection
- o product oriented marketing – fitting people into a performance
- o to be easily found
 - o Entrepreneurship

2011

- mission statement – opera directed on broad audience, and aims to let as broad public as possible to experience that this art form is still relevant, In the whole country
- policy strategy to gain more visitors , big impulse to increase the audience range
- La Bohema was broadcasted on big screens just on the main squares in Enschede and Zwolle, **and also live on internet to follow FIRST TIME**
- Traditional performances (yearly) Meezing Messiah – Could be followed on TV, **also included 500 amateurs**
- Excursions in Reisopera house for diverse adult groups-also business clubs and entertainment
- Educational projects for middle schools are customized
- The educational production made with students was intentionally translated into the dutch (libretto) to attract audience of broad range
- **The manner of communication is adjusted to the target groups**
- Assumption that modern people search on their own, that is why strategy is – to be easily found
- Later on that they have marketing mix to approach both potential and incidental audience.

2012

- Later on that they have marketing mix to approach both potential and incidental audience.
- Assumption that modern people search on their own, that is why strategy is – to be easily found
- Traditional performances (yearly) Meezing Messiah – Could be followed online, **also included 450 amateurs,**
- Excursions in Reisopera house for diverse adult groups-also business clubs and entertainment
- policy strategy to gain more visitors , big impulse to increase the audience range
- concentrated spreading (as result of the cuts) instead of broad coverage of the regins.

2013

- performance of OperaGala was broadcasted to the screen in Flevopark 2500-3000 people
- Katibu di Shon was part of programme dedicated to abolishment of slavery – the first performance was free to attend
- **New Marketing plan 2013-2016 – long term vision on branding, public development, identity**
- **Strategical fundraising plan**
 - Important that all employees share same marketing mindset
 - Target groups –wealthy investors; cultural intellectuals; Cultural omnivores 25-40; provincial appreciators above 40.
 - Conduct of market research
 - Then to adjust tone of voice for above mentioned
 - Very clear strategies: bigger recognisability, overlap with other classical art forms and targeted public broadening, visibility in core cities,

- To broaden audience,
- Positions itself as a company that is **demand-oriented**, also accounting for corporate sponsors (without damage to artistic quality)
- Positions itself as accessible, **NEW artistic corporate identity in 2013**
- With the OperaGala opened an exhibition in TwentseWelle with decorations from opera
- Broadening of audience also internationally at festivals
- **Started with OperaBorrels – events where audience can get closer to opera, young talents present themselves**
- Live streaming of Meezing-Messiah's
- Moreover, despite the cuts, in the 2013 Reisopera expanded the range of educational activities with programmes for the primary schools.

2014

- Activities to build own database of audience
- Continue strategy to be easily found, visible and heard
- Stress on touring opera – reaching all country
- Attractive to foundations, sponsors and donors
- Free publicity for them: gifts from media partners – national newspapers, The Publicity Company,
- OperaBorrels transformed into lunch performances, which all were sold out
- **To create connection with public started with newsletters**
- **Connection with 250 participants from the region in Messiah**
- International participation Europa Opera Dagen

2015

- Continue strategy to be easily found, visible and heard
- Focusing on building connection with public through newsletters, also facebook, twitter
- **Research with visitors,**
- **Connecting with amateurs that create music themselves**
- **New communication strategy as verhalenverteller – storytelling**
- Less printed media and more direct marketing as broad as possible public
- Price ranges allow to broad audience be accessible
- A row of activities to reach different layers of society:
 - Free-entrance concert Vondel,
 - Participation in festivals
 - introduction to opera – Madame Butterfly with escape room,
 - Workshops singing project, masterclasses,
 - Operalunch, operaaperitif, operadiner
- **Connection with 600 participants from the region in Messiah**
- More into digital media, new website design

Human resources

- Change in organisational structure
- Reduction of the workload personnel
- Organisational culture
- Social security
- Entrepreneurship

2011

- Communication in Labour affairs chapter elaborates on the internal communication taking place at the regular meetings between the departments, direction and work council.
- So very strong labour associations, care...
- Even report on sick leave, percentage and measures
- They did not prolong some contracts because of the cuts

2012

- Communication in Labour affairs chapter elaborates on the internal communication taking place at the regular meetings between the departments, direction and work council.
- Staff is being optimised to minimum required, some are offered temporary contracts
- From 74,16 fte to 13,5 fte together with OCW decided, from 82 to 12 people
- The social unions are invited to consult about big firing issue, Social plan made up for those who will be fired, their refund for stopped contracts, and el.
- Special organization STAP organized – takes care of labour contracts and hiring

2013

- Social plan – an opportunity for ex-employees to get a budget for retraining, which will strengthen their position on the labour market.
- NRO is responsible for paying *wachtgeld* – the payment for retired or employees who voluntarily left, because of its civil status
- Huge efforts of the remained staff to start a reorganized NRO
- STAP continues

2014

- STAP continues – for new staff to be hired
- Still feeling the effects of reorganization
- Slight increase of labour load – 2fte
- Appointed some staff representatives

2015

- Supervisory board governance model

- staff representatives come three times a year
- STAP continues – for new staff to be hired