SMU'S NATIONAL CENTER FOR ARTS RESEARCH (NCAR) LAUNCHES KIPI DASHBOARD

New Tool Allows Arts Organizations to Measure Performance Against Peers

Dallas (SMU), July 21, 2016 – SMU's National Center for Arts Research (NCAR) today launched the KIPI Dashboard, a free online diagnostic tool that allows arts organizations to see their individual performance in nine finance and operations categories, compared to similar organizations nationally. Organizations can access confidential and individual scores on how they rank relative to their peers on multiple factors in the categories of contributed revenue, earned revenue, expenses, marketing impact, bottom line, balance sheet, community engagement, program activity and staffing. The scores can help organizations assess their health and sustainability and inform strategic decisions.

The Dashboard uses data from the last five years for nearly 8,000 arts and cultural organizations around the country, across industry types and sizes. Each organization's scores are based on a level playing field that takes into account not only that organization's sector (such as whether it is a theater or dance company), but its age, budget size, location, and many other key factors. A sample of the Dashboard can be seen here.

"The SMU Meadows School created NCAR to assess the health and stability of the arts sector by compiling and analyzing the most comprehensive set of data ever assembled on the arts industry. The KIPI Dashboard is the next evolution of NCAR – providing a free resource that allows arts organizations to look at their own performance relative to the field," said Sam Holland, dean of the Meadows School of the Arts. "The Dashboard is the only tool of its kind, providing arts organizations with the personalized, evidence-based findings they need to help them make strategic decisions that strengthen their institutions."

NCAR Director Zannie Voss said, "In order for arts organizations to thrive, they cannot operate in isolation as they are impacted by changes in the field and in their communities. By factoring in external variables such as a community's characteristics, as

well as the organization's age, arts sector, budget size, square footage, whether it primarily targets a particular culturally specific audience, and other operational specifics, we have created as level a playing field as possible for examining organizational health. Organizations will now be able to easily measure their performance in the most crucial financial and operating areas relative to their peers in similar markets. The Dashboard allows arts leaders to decide which performance indices are top priorities and determine from their scores whether they are performing well on these measures, or whether they have room for improvement. Dashboard scores can be valuable information to share with boards, staff, funders and other key stakeholders. They are a tool that helps focus resources where they are most needed, celebrate areas of success, and enable arts and cultural leaders to overcome challenges and increase impact."

The KIPI Dashboard Scores

KIPI stands for Key Intangible Performance Indicators. The Dashboard scores measure both tangible factors that affect performance, such as an organization's age and marketing budget, and intangible factors, such as good decision-making and artistic expertise. Intangible factors cannot be easily observed and measured, yet all organizations know how important they are. NCAR uses a statistical technique called "high performance frontier analysis" that estimates how much these intangibles play a role in setting an organization apart from others. This is a method that has helped many other industries understand high performance and the best practices that drive it. (Read more about KIPIs here.)

The NCAR KIPI Dashboard draws its performance data from DataArts' Cultural Data Profile (CDP), a standardized online form that cultural nonprofits nationwide use to submit information on their annual financial and programmatic activity. Organizations that submit their data to DataArts will be able to access a score for each of the nine indices, illustrating where their organization's strengths and challenges lie. Each score is based on a level playing field and shows how an organization has performed relative to the field in percentile terms, i.e. a score of 60 means an organization performed better than 60% of similar organizations on that index. Dashboard scores are confidential and each

organization can only access its own scores. Organizations not currently part of the DataArts database may add their company information using the DataArts platform. Once their data has been entered into the system and processed, they will be able to access their Dashboard scores.

The KIPI Dashboard scores are based on fiscal year data and each of the nine general areas are broken down to include more specific information. In the following example, a hypothetical theater has a relational revenue score of 61, indicating its performance on the percentage of total expenses covered by subscription or membership revenue is better than 61% of similar organizations, making it above average:
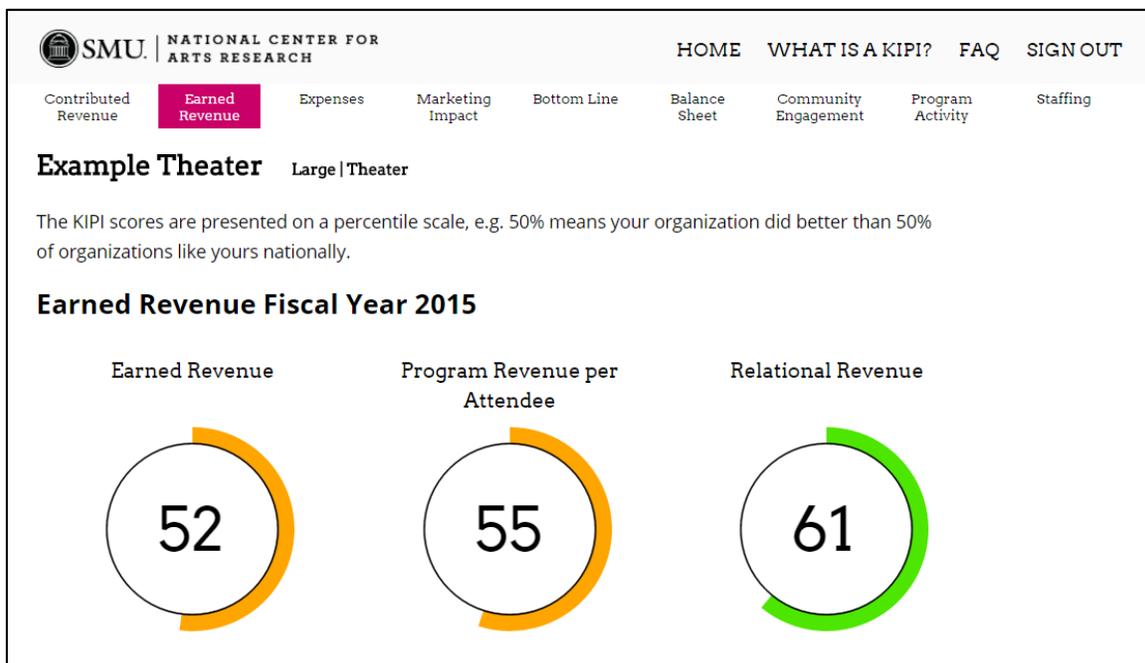
Organizations will also be able to track their KIPI performance trends on each index over a five-year period, see the index-related data they entered in the CDP each year that generated those KIPIs, and see what their performance would have had to have been in order to increase the scores by 10 points:

## Relational Revenue

Example Theater   Large | Theater

What extent do membership and subscription revenues cover expenses?
The Relational Revenue KIPI score shows your organization's relative performance on the percentage of total expenses covered by earned revenue from members and/or subscribers: unrestricted subscription/membership earned revenue divided by total expenses (before depreciation).

Relational Revenue KIPI score

Your **Relational Revenue** score is **61** for **2015**. This means you ranked higher on this measure than **61**% of organizations like yours.
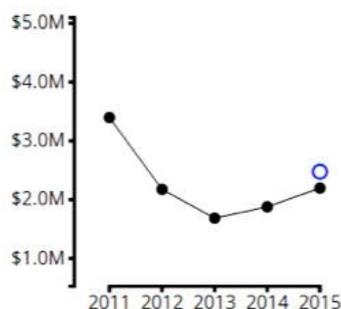
Your Relational Revenue KIPI Score
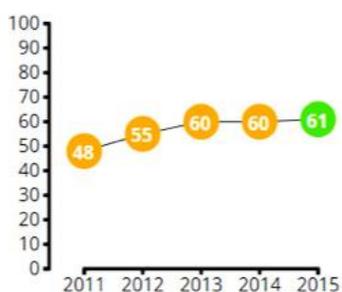
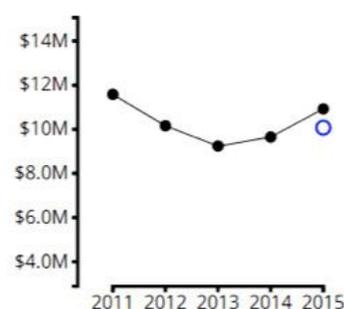**Membership & Subscription Revenues / Total Expenses**

If you decide that scoring better on this index is a goal, you would need to increase your Membership & Subscription Revenue or decrease your Total Expenses.
Roll over the dots to see your exact amount

Your Membership & Subscription Revenue   Your Total Expenses

Close

In 2015 your KIPI score for Membership & Subscription Revenue was **70**. To increase it by 10 points, the Membership & Subscription Revenue would need to be $2,474,888.

In 2015 your KIPI score for Total Expenses was **40**. To increase it by 10 points, the Total Expenses would need to be $10,075,207.

Where do I go from here?

· Resources on how to improve your score
· What did you take into account in determining my score?
· Want to see what is the average on this index for organizations in your sector and of your size?
· What drives performance on this index?

Beth Tuttle, president and chief executive officer of DataArts, said, "We are pleased that our partnership with NCAR has produced such an important tool to empower cultural managers with data-driven insights about their organizations' performance relative to peers in the field. This is just the first of many initiatives that will leverage the reach of the DataArts platform across the cultural sector and activate the potential of shared data to advance the arts, culture, and humanities."

In its beta-testing phase, leaders from arts organizations around the country have already reported on the usefulness of the KIPI Dashboard. Cheryl Blumenthal, director of information and compliance at Children's Discovery Museum of San Jose, commented, "We take great pride in what we do and how we operate Children's Discovery Museum, and we were pleased to see these efforts validated in our high Dashboard scores. We plan to share this information with our board, and as we become more familiar with the Dashboard, and with the trend data in particular, we hope to discover ways that it can help support planning of new initiatives and decisions."

Tim Johnson, managing director of Kitchen Dog Theater in Dallas, said, "The Dashboard really helped highlight some of the faulty underlying assumptions we work from as a company. Happily, the big surprise was that we are actually doing much better than the national average in a number of areas that we have traditionally viewed as areas of weakness."

Additional Help for Organizations

Organizations that want to improve their scores will find helpful information and articles on NCAR's Resources page that can help shed light on each of the nine index areas, as well as on strategic planning, arts education and conducting research. In addition to articles, the Resources page lists consultants who can help an organization with expertise in each area. NCAR itself does not provide consulting services, but will soon begin sharing success stories from high-performing organizations on the website. Organizations contributing data through the DataArts platform also gain access to educational resources designed to support data-informed organizational planning and management.

About NCAR

In 2012, the Meadows School of the Arts and Cox School of Business at SMU launched the National Center for Arts Research (NCAR). The Center, the first of its kind in the nation, analyzes the largest database of arts research ever assembled; investigates important issues in arts management and patronage; and makes its findings available to arts leaders, funders, policymakers, researchers and the general public. The vision of NCAR is to act as a catalyst for the transformation and sustainability of the national arts and cultural community. Using data from DataArts and its Cultural Data Profile, other national arts service organizations, and government sources such as the Theatre Communications Group, the League of American Orchestras, the National Endowment for the Arts, the Census Bureau, and the National Center for Charitable Statistics, the National Center for Arts Research is creating the most complete picture of the health of the arts sector in the U.S.

NCAR develops reports based on this uniquely comprehensive set of arts organizations' data, integrating organizational and market-level data. It assesses the industry from multiple perspectives, including sector/art form, geography, and size of the organization, and it determines what drives health from the organization's conditions and its community's characteristics. Recent publications include a white paper on diversity and equity in the arts, reports on the health of the U.S. arts and cultural sector, and most recently NCAR's 2016 Arts Vibrancy Index, which outlines the 20 most arts vibrant communities around the country.

The goals of the Center are to become the nation's leading source of expertise on: 1) arts attendance and patronage; 2) understanding how managerial decisions, arts attendance, and patronage affect one another; and 3) the fiscal trends and fiscal stability of the arts in the U.S., and to create an in-depth assessment of the industry that allows arts and cultural leaders to make more informed decisions and improve the health of their organizations.

The project's indices were created in partnership with TRG Arts, Nonprofit Finance Fund and numerous field leaders. IBM and Linchpin Programming contributed to the creation of NCAR's Dashboard. The Center also partnered with the Boston Consulting Group to develop its mission, vision and long-term strategies.

NCAR's director is Dr. Zannie Voss, chair and professor of arts management and arts entrepreneurship in the Meadows School of the Arts and Cox School of Business, and Dr. Glenn Voss, endowed professor of marketing at Cox School of Business. Through this leadership, NCAR sources its cross-disciplinary academic expertise in the fields of arts management, marketing and statistics from Meadows and Cox faculty.

More than a dozen visionary foundations and individual arts patrons have supported NCAR with financial investments, including the Communities Foundation of Texas, Doris Duke Charitable Foundation, M.R. & Evelyn Hudson Foundation, Carl B. & Florence E. King Foundation, T.J. Brown & C.A. Lupton Foundation/Kit Moncrief, The Tolleson Family Foundation, Jennifer and Peter Altabef, Marilyn Augur, Diane and Hal Brierley, Belle and Donald A. Berg, Molly Byrne, Bess and Ted Enloe, Melissa and Trevor Fetter, Ann and Trey Fielder, Carol and Don Glendenning/Locke Lord LLP, Ann and Lee Hobson, Jeanne R. Johnson, Nancy Nasher and David Haemisegger, Nancy Perot, Sarah and Ross Perot, Jr., Bonnie Pitman, Caren Prothro, and Donna Wilhelm.

For more information, please visit the NCAR website at smu.edu/artsresearch.

About DataArts

DataArts is a nonprofit organization that empowers the arts and cultural sector with high-quality data and resources in order to strengthen its vitality, performance and public impact. The Cultural Data Profile (CDP) is DataArts' flagship service, which thousands of cultural nonprofits use annually to report their financial and programmatic information. DataArts is a catalyst for data-informed decision-making that results in stronger management for arts and cultural organizations, better-informed philanthropy, and a rich information resource for advocates and researchers. For more information, visit www.culturaldata.org.

About the Meadows School of the Arts

The Meadows School of the Arts, formally established at SMU in 1969 and named in honor of benefactor Algur H. Meadows, is one of the foremost arts education institutions in the United States. The Meadows School offers undergraduate and graduate degrees in advertising, art, art history, arts management and arts entrepreneurship, corporate

communication and public affairs, creative computation, dance, film and media arts, journalism, music, and theatre. The goal of the Meadows School of the Arts, as a comprehensive educational institution, is to prepare students to meet the demands of professional careers. The Meadows School is a leader in developing innovative outreach and community engagement programs, challenging its students to make a difference locally and globally by developing connections between art, entrepreneurship and change.

The Meadows School of the Arts is also a convener for the arts in North Texas, serving as a catalyst for new collaborations and providing critical industry research. For more information, visit www.smu.edu/meadows.

About the Cox School of Business

SMU's Cox School of Business, originally established in 1920 and named in honor of benefactor Edwin L. Cox in 1978, offers a full range of undergraduate and graduate business education programs. Among them: BBA, Full-Time MBA, Professional MBA (PMBA), Executive MBA (EMBA), Master of Science in Accounting, Master of Science in Business Analytics, Master of Science in Entrepreneurship, Master of Science in Finance, Master of Science in Management, Master of Science in Sport Management, and Executive Education. The school also offers a number of unique resources and activities for students, ranging from its Business Leadership Center, Caruth Institute for Entrepreneurship, Folsom Institute for Real Estate, Latino Leadership Initiative, Maguire Energy Institute and Global Leadership Program to its Associate Board Executive Mentoring Program, and an international alumni network with chapters in more than 20 countries.

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