

Retired Heads of Mission Association

**“Putting the *National* Back
in the
National Arts Centre”**

**February 15, 2006
Royal Ottawa Golf Club
Aylmer, Quebec**

**Notes for remarks
by Peter A. Herrndorf
President and CEO
National Arts Centre**

[12:00 noon – Meet and greet with RHOMA members for pre-luncheon drinks. Lunch runs from approximately 12:30 p.m. until 1:00 p.m. Peter will be introduced following lunch.]

[1:00 p.m. – Peter Herrndorf]

Thank you very much for your kind introduction, Tom... and good Afternoon, ladies and gentlemen. Bonjour, mesdames et messieurs. Je suis très heureux d'avoir été invité pour vous parler aujourd'hui.

I suspect that all of you... like me... followed last month's federal election campaign with a level of fascination... bordering on voyeurism.

One of the election themes that I found most discouraging was the complete absence of any discussion or debate during the campaign about the role of the arts in our society.

The lack of "air time" that the arts received was particularly frustrating because it represented such a profound disconnect from the reality of working in the arts in the early part of this still new century. We live in an amazing time for the arts in Canada... and all of us should be proud of the extraordinary success that our artists are having around the world. In literature, music, comedy, theatre and dance, our artists symbolize Canada for much of the world... and they are arguably Canada's most important "export product".

Everyone at the National Arts Centre is thrilled about that level of success, and we're proud to be playing a critical role in nurturing and sustaining those artists in communities all across the country.

The National Arts Centre opened its doors in 1969 - an extraordinary organization led by an extraordinary man. Hamilton Southam's passion for the performing arts helped guide the creation of the National Arts Centre and, as our first Director General, he infused the NAC's early years with his sense of excitement and his commitment to the arts.

The 1960s were a time of enormous creativity in Canada. The nation was celebrating a century of achievement, and Canadian artists and writers began to receive national recognition and international acclaim. As a symbol of Canada's new-found confidence, and as a national showcase for the very best in the performing arts, the federal government created the National Arts Centre as a centennial project for all Canadians. It meant that the National Arts Centre was born through an act of will - and an Act of Parliament.

Our mandate was unique. We featured five performing arts disciplines: classical music, theatre, dance, opera and variety. We embraced the culture of Canada's two official languages. And, most importantly, we served as a catalyst for the performing arts nationally ... working with and supporting artists and arts organizations in communities across the country.

The first ten years were heady times for the NAC. But in the decades that followed, the National Arts Centre began to drift away from the boldness of Hamilton Southam's original vision.

We became complacent. We stopped being a centre of creativity. And our program budgets began to shrink. Parliament gave us less money and, when faced with the choice of generating far more of our own revenue or making do with less, we had neither the instincts nor the skills to become more entrepreneurial. We began, instead, to compromise on artistic quality.

Orchestra tours were cut back. Original productions were scaled down. Resident theatre companies were disbanded. And the NAC gradually withdrew from much of its national role as well, and from the commitment to support artistic development across the country.

By the summer of 1999, the National Arts Centre was in serious trouble:

- a) the organization had gone through six or seven different CEOs during the 1990s, and not surprisingly, the relationship between the Board and the senior management had deteriorated significantly;

- b) the NAC had lost a good deal of its confidence and self-esteem... and was suffering from a plummeting morale;

- c) the NAC's internal culture was increasingly counter-productive – internally focussed, bureaucratic... and largely reactive;
 - d) The NAC had no clearly-stated long-term direction;
 - e) The organization's artistic ambitions had begun to shrink... and it began to discourage... in all kinds of subtle ways... the kind of artistic risk taking and innovation that's the lifeblood of any creative organization.
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Today, the situation has changed completely. The NAC is going through one of its most exciting and creative periods ever; we've launched new initiatives in every artistic discipline; we've set records in box office and subscription revenue; the NAC has had operating surpluses for six years in a row; and we're regularly in the press – both locally and nationally... and Pinchas notwithstanding, usually for the right reasons!

I wish I could tell you that this change of fortune was simply a case of serendipity... or an example of alchemy... but no one in this room would believe it. The transformation, as all of you would suspect, took a tremendous amount of effort by David Leighton, the Board and the NAC staff... and I'd like to spend the remainder of my time telling you how it came about. The blueprint for stabilizing and re-energizing the organization involved seven critical steps:

- 1) rebuilding staff morale and self-esteem –by stressing stability... re-establishing trust... and communicating a strong sense of confidence and optimism about the future;
- 2) developing a clear and coherent strategic direction for the National Arts Centre;
- 3) recruiting a superb artistic leadership team;
- 4) re-establishing the NAC’s artistic reputation... and placing far greater emphasis on artistic expansion and innovation;
- 5) strengthening the NAC’s national role, and clearly repositioning and rebranding the organization for both the arts community... and for the general public;
- 6) changing the NAC’s internal culture;
- 7) and finally, putting the NAC’s financial house back in order... and developing a new financial model built around the organization being more entrepreneurial... and generating dramatic increases in our earned revenues.

While we don’t have time this afternoon for me to elaborate on all of these initiatives, I would like to focus on a few of them.

The first thing we had to do, of course, was to re-establish a clear vision... and a clear strategic direction for the organization. We involved almost everyone in the organization in this process (using everything from staff retreats to weekly employee breakfasts)... and in September of 2001, we released the NAC's Strategic Plan –called *Restoring the Vision*. The strategic plan was candid in its assessment of the organization's strengths and weaknesses, and made the case for the NAC returning to its roots – back to the vision of our founder, Hamilton Southam. A vision of the NAC as a national showcase for the performing arts in Canada... and as a centre for creativity, innovation and artistic excellence.

The strategic plan was also helpful in another way –it spelled out the NAC's four strategic goals with great clarity:

The first goal – artistic expansion and innovation—made it clear to our employees and to our stakeholders that we would be putting the emphasis... and the excitement... back on our stages; the second goal stressed the NAC's national role... and described the kinds of national activities we would embrace; the third goal emphasized a far greater commitment to youth and education activities – as a central focus for the organization; and the fourth goal outlined the NAC's new financial strategy – an organization more willing to take risks... and committed to significant increases in its earned revenues over the next decade.

With a clear sense of direction in place, the NAC began to focus on an even more ambitious goal –recruiting the best artistic leadership team in North America.

I think we've been extraordinarily fortunate in the pursuit of that goal... and the NAC's artistic leadership team – Maestro Pinchas Zukerman, Marti Maraden (and since November Peter Hinton), Denis Marleau, Cathy Levy and Michel Dozois— have had an amazing impact across the country... and around the world. Under their leadership, the NAC has been enjoying one of its most innovative periods ever in music, theatre and dance.

All five of them have created superb program seasons for National Arts Centre audiences, but each of them has also created a number of those “magical” artistic moments that patrons remember and talk about for years to come.

Let me give you a few examples from the past two seasons: Pinchas Zukerman and cellist Yo Yo Ma playing together at the NAC Gala in September 2004 (which, to a Canadian, is a little like having Wayne Gretzky and Gordie Howe playing on the same hockey line); or last week's spine-tingling Shostakovich Violin Concerto by young Siberian violinist Vadim Repin, making his NAC debut; Cathy Levy's major *coup* last year bringing international superstar Pina Bausch and her groundbreaking dance company, Tanztheater Wuppertal, to Canada for its only Canadian appearance in almost 20 years; Marti Maraden's exquisite and intimate production of *Trying*, an award-winning play by Canadian playwright Joanna Glass... and John Mighton's powerful and evocative new play, *Half Life*; Denis Marleau's innovative productions like *Les sept doigts de la main* and the

equally stunning *Les Aveugles*; and back by popular demand, the NAC's Fourth Stage presentation of *5 Shades of Geggie*, an improvisational jazz series featuring renowned double bass player, John Geggie.

We also began to make a 180 degree turn in our approach to playing "a national role" in the performing arts. After almost a decade of "pulling back" from these activities, we returned to our original role with a renewed sense of passion and commitment.

We began by making the critical decision to return to annual touring in music, theatre and dance... and it's had a galvanizing effect. The NAC Orchestra, under Pinchas Zukerman's inspired leadership, has... as a result... toured the Middle East and Europe; and completed highly successful performance and education tours of Atlantic Canada, the United States and Mexico, British Columbia and, this past fall, Alberta and Saskatchewan. Later this year, we tour Quebec... and in 2007, Japan and China. Denis Marleau has given the NAC's French Theatre national and international visibility... thanks in part to extensive international tours of his own productions including *La Dernière Bande*, *Le Moine noir*, *Les Reines* and *Nous étions assis...* . And our production of *Copenhagen* enjoyed an extended commercial run in Toronto when Ed and David Mirvish presented it as part of their 2003-2004 season.

We've also expanded the number of co-productions (or joint ventures) we're doing with theatre and dance companies across the country... and beyond our

borders. Last year NAC's English Theatre and the Canadian High Commission in the U.K. brought readings of four of the most dynamic, new Canadian plays to U.K. audiences for the first time, at the prestigious Old Vic Theatre in London.

And we're increasing our emphasis on commissioning and developing new works from composers, playwrights and choreographers. Almost four years ago now, we announced that we would be commissioning new compositions from three of Canada's most distinguished composers, Denys Bouliane, Gary Kulesha and Alexina Louie. Since then, each of the three has premiered a new work at the NAC and has toured with the NAC Orchestra. In addition, we've developed and presented a significant number of new Canadian plays – plays like *Mary's Wedding*, written by a remarkable young Calgary playwright, Stephen Massicotte. In dance, we've commissioned three new choreographic works for young audiences over the past three years, including *Diary/Journal Intime* which premiered at the NAC earlier this month.

And in a shameless plug, I want to let you know that we're well underway with the program planning for our third national festival, celebrating the different parts of the country. It's called *La Scène Québec* - a 16-day arts festival in the national capital region in April of 2007, showcasing more than 700 performers from Quebec ... in twenty-five different venues on both sides of the river.

The festival will include classical and popular music, dance, theatre, comedy, film, the visual arts and food... and will focus national attention on one of the most fascinating parts of the country. We're committed to producing a major

national festival of this kind every two years, building on the success of the *Atlantic Scene* in 2003 and the *Alberta Scene* in 2005. And we're already planning the *British Columbia Scene* for 2009.

Our new initiatives in youth and education have also been exciting. Now in the planning stages for its 8th season, the NAC hosts Canada's most influential training programme for eighty of the world's most talented young musicians each year in June. *The Summer Music Institute* features our Young Artists Programme for instrumentalists; our annual Conductor's Workshop; and our Young Composer's Programme... which will be led this year by Gary Kulesha. This means we're bringing some of the very best young musicians in the world to Ottawa each summer... to learn and to be inspired by Pinchas Zukerman, to be taught by a brilliant international faculty... and to learn and be inspired by one another.

But it doesn't stop there. We've created study guides on the world's greatest composers, which we've distributed to all of the elementary schools across Canada; we scheduled more than ninety educational events during the Orchestra's recent Tour of Saskatchewan and Alberta, including master classes and student matinées; we've created a national, interactive website called *ArtsAlive .ca* for students, parents and teachers... so that they can learn a lot more about music, theatre and dance. And we offer *Live Rush* tickets to provide cheap rush seats to high school, college and university students.

Let me conclude by telling you about the last of our strategic goals – the creation of a more business-like and more entrepreneurial organization.

We began this process by setting very clear targets... and rethinking our pricing strategies... for all of our major revenue generating units: our box office and subscription office; our commercial parking operation; and our restaurant and catering division. As I mentioned earlier, our Marketing Department has done an exceptional job, and we now have about 32,000 subscribers ... and a larger subscriber base than any other “not for profit” arts organization in the country. But we’ve also had good results from our parking and food service business units, and we’re determined to increase our net revenues significantly every year for the rest of the decade.

The big breakthrough, however, has come in fundraising. We began by luring Darrell Gregersen, one of the country’s top fundraising executives, from Sick Kids’ Hospital in Toronto to the NAC... and we moved from there to creating a National Arts Centre Foundation as the focal point for our philanthropic and sponsorship activities. Darrell, Guy Pratte and David Leighton have been able to recruit a superb national board for the Foundation over the past three years... and just to be on the safe side, we’ve also created an American foundation – chaired by the former American Ambassador to Canada, Gordon Giffin.

The Foundation has brought great professionalism to our fundraising activities across the country. We raised close to \$1 million in Alberta last year to support our *Alberta Scene* activities; we raise enough money to give all the young

Canadian musicians coming to the *Summer Music Institute* each year a full scholarship. And our annual NAC fundraising gala, which takes place in the fall, is another very good example. Last year, our eighth annual gala attracted TELUS as the presenting sponsor... along with a number of other significant sponsors from all over the country... and we raised a record \$870 thousand. Through its combined fundraising efforts, the Foundation raised more than \$6.3 million for the NAC last year, and each year we raise the bar higher. We know that it won't be easy to achieve, but it's going to provide the entire organization with a wonderful challenge for the next few years.

As you can tell, the NAC is tremendously excited by what's been happening here over the past few years... but we believe that the best is still to come. We hope that all of you will continue to be part of this wonderful artistic adventure.

Thank you again for inviting me to speak at your luncheon today... and I look forward to fielding your comments or questions.