

# Excerpts from the “Financial and Structural Analysis of the Canada Dance Festival and the Festival international de nouvelle danse”

## Summary

June 8, 2005

This study was prepared for the Department of Canadian Heritage, the Canada Council for the Arts and the Conseil des arts et des lettres du Québec.

## **Preamble**

This document is a summary of excerpts from the “Financial and Structural Analysis of the Canada Dance Festival and the Festival international de nouvelle danse,” a study commissioned and funded by the Department of Canadian Heritage, the Canada Council for the Arts and the Conseil des arts et des lettres du Québec. In order to respect the confidentiality of the information supplied to the funding partners by their clients, certain information directly pertaining to the festivals have been removed in accordance with the Access to Information Act.

The views or opinions expressed in the study are strictly those of its authors and do not necessarily represent those of the fund providers or of the Government of Canada

Ce document est aussi disponible en français.

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## **Background**

With the support of the Canada Council for the Arts (CCA), the Conseil des arts et des lettres du Québec (CALQ) [Quebec council on the arts and letters], the Department of Canadian Heritage (PCH) commissioned Gagné Leclerc Groupe Conseil, a consulting firm, to prepare two reports on contemporary dance. The first is a financial and structural analysis of the Canada Dance Festival (CDF) and the Festival international de nouvelle danse (FIND). The second is an environmental scan of the contemporary dance presentation milieu.

The reaction prompted in the contemporary dance community by the cessation of activities of the FIND, and the subsequent efforts of several organizations to replace it, have highlighted the need to close the gap left by the FIND. In the same vein, the significant programming cutbacks in the 2004 edition of the Canada Dance Festival (CDF) necessitated by their financial difficulties had a major impact on the community. The reactions in question have underscored the importance of festivals within the community as whole.

## **Mandate**

This report, the first of the two, reflects Work plan 1, which notes that “it is essential that the dance community, national/international festivals (whether new or established), and their funding partners have a solid understanding of the challenges that the CDF and the FIND had to face.”

## **Methodology**

This report is based on both an analysis of archival documents and a Canada-wide consultation with members of the contemporary dance community.

The main issues analyzed involved finances, structures, human resources, leadership, artistic programming, community support, audience development and communications, and the local and regional contexts of the CDF and the FIND.

The sequence of events and context surrounding the “crisis” experienced by the two festivals were developed from public and confidential documents obtained from the files of the Canada Council, Canadian Heritage, the Conseil des arts et des lettres du Québec, and the FIND

collection located at the National Archives. The excerpts of the study released publicly respect the confidential nature of this information. A document search involving studies of festivals and cultural events was also undertaken in order to gain insight into current issues in this field.

Consultations were undertaken through both individual interviews and group discussions with 128 key representatives of Canada's contemporary dance community. Participants were selected so as to ensure representation in terms of both regional distribution and professional role (performing companies of varying sizes, presenters, organizational representatives, etc). The results of the consultation are presented in this report in a way that maintains confidentiality and the anonymity of participants.

## **Study Constraints**

At certain stages, various factors stood in the way of the analysis conducted for this report, to one degree or another, including:

- The lack of certain documents and information;
- The many different methodologies and accounting records, which made comparisons difficult;
- Discrepancies in data from one source to another;
- The impossibility of interviewing all of the people involved in the festivals in question;
- The dearth of studies on cultural festivals.

## **Some Key Concepts for Understanding Specialized Cultural Festivals**

The first part of the report offers some keys to understanding the environment of specialized festivals and briefly discusses the environment of contemporary dance presentation, festival definitions and typologies, their functions, partners, the major planning stages typical of festivals, and the economic model they apply. The main points raised in this section are as follows:

- Festivals of contemporary dance play an important role in presentation, not only because they offer audiences direct access to the artform, but also because they tend to provide points of contact and exchange between performing companies and other presenters. They may therefore have a multiplier effect on dance presentation at the local and/or international levels. In other words, aside from their main role in presenting to audiences, contemporary dance festivals can also act as catalysts for other presenters.

- There are problems involved in developing a clear definition of festivals and their typical features. This challenging conceptual exercise reflects the complexities inherent in the festival phenomenon and the difficulties faced by both analysts and funders in trying to reconcile the many different forms festivals may take. Above and beyond attempts to classify them, each festival should be considered unique.
- A specialized festival can have many purposes, depending on whether the focus is the audience; the disciplinary community (creators, presenters, cultural funding bodies); or funders from outside the cultural arena. Faced with a range of possible and sometimes contradictory functions and roles, a festival is obliged to establish its priorities and make choices. Difficulties may arise if the resources at their disposal do not match the scope of the functions they envisage, or if external partners have expectations that do not match the organization's mandate or resources.
- It is the responsibility of festival organizers to position their event carefully and win the support of various partners, including audiences, funding bodies, the private sector, the dance community, dance presenters and venue operators, and the media. A festival organization's ability to collaborate is a crucial part of success. At the same time, the involvement of partners creates expectations, which, when interpreted as goals to be achieved, can create tensions. Festivals must face and resolve both internal challenges (governance, artistic programming, management and human resources, marketing, etc) and external ones with partners. It may take no more than a problem in one partner relationship for a festival to see its development curtailed and its very survival put at risk. Organizers must strive constantly to create and maintain an in-depth, solid and supportive partnership network.
- Planning and executing a biennial festival entails major risks inherent to this type of event that can only be attenuated through the use of multi-year funding formulas.
- The economic model underpinning festivals such as the FIND and the CDF is crucially affected by two key factors: the impact of the biennial structure and the implications of being event-oriented. The biennial nature of a festival generally creates continuing pressures on the organization's personnel. These pressures come into play alongside the search for greater visibility and the desire to maintain ongoing relationships with the private sector. These factors explain why the majority of biennial festivals strive at all costs to get their organizations onto a permanent annual cycle. The event-driven nature of such festivals, i.e., the presentation of a series of shows over a very short period, means that it is almost impossible for a festival to cover the expenses involved in presenting their events (high fees, technical costs, etc).

## Financial and Structural Analysis of the CDF and the FIND

These sections have been removed in order to maintain the confidential nature of the information provided by the organizations concerned, in accordance with the Access to Information Act.

## Difficulties and Challenges Shared by the CDF and the FIND

The report examines the shared difficulties and issues faced by both the CDF and the FIND concerning their internal management and relations with other stakeholders.

### ***Shared challenges related to internal management***

Regarding internal management, the two festivals shared the challenges associated with the following factors:

- The biennial timing of each event;
- The risks associated with diversifying and having to depend more on public funding;
- The problems involved in finding directors to sit on their boards.

The two festivals had to operate on a two-year cycle, which had a significant impact on their human resources, cash flow management and visibility.

When their last editions took place, both the CDF and the FIND received substantial public subsidy. Both were confronted with issues concerning the diversification of financing sources and the need to match trusted and reliable sources with the activities flowing from their basic mandate. The structure and nature of financing arrangements was not, however, the same for both festivals, as they each faced a somewhat different set of challenges and issues.

An analysis of the CDF's public funding for the 1996, 2002 and 2004 cycles shows that during this period:

- The amounts granted by public funders<sup>1</sup> increased by almost 25%;
- In 2004, 89% of this funding came from bodies whose mandate is to support cultural activities;<sup>2</sup>
- In 2004, the Government of Canada contributed a significant portion of the CDF's total revenues, equal to 80% of the public funding, the provincial government and the municipality provided the other 20%.

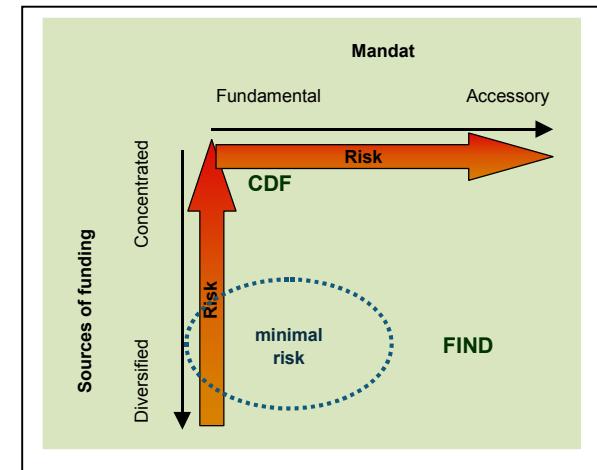
An examination of the FIND's public funding between 1995 and 2003 indicates that:

- Public funding of the FIND grew significantly, 72%;
- Support from the Quebec government increased between 1995 and 2003;
- Only 40% of the growth in public financing came from the four funding bodies that offer relatively stable support to the cultural sector<sup>3</sup>;
- "Stable, cultural" financing sources represented only 61% of public funding for the 2003 cycle (75% in 1995);
- The portion of the FIND revenues from public sources that were non-recurring and had differing objectives more than doubled between 1995 and 2003, thereby undermining the FIND's financial structure.

Generally speaking, the risks attached to public funding for a cultural organization are lower when:

- There are several funding bodies involved;
- The mission of the funding bodies in question is to support culture.

Thus, the risks attached to public funding are kept to a minimum when an artistic organization is supported by a variety of funding bodies whose mission is to support culture. As the accompanying figure illustrates, the CDF and the FIND were in quite different situations. The CDF was supported by a small number of funding bodies whose mission was



<sup>1</sup> With the exception of special grants for the 2004 edition.

<sup>2</sup> The Canada Council for the Arts, the Department of Canadian Heritage and the Ontario Arts Council.

<sup>3</sup> The Canada Council for the Arts, the Department of Canadian Heritage, the Conseil des arts et des lettres du Québec and the Montreal Arts Council.

to support culture, whereas the FIND was supported by a large number of funders that devoted significant resources to other sectors or objectives.

As for the challenges of internal management, the report points out that the CDF and the FIND both encountered difficulties from time to time in recruiting board members. This can be explained by the kind of activities at stake, the low profile of contemporary dance among members of the public and the serious problems encountered concerning private funding, which may have made board membership less attractive to certain potential candidates.

### ***Shared challenges associated with the external environment***

The report goes on to deal with the complex external environment in which the CDF and the FIND had to work. It looks at the various challenges, obstacles and issues arising from the relationships specialized festivals have with their partners (audiences, funders, the private sector, the artistic community, presenters and venue operators, and the media).

In addition to identifying the various kinds of partnerships and the numerous, and often contradictory, expectations arising from them, the report puts them in context by considering the changes and recent trends that have taken shape both inside and outside the contemporary dance community and its festivals since the 1980s, in particular:

- The creation of numerous contemporary dance companies;
- Expanded offerings in terms of number of productions;
- More developed national and international contemporary dance presentation;
- The development and metamorphosis in both cultural and non-cultural festival event organizations.

The report suggests an analytical framework for understanding the various alliances specialized festivals must nurture and the challenges these create for festivals, including:

- In terms of audiences, the need to cope with the limited audiences for contemporary dance, the need to satisfy a more heterogeneous audience;



- In terms of funders, the problems inherent in dealing with large bureaucracies while juggling a mix of funders who each have different mandates and interests;
- In terms of the private sector, the problems inherent in seeking funding from the corporate sector and being able to respond to their needs and requirements;
- In terms of the creators, the problems involved in dealing with the growth in the number of companies and their varying expectations while giving the artistic direction the freedom to do programming;
- In terms of the media, the need to invest in promotion while maintaining financial stability, to generate media interest and stand out from others, despite the media “clutter” and lack of any star system;
- In terms of dance presenters and venue operators, the need to maintain good relations with them and avoid jeopardizing their programming, while trying to appeal to them given the significant competition among festivals.

The overall finding concerning these shared external challenges is that specialized festivals are all obliged to keep redefining and repositioning themselves in order to adapt to new realities and to the factors that affect their stature, their role and their ability to survive.

Every festival must therefore make its way through a maze of often-contradictory expectations, which are in turn influenced by an ever-changing environment. The health of these specialized festivals is dependent on winning the cooperation of the other players and reconciling many different goals and needs. For those in charge of these events, this means investing a lot of energy and resources in developing a range of specialized and complementary skills.

## **A Look at other Festivals**

This section of the report looks at other festivals in order to identify possible points of comparison and give more depth to the overall analysis. Of course, all comparisons are limited in that each festival works in a unique context.

### ***Specialized festivals in Canada***

While the FIND and the CDF were, from the outset, pioneers and leaders in the field of Canadian dance festivals, regional festivals have also been developing across the country. The report enumerates the festivals in question and emphasizes that this is a recent phenomenon; that these festivals have very meagre resources; and that very few of them are linked together in some form of partnership.

### ***The main international dance festivals***

After listing the main international dance festivals that were identified in the course of interviews as events that were both important and successful, the report presents the main reasons offered to explain their success, as follows:

- They managed to achieve a high profile and maintain it over the years;
- Their managers showed an ability to adapt to change, a requirement in a discipline that changes often;
- They are positioned clearly;
- Their programming is of world-class quality and presents good companies in good venues; they use an interesting mix of small, medium and large companies; they know how to take risks;
- They maintain links with their local setting, while exploring issues of global interest;
- Some offer residencies or co-produce, which encourages the development of choreographers;
- They feature a highly developed educational component and numerous tools for exchanges;
- They are well established in their communities;
- Their audience is behind them, their venues are full;
- They appear to be getting by financially.

It is important to note that many of the persons interviewed underlined that the festivals abroad probably faced the same challenges as the FIND and the CDF.

With limited resources, Canadian presenters rarely travel abroad to attend international dance festivals, which highlights the importance of the FIND as a way for presenters to see works from abroad and thus be able to follow the evolution of the discipline at an international level.

The persons interviewed identified the following festivals as successful events. One would note that European dance festivals dominate this list of events that the dance community considers “successful models”.

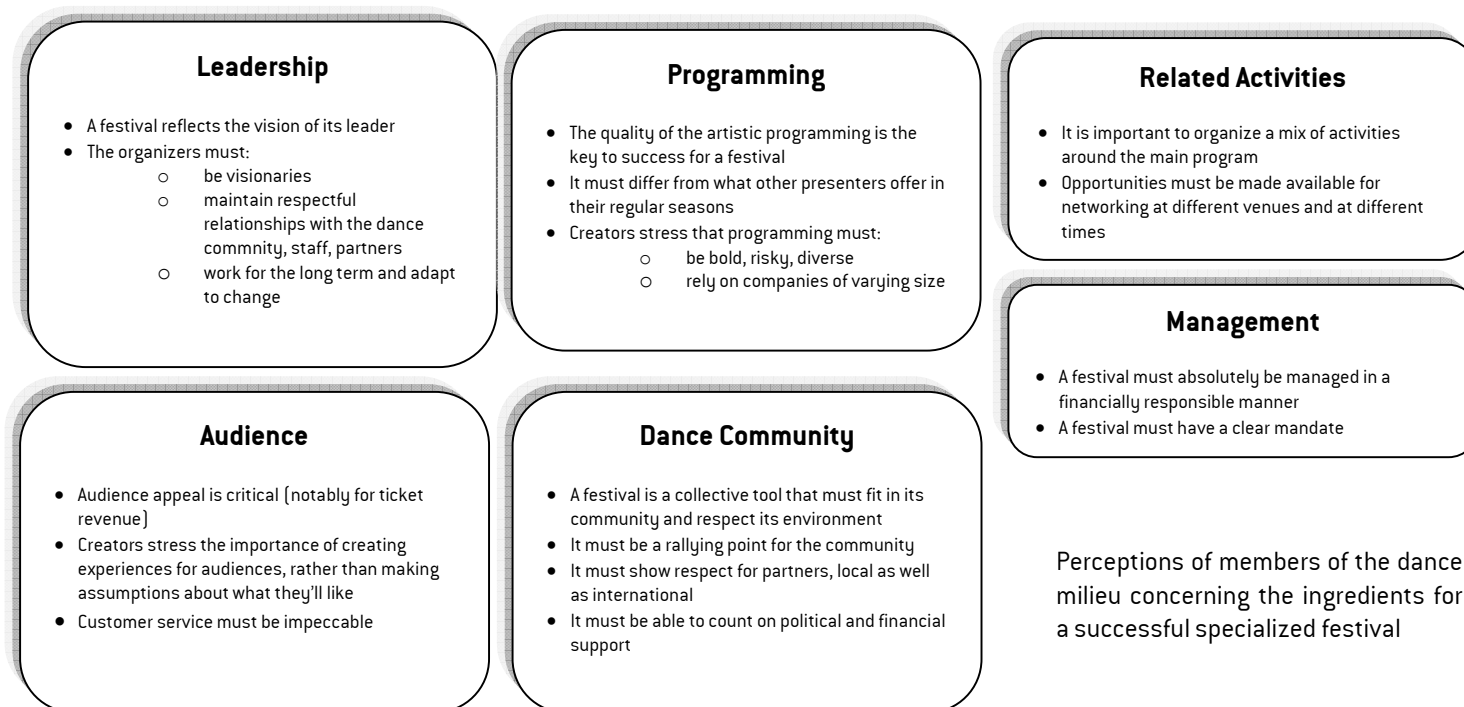
- Dance Umbrella, Edinburgh and Glasgow Dance Festival (UK)
- Festival Impulstanz, Vienna (Austria)
- Munich Dance Festival, Tanz im August, Berlin (Germany)
- Madrid en Danza (Spain)
- Venice Biennale (Italy)
- Festival international de Montpellier-Danse, Rencontres chorégraphiques Seine Saint-Denis, Festival d'Aix-en-Provence, d'Avignon, de Rouen, de Lyon (France)
- The Holland Dance Festival, Springdance in the Netherlands, Springdance Utrecht, Juli-Dans (Netherlands)
- Dansa Na Cidade, Lisbonne (Portugal)
- Four Days in Motion, Prague (Czech Republic)
- Festival internacional de Londrina (Brazil)
- Festival Cervantino (Mexico)
- Tokyo Performing Arts Market (Japan)
- Adelaide Festival of the Arts (Australia)
- Festivals in Poland, Moscow, Slovenia and Zagreb

## Needs and Expectations of the Dance Community and their Partners Concerning Dance Festivals

In this section, the report presents the results of interviews conducted by the firm on both the community's perceptions of the ingredients for a successful festival and the expectations expressed by the various stakeholders (creative community, presenters, funders).

### *Perceptions of the ingredients for a successful festival*

The perceptions collected through the consultative process concerning the ingredients for a successful festival can be grouped under six basic categories:



***Expectations on the part of members of the dance community concerning dance festivals***

Expectations on the part of members of the community concerning dance festivals, as drawn from interviews:

**Expectations of creators**

What creators want:

- a platform allowing them to be seen by local and international presenters, to get work, and enhance their credibility and prestige;
- reasonable fees and optimal conditions for presenting their work;
- for festivals to be current with trends in the discipline at the regional, national and international levels;
- for festivals to have funds for creating new work (co-production);
- to be able to develop professionally by attending related events and networking;
- for a festival to have a strong artistic vision and artistic directors willing to take risks;
- according to certain respondents, especially from Ontario, a festival should be as inclusive of all dance forms as possible;

**Expectations of presenters**

What presenters want:

- to see the best of the discipline, whether for programming purposes or to see what would be otherwise unavailable;
- network and share ideas with other presenters
- meet the artists;
- see a lot of work and meet a large number of people in a short time;
- see full performances and how they are received by audiences;
- be treated respectfully by festival organizers
- establish relationships with festivals beneficial to both parties;

**Expectations of funders**

What funding bodies want:

- for festivals to get results and for these results to be in line with their goals;
- feature quality programming;
- be accessible to the general public;
- host foreign guests in the appropriate manner;
- be managed by organizers who are readily accessible and good at their jobs;

Expectations members of the dance community have of dance festivals

## Some Observations on Redefining Existing and Emerging Contemporary Dance Festivals

In this section, the report offers some observations on redefining existing and emerging contemporary dance festivals. These observations are intended to draw attention to and create an analytical framework for various success factors, as well as pitfalls to be avoided, including mandate and mission, organization, audiences and other considerations.

### ***Mandate and mission***

- The mandate and mission must be clear and realistic.

Festivals must have clear, realistic mandates. They should be sharply defined and explicit, so as to avoid as much as possible any overlaps, misunderstandings or inappropriate expectations.

- The mandate and mission must be communicated clearly and understood by all concerned.

It is important that festivals communicate their mandate and mission clearly, and properly manage people's expectations.

- Artistic programming should be based on excellence.

A festival's artistic programming is inextricably bound up with its mandate and mission, and determines overall success, audience levels and the long-term survival of specialized festivals.

### ***Organization***

- There must be strong leadership and capable, transparent governance.

The senior management of a festival must be robust and capable, and maintain a transparent and continuing dialogue with the board of directors, which itself must show independence, accessibility and enthusiasm. Festival organizers must take a strong leadership position in order to establish, maintain and reinforce its links with partners.

- It is important to have permanent core staff.

Even if operating on a biennial basis, a festival must have a permanent, professional core staff to look after basic functions (including relationships with partners), as well as provide continuity from one edition of the festival to the next. The festival must find a balance between the necessity to have the required staff to implement its mission and the necessity to generate enough revenues to maintain a deficit free budget. The structure of the human resources must be adapted to the size of the festival.

### ***The audience***

- The audience needs to be the focus of attention.

The audience cannot be overlooked in the success equation, either by funders, organizers or creators. While adhering to its specific mandate, a specialized festival must draw as many spectators as possible, for four main reasons:

- to allow as many people as possible to know and appreciate dance;
- to give creators an outlet for expressing their talent and creativity;
- to generate earned revenues for the organization;
- to make best use of public subsidies.

The means to attract audiences must be measured and assessed in relation to the festival's mandate, its resources and attendance potential. There is no magic panacea for the limited attendance numbers achieved by certain specialized festivals and it would be simplistic to attempt to assess a festival's success by looking merely at attendance figures.

- Youth audiences have a role.

Given the importance of audience development, not only in terms of festival attendance, but also in terms of development of the dance discipline in general, specialized festivals would do well to consider the role to be played by youth audiences, in both programming and learning activities.

### ***Other considerations***

- Location of event

Generally speaking, the best location for a festival is one rich in resources associated with the discipline. In such cases, a festival benefits from both infrastructure and proximity to key players. In addition, the presence of a major partner is very helpful to the success of a festival. That being said, there are examples of successful festivals held in isolated locations. In the final analysis, it is clear that the key to success lies in dynamic leadership and the support of local partners.

- Finding the right place on the calendar

On the whole, festivals have to carve out a niche for themselves in an already overloaded events calendar; position themselves in an often cluttered media environment; and avoid creating competition with other festivals. Specifically, festivals have to take into account the seasonal operations of dance presenters and cycle of creation/production, with a view to fitting into the surrounding environment and acting as a real development tool for the discipline.

- Coexisting with other disciplines

Some observers have promoted the idea of specialized festivals from different disciplines joining together into a single multi-disciplinary festival. While this idea may be attractive in some ways, it presents its own problems – notably dissensions within the contemporary dance community and difficulties scheduling events in a way that will satisfy all parties.

### ***Financing***

Given the significant role of public funding in the financing of specialized festivals, it is crucial that a festival's mission, mandate and action plan be in line with anticipated levels of funding. By the same token, the requirements laid down by funding bodies must be consonant with the resources they put at the disposal of any particular festival. It is also imperative, in order to forestall unrealistic expectations, that the dance community and their partners understand the mandates and action plans in question. In terms of sound management of public funds, it goes without saying that festivals are responsible for producing the anticipated results, while the funding bodies are responsible for assessing these results.

Beyond the challenges and obstacles that face contemporary dance festival organizations, it is important to appreciate how important these two festivals were for the dance community and the artform. The report emphasizes the need for these instruments and for having them function in a way that benefits contemporary dance in Canada, helping to ensure that it continues to evolve and remains one of our leading lights in the international cultural scene.