



BASA CASE STUDY – November 2010

The South African Ballet Theatre: A case for sustainability

Written by Diane Coetzer

It's no secret that funding of the arts, is under enormous strain.

Just recently renowned UK theatre director, Sir Peter Hall told the UK Guardian newspaper that his greatest regret "is that we seem to be fighting the subsidy battle all over again". The 80-year-old lamented that politicians "don't seem to grasp the spiritual, social and economic case for the arts".

So how do arts projects and companies in South Africa – where the competition for resources is even tougher – stay afloat? And, more than that, move to a sustainable model that ushers them safely into the future?

This was the challenge facing The South African Ballet Theatre (SABT) over the past few years – and one that was even tougher for the Braamfontein-headquartered company given that ballet is one of the most expensive art forms to mount.

Fiona Budd (Managing Director: SABT) and James Campbell (Chairman: SABT Trust; Vice-Chairman: SABT Board) spoke to Business and Arts South Africa about what key initiatives, changes and assistance they sought to take this renowned ballet company into a level of sustainability that is enabling the SABT to thrive, close to a decade after it was founded.

For Budd and Campbell, the challenges identified by the SABT were many – not least of which is the worldwide trend that sees ticket sales for ballet bring in just a third of the income necessary to run a company. This means the SABT has to source two-thirds of its budget through other means, including external funders and fundraising initiatives. In addition, unlike the ballet companies of old (like PACT Ballet), SABT can't rely on an admin infrastructure (HR, payroll, marketing, wardrobe, IT, archives) to back it up and has to handle all these aspects itself – alongside mounting productions.

Key to moving SABT to sustainability were two review processes it has undergone since 2007 – both looking at 'where' SABT was in its growth, what was working and what wasn't, also what was profitable and what wasn't. These are not easy to undertake but both Budd and Campbell stress how vital they have been for SABT.

The first review saw SABT cut back on projects that were not vital to its core function, whilst not bringing in sufficient income. So the two SABT Schools were privatized (but allowed to retain an important association with SABT). The second review proved a little more challenging. Although the

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SABT has never been in debt, in 2009 a look at projected cash flows for Q4 2009 and for 2010, alongside an assessment of the impact of the economic recession and the natural conclusion of certain sponsorship agreements, it was clear that the SABT's cash flow would be adversely impacted. In short, it was assessed that R6 million needed to be raised – and fast!

In tandem with this, all SABT activities were again re-assessed to see if they remained in line with its core activity. The outcome of this was the retrenchment of 10 staff members as well as the further privatising of two outreach programmes in Pretoria (the company had five in total) through a process of a six-month funding buffer whilst the ballet teacher in charge sought independent funding.

SABT also looked at performing fewer seasons each year but with more performances in each season. "A season is very expensive to put on and, if it is not a sponsored season, can easily run at a R600-R800k loss just because production costs are so high," report Budd and Campbell.

A key component of SABT's approach was the intense and challenging scrutiny of its Board. "We relooked at the composition and structure of our Board so as to ensure that that all portfolios were covered and we brought on new members who bring enthusiasm, connections, commitment and expertise," report Budd and Campbell.

SABT also made their funding plight public and, in addition to issuing a press release through the formal media channels, also sought creative ways to highlight their situation. One of these was a 'balloon release' which saw SABT dancers, in costume, release balloons with appeal messages from the roof of the Joburg Theatre, which also earned it media attention.

For Budd and Campbell, a few key areas stood out in repositioning SABT.

- constant assessment and recognition of the 'signs of the times' and 'cutting one's coat accordingly'.
- a mind shift that involved presenting support of SABT not as charity but as alignment with a prestigious arts company whose image would only enhance the image of associated sponsors.
- really thinking through sponsors – whether a major sponsor (substantial sum but more risk if they pull out) or several smaller sponsors would be a better fit.
- sustainability through initiatives like the Hall of 1000 Stars programme (which will potentially bring in R2 million a year once SABT has reached 1000 stars – it currently has 215 stars).
- only accepting projects/corporates that have a high financial or publicity return for low/medium effort so that SABT isn't constantly draining its already stretched human resource.

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In addition SABT's move to sustainability included:

- going back to basics and back to its core function and raison d'être and formulating a sustainability model that is not so heavily reliant on external funders.
- formulating a profitability model to assess a workable ratio of maximum return and low to medium input when considering projects.

For Budd the support of individuals and mentors was also key. In particular:

Bernard Jay - CEO: Joburg Theatre

James Campbell - MD: African Diamonds, SABT Trust Chairman and SABT Board Vice- Chairman

Francois Witbooi – COO: Tshikululu Social Investments

Sikkie Kajee - SABT Board Member and Finance Committee Chairman

Martin Killen - SABT's Accountant: outside contractor

Say Budd, "Programmes such as the BASA Mentorship programme and the time we spent with Carolynne Waterhouse of RMB were also very helpful."

Budd recommends Michael Kaiser's book 'The Art of the Turnaround' and Jim Collins 'Good to Great in the Social Sector' (the latter of which was recommended to her by Dr Francois van den Berg, CEO of the National Eisteddfod, as having been the book that inspired their turnaround).

For Budd and Campbell, there are several key pieces of advice they would give to arts organisations in a similar situation.

- "Firstly – don't panic! One needs to sit calmly and rationally and look at all the facts and figures and come up with several possible plans as to how to turn the situation around, including short-term and long-term solutions. Have a plan A, B, C and D (we had up to plan F!).
- "Secondly – honesty is the best policy and communication very important – keep your staff and current funders and stakeholders informed. Obviously you can't make all information public but do tell what you can and in as calm and simple a manner as possible and give regular updates.
- "Thirdly – think out of the box and also draw on the friends and contacts that you have who can assist in their areas – our balloon release brought us in a major sponsor and our appearance on Carte Blanche indirectly helped to release funding from another organisation that had been pending approval.
- "Fourthly – don't bad-mouth anyone or 'bash' any sponsors that may have discontinued their funding.
- "Fifth – make use of honest 'sounding boards' whose wisdom, experience and knowledge you trust. Don't work on productions and projects without having all the necessary logistics, funding

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and planning set in place – one can't work on 'pie-in-the-sky' funding promises – the money needs to be in the bank first and if it isn't the project needs to be put on ice until it is there. SABB has also never taken out loans – if the money isn't there one shouldn't do the project.”

Finally “Research and look for like-minded business organisations that share the passion you have for your art-form. One can build up some wonderful synergies with such companies and it is a 'win- win' situation for both companies and this makes working together such a pleasure and so easy.”

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