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Internship report

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Internship Report

Submitted to the Graduate Faculty
of the University of New Orleans
in partial fulfillment of the
requirements for the degree of

Master of Arts
in
Arts Administration

by

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B.A. Kuban State University, 2001

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Abstract.

This report describes the internship I spent at the Krasnodar Regional Center of Fine Arts in Russia. The Art Center is a leading fine arts organization in the Krasnodar Region of the Russian Federation and as such operates under the principles governing arts organization in Russia in general. I describe the managerial structure of the Art Center and responsibilities of each department, explain the specifics of the Art Center and the difficulties, problems and barriers that impact the functioning of the Art Center. I also present an in-depth analysis of the strengths and weaknesses as well as threats and opportunities available to the Art Center as identified through a SWOT analysis.

After analyzing the four basic areas of this art organization including management, marketing, development and financial management, and comparing them to best practices in the field, I suggest recommendations to help remedy the weaknesses, emphasize the strengths and resolve identified problems. The steps required to implement the recommendations suggested are also presented. Finally I discuss the contribution to the Art Center including both its short and long-term effects of my participation on the organization.

Introduction.

This internship report is based on my experience as an intern for the Art Center in the Krasnodar Region of Russia. As a native of the Russian Federation I decided to return to my country and apply the knowledge and experience I gained studying in the Arts Administration program at the University of New Orleans to a local fine arts organization. I selected the Art Center since it is the largest regional arts organization exhibiting fine arts in the Krasnodar Region of Russia.

As an intern at the Art Center I learned the basic structure and operating principles of this arts organization while executing assignments and working with the professional staff. My major goal was to compare non-profit arts organizations in the United States to those in the Russian Federation, and based on the results to identify the recommendations or suggestions for improving of the functioning of the Art as needed. I was concerned with developing an understanding of the methods and principles which could be applied to the Art Center in Russia and those which did not readily apply. Due to the differences in governance and legal considerations some applications suitable for the non-profit arts organization in the United States were not as helpful in my analysis of this arts organization.

It is difficult to compare the position of arts and cultural organizations in the United States with those in the Russian Federation. Vast differences can be seen in the budgets and programming across the two countries. Although arts organizations in Russian have great potential as well as great historical and cultural significance, they still have very small budgets compared to many arts organizations in the United States

because governmental funding is inadequate and there is no developed system of support from private sources.

During my internship I participated in the monthly meetings at the State Department of Culture, worked with the Executive Director and the staff of all departments to prepare for the changing exhibitions, install the exhibitions and develop promotional materials. I also worked on simple tasks such as designing a basic database to track visitors and members, writing materials for the web site and communicating with the artists and visitors.

Overall, I am very satisfied with the results of my internship. I was able to use my knowledge and apply it a real organization. I was able to see some differences in functioning that resulted from my efforts. Due to the character of the internship and the short time period spent at the Art Center, long-term recommendation would require more work and time, but I took this experience as an opportunity to provide the local arts organization with some advanced ideas I learned while a student in the Arts Administration program at the University of New Orleans.

Chapter One: Krasnodar Regional Center of Fine Arts.

Overview of arts organizations in the Krasnodar Region.

The Russian Federation consists of eighty two federative units. Among them there are numerous districts, regions, republics and autonomous regions. The Southern District of the Russian Federation consists of thirteen regions. One of them is the Krasnodar Region with its center in the city of Krasnodar – the most developed, rich and culturally diverse among the other thirteen regions.

The cultural and artistic sector of the Krasnodar Region is among the strongest and most attractive characteristics of the region. Based on the quantity of cultural organizations (a total of 1,118), the Krasnodar Region ranks second in the Southern District of Russia. The average number of citizens per arts organization in the Krasnodar Region is 2,800 individuals per organization which is far higher than the average number in other federative units of the Russian Federation.¹

The percentage of arts organizations working in different spheres of art are the following:

- 32% - art education organizations;
- 25% - choirs and folklore groups;
- 21% - choreographic and dance groups;
- 15% - visual and exhibiting arts organizations.

¹ Annual Report of the State Department of Culture, 2008, The Official web site of the State Department of Culture, Krasnodar Region of the Russian Federation, <http://kultura.kubangov.ru/html/docs.html>.

The average number of special events, including exhibitions, organized per art organization per year is 216, which is higher than the average number of events in other federative units of Russia. The percentage of events free to the public is 72 percent.

Based on the number of personnel working in the arts and cultural sector (12,833), the Krasnodar Region ranks only second to the Moscow Region (14,176).² The average number of personnel working for an arts organization in the region is eleven, which is higher than the average number of personnel per arts organization in other federative units of the Russian Federation.

The gross annual government funding of arts and cultural organizations in the Krasnodar Region is approximately \$4.9 million. About 30 per cent of governmental funds for arts organizations cover staff salaries.

Based on municipal budgeting and governmental funding of the arts programs, the Krasnodar Region ranks first among all other regions in the Southern District. A total of \$16 million was provided for cultural art programs and events in 2008, which is 35 percent higher than funds assigned for cultural programs in other regions of the Southern District.

The average annual budget per arts organization in the Krasnodar Region is approximately \$13,849.00.³ The annual income from non-governmental and private sources per art organization is approximately \$1,424.⁴

In 2008 the number of visual arts and exhibiting organizations in the Krasnodar Region was sixty four. The number of personnel working for cultural and arts organizations was 1,278. The percentage of traveling exhibitions was 24 percent. The

² Ibid., 3.

³ Ibid., 4.

⁴ Ibid., 4.

average number of visitors who attended exhibitions per art organization in the Krasnodar Region was 296, which is slightly higher than the average number of visitors to cultural and arts organizations throughout Russia.⁵

History of the Krasnodar Regional Center of Fine Arts.

The Krasnodar Regional Center of Fine Arts (the Art Center) was founded in 1989 by the State Department of Culture. It is the largest exposition center in the Southern District of Russia. The Art Center is located in a historical part of the city of Krasnodar which is also the center of administrative, cultural and business enterprises. The Art Center's exhibition area covers more than 12,000.00 square feet. Annually the Art Center organizes up to eighty exhibitions - among them international, national and regional, group and individual exhibitions presenting diverse visual arts genres. The Art Center also hosts art projects and special events.

Mission Statement.

The mission of The Krasnodar Regional Center of Fine Arts is to exhibit, promote visual arts and broaden the knowledge, understanding and appreciation of the visual arts and culture of the Krasnodar Region and other Russian Federation regions through its permanent collection, temporary exhibitions and educational programs. The Art Center collects, conserves, exhibits, studies and interprets the art of the Krasnodar Region within the context of the longstanding and diverse history and culture of the Russian Federation.⁶

⁵ Ibid., 5.

⁶ The Art Center official web site, www.artzal.ru.

The Art Center exposes and promotes the works of art by local artists and artists from other countries to the public in order to educate, enlighten and stimulate creative thinking. Special focus is placed on reaching the younger generation to stimulate their appreciation of the art and cultural heritage of the most prominent Russian cultural centers, including Moscow and Saint Petersburg.

Although artists from Russia and from various countries present their works of art at the Art Center, primarily the exhibits present works by local artists. Since the founding of the Art Center it has presented more than nine hundred exhibitions and art events, as well as numerous conferences, music concerts and literary events.

The Art Center is organized under the executive division of the State Department of Culture. This entity is charged with carrying out the state policy directing the field of culture and art, and is specifically authorized to oversee public protection, conservation, utilization and popularization of the cultural heritage and art activities of the Krasnodar Region.

Management structure.

The Art Center was organized under an initiative of the State Department of Culture, a sub-division of the Krasnodar Region Administration. All activities of this state enterprise, more than 50 per cent of the shares of which are publicly owned, are managed by the State Department of Culture in a prescribed manner that controls the use of property belonging to the subordinate government agency and also evaluates the performance of this subordinate enterprise. Therefore, the Art Center is considered a part of the State Department of Culture. The legal structure and activities of the Center have much in common with a non-profit art organization in the United States, but since its

assets directly come from the State and regional funds, it is considered a division of the State Department of Culture. Thus, the Art Center works very closely under the direction of the Department, reporting all activities and participating in initiatives implemented by the Department.

The Art Center has a relatively small management structure with two major departments: Curatorial and Administrative. The Curatorial Department supervises the cultural and artistic content of the organization's programs. The Administrative Department carries out the financial planning, budgeting, marketing and public relations, as well as the educational and collections functions of the Art Center.

There are fourteen full-time employees who are responsible for implementing the Art Center's mission. The Executive Director of the Art Center supervises all administrative functions and most of the exhibitions, and also performs curatorial duties. The Executive Director of the Art Center bears responsibility for the implementation of these tasks and functions, as well as the implementation of relevant state policy. These duties are carried out in collaboration with the Department of Culture, including other public authorities, local governments, citizens and other organizations acting on behalf of the State Department of Culture.

Curators work with all kinds of visual art: paintings, graphics and drawings, as well as with sculpture and photography. They also work very closely with the educational and marketing personnel of the Art Center.

The overall structure of the Art Center's management and operation is presented in Table 1.

Executive Director	
Curatorial Department	Administrative Department
Curator of paintings and graphic arts (graphic works and drawings)	Financial Department
Curator of contemporary art	Marketing Department
Curator of photography and video art	Educational Department
Curator of applied and decorative art	Department of Collections

Table 1. Art Center's organizational structure.

Curatorial Department.

The Curatorial Department is responsible for artistic side of exhibitions and programs. This department plans the exhibitions each year, one year at a time, and confirms the subject matter chosen jointly with the Department of Culture. The Curatorial Department decides on the theme of exhibitions, selects the content, communicates with the artists and chooses the works of art to be shown within each specific exhibition. The Curatorial Department creates a yearly schedule with at least two temporary exhibitions per month. It is also responsible for developing relationships with other arts organizations in order to organize joint exhibitions. The Curatorial Department decides on texts, images and information to be included in materials related to the exhibitions. Curators edit texts for catalogs, lead presentations, organize and staff exhibition openings and offer guided tours. Along with the Educational Department it fulfils the educational part of the mission of the Art Center. Each of the four curators is responsible for a particular genre of art: painting and graphic arts, contemporary art, photography and video art, and applied and

decorative art. Every curator has been working in a field for more than fifteen years and is a recognized expert in their field.

Financial Department.

The Financial Department is responsible for budgeting, accounting, employee wages, money distribution and financial reports. Each year the Financial Department receives an annual budget from the State Department of Culture. This annual budget is based on the economic situation in the region as well as the available Federal programs and initiatives. It also handles fundraising work to attract corporate sponsors and donors. It helps to manage members' donations and support received from private sources. The Financial Department consists of three full-time employees: the Financial Manager, the Chief Accountant and the Assistant Accountant. Together they are responsible for reporting to the State Department of Culture and are accountable for fundraising and managing the income generated from memberships in the Art Center.

Marketing Department.

The Marketing Department is responsible for creating promotional materials including: catalogs, brochures, flyers, web pages, mailing materials, etc. It is also in charge of creating radio and TV advertising. Once an exhibition is scheduled the Marketing Department creates a media plan, prepares printed materials, buys media time on radio and TV channels, looks for potential sponsors and prepares public relations materials. The Marketing Department is also responsible for creating printed materials for educational programs. It works to create a strong and recognizable brand for the Art Center. Based on an annual exhibition plan, the Marketing Department organizes a calendar of special events and exhibition openings. It also develops relationships with

potential sponsors and engages in activities designed to stimulate interest and support for these specific exhibitions. In return it provides recognition for the exhibitions' supporters and sponsors. The Marketing Department consists of two full-time employees.

Educational Department.

The Educational Department is responsible for researching the relevant background of the works to be exhibited, including images, artists' biographies and descriptions of the works of art. This department along with each curator decides on the subject matter of an exhibition. It presents the educational activities for each exhibit including guided tours, group tours and events with schools and their students. Every educational program requires cooperation with the assigned curator, who edits text and helps to add new insights to the existing information about the exhibit. The Educational Department consists of three full-time employees who have been working with the Art Center for more than ten years and have broad knowledge of traditional and established educational methods.

Department of Collections.

The Department of Collections is responsible for the storage and conservation of the works of art in the Art Center's collection and the general condition of the works of art during exhibitions. It is also responsible for the proper packaging and transportation of all art works. In addition to securing the proper storage of the works of art, the Department of Collections is responsible for general maintenance of the facility, repairs, and light restoration of works in the permanent collection. The Department also maintains a digital database of the works of art in its permanent collection. This

department is staffed by three full-time employees who are experts in art restoration and one part-time employee responsible for general maintenance.

Funding

The Art Center is supported by the State Department of Culture of the Krasnodar Region. The total projected funding for the cultural and arts organizations in the whole Krasnodar Region for three-year period from 2009 through 2011 is \$18,767,212.00 broken down in the following way:

2009: \$5,612,909.00;

2010: \$6,297,575.00;

2011: \$6,856,727.00.⁷

As a part of the State Department of Culture, 60 percent of the Art Center's annual budget is received from the government. The amount of money directly assigned to the organization is determined during an annual meeting of the Financial and Budgeting Department of the State Department of Culture usually held during October or November. The outside sources of income (about 40 percent of the Art Center's annual budget) include revenues from selling admission tickets to the exhibitions, support from sponsors during special events, and revenues from selling publications and catalogs during special exhibitions.

Art Center's goals and objectives.

The first long-term goal of the Art Center is the creation of a substantial permanent collection that would include paintings, graphic works, sculptures and works

⁷ Ibid., <http://kultura.kubangov.ru>

of decorative arts and crafts from the artists of the Southern District in Russia. By 2009 the permanent collection included more than five hundred works of art. Works of art from the established and leading Krasnodar artists, as well as from emerging and young artists vary in style, figurative systems and subject matter. National and regional artistic traditions combined with more modern tendencies are represented in the permanent collection. Priority is given to the leading genre of fine arts of the last decades, painting. By building a diverse permanent collection the Art Center seeks to create a solid foundation for developing audiences and their appreciation of the arts in the region, and for educating the public about the state of the visual arts in modern Russian society.

The second long-term goal of the Art Center is to cooperate with the other state arts organizations and private entities engaged in the exhibition activities across Russia and abroad, thus creating a large network of arts organization in Russia and in the Krasnodar Region.

The day-to-day operating goals of the exhibitions and programs at the Art Center are:

- The development and promotion of visual arts in order to preserve and present historical and cultural heritage information for the benefit of all segments of the population in the Krasnodar Region;
- The showcasing of the diverse and contemporary side of local artists to the broader population of the Krasnodar Region;
- The creation of the conditions for the realization of artistic expression in different types and genres by professional and amateur visual arts;

- The establishment of an effective management system and conditions for public protection, conservation, use and popularization of the cultural heritage;
- The protection of objects of cultural heritage in the public domain;
- The implementation of activities to help strengthen and develop the cultural potential of the regional artists.

The Art Center's activities and programs are designed to carry out the center's mission and goals by:

- Supporting traditional and new forms of visual arts among local artists;
- Promoting local artists and their works;
- Building and developing local arts and culture;
- Increasing an interest in local arts among the young population of the Krasnodar Region;
- Introducing contemporary artists to the broad population;
- Attracting support from diverse sources: private, corporate or individuals.

Programs and major activities.

There are four major types of programs implemented at the Art Center:

1. Exhibitions of works by local artists;
2. Educational programs designed to increase level of recognition and popularity of local artists and promote the cultural heritage of the region;
3. Programs intended to increase the Art Center's popularity and recognition in the region, as well as promote the Center's services and programs, involving

collaboration with national and international arts organization to bring more diversity to the visual arts scene;

4. Programs designed to discover and support emerging young artist to promote new forms of artistic expression among the young generation of artists. This is accomplished by organizing competitions, public viewings and professional discussions of works of art by emerging artists.

The major activity of the Art Center is to organize exhibitions and to show diverse art works produced by local artists to the population of the Krasnodar Region. In year 2008 there were fourteen exhibitions organized independently or in collaboration with national and international arts organizations. Every exhibition is supported by guided tours, special events and openings, sometimes with lectures by a curator, or meetings with an artist, representatives from the Government and special guests to attract more visitors and increase interest in an exhibition. There are many special events organized by the Department of Culture in which the Art Center plays a central role. Among them the annual Festival of Museums, an event of international significance the "Night of Museums", an exhibition of works from the permanent collections from museums in Moscow and St. Petersburg, and other events that create great interest and gain the attention of the diverse population of the region.

In addition, the programs aim to build a stronger financial base by attracting diverse sources of support for the exhibition center. Currently more than sixty per cent of its support comes from the State Department of Culture. The government money is intended primarily for targeted support of historical and cultural heritage, as well as for the promotion of national cultures and ethnic groups living in the Krasnodar Region.

Potential additional sources of support could come from relationships with other organizations yet to be developed, as well as from individuals who are interested in the Art Center's programs and are perpetual visitors to exhibitions and special events presented by the Art Center.

Chapter Two: Internship description.

Internship overview.

As a native of the Krasnodar Region, I am familiar with the Art Center's activities and programs. Through my internship I had an opportunity to view first-hand the internal structure of the Art Center, to learn about the functioning of the organization, to conduct a SWOT analysis and to propose recommendations for managing the Art Center in improved ways.

First of all, as an intern, I needed to understand the general principles of how arts organizations are established and managed in the Russian Federation and in the Krasnodar Region in particular, because the structure and operating principles of arts organizations are very different from those in the United States of which I am more familiar. Thus, my first task was to become familiar with the organizational documents, including federal and regional laws regulating the activity of arts organizations, as well as the Art Center's bylaws, directives and agreements. Secondly, my task was to work closely with all departments in order to understand the operating principles, practices and the challenges facing the Art Center. After I understood the structure, management system, procedures and practices of the organization, I was able to analyze the functioning of the Art Center in relationship to best practices in the field.

In my role as an intern, I worked closely with the Executive Director of the Art Center, as well as with staff of each major department. The fact that there are not very many employees working at the Center helped me to build a relationship with every staff member. I also met many artists, whose works are in permanent collection of the Art

Center, and also met the leading supporters of the Center. I discovered how the Executive Director along with the staff of the Curatorial Departments determine the theme for future exhibitions, look for new collaborations with other arts organizations, research potential educational programs for future exhibitions and develop strong relationships with the artists.

As the Art Center is a part of the Department of Culture, the Executive Director and major staff representatives are required to attend monthly meetings at the Department to discuss financial matters and programming. This meeting takes place every month at the Department of Culture, and every director of an art organization is required to present the current and future schedules of activities, as well as financial information, showing expenses and costs of the implementation of each particular program. With the help of the Executive Director and department staff, I was responsible for preparing and reviewing the reports to be presented at these meetings.

Specific tasks.

My main task at the Center of Fine Arts was to work closely with the Executive Director and the Financial Department. I was engaged in ongoing research of potential sources of income and revenues including support from both private and corporate sectors in order to supplement the governmental funding that currently supports the Art Center. It may be that these other funding sources previously have not supported the Art Center because it is well understood that the Art Center receives government funding. The difference between giving in the United States and in Russia is significant.

Russian citizens do not have a history of philanthropic giving. Even those who appreciate the organization and its activities do not support the organization financially.

Another of my specific tasks was to work with the Marketing Department. I conducted an analysis of the Art Center's market position among other similar arts organizations in the Krasnodar Region. To do so I studied its target population and subsequently analyzed the methods used to attract more visitors and promote its programs. My task was to determine the strongest, most unique features of the Art Center and try to focus on them in presenting and promoting the Art Center and its activities to the visitors, thus building a positive attitude among potential visitors.

Responsibilities.

While my overall task at the Art Center was to identify the gaps in administrative support, I also had other responsibilities. On my first day, I found out that the Art Center did not have a database detailing pertinent information about the center. It is critical to have a reliable data describing an organization's members and visitors – existing and potential. So, my first responsibility was to create, maintain and support a very basic database, including a listing of every visitor to the Art Center, and to collect their personal information – at a minimum their names and e-mail addresses.

I was also responsible for writing and reviewing monthly reports to be presented at the meeting at the Department of Culture. I was provided a particular format and the information that needed to be included in the report and subsequently consulted with the staff to collect and verify the accuracy of the information. My responsibility was

to present this information in the proper written format and provide a detailed description of the Art Center's activities, exhibitions and special events.

Besides these responsibilities, I was involved in the process of preparing future exhibitions that were going to take place at the Art Center. The preparation included dealing with the artists whose works of art were to be shown, as well as putting together information and educational materials for the visitors, groups and promotions. I worked on collecting significant facts about the artists and their work. This information was used in a variety of promotional materials – whether it was a poster, newspaper post or e-mail newsletter. I worked on developing a unique and eye-catching sign or distinguishing words to be put on exhibition materials. Basically, I was charged with all aspects of preparation of these promotional materials for exhibitions including style and format, educational content and visual representation. These materials were developed in close collaboration with the staff of the Marketing Department.

As the Art Center possesses a permanent collection that consists of more than five hundred works of art, I was also involved in working with the database of the permanent collection. The purpose of the database is to have the entire permanent collection in a digital format, as well as to have a full description of the collection in one place and in an appropriate format. The Art Center employs a database used by most of the exhibiting organizations which is designed to include the image of the work, name of author, date of creation, the name of collection the work belongs to, as well as any specific information such as: how work came to the Art Center, was it purchased or gifted, if it was purchased, where the funds came from, etc, as well as the description of a work's condition. My responsibility was to take pictures of a particular work that didn't

have a digital image saved in the database and to fill in missing information in the description of each work. This task helped me to familiarize myself with the entire permanent collection, to learn the structure of the collection and to learn the specifics of the database.

While carrying out my internship at the Art Center, I had a great opportunity to see the overall structure and gain a comprehensive understanding of how an art organization in the Russian Federation works because I was involved in every aspect of its everyday activities. I worked with every department in order to analyze current functioning, discover the gaps in the support provided by the administrative departments, find solutions to the identified challenges and to suggest better ways of managing the art organization.

Chapter Three: SWOT analysis and problems identified at the Art Center.

A scan of the internal and external environment is an important part of the strategic planning process for every organization. “The SWOT analysis provides information that is helpful in matching the organization's resources and capabilities to the competitive environment in which it operates”.⁸ As such, it is instrumental in formulating a strategy, selection of the preferred methods of operation and an important source for decision making and planning. The aim of every SWOT analysis is to identify the key internal and external factors that are important to achieve the objective. The SWOT analysis for the Art Center presents the organization’s strengths, weaknesses, opportunities and threats.

Internal factors	
Strengths	Weaknesses
<ul style="list-style-type: none">- Well-known brand and positive image;- Dominant position in the field of visual arts exhibitions among other exhibiting centers;- Long history of success and strong relationships with visitors and artists;- Limited, but stable governmental support	<ul style="list-style-type: none">- Absence of diverse sources of support;- Lack of marketing tools to represent the Art Center as a modern and cutting-edge art center;- Lack of recognition in media: Internet, local and national web sites, magazines, newspapers;

⁸ William J Byrnes, Management and the Arts (Focal Press, 2003), 35.

<p>and developed relationship with the State Department of Culture;</p> <ul style="list-style-type: none"> - Permanent collection, which includes works of art by significant Russian artists; - Art Center is a recognized facility for significant exhibitions and art events; - The team of professional curatorial staff working with the Art Center for a long period of time; 	<ul style="list-style-type: none"> - Absence of a comprehensive database, containing basic and/or broadened information about visitors and members; - Absence of a follow-up system to help build relationships with existing visitors and members; - No methods of recognition for existing members; - Absence of advanced marketing reports and surveys regarding demographics and existing audience; - Lack of updated educational programs to involve younger audiences and new visitors; - Lack of developed relationships with local arts organizations and national art centers; - Need of information technologies to secure proper storage and conservation of the permanent collection; - Uncompetitive employee salaries;
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External factors	
Opportunities	Threats
<ul style="list-style-type: none"> - Developing relationships with local arts organizations and art galleries; - Numerous organizations in the field of art education that could mutually benefit from a partnership with the Art Center; - New cultural opportunities brought by the Olympic Games in 2014 to be held in the Krasnodar Region in Sochi; - Attractiveness of Krasnodar city as the center of the Southern District for investors; 	<ul style="list-style-type: none"> - Growing number of privately-owned art galleries; - New developing art centers in neighborhood regions and cities; - Lack of interest from a younger generation; - Severe economic situation, effecting existing and prospective partners; - Limited governmental funding;

“SWOT analysis is particularly helpful in identifying areas for development”.⁹

SWOT analysis for the Art Center provides a clear picture of the strengths the organization possesses and of the opportunities which need to be addressed. By concentrating on these key areas the Art Center would fully use the opportunities and be able to address the weakest points.

In addition to the SWOT analysis performed to gather needed information about the Art Center, as an intern I was able to identify a number of problems that impact how the Art Center operates. The following narrative describes those problems which

⁹ Terry Hill and Roy Westbrook, SWOT Analysis: It's Time for Product recall, *Long Range Planning*, Volume 30, Issue 1, February 1997, <http://sciencedirect.com/science/SWOT/html>.

stand in contrast to the best practices in the field as described in Chapter Four of this report. I divided the problems identified at the Art Center into five basic areas: Management, Marketing, Fundraising, Financial Management and Educational programs.

Lack of skills and knowledge in essential areas of management.

It is important to mention that the Art Center has a very strong curatorial team that has been working together for a long period of time. The members of the Curatorial Department have fundamental knowledge of art history and long curatorial practice. Every exhibition in the Art Center is full of very interesting and fascinating works that educate and give a deep understanding of art in the region.

Unfortunately, the Art Center administrative staff is not as well-trained or experienced and lacks information about modern approaches and strategies in essential managerial areas. These areas are: marketing, development and fundraising, membership relationships, educational programs and special events. The successful future of the organization depends on carrying out these functions as effectively as possible. The lack of skills and knowledge in these areas prevent the Art Center from becoming the central point of artistic life in the region.

Unclearly delegated responsibilities.

The responsibilities and authorities for existing departments (Marketing, Collections, Educational and Financial) are not specified and clearly written. Effective implementation is challenging without strict definitions of what each department and staff member is responsible for carrying out. Problems of overlapping duties among departments and staff create confusion.

In general, the Art Center's organizational structure does not embrace the important changes that have occurred in the art field. The growing numbers of non-profit arts organizations in the city of Krasnodar with modern attitudes, new systems of operating, extensive usage of technology and new ways of managing arts organization act as strong competition to the Art Center.

Negative image of employer due to salary structure.

The Art Center is primarily funded by the government. Procedures utilized by the Art Center differ from privately-owned and for-profit arts organizations because governmental funds are assigned for particular programs and amounts of subsidies are strictly determined. Low wages dictated by the government through strict pay scales do not attract young professionals and prevent the arts organization from being competitive with privately-owned commercial galleries. This problem effects the positive image of the Art Center as a potential employer. New graduates and young professionals do not judge the Art Center as a potential employment opportunity

Lack of diverse methods of communication in reaching the audience.

It is becoming more complicated to reach potential audiences without using new technologies and methods of communication such as Internet, e-mails, electronic newsletters and websites. Although the Art Center has a very comprehensive website it does not take advantage of the whole potential of the Internet in reaching their existing audience and promoting its exhibitions to attract other visitors. Opportunities to subscribe to an electronic newsletter, register for events, leave feedback on a guestbook or receive an invitation or reminder about upcoming exhibitions do not exist currently. In addition

no online resources about artists, their works of art or educational information about different styles and art movements are presented on the Art Center's website.

The Art Center's web site does provide access to the entire permanent collection, but it does not provide substantial information about its temporary exhibitions or archive of past exhibitions. It is hard to find the description of the programs being carried out at the Art Center, or find the calendar of events or even to look up the description of future activities and programs. Thus, the website cannot provide full service and is not used as a major reference to the Art Center's activities.

Undeveloped public relations and inadequate representation in mass media.

The problem of communication and relationships with mass media is very significant. The Art Center is not unrecognized entirely by mass media. However it is clear that the Art Center is not prominently represented in mass media. First of all, not enough communication between the Marketing Department and the major mass media in the Region occurs. Relationships are not built to the level where mass media representatives are interested in activities and programs implemented by the Art Center. Press releases and media alerts are not sent out often or in a timely manner. Although many of the interesting exhibitions and programs are going on, little "excitement" is generated around them. This prevents the Art Center from gaining a particular status and reaching larger audiences.

Poor visual representation: absence of logo and brand-management.

The Art Center is a major visual arts exhibiting center in the Krasnodar Region. It is essential that visual tools are used to attract audiences to present

programming and activities. All organizations including those in the arts should develop a brand name and have distinguished visual signage, a logo that is recognizable in the community. Visual representation of the Art Center in the local art market is minimal. No logo exists and not enough graphics distinguish the Art Center from other art exhibiting organizations. Insufficient amounts of promotional materials are used to attract audiences and little attention is devoted to presenting the Art Center as a leading art exhibiting organization in the Southern District of Russia through public relations. This problem is a result of a lack of skilled and professional designers and graphic artists who could improve the quantity and quality of visual material for the Art Center and present the distinguished “look” for promotional materials.

Lack of updated information and reliable data.

Without reliable and correct data regarding the organization’s activities, its visitors and supporters, its potential visitors and their demographics the Art Center is hindered in how it functions. First of all, there is no appropriate software to collect, store, process and use data. Secondly, no continuous methods of collecting the data are used and no specialists are available to analyze the data collected. Without staff and tools to collect, read, interpret and use the data effectively, the Art Center has little ability to improve its status in the community.

Some data about the Art Center is collected, mainly in the form of surveys conducted primarily by governmental agencies and independent agencies. However these existing data are not analyzed and the results are not used to improve the Art Center functioning or the experience of its visitors. Because comprehensive systematic data collection and analysis does not occur, important feedback from visitors and program

participants is lost. It is hard to determine whether the programs are interesting and engaging or not. Getting feedback from the visitors is crucially important in determining the organization's position in the market and is essential in adjusting the programming and services according to the needs of visitors.

Lack of planning in fundraising.

Every initiative in fundraising should start with a well-prepared annual plan that directs and gives perspective and understanding about where the organization is heading. Unfortunately the Art Center's Financial Department does not have such a plan and most of their fundraising activities are spontaneous. Unstructured and unplanned support from private sources does not bring stability. Developing stable and reliable relationships with private sources could be a good funding source to supplement limited government funding.

Absence of effective fundraising techniques.

The Financial Department at the Art Center is in charge of fundraising and developing relationships with existing donors, sponsors and supporters, as well as conducting prospect research. The Financial Department also works with memberships and is responsible for collecting members' donations. Placing responsibilities for fundraising and memberships in the Financial Department has not brought good results for the Art Center. Proven methods to cultivate prospective donors are not used. No systematic communication with existing donors takes place and no annual fundraising plan is developed or implemented. In addition, no simple ways to donate to the organization have been developed. The website doesn't accept online payments and the process of donating is complicated and can take up to five days to process.

Economic crisis and low budgeting.

The present economic situation effects the Art Center and its funding significantly. As the government cuts expenses, arts and culture are among the first to face decreases in already limited funding. With these cuts in government funding the need for diverse sources of support becomes critical to the Art Center's financial health.

Ineffective distribution of funds.

Existing funds are distributed based on methods that do not consider the growing need for modern technologies. Although the need to renovate storage spaces where the Art Center's collection is located and to update security systems and the electronic database are critical, funding has not been dedicated to these areas.

The harsh economic situation makes the Art Center cut expenses. The government came up with a special program to support arts organizations during the economic crisis, but it primarily addresses insignificant issues and does not address the need for fundamental renovations or modernization. It does not provide additional financial support to meet the special needs of the Art Center. Thus, in the present situation, the Art Center must look for additional sources of support that would help secure the future of the organization.

Absence of membership management.

In addition to implementing fundraising activities, the Financial Department is responsible for membership management. The Membership Department in the arts organization needs special attention because it can be one of the fundamental sources of support by building relationships with visitors and creating a dialog between the organization and its visitors.

Out-of-date educational programs.

Absence of updated educational programs prevents the Art Center from becoming the leader among exhibiting centers. New programs should attract the younger audiences by providing a modern perspective throughout the Art Center's exhibitions and activities. Excellent educational programs create a foundation for future visitors and educate the audience about artists in the region. By updating its educational programs, the Art Center could be in a position to increase membership support.

The problem with educational programs also lies in lack of engaging topics: programs do not raise questions of today's interest, do not stir vivid discussions and do not allow for a dialog between a curator and the audience. In order to increase interest from younger audiences, educational programming must include two-way communication with the audience including question and answer sessions, dialogs and discussions rather than only didactic lectures about works of art.

Chapter Four: Best practices.

In order to make a thorough analysis of the Art Center's management system, operating principles and general organization, I looked at best practices including diverse scholarly literature and web sites designed particularly for non-profit arts organizations. These sources provide extensive information and examples that may be used by organizations for operating guidance. Based on this research I was able to verify problems and gaps in the Art Center's organizational structure and functioning and make recommendations for improving the functioning of the organization.

I have divided the best practices into four basic areas: management, marketing, development and financial management. Once again, the reason I have omitted the legal application in the Art Center's analysis is because all legal matters in an organization owned by the government is the prerogative of the state Department of Culture. Therefore no legal department at the Art Center or any other governmental arts organization exists, because all legal support is provided and regulated by the Department of Culture.

Best Practices in Management.

All non-profit arts organizations strive to meet some sort of need in the community. "The non-profit organization exists to bring about a change in individuals and in society".¹⁰ Its services, programs and activities should benefit, first of all, the community it serves. And the community, in turn, shares the values and appreciates the

¹⁰ Peter Drucker, *Managing the Non-Profit Organization: Principles and Practices* (Collins, 1992), 3.

arts organization's efforts for change. Non-profit arts organization starts with a mission, a board, volunteers or supporters, members and donors – and all these elements are managed by a professional staff.

“An organization's human resources — its staff and volunteers— are pivotal in every aspect of what it is and does...These two groups determine the policies, wisely and responsibly administer them, resolve the major issues that confront them, and effectively implement planned activities.”¹¹ It is widely accepted by the professionals in the non-profit sector that the highest priority of the organizations is to obtain and retain the best professional staff and volunteers, including Board members who will ensure the organization's success.

Board and staff are the core elements of any non-profit. “The board has the principal responsibility for fulfillment of the organization's mission and is legally accountable for its operations”.¹² There are many factors to consider in recruiting a board. Brian O'Connell in his “The Board Member's Book” says that a board of a non-profit must:

1. Establish and protect the standards of organization's operation and principles of management;
2. Provide adequate oversight of the organization's operations and its staff;
3. Do regularly scheduled appraisals of the staff performance, have evidence of disbursement controls such as board approval of the budget, fund raising practices, establishment of a conflict of interest policy and establishment of accounting procedures sufficient to safeguard finances;

¹¹ Philip Bernstein, *Best Practices in Effective Nonprofit Organizations* (University of Michigan, 1998), 23.

¹² Brian O'Connell, *The Board Member's Book: Making a Difference in Voluntary Organizations* (3rd edition, 2003), 9.

4. Have a minimum of three evenly spaced meetings per year of the full governing body with a majority in attendance, with face-to-face participation;
5. Have no more than 10% directly or indirectly compensated persons serving as voting members of the board. Compensated members shall not serve as the board's chair or treasurer.¹³

Consultations with individual professionals or involving selected individuals in advisory committees sometimes are necessary. “To recruit outstanding volunteers and staff members, undertake changes and innovations in services, obtain financial support, make board and committee meetings productive, achieve consensus on difficult issues, and defeat counterproductive proposals...”¹⁴ - all these tasks requires professional advice, training and direction from experienced practitioners. If the board does not have members with particular experience or knowledge in specific areas of non-profit management, advisory committees for a board and staff could be recruited. This is also one of the ways to train a board and staff.

Successful non-profit arts organization requires the use of volunteers at every level – the fundamental statement made by the author Barbara Cicone in her book on successful fundraising.¹⁵ Volunteers are the vital and an integral part of the organization operations and structure. They do not take part only in fundraising activities. Volunteers genuinely deliberate and develop the organization's decisions and actions.¹⁶ Sharing the

¹³ Ibid., 28.

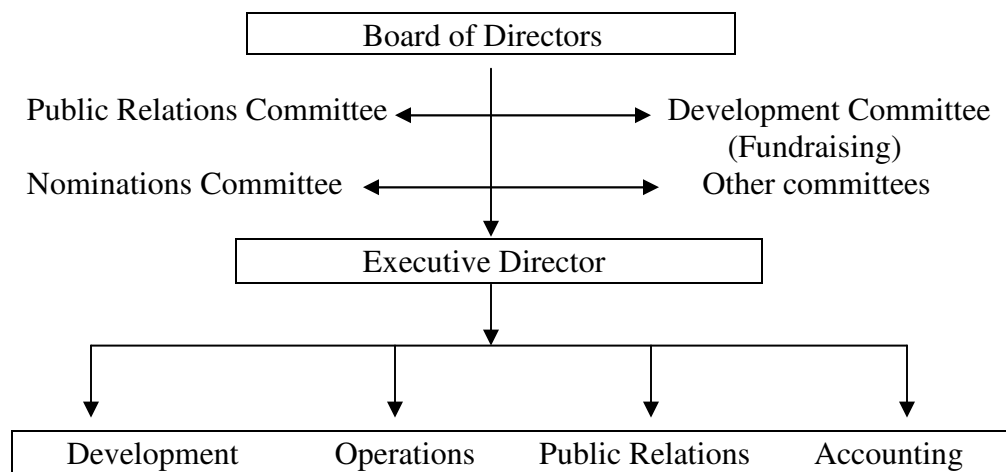
¹⁴ Philip Bernstein, *Best Practices in Effective Nonprofit Organizations* (University of Michigan, 1998), 113.

¹⁵ Barbara Cicone and Jeanne G. Jacob, *Fundraising Basics: A Complete Guide* (Jones & Bartlett Publishers, 2001), 8.

¹⁶ Jamie Grady, *A simple statement: a guide to nonprofit arts management and leadership* (Portsmouth, NH: Heinemann, 2006), 27.

organization's mission and values, volunteers demonstrate the level of support for organization's mission and programming.

Overall, the non-profit organizational structure must be sophisticated enough to ensure the highest possible functioning of every department. William Werther in his book "Third Sector Management" refers to the non-profit organization as a basic structure, which becomes more specialized and sophisticated through time. The basic organizational structure is shown on the Figure 1.¹⁷



“The task of the non-profit manager is to...convert the organization's mission statement into specifics”.¹⁸ To ensure proper execution of the assignments to the staff and volunteers, there must be a clear definition of responsibilities, duties and description of the work to be done. “Just as a staff person would never be hired without a job description, a volunteer should never be brought to do a task without a clearly defined

¹⁷ William B. Werther and Evan M. Berman, Third Sector Management: the art of managing nonprofit organizations (Georgetown University Press, 2001), 13.

¹⁸ Peter Drucker, Managing the Non-Profit Organization: Principles and Practices (Collins, 1992), 5.

written role”.¹⁹ To avoid overlapping of responsibilities or, at the same time, to have every aspect covered by the staff, it is necessary to set a clear written job responsibilities for every person and department involved in the organization’s operation.

Beyond ongoing monitoring, effective non-profits increasingly conduct evaluations of their services to help them determine what impact they have made on the issues they address. They conduct internal evaluations of their volunteers and staff, and in some cases bring in expert, outside analysts to appraise what has been done. In addition to evaluations of specific services a number of organizations conduct periodic reviews of their entire operation. By evaluating volunteers and professional staff the organization will be able to determine progress, and based on the results “provide motivation, recognize and reward success”²⁰, - which is also a necessary part of organization’s activity.

“...communication among volunteers, between volunteers and staff members, among staff and with contributors, constituents, the media, and the public is a must for leading nonprofits”.²¹ This need for ongoing communication both internally and externally must be appreciated, carried out systematically and monitored continuously by the managers of the organization.

Best Practices in Marketing.

“As a management activity, marketing forms the basis for other activities, such as strategic planning, board recruitment, client service, fund development,

¹⁹ Barbara Cicone and Jeanne G. Jacob, *Fundraising Basics: A Complete Guide* (Jones & Bartlett Publishers, 2001), 11.

²⁰ *Ibid.*, 15.

²¹ Philip Bernstein, *Best Practices in Effective Nonprofit Organizations* (University of Michigan, 1998), 54.

constituent relations, and volunteer enabling”.²² Marketing must start with the organization’s constituencies: clients, visitors, members, donors, staff, and volunteers – the internal clients of the organization. Marketing principles help to strengthen internal relations states Simone Joyaux.²³

A principal goal of marketing is to build a recognized brand for the organization. “A company brand is a symbol of promise and expectations”.²⁴ “Brand building is grounded in the daily activities of individuals who care deeply, who share values and value relationships”.²⁵

“Marketing has to be as important as curating a show or putting on a performance. It has to be thoughtful and compelling.”²⁶ Today is a significant time for arts organizations to seriously consider the potential of the new technologies and online media to overcome barriers. Although technology is not a universal solution for arts organizations to attract audiences, reach its target population or outreach activities, it can provide arts organizations with new opportunities. The latest online services are creating new, more interactive and participatory forms of engagement and altering the traditional relationship between arts organizations and their audiences. Technology’s most immediate promise lies in lowering what economists call the “transactions costs” of linking people to arts experiences — as measured in money, effort, and especially, time.

²² Simone P. Joyaux, *Strategic Fund Development: Building Profitable Relationships That Last* (Jones & Bartlett Publishers, 2001), 161.

²³ *Ibid.*, 161.

²⁴ D.S. Pottruck and T. Pearce, *Clicks and Mortar: Passion Driver Growth in an Internet Driven World* (San Francisco: Jossey-Bass, 2000), 243.

²⁵ Simone P. Joyaux, *Strategic Fund Development: Building Profitable Relationships That Last* (Jones & Bartlett Publishers, 2001), 163.

²⁶ M. Christine DeVita, The Wallace Foundation Arts Grantee Conference, *Arts for All: Connecting to New Audiences. Using marketing, technology, and research as a means to build audiences* (New York, August 2008), 11, <http://www.wallacefoundation.org/KnowledgeCenter/KnowledgeTopics/CurrentAreasofFocus/ArtsParticipation/Pages/arts-for-all.aspx>.

Online services allow art groups to be more targeted and effective as they move away from a world of “by appointment” or subscription-based attendance, to one where spontaneous decisions are the norm. Information can be accessed more easily, tickets could be purchased faster and without going anywhere, therefore communication can become more efficient and productive.

Traditional fine arts institutions sometimes feel left behind in the pursuit of young audiences. Marketing department staff should be ready to use new methods of communication in order to reach and expand the audience, especially when an arts organization is trying to attract the younger generation.

Many arts organization also use non-traditional forms of programs and activities to attract larger audiences. For example, some of the traditional fine arts institutions in the United States counterbalance the museum collections with dynamic public programming, geared to a wider and especially younger audience. After Hours programs opens up the different side of “old-fashioned” fine arts organizations, informal activities with music, refreshments and conversations, while the entire collection remains open to the public. Short programs, talks, jazz concerts, and sketching activities — which offer a mixture of art, informal, self-directed learning and socializing activities — appeal particularly to younger people. The museum’s publicity for these events should make ample use of digital media, including text messaging and social networking sites.

Connecting with the youngest audiences - children under twelve - presents a different challenge for arts organizations. To reach them, arts groups have to convince their parents to devote family time and resources to art activities. “We have to think about marketing to families, but also marketing through families,” wrote Philippe Ravanais, a

professor in the arts, entertainment and media management department at Columbia College, Chicago.²⁷

Philip Bernstein in his *Best Practices in Effective Nonprofit Organizations*, 1998, also notes the importance of communication between Marketing and Public Relations departments and the public. Ongoing communication between organizations's marketing personnel and the media builds an understanding of an organization's services and how those services affect the community's human needs.²⁸

Best Practices in Development.

It is agreed among all non-profit professionals that the development office is “an integral part in non-profit organization's operation. It is organization's source of revenue, its profit center and must be managed as such.”²⁹ The Developing department should be a separate entity responsible for implementation of fundraising activities, and the director of development must be “a bridge between the staff and a board, and consult the board on directions and guidance”.³⁰ The Development department must “be capable of leading the staff through the various phases of fundraising operations – planning and marketing; public relations; volunteer management and training; donor identification and solicitation; gift processing, reporting and management; donor renewal, upgrading and recognition”.³¹ The Director of Fundraising is charged with ensuring that the work is completed in timely, efficient, cost-effective and ethical manner. Planning and regular

²⁷ Ibid., 14.

²⁸ Philip Bernstein, *Best Practices in Effective Nonprofit Organizations* (University of Michigan, 1998), 55.

²⁹ Barbara Cicone and Jeanne G. Jacob, *Fundraising Basics: A Complete Guide* (Jones & Bartlett Publishers, 2001), 30.

³⁰ Ibid., 30.

³¹ Ibid., 30.

reviewing of the goals, adopting of the annual fundraising plan as needed, regular analysis of the work carried out and an evaluation of its progress – all need to be executed by the fundraising department.

“A development office may be started with no history of fundraising within the organization. Depending on the reason for fundraising, having no history can be a major obstacle”.³² Most fundraising departments should be organized around annual funds, capital campaign, direct mail, special events and estate planning activities. To be effective development staff must perform the following duties:

- Research prospective donors and solicit gifts, as well as process gifts received;
- Maintain donor and prospects records;
- Produce reports to be distributed among numerous audiences;
- Write proposals and articles to promote fundraising efforts;
- Plan special events to raise money;
- Promote institutional awareness or enhance donors relations;
- Train board members and volunteers in fundraising methods;
- Plan and organize major gifts;
- Evaluate work and make changes to the annual fundraising plan as necessary.

Best practices in Financial Management.

“Effective organizations employ comprehensive financing, embracing several types of funding from various sources to make their services possible.”³³ Financing is shaped by budgeting. Budgeting specifies the needs the organizations addresses and the

³² Ibid., 31

³³ Philip Bernstein, Best Practices in Effective Nonprofit Organizations (University of Michigan, 1998), 112.

services it performs. The budgets are governed by the organization's mission and directed by its central purposes and goals. Budgets articulate the priorities the organizations have set to reach its goals.

Effective budgets are based on careful planning. Planning takes account of what progress has been made to date in addressing needs and goals, the prospects for further achievement, and the ability of an organization's staff, volunteers, and resources to have an impact on those prospects. That is why scholars and professional non-profit specialists agree that planning and budgeting are related and interdependent. Non-profit organizations plan thoroughly before they approve expenditures for new and untried services to maximize the likelihood of success and minimize the possibility of failure.

“Budgeting and planning are so interdependent that a number of organizations have combined their planning and budget committees or departments”.³⁴ The planning committee usually includes major contributors and primary solicitors, so that their projections carry with them the understanding, agreement, and commitment of those primarily responsible for providing the required funds.

Financing, planning, budgeting, decision making and the shaping of all operations are based on the most up-to-date data, comprehensive and accurate facts the organizations can obtain. This information must be communicated throughout the organization. Leaders of effective organizations want to be sure that all participants have a common base of knowledge, to the extent possible, on which to form their judgments. These activities require ongoing research.

Diversification is a well-known financial term and strategy to manage risks in an investment portfolio. So it is not surprising that the principle of diversification is

³⁴ Ibid., 113.

prominent in discussions of nonprofit funding. Diversification is the key to having a stable and reliable financial base, whether is it fundraising, financial management, risk management in undertaking new programming or acquiring new works of art. “The managers of nonprofit funds are required to be prudent investors, balancing risks against returns, much as any other responsible investors.”³⁵ Without the option of diversification, nonprofit organizations with undiversified endowments have a difficult time “smoothing out the hills and valleys of prosperity and recession, and they cannot easily follow... the injunction of saving in fat years in order to cover the exigencies of lean ones.”³⁶

At the same time Dennis Young advises that “...nonprofit organizations are pushed and pulled in different directions by multiple, diverse stakeholders. The challenge is to retain a clear focus on mission and core capabilities in light of these pushes and pulls.”³⁷

The importance of collaboration with other arts organization is another opportunity for non-profits. “...institutional collaborations suggest that the more one concentrates on developing in depth, long-term collaborations, the more one is likely to obtain substantial benefits, and the more trust is likely to build between institutional partners.”³⁸

Non-profits operate in a dynamic economic environment that has changed dramatically and sometimes suddenly over the past years. While the principles of economic analysis are timeless, their application to non-profit financial decision-making

³⁵ Dennis R. Young, *Effective Economic Decision-Making by Nonprofit Organizations* (Foundation Center and the National Center on Nonprofit Enterprise, 2003), 33.

³⁶ *Ibid.*, 34.

³⁷ *Ibid.*, 34.

³⁸ *Ibid.*, 51.

yields different answers in different circumstances. Thus, “nonprofits must adopt their policies and practices over time in order to remain effective.”³⁹ This fact is important and should be understood by the arts organizations, since art to some is not a priority. In time of economic recession funding for art and culture is often the first to be cut.

Application of the best practices to the analysis of the New Orleans

Museum of Art structure and operation.

As I already mentioned, there are vast differences in the ways non-profit arts organizations in the United States and those in the Russian Federation are structured, managed and operate. As a point of comparison I present the New Orleans Museum of Art (NOMA) as an example of a non-profit arts organization that employs all known best practices, methods and knowledge to generate proper management of fundraising, finance and marketing departments.

NOMA’s structure manages all important areas of operation in an effective manner. The Development Department is responsible for implementing fundraising activities, applying for grants and soliciting donations and ensuring financial stability for the whole organization by diversifying its sources of support. The Marketing and Public Relations Department works with the community and the audiences, with other organizations and mass media to generate interest and attract visitors to the museum. The Educational Department develops and implements diverse programs and activities to fulfill the educational mission of NOMA. This department attracts young generations including students and interns, recruits volunteers and manages docents who assist with programming. The Membership Department is responsible for effective communicating

³⁹ Ibid., 60.

with the organization's members and providing services and benefits to the members of the organization.

NOMA is a stable well-respected fine arts organization with a long history and high level of prestige. NOMA's Marketing Department cooperates with almost every major representative of mass media and communication in the city of New Orleans: newspapers, TV, radio stations, magazines, web sites and web pages of related organizations. NOMA's activities, special events or exhibitions always garner excellent mass media coverage locally and nationally. Comprehensive catalogs and promotional materials are published for every substantial exhibition. Diverse events for audiences of different age groups and interests are developed constantly.

NOMA's Development Department is an independent department that implements fundraising, research and cultivates relationships with potential donors. It also implements ongoing research of potential grants for special programs, writes proposals and manages all aspects of interaction with the sovereign foundations and corporations as well as with private donors. NOMA has developed strong relationships with its constituencies: government organizations, private and corporate foundations, numerous private donors and members. All these sources provide stable monetary support for NOMA. NOMA also actively pursues diversity in fundraising through special events, programs and exhibitions that attract visitors not only from New Orleans, but also from neighboring communities. Along with the Marketing and Membership Departments, the Development Department provides members' recognition and benefits by publishing and distributing the "Arts Quarterly" – a printed newspaper with news, articles and

information about NOMA, by e-mailing electronic newsletters to the subscribers and by constantly communicating with visitors who attend NOMA.

In addition to these major departments several staff members execute other responsibilities. A Volunteer Coordinator manages volunteers and provides hands-on support during NOMA's special events and activities. A Collection's Manager is responsible for keeping the collections in proper condition and ensures the accuracy of the information in the database. The Financial Manager deals with funds, financial statements, reports, accounting and the distribution of the assets. Accountants are responsible for proving proper financial forms and tax reports on an annual basis to the IRS Department. A Security Manager ensures proper storage and safety of the NOMA's property.

Chapter Five: Recommendations and outline of the steps toward resolution of the identified problems

Below is the summary of recommendations suggested toward resolution of the problems identifies at the Art Center.

Recommendations

1. Creation of a Board of Directors
2. Recruitment of advisory committees
3. Recruitment of volunteers
4. Write clear job description for staff and areas of responsibility for each Department
5. Creation of a Fundraising Department
6. Write an annual fundraising plan
7. Creation of a Membership Department
8. Use diverse methods of communication and outreach activities
9. Develop website as a major source of data collection and communication with the audiences
10. Repetitive and continuous communication with media; training of personnel in the Marketing Department
11. Use outside help to create a professional look and strong brand
12. Use of evaluation forms and surveys

Table 2. Summary of recommendations for the Art Center.

Recommendation: Creation of a Board of Directors.

The major difference in the administrative structure of most arts organizations in Russia and those in the United States is a Board of Directors. The central point of every non-profit organization in the United States is a Board. Such an entity has rarely

been employed by Russian arts organizations. However the largest and the most significant arts organizations, such as the Bolshoi Theater in Moscow and the Hermitage Museum in Saint Petersburg have Board of Trustees, General Sponsors and Representatives. When it comes to local arts organizations the situation is quite different.

The Art Center is a regional arts organization, which plays a significant role in the cultural life of the region. Even without a Board it has developed a high level of prestige and is supported by the local community. One solution to improving the management of the Art Center is to recruit Board members who are personally interested, truly involved and care about the future of the Art Center. By recruiting a Board, the Art Center can partially fill the gaps in fundraising and development, as well as help set policies and give direction to the staff.

Since the Art Center does not have a Board and all decisions are made by an Executive Director and department staff, it is difficult to adjust the goals, programs and make necessary corrections as needed. The Board could give an independent view and offer increased sources of support. By recruiting influential community members, the Art Center may increase its status and become more efficient at the same time.

The Art Center's Executive Director could use his personal acquaintances with influential community members and business owners to recruit board members. By joining the Art Center as a Board member, individuals demonstrate willingness to support the local arts community. The Executive Director should engage potential members and confirm their commitment to serve in this way.

Recommendation: Recruitment of advisory committees.

The problems in other areas of the administrative departments may be reduced by organizing Advisory Committees to assist the Board and staff. As the Art Center does not have enough funds to hire specialists in particular areas, an advisory committee staffed on a volunteer basis may assist in addressing identified management issues

The first committee to organize should be a Fundraising Advisory Committee: it shall train the Board, give guidance to the staff and advise on the right methods to develop relationships with the community members, especially potential donors. Advisory committees should consist of professional development persons or skilled business or development advisors.

Recommendation: Recruitment of volunteers.

As the Art Center starts to develop its internal managerial structure, it is time to develop relationships with the community it serves by asking for its support through involving volunteers. Unfortunately, philanthropy is not so much a part of other cultures as it is in the United States. I believe it is not people that do not want to volunteer, rather it is the absence of proper management reaching out to recruit the volunteers and viewing them as a vital part of the organization.

The Art Center could recruit art students from local schools, colleges and universities who would love to work with the Art Center because it is the major exhibiting organization in the region. The Art Center could outline the benefits of volunteering, for example: provide free admission, free art lectures, access to the library, an opportunity to learn how the Art Center operates and see where art works are stored,

etc. By describing the opportunities, the Art Center will create an excitement among potential volunteers.

Recommendation: Write clear job description for staff and areas of responsibility for each Department.

The most efficient way to avoid overlapping within Departments and to ensure that each staff member does his or her job is to document clear job responsibilities for the staff and to develop specific areas of responsibility for each Department. By providing these written documents, staff will have a clear understanding of their duties and responsibilities.

It is important not only to provide these documents but to make sure that each Department and staff member knows and understands exactly what other Departments and colleagues do. After writing and distributing the job descriptions, clarifying authority of each Department, the Art Center's management staff needs to have meetings to make sure that everybody knows and understands what the responsibilities and authorities are.

Recommendation: Creation of a Fundraising Department.

By establishing a Fundraising Department an independent department responsible for fundraising only will be created. The Fundraising Department must work under the supervision of an Executive Director, the Board and the relevant Advising Committee and also receive an appropriate training in current fundraising techniques and procedures. The Fundraising Department must create an annual plan, recruit volunteers, and direct its efforts to building relationships with other organizations, corporate donors and individuals.

In order to ensure support from individuals and visitors, the Art Center should provide options of giving: through the website (online), by mail, phone, or in person by filling out a simple form. None of these options work effectively at the moment. The website must have a link and “invitation” to support the Art Center by filling an online form. The Fundraising Department should periodically mail forms designed to ask for donations. The Art Center also should have a phone number ready to accept donations. Easy and accessible ways of giving should increase donations.

In addition, one of the basic principles of all fundraising for non-profits is to have diverse sources of support and never too heavily rely on one source. Thus, the Art Center must develop its relationships with individual donors, groups and organizations to ensure enhanced financial stability.

In creating the Fundraising Department the Art Center needs to:

- Determine and separate development personnel from the Financial Department, write particular responsibilities, authorities and accountability;
- Develop a strategic fundraising plan under supervision of a Board and Advisory Committee;
- Set clear and realistic goals for the development personnel;
- Decide on a leader (development manager) who would be responsible for developing relationships with personnel at the Art Center, Boards, Committees, as well as with the constituents, visitors and volunteers;
- Have development personnel work closely with the skilled Advisory Committee;
- Constantly train development personnel and provide updated sources of information: recent literature, conferences and trainings, web sources, etc.;

- Review and adjust an annual fundraising plan every three months to ensure progress toward realizing goals.

Recommendation: Write an annual fundraising plan.

The primary way to bring structure and set a fundraising goal is to develop an annual plan. It gives clear perspective into what needs to be done by the staff to reach a monetary goal. The plan helps the organization to set realistic goals, outline the evaluation process to track progress, determine the number of special events and prepare a budget for each event.

Recommendation: Creation of a Membership Department.

By creating a Membership Department, the Art Center will reach the following goals: develop closer relationships with existing members, increase the number of new members, provide recognition to the members and develop long-lasting relationships with individuals, organizations and potential supporters. The Art Center needs to develop closer and more attentive relationships with members, provide a higher standard of recognition and develop special benefits for them. Subsequently the Membership Department needs to promote member's benefits to attract more supporters. By providing special services to its members, the Art Center will build long-term relationships with members of the community.

In order to establish a Membership Department the Art Center needs to implement the following steps:

- Determine and separate a Membership Manager from the Financial Department;
- Outline an annual membership plan;

- Create a membership database that would consists of personal informational, contact information, history of giving and will allow to monitor membership renewals;
- Create and outline specific benefits for the members;
- Apply a system of recognition: gifts, special offers, special events for the members only;
- Start developing relationships with potential corporate members by networking, personal contacts, participation in special events;
- Review the annual plan on a semi-annual basis to ensure realistic goals and check progress.

Recommendation: Use diverse methods of communication and outreach activities.

The Art Center needs to improve communication via modern technologies including the Internet (Art Center's website), e-mails (newsletter subscriptions), as well as through direct mailing, mass media (newspapers, radio, TV, magazines) and external agencies like the Department of Culture to ensure larger audience coverage. Besides using the Internet it is also important to develop a mailing list and to design compelling mailing promotional materials. In order to do so the Art Center needs to:

- Collect mailing addresses from the visitors and members;
- Design promotional materials to be sent out to the visitors (cards, invitations, calendars, booklets, brochures, etc.);
- Constantly update mailing database (at least once a year) to ensure the correctness of contact information;

- Check effectiveness of direct mailing by asking to bring mailed materials to the exhibition for a free admission or a discount on a ticket.

In addition to using different communication methods, it is important to build relationships with other arts organizations - especially in the field of art education. There are many art schools in the Krasnodar Region, as well as colleges and universities where art is a major subject. Art Center should interact with these educational institutes to bring more visitors and supporters to the Art Center. In order to develop strong relationships with the local art educational organization the Art Center should:

- Visit an “open day” at the art schools and introduce the Art Center to young audience and their families;
- Take part in art events at the local art schools and colleges;
- Invite an art school to participate in an event/exhibition opening or press conference at the Art Center;
- Distribute promotional materials to local arts organizations;
- Arrange for the curators to be guest speakers in the class at the art schools;
- Organize group tours and lectures for students or classes at the art school.

By developing relationships with the local art schools and colleges, the Art Center may introduce itself to the future specialists and inspire them to work for the Art Center in the near future. It may also announce competitions among art students for providing art management plans and involve students in the everyday activities of the Art Center.

Recommendation: Develop website as a major source of data collection and communication with the audiences.

The Art Center's website must become a major reference for activities and programs. It must be user-friendly, provide comprehensive information about programs and include all necessary tools to register, become a member, subscribe for a newsletter or receive any sort of service. Thus, the Art Center will have a reliable source of information about its visitors and visitors will have access to updated information about the Art Center. The Art Center needs to:

- Design web pages allowing visitors to register, to subscribe for electronic newsletter, to receive a reminder about upcoming events, to make a donation, to leave feedback in a guestbook, to ask a question, etc.;
- Develop and post a list of opportunities with the Art Center: volunteering, participating in the educational programs, description of competitions announced with outline of rules and requirements for participants;
- Add more information about the Art Center and its activities: how it operates, how it is funded, what it does, why it exists and how it carries out the mission.

Recommendation: Repetitive and continuous communication with media; training of personnel in the Marketing Department.

The key to successful advertising and public relations is continuity and repetition. "Cultivating and sustaining a positive working relationship with the broadcast media can be of obvious long-term benefit to arts organizations".⁴⁰ The Art Center must communicate with mass media more often, communicate with larger number of agencies, and use every opportunity to announce its programs to the public. Since a positive

⁴⁰ William J. Byrnes, *Management and the Arts*, 3rd edition (Focal Press, 2003), 77.

attitude towards the government in the media, the Art Center can use its status as a quasi governmental organization in dealing with mass media. To develop the Art Center's representation in mass media, the Marketing Department must develop relationships with the influential local and national mass media representatives.

In addition, the problem of effective staff in the Marketing Department could be solved by continuous training. Marketing is a field where even a slight change or approach may alter perceptions of an arts organization. New methods and techniques in marketing are constantly being created and staff must be aware of changes to ensure proper promotion of the Art Center.

Recommendation: Use outside help to create a professional look and strong brand.

In addition to training Marketing Department staff, the Art Center may involve outside help to create professional marketing plan including creating a logo and providing recommendations for conducting promotions. Also as a part of the solution, the Art Center may consider hiring an outside advertising agency for a long-term period (about a year) to help develop a more positive image and consistently help the Marketing Department in implementing a yearly exhibition plan.

Recommendation: Use of evaluation forms and surveys.

By developing communication through the website, the Art Center should be able to contact its visitors and ask them to fill out evaluation forms regarding programs or exhibitions attended, ask opinions regarding the Art Center's services, etc. In addition, visitors should be able to evaluate the Art Center's programs and events directly at the

center after visiting exhibitions or taking part in programs. In order to get feedback from the visitors the Art Center needs to:

- Create surveys and distribute them among visitors during exhibitions;
- Ask for feedback by filling out surveys on a the Art Center's website;
- E-mail surveys to the registered visitors and members.

Chapter Six: Short and long-range effects of the contribution to the Art Center.

The major contribution I made to the Art Center is that I brought an outside perspective to the operation and structure of the organization, and had the opportunity to compare this organization to the best practices of exemplary arts organizations in the United States. I was able to identify the differences between the Art Center's structure and function with the structure and function of the leading arts organizations in the United States.

Based on the nature of my internship and its relatively short duration, it is hard to estimate the long-term effects of my contribution to the Art Center. But I can estimate the short-term effect of my internship to some important areas of the Art Center operations. One short-term effect of my contribution is that the Art Center now has a database containing comprehensive information about its constituencies. During the first week of my internship I discovered that the Art Center does not employ any sort of database where information about its visitors, members, contributors, donors and prospective supporters can be found. My first recommendation and goal was to design a basic database containing this important information about Art Center's visitors. This helped the Art Center to track the attendance, to collect personal information about supporters, to track the history of giving for each individual or organization, etc. Of course the Art Center only started to use the database six months ago, but already by the time I finished my internship the Art Center had an extensive source of information upon which to evaluate its functioning. In addition, by using the database the Art Center was able to efficiently prepare reports for the State Department of Culture, and understand the dynamics involved in the work implemented.

The important contact information in the database helped the Marketing Department determine the target audience, demographics, and thus, develop better ways of reaching the audience. As a result of collecting e-mail addresses, the Marketing Department started to send out monthly electronic newsletters, information about special events and was able to effectively communicate with the existing audience.

In addition, the Marketing Department designed a survey for all visitors asking them to evaluate an exhibition, special event or educational program. In this way the Art Center started to collect feedback from the audience. Of course, these activities still need further work, but the first step was very important and showed positive effects.

As one of the Art Center's goals was to reach the younger audience I suggested starting to employ the Internet and the Art Center's website in particular as a major reference to its activities. First of all, I recommended adding more information regarding exhibitions, educational programs, descriptions of special events and all Art Center's activities to the official web site. As a result the Marketing Department designed and added a few web pages with the calendar of the exhibition, special events and detailed descriptions of programs. The Department also designed and added a link allowing web browsers to subscribe to the electronic newsletter. Staff of the Marketing, the Curatorial Department and I developed this innovation. This initiative helped the Art Center's website attract more Internet users. This was a first step toward redesigning and updating the Art Center's website and developing new methods of communicating with current and future audiences.

The idea of mutually beneficial collaboration with the art schools and colleges also had a positive impact to the Art Center's activities. During my internship the

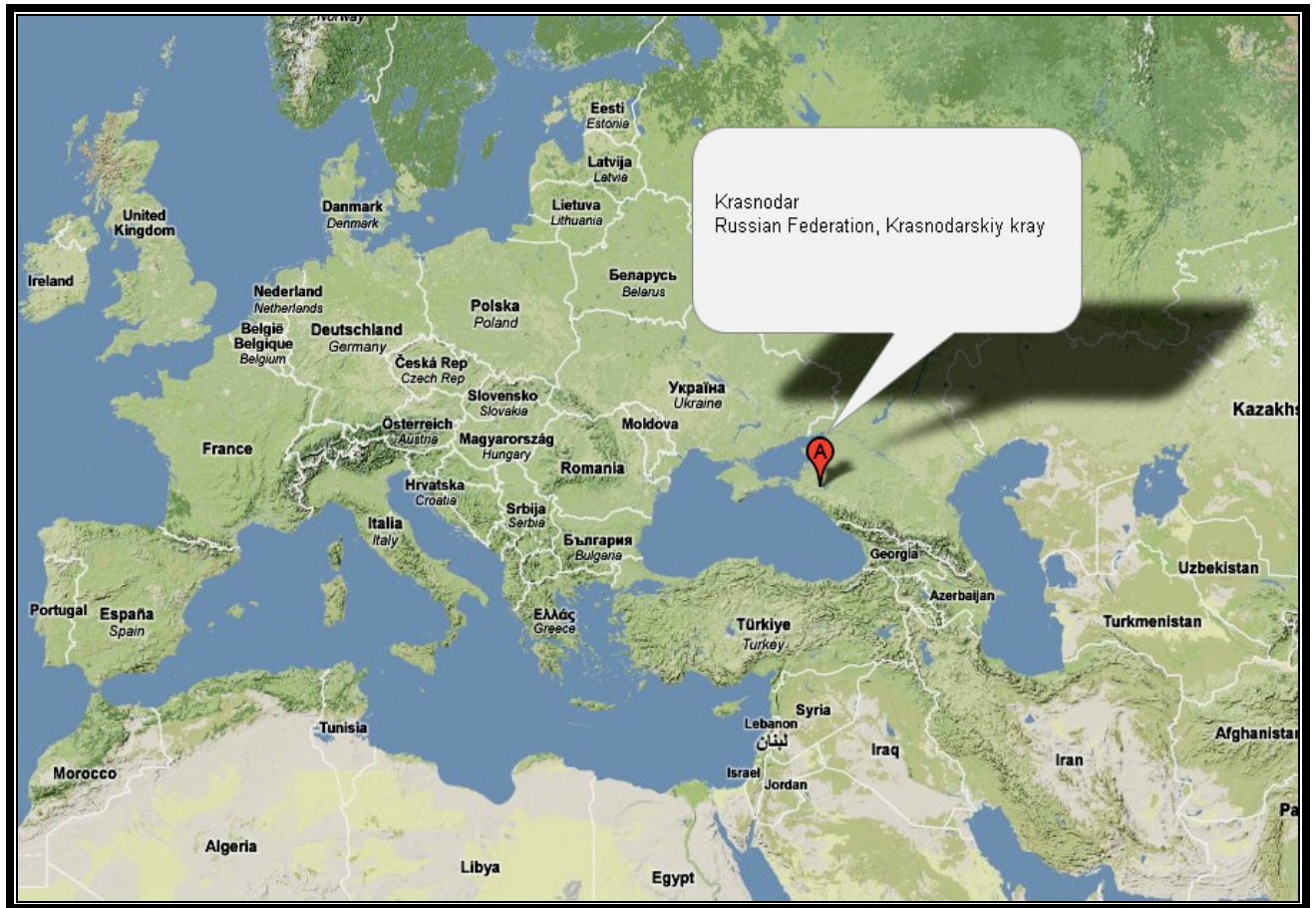
Curatorial Department visited three fine art colleges in the city of Krasnodar. Curators introduced the Art Center's activities to the new audience, talked about the permanent collection and diverse programs, and agreed on inviting the art students to participate in one of the educational programs. As a result an enormous number of young visitors attended educational program as well as their families and friends. These individuals visited and appreciated the permanent and temporary exhibitions of the Art Center according to the feedback.

Early in my internship I realized that the departments' responsibilities were not clearly delineated and no clearly written job descriptions existed for each staff member. It may sound very simple, but clear precise job descriptions are essential to effective functioning. I suggested determining, clarifying, writing and distributing the job descriptions for each staff member, as well as clearly separating the departments' responsibilities in written form. After distribution of the job descriptions, the Executive Director arranged a meeting for the staff and everybody contributed by editing the details, adding comments and making suggestions to the written draft of their documents. This initiative helped to avoid overlapping responsibilities, ensuring that everyone understood what each person was responsible for and understood the duties of each staff member.

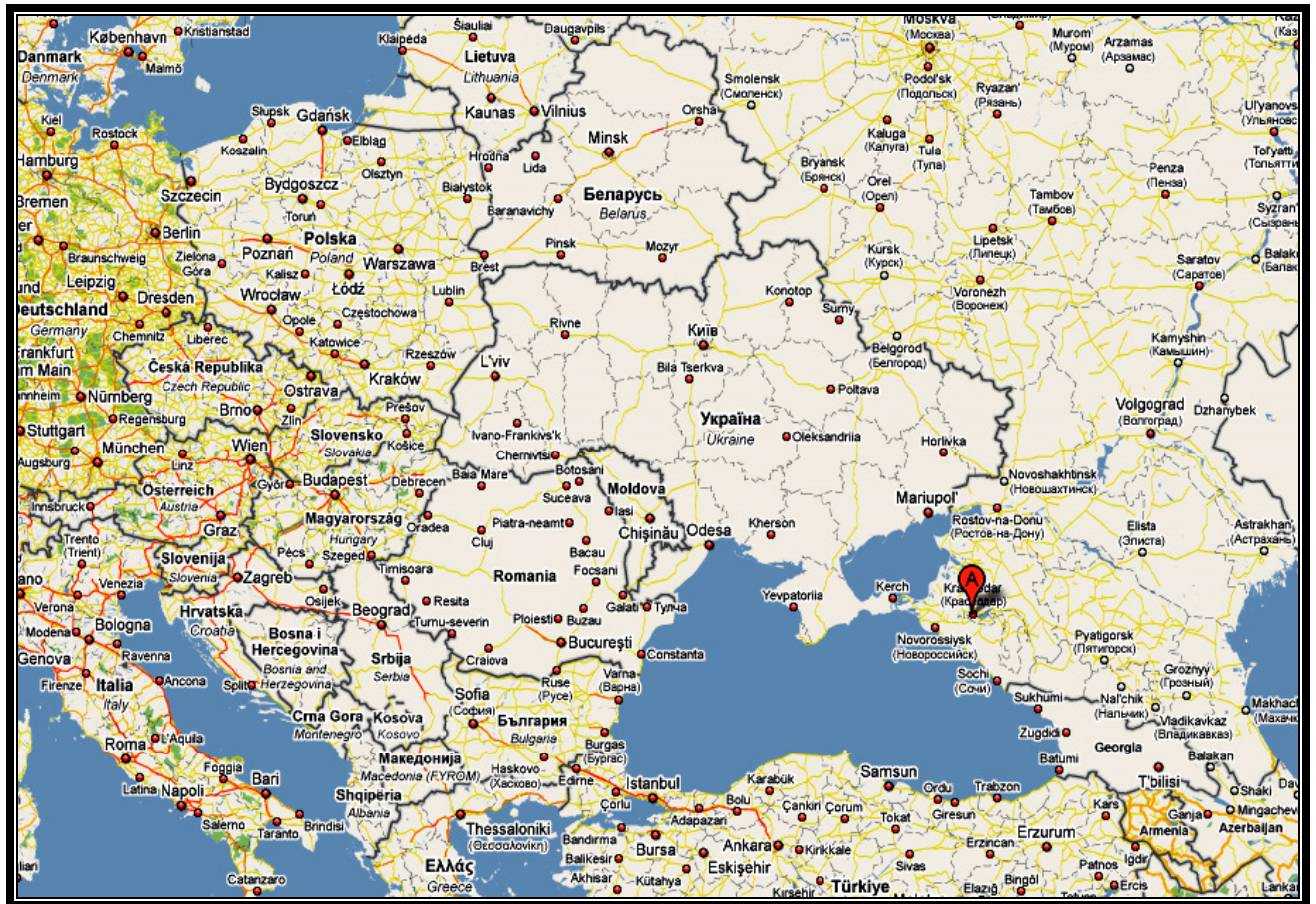
Most of the recommendations I suggested require more time and work to be executed thoroughly. But during my internship I was able to help in changing some basic but very important principles of organizational functioning. The first steps in updating, bringing new ideas and more visitors to the Art Center occurred which helped the Art Center to move closer to fulfillment of their mission.

Appendix A.

Maps of the Krasnodar region and the city of Krasnodar.



Picture 1. Geographical map of the Europe, Western part of the Russian Federation and of the Krasnodar Region.



Picture 2. Political map of the Eastern Europe, South-Western part of the Russian Federation and of the Krasnodar Region with its capital city Krasnodar.

Appendix B.

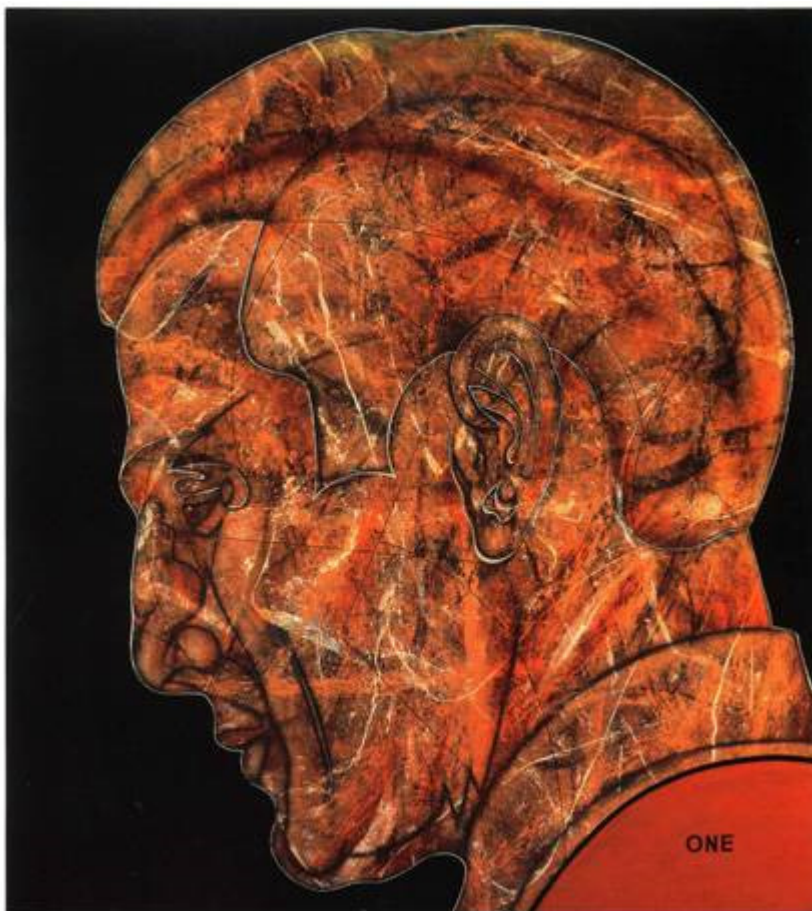
Interior views of the Art Center.



Appendix C.

Examples of works from the permanent collection of the Art Center.

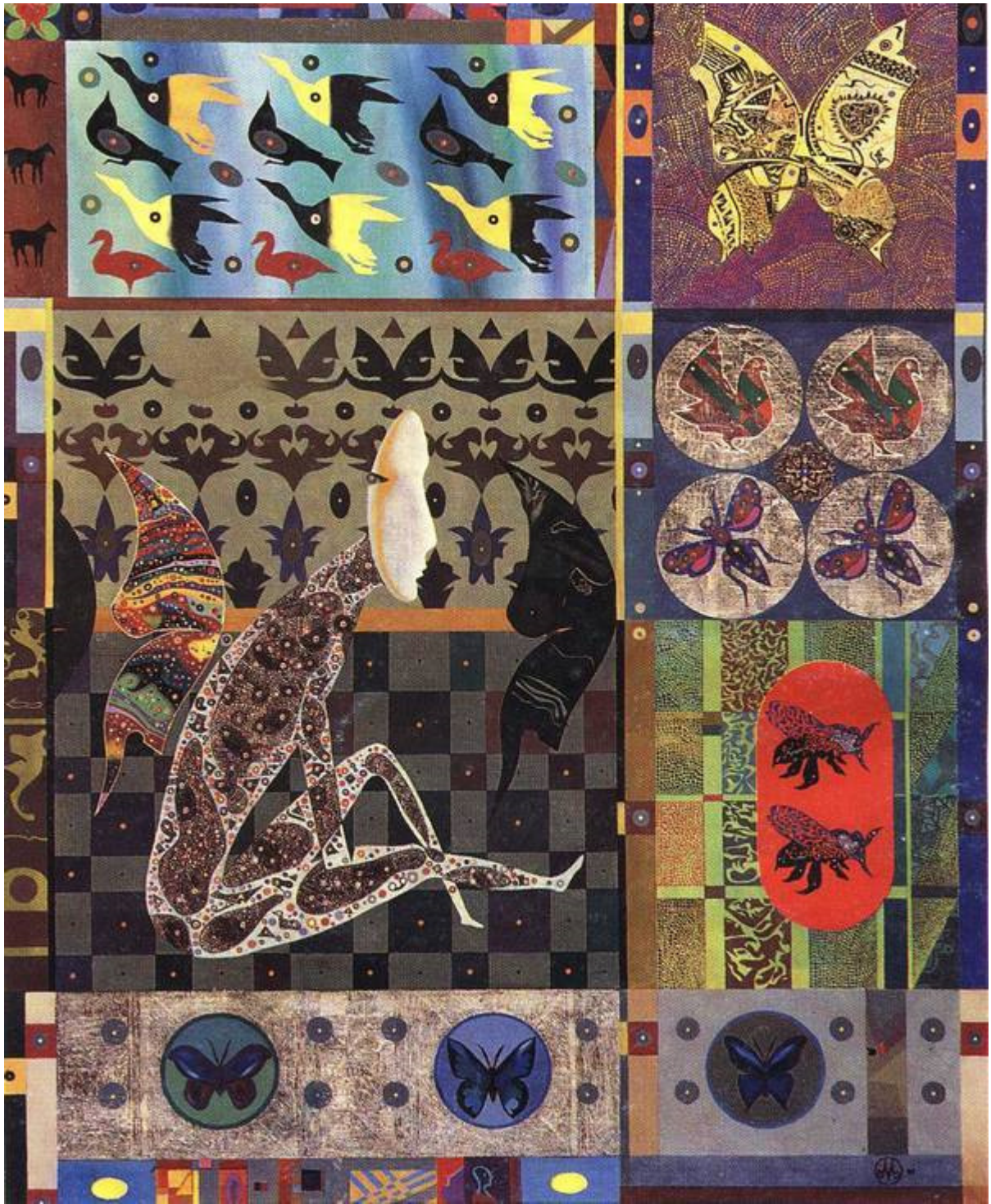
1. Igor Mikhailenko – the Executive Director of the Art Center.



Picture 3. One. 150x137cm. Oil on canvas. 2002.



Picture 4. Street. 120x120cm. Oil on canvas. 2001.



Picture 5. No name. 90x70cm. 1993.

2. Valentina Appolonova



Picture 6. Early morning. Goritskiy Monastery. 50x40cm. Pastel. 1991.



Picture 7. Street in Pereslavl-Zaletskom. 65x45cm. Oil on canvas. 1989.



Picture 8. The faces of the soul. Confrontation. 40x30cm. Acryl on canvas. 2002.



Picture 9. Annunciation. 67x75cm. Oil on canvas. 2005.



Picture 10. The Road to the Danilov Monastery. 65x85cm. Oil on canvas. 2003.

3. Mikhail Arkhangelskiy



Picture 11. Sunrise. 51x51cm. Oil on canvas. 2004.



Picture 12. Kuban nightingale. 105x85cm. Oil on canvas. 2004.



Picture 13. The gulf of the Gelendjik city. 60x90cm. Oil on canvas. 2004.



Picture 14. Self-portrait. 50x40cm. Oil on canvas. 1999.



Picture 15. Flute of the Spring. 120x100cm. Oil on canvas. 2005.

4. Svetlana Burmistrova



Picture 16. No name, # 13. Gouache. 2006



Picture 17. No name, # 16. Gouache. 2006.

5. Nikolay Vataman



Picture 18. Claude Monet. Le déjeuner sur l'herbe. Translation from French. 100x130cm.
Oil on canvas. 1994.

Appendix D.

List of recent temporary exhibitions at the Art Center.

December 2008.

Olga Kovtun - Solo exhibition of collages.



Picture 19. Null. 200x200cm. 2005.



Picture 20. Collage with icons. 150x120cm. 2005.



Picture 21. Luna maan. 150x110cm. 2006.

January 2009.

Ivan Vashenko – “Welcome to my world”.

Photography, video, installations, performance art and graphics by Ivan Vashenko.



Picture 22. Perfectionist's catalog (The program of the International Cannes Festival).

Video. 2007.



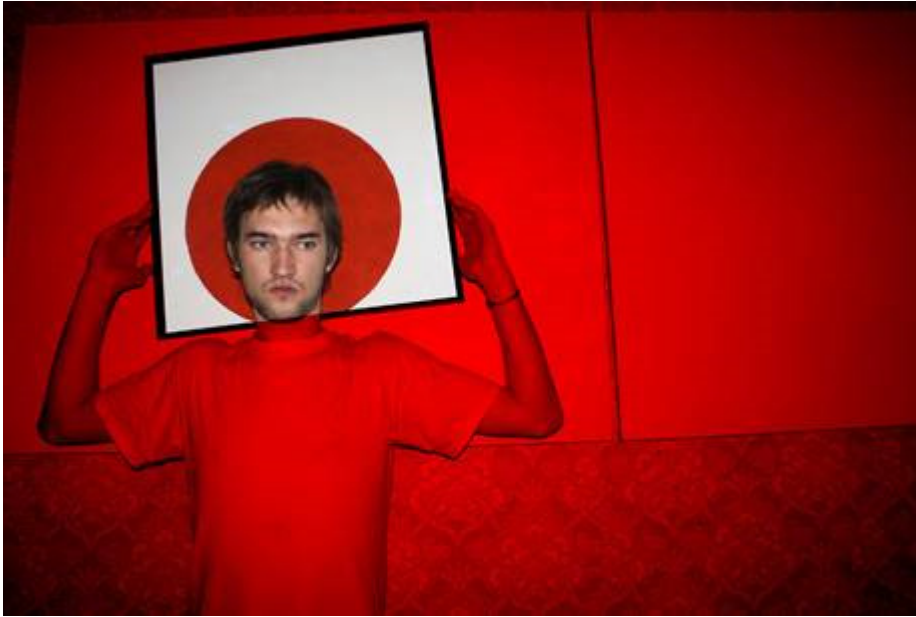
Picture 23. One hundred thirty observers. 40x60cm. Print, marker. 2007



Picture 24. Baal. Photography. 2007.



Picture 25. My Krasnodar. Photography. 2005.



Picture 26. White square. Collage. 350x400x400cm. Paper tubes, threads, hook. 2007.



Picture 27. Black square. Collage. 2007.

February 2009.

“Back to the roots”. Contemporary artists: saints and icons.



Picture 28. Natalia Selunina. The Apostle Ilya, 100x50cm.

Wood, priming mixture of alabaster and chalk, gold, acryl, lacquer. 2007.



Picture 29. Aleksey Filippov. Archangel. 2004.



Picture 30. Olga Merehnyak. Annunciation. Wood, gold, egg tempera. 2005.



Picture 31. Aleksey Filippov. Virgin Mary of Vladimir. 2005

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