

**Business Plan**  
**prepared for**  
**DIVA (Downtown Initiative for the Visual Arts)**  
**by**  
**Alice Parman, Ph.D.**  
**March 5, 2004**

**INTRODUCTION**

DIVA burst onto the Eugene visual arts scene late in 2003. With a stylish, festive ambience that mirrors its logo, DIVA has awakened high interest and expectations among frequenters of downtown Eugene. The result of phenomenal volunteer energy and dedication, DIVA gained immediate attention and support through its highly visible downtown location, high-powered steering committee, and professionally installed, high-quality exhibitions. A substantial kickoff gift from Downtown Eugene, Inc. symbolized DIVA's potential as a catalyst for downtown renewal.

DIVA's volunteers and part-time paid staff focused the bulk of their initial efforts on getting DIVA up and running. They raised startup funds, secured a space, transformed it into a multi-room gallery, and filled the rooms with works of art. As a result, DIVA opened with a flourish, but with only sketchy plans for operations and programming.

The steering committee undertook an organizational planning process early in 2004. The first step was to refine DIVA's mission and develop a preliminary action plan for the first few months of operations and programming.

This business plan is the second step. The plan outlines a strategy for program development and implementation to advance DIVA's mission during the next one to two years, within a framework of financial sustainability and effective, efficient management. These assessments and recommendations are based on information and ideas shared by DIVA's steering committee and staff.

## **MISSION, VISION, AND CORE VALUES**

- **Organizational mission**

DIVA is a catalyst for visual arts activities in downtown Eugene.

- **DIVA's vision**

To create a visual arts center to feature regional art in downtown Eugene

- **Core values**

DIVA stands for

**Collaboration:** community, accessibility, diversity, education

**Quality visual arts:** professional standards, beauty, innovation

**Service to** emerging and established **artists**

**Regional focus,** including preservation of the region's artistic heritage

**Commitment to downtown Eugene**

## **RESOURCES FOR ADVANCING DIVA'S MISSION**

- **Organizational strengths**

DIVA's prime downtown location is a perfect match with its mission. Visitors respond with enthusiasm to the beautiful, welcoming décor and the variety of high quality art in the galleries. Reinforcing these first impressions, DIVA's name, logo, and web site embody energy and innovation in the visual arts.

People make DIVA happen. An amazing amount of volunteer time and energy has already been donated. Experienced professionals have gone way beyond their part-time paid status to plan, produce, and promote exhibits and programs. Maude Kerns Art Center has been extremely generous with organizational and staff support. Team members bring ideas, talent, vision, passion, and commitment to the fledgling program. They also provide access to a substantial network of potential partners, bridging town and gown.

Taken altogether, these qualities add up to a recognizable potential for making a difference. DIVA's exceptionally high level of startup funding was a tribute to this perceived potential. DIVA's success over the long haul will depend on how well the organization lives up to its billing.

- **Environmental opportunities**

The timing is right for an organization that combines excellence and innovation in the visual arts with a commitment to downtown Eugene. Numerous groups and individuals are pushing for a downtown revival with an emphasis on the arts, culture, and entertainment. Among them are Downtown Eugene, Inc., the City of Eugene, Maude Kerns Art Center, Lane Arts Council, other arts and culture organizations and institutions, elected officials, owners and managers of downtown property, urban developers, downtown residents, and many others. As a DIVA steering committee member put it, "There is a spirit that appreciates the arts."

With both UO museums closed and WISTEC open on a limited basis, arts and culture choices are restricted; DIVA can help to fill that gap. Art lovers are always looking for opportunities to view, enjoy, and perhaps acquire high-quality visual art. Families, youth, seniors, and others are in the market for meaningful, affordable leisure activities. Newcomers to Eugene and Lane County are eager to learn more about regional artists and artistic heritage.

Cutbacks to school programs have opened markets for art education field trips and after school/weekend workshops. Teachers, parents, and homeschoolers are open to opportunities to enrich curricular offerings.

A critical mass of people can be motivated to come downtown regularly, when conditions are right. The Eugene Public Library, just a block away from DIVA, has extended its evening and weekend hours to accommodate a rapidly expanding clientele. Downtown restaurants, music venues, and theaters are well patronized.

Downtown events can draw a crowd. Saturday Market and the Farmers' Market are busy even on rainy days. The monthly Art Walk brings hundreds of people to downtown galleries. Thousands of people of all ages take part in the annual Eugene Celebration.

A sizeable number of self-identified artists, artisans, designers, architects, and other arts professionals live in Eugene, Springfield, and elsewhere in Lane County. They exhibit in regional galleries and/or sell their work at Saturday Market/Holiday Market or the Oregon Country Fair. These arts professionals need networking, marketing, and professional development services. DIVA also has an opportunity to showcase their work and services to potential customers.

Collaborative programming enhances DIVA's attractiveness to a variety of funding sources. Especially during a time of economic constraint, funders see genuine partnerships as potentially more efficient and effective than stand-alone organizations.

DIVA's focus on downtown renewal opens up new funding possibilities among individuals and organizations concerned with economic development and tourism. Certain types of partnerships may also appeal to funders who are primarily concerned with education or social services.

## **OBSTACLES TO EFFECTIVENESS AND SUSTAINABILITY**

### **• Organizational weaknesses**

DIVA's minimal public hours result in inaccessibility, missed opportunities to connect with prospective volunteers and supporters, and frustration on the part of would-be visitors.

DIVA's limited resources of time and money have been channeled into exhibits and programs. Inadequate resources for administrative staff, equipment, tools, infrastructure, and services lead to inefficient operations.

DIVA is volunteer-dependent, without staff resources to recruit, train, and supervise volunteers.

Operating systems are not yet in place: planning, organizational structure, management procedures, decision-making criteria and protocol, communication networks (both internal and external), security, and the like. As a result, staff and volunteers typically try to do too much with too little. Administrative and communication snafus sometimes lead to misunderstandings, duplication of effort, and/or conflict. Staff and volunteer burnout is a worrisome possibility.

• **Environmental threats**

DIVA's location in the heart of downtown comes with built-in problems. Drug deals, disenfranchised youth, empty storefronts, and parking fees are all deterrents that keep some people away from downtown.

Economics are a factor. Lane County is a predominantly rural, impoverished area. Government funding for many public services has declined precipitously in recent years. Many downtown businesses have closed their doors.

Arts and cultural institutions face tough competition for customers' leisure time. People who want to shop or see a movie head for one of the area's three major malls. Sports events, outdoor recreation, and museums are all located outside the downtown core. Much family recreation is home-based, centered on TV, video/DVD, and gaming.

A sizeable number of local art lovers travel extensively. Some may be more familiar with the art scene in Portland, San Francisco, or New York than with regional artists.

DIVA's ambitious mission and goals have led some members of other arts organizations to view this new arrival with suspicion. They fear that DIVA may become a competitor for both customers and donors.

## RECOMMENDATIONS FOR PROGRAM, FUNDING, AND OPERATIONS

### • **Mission-driven programming**

#### *Recommendation 1*

##### Commit to mission-driven programming.

Given DIVA's mission—to be a catalyst for visual arts activities in downtown Eugene—what business is DIVA in? At first glance, many of DIVA's programs and services resemble typical offerings of a museum or arts advocacy organization. Actual and potential programs include:

- Exhibitions that raise awareness and get people hooked on art
- Events: classes, tours, lectures, Art Talk
- Space rental: events, meetings, gatherings, parties
- Sales gallery, gift shop, art library
- Services to artists: technology for portfolio development, experiential training opportunities

Two unique qualities distinguish DIVA's programs and services from those of other visual arts organizations in the region: **an emphasis on collaboration** with formal organizations and informal groups, and a **commitment to the renewal and transformation of downtown Eugene**.

**DIVA is in the business of facilitating collaborative visual arts activities that contribute to the renewal and transformation of downtown Eugene.**

Collaboration and downtown impact are key criteria for making choices about programs, services, and resource allocation. The majority of DIVA's programs and services should fulfill one or both of these criteria. In this way, DIVA will be able to deliver focused, effective programs that make the most of modest organizational and financial resources. At the same time, DIVA will build a unique identity and will be perceived as a supportive partner, rather than a threatening competitor, by arts organizations and businesses

#### *Recommendation 2*

##### Think of your customers as prospective volunteers, supporters, donors, and even partners.

DIVA serves a diverse clientele. Most of DIVA's customers are also prospective volunteers, supporters, donors, and/or partners. DIVA's actual and potential audiences include:

- Arts professionals  
Artists, designers, filmmakers, video artists, and architects may become volunteers, supporters, and/or donors. In addition, associations of arts professionals and owners of arts-related businesses have the potential to become collaborative partners.

- Art aficionados

Art lovers, art/art history students, and collectors are potential volunteers, supporters, and donors.

- Art novices

Young people, families, college students, and others who don't know much about visual art, but who are downtown for other reasons, may eventually become volunteers, supporters, and donors. This category includes, for example, downtown residents, library patrons, shoppers, diners, hotel guests, performing arts patrons, convention attendees, downtown business owners and professionals (and their employees and their customers).

Disenfranchised youth, drug dealers, and other "nuisance" populations may be reachable by means of collaborative programs. It's not inconceivable, given the power of art to change lives, that some of these people might eventually become involved with DIVA as volunteers, supporters, and even donors. More probably, as DIVA develops a track record with this audience, partnerships may develop with organizations and funders oriented toward social service.

- Arts, culture, educational, and environmental organizations

These include customers (e.g. schools, youth groups, Elderhostel, Oasis, Learning in Retirement), supporters (e.g. MKAC), donors (e.g. UO Youth Enrichment Program), and potential collaborative partners (e.g. guilds, MECCA, BRING, Eugene Celebration).

- Arts-related businesses

Among the 250 arts-related businesses in or near downtown are some who may become customers (e.g. rent space for an event), supporters (through business memberships), donors (e.g. exhibit or program sponsorships, in-kind donations), or collaborative partners (e.g. Funk/Levis and Associates graphic design exhibit).

- Organizations that support downtown renewal

Potential supporters include the Chamber of Commerce, Chamber, Eugene Planning Division, elected and appointed city officials, Metro Partnership, and CVALCO. DEI has already demonstrated its support through a major gift. Always invite members of these organizations to receptions and other special events. Keep them posted on what you're doing for downtown Eugene.

### *Recommendation 3*

Focus on a few high-impact, mission-driven programs and deliver them with excellence.

Use the dual criteria of collaboration and downtown impact to consolidate services, set funding priorities, and develop timelines.

Some examples of possible approaches to collaborative programming:

Collaborate with the Eugene Public Library and related organizations, groups, and businesses to inspire a critical mass of library patrons to explore DIVA and downtown

Eugene. The library is visible and well-attended, and it's just down the street from DIVA. The cultural and educational goals of the Library are compatible with DIVA's mission.

Lead the way for galleries and nonprofit arts organizations by reaching out to art novices. The monthly Art Walk, exhibitions, and programs of all kinds are opportunities to offer welcoming, accessible experiences that proclaim, "Art is for everyone." Families, non-English speakers, people with disabilities, Springfield residents, rural communities, congregations, schools, youth groups, and many other community sectors could be the focus of targeted programming and marketing efforts. Collaboration is the key: reaching out to new audiences for art, engaging community members, organizations, and businesses in helping to create exhibits, programs, and special promotions.

Collaborate with Saturday Market, Eugene Celebration, and other regular, well-attended events. Find ways to complement and enrich one another's offerings to the benefit of both partners.

Artists and artisans in Eugene and Lane County can become one of DIVA's most loyal constituencies. Consider partnering with Lane Arts Council, Oregon Crafted, Lane Community College, University of Oregon Continuing Education and/or others to offer affordable professional development services for emerging artists. Other potential services include showcasing artists' work, promoting their studio tours and regional shows, inviting artists to give talks and lead tours, hosting networking events for artists, and organizing mixers, swap meets, and other special events that bring the downtown business community together with artists and their art.

#### *Recommendation 4*

Make the most of organizational strengths and environmental opportunities to develop collaborative partnerships that are a catalyst for visual arts activities in downtown Eugene.

Focus on downtown, in keeping with your mission. Find partners that are established, well funded, and have a downtown clientele. Examples include Eugene Public Library, Looking Glass, DEI, Saturday Market, City Club, OFAM, Elderhostel, Oregon Bach Festival, St. Vincent de Paul/Aurora Apartments, First Christian Church, Chamber of Commerce, and CVALCO.

Concentrate on forging ongoing partnerships that are truly synergistic and mutually beneficial. These partnerships should also contribute directly or indirectly to DIVA's mission of being a catalyst for visual arts activities in downtown Eugene. At the same time, DIVA should strive to serve partners' clients and complement and enrich partners' programs. Ideally, DIVA would find ways to involve other arts organizations and arts-related businesses in these partnerships. Over time, DIVA's array of partnerships may become a network or web of collaborative institutions, with DIVA as the hub or nexus.

This strategy will enhance DIVA's standing with other visual arts organizations. By expanding programming and funding sources into fields unrelated to the visual arts,

DIVA will attract new donors to the visual arts. DIVA's collaborative programming will make them aware of the potential of the visual arts for furthering economic, educational, and social goals.

• **Strategies for sustainable funding**

DIVA has the opportunity to generate earned revenue through sources such as admission donations, gallery commissions, class and workshop fees, rental gallery proceeds, and gift shop sales. As with most arts and cultural organizations, however, the majority of DIVA's revenues will come from other sources: individual contributors, associations, foundations, small businesses, and larger corporations. The fiscal health and sustainability of a nonprofit organization depends in large part on the diversity of its funders. What is the potential role of each source in DIVA's funding mix?

*Individuals*

Nationwide, about 80 to 85 percent of all charitable contributions are made by individuals and families. People who share the organization's vision and express their commitment by making a financial contribution are the core of any nonprofit's fundraising program. Compared to other sources of funding, individual contributors are generous, reliable, and committed for the long haul.

Many donors will make multiple contributions in the course of a single year. Some are ready to give at what is for them a sacrificial level. An organization's pool of individual contributors is also a likely source of volunteers, fundraisers, and board members.

*Associations*

Professional associations, service clubs, guilds, congregations, and other organizations of like-minded individuals are conduits for conveying your message to a cross-section of people who may have an interest in DIVA's work. Their interest may be professional (associations of artists, police officers, etc.), charitable (service clubs, churches), or very personal (reaching members with an interest in the arts and/or downtown Eugene).

Such organizations can help DIVA's fundraising efforts by

- making financial contributions;
- mobilizing volunteers to help with an event or special need;
- inviting a speaker from DIVA to participate in a membership program;
- allowing DIVA to make a fundraising appeal through a newsletter or other membership mailing.

*Foundations*

Grants from charitable foundations account for about 10 to 15 percent of all contributions to tax-exempt nonprofit organizations. Although stock market losses in recent years have greatly eroded foundation assets, many are beginning to regain that lost ground.

Foundation boards and staff tend to think like bankers: they want to invest in your organization, building your capacity and helping you move to a new level. Think of a

foundation grant as one-time, windfall income. Foundations seldom make an ongoing commitment to a single program or even to a particular organization.

Apply to foundations for planning, startup, or seed money. Foundations support programs with demonstrable potential to become self-supporting through individual contributions, business/corporate sponsorships, or earned income.

In your foundation applications, package an aspect of your operations as a special project, or develop a new program that will strengthen DIVA and serve your core mission. Never invent a program to match the foundation's guidelines. Instead, seek foundation support to help you do what's right for your organization at this time.

### *Businesses and corporations*

Small to medium-size businesses, and some corporations, are owned by individuals with a personal stake in the community. Some of Eugene/Springfield's most generous donors are owners of local businesses (e.g. Newman's Fish Market and Jerry's).

Some local businesses and corporations are interested in associating their names with special projects. Businesses differ from foundations in that some will become loyal supporters of particular nonprofit organizations. Often they specialize in a particular cause, such as youth programs, food security, or preservation of natural areas.

Charitable contributions by businesses only account for about 5 percent of donations to nonprofits. However, this figure does not include business sponsorships. For most businesses and corporations, program sponsorships are financially preferable to charitable contributions. By putting its name on an exhibit or program, a business can legitimately claim a marketing expense. Typically, a business's marketing budget far exceeds its line item for donations.

Regional/national corporations with a local plant or office may have a corporate foundation or similar process for making local grants. It's important to connect with the funding liaison person in the local office and follow his/her recommendations for applying. It may take several years to get your first grant from a corporate foundation; but once you're on the list, you may be able to secure an annual grant. The down side is that in case of a corporate buyout or merger, you may be back to square one—or completely out of the picture.

### *Recommendation 1*

Build a base of individual and business members and donors.

To support paid staff and operating expenses, focus your fundraising efforts on:

- Membership development through services to artists
- Memberships and sponsorships by arts-related businesses; their incentive is the opportunity to showcase and promote their work
- Business and corporate support based on DIVA's increasing value to downtown businesses, working professionals, and residents

- Contributions from individuals who recognize DIVA's unique role in revitalizing downtown through collaborative visual arts activities

#### *Recommendation 2*

##### Build a donor base that is unique to DIVA.

Tell other arts organizations that their donors will be off limits to DIVA, except for unsolicited contributions, and honor this commitment scrupulously. Explain that DIVA's funding strategy will be based on making the visual arts valuable to downtown supporters, energizing the downtown through the visual arts. Focus on collaboration and partnerships that will bring new donors to the arts field. This approach should help DIVA lessen or overcome negative perceptions by members of some other arts organization.

#### *Recommendation 3*

##### Put systems in place for year-round fundraising

Conduct a formal fundraising campaign (assigned personal solicitations, targeted letters, grassroots mailing) once or twice a year. Make sure that donors and prospects receive two or three informational communications about DIVA (newsletter, exhibit/program announcement, invitation, etc.) for every fundraising communication. Purchase fundraising software and assign volunteers and/or staff to manage membership records and renewals, and donor records, solicitations, thank-yous, and recognition.

#### *Recommendation 4*

##### Seek foundation support for capacity building and special initiatives.

It makes the most sense for DIVA to concentrate on building a base of individual donors and small- to mid-size business owners. These are your most promising sources of unrestricted funds to operate the organization and deliver your core programs.

Seek foundation funding for innovative programs and institutional investments that can take DIVA to a new level, and that also have the potential for sustainability. Large corporations, and some foundations, may also consider funding one-time projects with broad appeal, high visibility, and lasting impact.

#### *Recommendation 5*

##### Live within your means

Plan and budget prudently and realistically. Don't bite off more than you can chew. Set priorities, using the criteria of collaboration and downtown impact, and start at the top of the list. Add new programs as you can sustainably afford them. Fund the infrastructure, tools, and staff to deliver a few high-impact programs with excellence.

• **Strategies for more efficient and effective operations**

A recently submitted proposal to the Oregon Community Foundation seeks funding for a professional administrator to manage DIVA's organizational affairs. The responsibilities of the administrative coordinator will include:

- coordinate the work of the Steering Committee and other volunteers
- develop and implement a strategic plan
- publicize DIVA's exhibits and programs
- represent DIVA to potential partner organizations

The administrative coordinator will ensure that DIVA's efforts are unified, efficient, and effective. S/he will relate peer-to-peer with other professionals, paving the way for board-to-board dialogue that will build lasting partnerships based on a shared commitment to the visual arts as a catalyst for downtown renewal.

*Recommendation 1*

Hire an administrative coordinator as soon as possible.

Without waiting for OCF's decision, the steering committee should aggressively pursue funds to commit to the administrative coordinator position for at least a year. DIVA is hamstrung in multiple ways by the lack of a paid manager. The most important and visible symptom of this management gap is that DIVA's doors are closed most of the time. With a paid manager, you will be open for business.

*Recommendation 2*

In the meantime, regularize management procedures.

The steering committee should agree on workable decision-making criteria, make team-based decisions, then delegate responsibility and accountability. It's important that everyone on the team respect group decisions and follow agreed-upon procedures. This will maximize your program impact and fundability, make decision-making easier, and mitigate staff and volunteer burnout. Equally important, functioning as a team contributes to the health and morale of the organization. Chronic internal conflict is never a secret for long; if not resolved, eventually it will make DIVA less appealing to potential volunteers and funders.

Regularized management procedures will pave the way for a paid administrator. While the steering committee will continue to be deeply involved in all aspects of DIVA during the first couple of years of operation, it will be important for steering committee members to move away from day-to-day details and toward policy, oversight, and fundraising as their chief concerns. Each member of the steering committee should make a conscious effort to distinguish between volunteering (under the administrator's supervision) and serving on the steering committee (and supervising the administrator). This isn't easy, but it's necessary during the early years of most nonprofit organizations.

### *Recommendation 3*

#### Develop a few genuine, mutually beneficial partnerships

DIVA cannot succeed without partners. Collaboration is built into your mission. DIVA should proceed deliberately and methodically to develop a few mutually beneficial programs and initiatives based on strategic alliances with nonprofit organizations, for-profit businesses, governmental agencies, and interested individuals. A single thread will run through each of these initiatives and alliances: each will help to foster a wide variety of visual arts activities that contribute to a tangible, visible, revitalization (or as steering committee member Jerry Ross has termed it, a Renaissance) in downtown Eugene.

Although it is tempting to be opportunistic, be wary of jumping into entangling alliances. First, formulate policy as a group. What types of partners do you seek? Then gather information, welcome overtures, reach out to likely prospects, and experiment with short-term, low-budget collaborative projects. Use your management and decision-making systems to review and strategize before making any long-term deals or commitments.

#### **NEXT STEPS**

If DIVA's steering committee decides to adopt some or all of these recommendations, the next step is to develop an action plan. Assign steering committee members and/or volunteers to different tasks, set deadlines, and report progress and problems to the whole group on a regular basis. Revise and adjust goals and objectives as needed.

Prepared for DIVA by

Alice Parman, Ph.D.  
Museum Consultant • Organizational Coach

836 Taylor Street  
Eugene, Oregon 97402  
(541) 342-3464  
[alice@aparman.com](mailto:alice@aparman.com)

March 5, 2004