



Canada Council
for the Arts

Conseil des arts
du Canada

Leadership for Change

Flying Squad Program Review and New
Approach to Organizational Development

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Bringing the arts to life

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I. What is the purpose of this Context Document?

This document summarizes the reflection and work undertaken in the context of the Canada Council for the Arts' review of its Flying Squad Program. It explains the steps carried out as part of the review process; highlights findings from the research, consultations and analysis; and outlines the Council's new approach to supporting organizational development.

Following the review, the Canada Council is refocusing its approach to organizational development on helping arts organizations effectively manage change. The new approach includes a grants program that will support individual or group consultation with specialized experts, as well as collaborative sectoral or regional research, learning and planning initiatives. Over the short and long term, the Council will also explore and introduce other initiatives to support organizational development, such as services, tools and partnerships.

This document is not intended to serve as a policy statement or program guidelines. Please, visit the Council web site for a copy of the program guidelines.

II. What was the Flying Squad Program?

Delivered between 1998 and 2012, the Flying Squad Program offered assistance to arts organizations to strengthen their organizational management practices and the professional skills of their staff.

It grew out of a program of hands-on assistance for professional theatre organizations that was offered by the Canada Council in the late 1970s and early 1980s. Known as "The Flying Squad," this initiative was uniquely structured as an emergency response mechanism for troubled companies. In 1998, it was re-introduced in the Theatre Section as a pilot program with a broader mandate to assist organizational development through support for effective planning, capacity building and related initiatives. At that time, the Council was focused on the "stability" of arts organizations to provide better conditions for artistic practice and the development of artistic excellence.

In 2006, as part of the Council's policy on organizational health, the Flying Squad Program was opened to all arts disciplines. It provided support to arts organizations and their managers for organizational development activities via four components:

1. Organizational research and planning
2. Mentorship
3. Collaborative initiatives
4. Professional development

Under component one, applicants could seek support to cover the costs of individual consultations with experts on organizational issues, such as strategic and business planning, human resource development, governance, and financial management, among other areas. Experts could, for example, advise and assist successful applicants with an aspect of internal organizational challenges, marketing and fundraising projects, as well as recommend directions or a plan of action. The other components addressed a similarly broad range of topics.

The Flying Squad Program differed from other Council programs in that it was managed by external coordinators. As well, a mechanism was put in place to allow the confidentiality of Flying Squad applications, and grant recipients reported on the process rather than the content of the project in order to honor confidentiality. The purpose of these features was to create trust in the beneficiary organizations, foster openness and honesty in discussing problems or issues.

In 2011–12, the annual grants budget of the Flying Squad Program was \$1.3 million. The Council suspended the program in the Fall of 2012, when it became clear a major restructuring was in order.

III. Why did the Council review its Flying Squad Program?

The Canada Council recognizes that arts organizations are experiencing rapid and substantial change: demographic, technological and economic developments are all affecting their operating environments. Artistic practices are evolving, modes of production and dissemination are changing, and the practices of cultural consumption are being transformed, particularly among the younger generation. As well, public funding for the arts is not growing and it is no longer possible to support the expansion of arts infrastructure using models developed in previous decades.

Artists and arts organizations in Canada are constantly adapting the way they work to reflect new realities, and the Council must also think about how best to use public funds to support the development of arts practice in changing times. It accordingly launched a major re-think of how it fulfills its mandate, the broad outlines of which were signaled in the Council's last two strategic plans. In response to growing pressures to ensure the Council's programs stay in step with these massive changes, it also launched reviews of three programs in 2011: Operating grant programs, the Public Lending Right Program, and the Flying Squad Program.

In the current context of economic constraint, the Council was interested in exploring whether or not its approach to coordinating the Flying Squad Program externally, and the program's emphasis on individual consultations, were the most effective and strategic ways of delivering an organizational development program today. More importantly, the Council believed that a reimagined approach to supporting organizational development could have greater potential to help arts organizations address new opportunities and challenges, and adapt creatively to their changing environments.

The **goals of the program review** were to:

- acquire a clearer understanding of the Flying Squad's intentions, use and impact;
- examine the degree to which the Council's approach to supporting organizational development enables arts organizations to address the rapid changes affecting their operating environments; and
- explore other approaches that would potentially be more effective, more closely reflect the Council's strategic directions, and ensure its investment in organizational development has a broad impact.

These goals shaped how the Flying Squad Program review was structured and how it proceeded.

IV. How did the Council review the program?

The Flying Squad Program review began in November 2011. It consisted of three components: research, internal and external consultations, and the consideration of options for the future.

The Council first conducted factual **research** on the Flying Squad Program. It reviewed various studies and documents related to the program, and explored existing file information as part of a data scan. The Council also commissioned snapshot studies and gathered qualitative information from stakeholders to further understand the program's use and impact. This work was complemented by additional research that examined the landscape of support for organizational development in Canada, and identified notable tools and potential partners.

Throughout the review, the Council held numerous **consultations**—both formal and informal—with various experts, representatives of arts organizations, consultants and specialists in arts management, previous Flying Squad Program coordinators, and Council staff. These discussions were an opportunity to hear perspectives on organizational development, explore new models of support, and understand the implications of available options.

Following research and consultation, a working group comprised of Council staff and arts organization representatives **considered options for the future**, and contributed to the development of the broad outlines of a new approach to supporting organizational development.

V. What did we learn?

Various insights surfaced during the review about the use of the Flying Squad Program, as well as its strengths and weaknesses. Many ideas about how the Council could support organizational development in a way that is effective for the Canadian arts community, and in sync with the Council's strategic vision of a thriving arts ecology, were also brought forward. Highlights of findings from the research, consultations and analysis follow.

1. What we learned about the use and impact of the Flying Squad Program

Looking at the period from 2006–07 to 2011–12, the last five complete years in which the Flying Squad Program was in operation, reveals that:

- 621 arts organizations received support from the program, including both operating clients and those that receive project funding from the Canada Council.
- Approximately \$5.8 million was awarded in grants for consultations, mentoring, collaborative initiatives or professional development.
- The average grant amount was approximately \$5,600.

- The program received a total of 1,482 applications, of which 1,067 (72%) were successful.

Grants were primarily used by the recipient arts organizations to cover the cost of consulting experts on various aspects of their governance, management and operations. The Flying Squad's organizational research and planning component, under which these consultations were funded, was its most used feature. Most arts organizations were either satisfied or very satisfied with the advice they received from consultations.

The Flying Squad Program was valued by those it assisted, and had a positive impact on the organizations that used it. The program's support for organizational development was especially beneficial in smaller communities where expertise was not available locally. However, some aspects of the program became less effective over time and may now be redundant, given advancements in technology. As well, some features would benefit from being reimagined and updated to function more effectively in the current environment, something that was echoed in the consultations.

2. What we heard in consultations

Organizational needs have evolved.

While many of the needs and issues that existed at the time of the Flying Squad's creation still exist, arts organizations are facing new challenges today. Several specialists identified two types of organizational needs:

- **basic management needs** that are more technical in nature, such as regular strategic planning, governance, and introductory human resource development; and
- **more strategic needs** that are related to the ability to adapt and change, such as seizing unique opportunities, successfully carrying out major transitions, exploring new business models and operating structures, and adapting through innovation.

In several consultations, there was an expressed interest in seeing the Council support the exploration of new organizational models, particularly given that younger generations seem more interested in entrepreneurial approaches, collaborative models, and other alternatives to traditional organizational structures. The need to develop new and different models of funding support—to serve a variety of styles, sizes and types of organizations, and generational learning styles—was also a common refrain. People also expressed the need for tools and skills to do advanced market research and to manage data, to develop more advanced fundraising skills and build revenue generating functions into their operations.

It is important to continue supporting consultation with experts.

All the organizations and specialists consulted told the Council how beneficial the individual Flying Squad consultations were to the recipient arts organizations. Consultations are regarded as valuable, flexible tools that help arts organizations make sound diagnoses and define strategies for adapting to change. Such support enables organizations to manage risk more effectively and seize opportunities, and validates their administrative teams' need to innovate in response to changing circumstances.

It was nevertheless suggested that support for more “introductory level” organizational development—such as basic governance and regular planning—be delivered differently. It was additionally noted that core information and management processes and tools are often transferable and adaptable.

There is a need to encourage professional leadership in the arts and enable managers to drive change.

In some cases, recipients of Flying Squad support asked consultants to carry out research, planning, consultation and analysis on their behalf, without being as involved as they could be in the organizational development process. While the resulting reports and outputs were useful, some organizations nevertheless missed out on valuable learning opportunities that could have derived from direct participation. There is a need to enable managers to become more involved in organizational development and more confident in their ability to lead, innovate and drive change.

There is an interest in collaborative learning initiatives and a strong desire to share knowledge about organizational development.

Participants in consultations spoke of the value of peer conversations; collective work with experts to develop skills and address organizational issues; and collaborative learning initiatives that could make knowledge acquired through individual action available to the larger milieu. With regard to program design, the individuals consulted believe that sharing learning is more important than maintaining confidentiality about their operations.

The Council was asked to develop a way of disseminating the learning from its investment in organizational development to facilitate knowledge transfer. It was also suggested that support for proactive regional or sectoral approaches to pool resources, in order to help groups of organizations, could improve an organizational development program.

There is a need for more research and tools.

More research would facilitate a better understanding of the scope of change and challenges in each arts discipline. The need for organizational development tools, both rudimentary and advanced, was reiterated often, as was the need for training and assistance with data analysis, particularly with regard to audiences and market research.

3. What we learned about the landscape of support for organizational development

There are many programs of assistance for organizational development in Canada.

Private foundations, municipal and provincial public arts funders, arts service organizations, and other independent organizations all offer programs to support organizational development in the non-profit sector. At the federal level, the Department of Canadian Heritage offers a program of support for collaborative projects (the Canada Cultural Investment Fund’s Strategic Initiatives component), which is intended for large-scale projects.

There are also a vast number of online tools and resources available, particularly for the larger non-profit sector, many of which support arts managers’ basic organizational development needs.

There is immense potential for offering organizational development support services via the web. Given the number of existing resources, it was suggested that the Council act as a convenor,

taking a leadership role to work with others and explore what resources could be coordinated and offered collectively in the milieu. In general, the individuals consulted felt it would be preferable for the Council to engage in any service work in partnership with others.

4. What do the findings mean?

The Council concluded, as a result of the research, consultation and analysis undertaken that support for organizational development should be articulated via several initiatives, in order to meet the needs of arts organizations more effectively. The Council must also position itself within the complex environment for organizational development support in Canada by offering complementary support and avoiding service duplication.

Knowing that effective support for organizational development requires diverse responses, the \$1.3 million budget previously allocated to the Flying Squad Program will be invested in the future through more than one program. The Council has, for example, redirected a portion of its former Flying Squad budget toward support for market access, given the need articulated by many arts organizations to bolster their competitiveness through increased support for this priority activity.

The Council's role will be more limited with respect to basic management needs. As part of its new approach to organizational development, the Council will no longer invest as heavily in regular, introductory-level organizational development and learning. Over the short and long term, it will instead explore various options and approaches to supporting these needs, in some cases in conjunction with other stakeholders. At the same time, the Council will focus more on supporting arts organizations' ability to anticipate, adapt and change, in order to address more strategic needs.

Based on the findings, the Council believes there is value in encouraging collective and sectoral approaches that create access to learning for the wider milieu, as opposed to advancing one organization at a time. It also believes that it is important to continue to offer a grant program for consultation with experts; however, such a program will be different from the Flying Squad in several ways.

VI. What will the Council's new approach to organizational development include?

In light of the broader environment and the Flying Squad review findings, the Canada Council is focusing its approach to organizational development on **helping arts organizations manage change**.

This approach includes a new grant program that will support individual or group consultation with specialized experts, as well as sectoral or regional research, learning and planning initiatives. Over the short and long term, the Council will also explore and introduce other initiatives to support organizational development, such as services, tools and partnerships.

This new approach complements the Council's existing suite of programs and offerings, as well as the organizational development support provided by other funders, the non-profit sector and other organizations.

1. Leadership for Change: Grants for Organizational Development

The former Flying Squad Program will be replaced by a [Leadership for Change: Grants for Organizational Development](#) program, which will provide grants to secure specialized expertise to develop new and diversified management practices, and explore alternative organizational structures. It will support projects that prioritize innovation, strategic foresight, and change management, and strengthen the organization, sector or community's ability to adapt to new circumstances. The new program will also enable the arts community to identify issues affecting a discipline or multiple organizations, and address them by developing a collective approach.

The program has two components:

i. Grants for collective and sectoral initiatives that focus on common challenges.

These grants will provide funding to hire a specialist, a facilitator or a researcher for research and shared-learning initiatives that address common challenges or opportunities through different models, alternative approaches and/or innovative solutions.

ii. Grants for individual consultations with specialists.

These grants will support individual consultations involving advanced research, learning, foresight and planning designed to explore different models, alternative approaches and/or innovative solutions that raise an organization's performance in management, governance and operations to a higher level.

The [Leadership for Change: Grants for Organizational Development](#) program draws on the Canada Council's strategic directions and recognizes the need for arts organizations to adapt to the many rapid changes affecting their operating environments. The new program will focus on building the ability to deal with constant change. This emphasis echoes the thrust of the current review of the Council's operating grant programs by encouraging arts organizations to explore innovative strategic responses to contextual pressures.

Importantly, the new program will encourage a commitment to organizational development and projects that are learning opportunities for organizations. It will recognize the importance of direct involvement and participation in the process: what is learned, what has changed, and how organizations and managers can apply their new knowledge.

2. How will the grants program be delivered?

The [Leadership for Change: Grants for Organizational Development](#) program will be managed on a cross-disciplinary basis by officers from the Council's disciplinary arts sections. Grant applications will be assessed by a multidisciplinary peer assessment committee.

Each arts section will manage its own applications and have access to assessors' comments, in order to improve Council-wide understanding of the challenges faced by organizations. Grantees will submit final reports that enable the Council to capture and share significant cross-disciplinary learning. It is felt that this will enable the Canada Council to better understand developments in the field, and how the organizational practices of the most innovative arts organizations are evolving across disciplines. It is also expected that the centralized collaborative approach will reduce program management expenses, facilitate knowledge transfer, and lead to a better evaluation of results.

The new program will focus on change management, and applications for basic or introductory assistance will no longer be eligible. The Council will promote examples of organizational development resources via other services and initiatives, as described below.

3. How else will the Council support organizational development needs?

The *Leadership for Change: Grants for Organizational Development* program is part of a broader, multi-faceted approach that will see the Council explore and introduce other complementary initiatives to support organizational development over the short and long term.

Over the **short term**, the Council will:

- *Develop a web page* that directs arts organizations toward the best organizational development resources available online, as well as toward organizations in the community offering workshops and other tools. The page will be added to the Council's website in the coming months, and the scope of its content will be developed gradually as budgets permit.
- *Create a Crisis Management Framework* that specifies the various ways in which the Council could respond to crises in arts organizations. Although crises are rare and are often addressed in collaboration with other funders, such a framework would outline guidelines and a process for possible intervention separate from the Council's grants programs.

Over the **long term**, the Council will:

- *Explore the possibility of additional research and look for potential partnerships* to provide arts organizations with professional development tools or shared learning and knowledge resources that will strengthen their capacity to adapt to new challenges. The Council will explore partnerships both inside and outside the arts sector.
- *Convene organizations that provide organizational development support to discuss the possibility of identifying, exchanging and potentially pooling resources.* Preliminary consultations with the National Arts Service Organizations (NASOs) are anticipated.
- *Continue to connect the Council's work in organizational development with the current review of its operating grant programs.* The review of operating grant programs offers many opportunities to continue thinking about the Council's support for the

organizational practices of arts organizations—such as mentorship, and succession and legacy planning—as well as innovation, adaptation and resilience.

In addition to the new initiatives described above, the Council will continue to support and monitor organizational development through processes, tools and strategies already in place, including:

- Assessment processes that evaluate applicants to the Council's other grant programs based on their "organizational health."
- The use of the "concerned status" tool to help monitor organizations experiencing difficulties.
- The use of CADAC, the Canadian Arts Database/Données sur les arts au Canada, to analyze and better understand the financial situation of individual arts organizations or disciplines as a whole.
- The delivery of Council's recently developed market access strategy to support organizations' ongoing efforts to expand their reach and increase their revenues.

VII. What are the next steps?

In today's rapidly changing environment, the Canada Council for the Arts remains committed to fostering the organizational development of arts organizations and considers this one of its primary values.

Guidelines for the new grants program will be posted in October 2013, and the Council will soon announce the first program deadline. It will conduct ongoing monitoring of the [Leadership for Change: Grants for Organizational Development](#) program, as well as other organizational development support initiatives, to provide corrective feedback and demonstrate results. The Council will also continue to work closely with the arts community and other stakeholders to identify the best pathways to development, for the benefit of arts organizations and the Canadian arts sector.