

Theatre Horizon STRATEGIC PLAN FY19-21

New Mission Statement:

Theatre Horizon uses the transformative power of storytelling to foster empathy and provide an inclusive home for artists, audiences, and students alike.

Our Vision:

Transform Theatre Horizon into a valued civic institution, establishing a new standard for how professional theatres can create a space for fun and unexpected encounters between people from different backgrounds.

For us, becoming a valued civic institution includes a commitment to:

- Produce seasons that represent a range of cultural viewpoints as diverse as Norristown itself
- Promote an exchange of ideas and inspire social action in a friendly and welcoming environment
- Touch the lives of students in every school district within 20 miles by 2030
- Create projects with partner organizations that are meaningful and lasting, so that our partners' constituents return to Theatre Horizon more than once

When people think of Norristown, they will immediately think of Theatre Horizon as its heart and soul.

Why we need this plan now:

Over the past 13 seasons, Theatre Horizon has become a lauded regional theater, receiving over two dozen Barrymore nominations and awards, and launching the careers of some of Philadelphia's most in-demand theater artists. We have been nationally recognized by the American Theatre Wing, one of only twelve companies in the nation in 2017 to be honored with this prestigious award from the organization that presents the Tonys each year. Our theater artists represent Philadelphia's finest, and our actors have gone on to Broadway and beyond.

Our education department has educated over 10,000 children, and in 2006 pioneered a ground-breaking Autism Drama Program, the first of its kind in the nation. Our partnerships have extended the impact of the art beyond the walls of the theater, applying artists' skills to pressing community problems like hunger and homelessness, and then empowering our audience to take action on those issues.

Looking ahead to the next three years, Theatre Horizon must respond to our internal challenges (Norristown location, limited to 123 seats) and external challenges (increased competition from streaming entertainment, aging subscriber base, price of a theater ticket has topped out and can't be raised substantially more). We also need an adaptive mindset, building in a process for

annual review of the success of the previous year's programs, drawing conclusions from data and market surveys, ending non-performing programs, and experimenting with new ways to produce theater sustainably. Through this process, we can continually evolve our model so that it serves our audiences, artists, and students in truly transformative ways.

Season Structure and Educational Programming

Goal: In three years, Theatre Horizon will be known for programming Montgomery County's most transformative onstage events for a diverse audience, while nurturing the creative citizens of tomorrow through drama education.

Objectives:

- Re-envision what a "season" looks like so that it includes a wider range of events and experiences that will resonate with a wider audience whose demographics more closely match those of Norristown (35% African American, 33% White, 26% Latinx, 3% Asian, 5% other, and the town skews younger and less wealthy than the surrounding county.)
- Between season shows, education programs, and community rentals, Theatre Horizon will be open 250% more, up to 250 nights. (Currently open around 100 nights per year)
- In three years, the most innovative and boldest lead artists in the region will work on our season, and our funds will fully cover the costs of paying all our artists a competitive wage. Formalize our commitment to inclusion and parity by casting at least 50% of our roles with actors of color, and by including at least 50% women playwrights and directors in each season.
- Formalize our commitment to accessibility for those with disabilities by staging at minimum one "Relaxed Performance" per season, as funding allows.
- Continue to carry out at least one education program per year for the differently abled.
- Audience members will routinely encounter perspectives and people that are new to them, and will report in audience surveys that their experiences at Theatre Horizon have inspired them to take concrete action or make change in their own lives.
- Our students, their parents, and school teachers will report that we are meaningfully increasing the students' skills in teamwork, communication, and developing empathy.
- Increase off-site educational programming, especially Drama Clubs and Summer Camps, so that we are serving [all school districts](#) within a [10-mile radius](#) by 2021.
- Increase the number of Norristown young people served by our education programs so that they represent 25% of our total education audience by 2021.

Where we are now: Our education programs for children are highly rated by parents and our partners (park and recs as well as schools.) Our specialty is teaching students ages 7 to 11 to advance their skills in respectful teamwork, confident communication, and exercising creativity. The vast majority of the nearly 1,000 students we teach annually fall in that age range. Our artists represent the best of Philadelphia theater, and we remain committed to nurturing Philly-based actors, directors, and designers. Our audiences are curious, well-educated, and report that our productions are "thought-provoking, surprising, and challenging." According to

TRG demographics, 100% of our audience completed high school, and 67% attended college or grad school.

The three-show structure has become artistically and budgetarily constraining. Each season looks pretty much the same from one year to the next, and we think this is getting stale. It is also limiting our ability to include a truly diverse range of voices in the season. Additionally, we are running out of small cast musicals that meet our mission but also fit in our intimate venue. Each year our production expenses rise as we give artists modest raises, but our ticket income and total attendance remains flat. Like many theaters our size, we regularly lose between 20% to 60% of our production expenses every time we mount a show. In order to increase the nights the theater is open, and therefore increase audience, we need to limit the loss we take on each production, without losing quality or cutting artist wages.

On Stage Strategies:

- Increase onstage diversity by including varied formats of theater events, such as traditional work (shows and plays) mixed with new programming (events, experiences, happenings.) Each event is a self-contained, transformative experience for the audience, providing opportunities for cultural exchange and unexpected encounters with people from varied walks of life.
- Specifically program work in the season to target new audience segments that we are not yet serving, especially the Latinx community in Norristown.

Outreach Strategies:

- Leverage the networks of our Board members, subscribers, and most engaged donors to identify new elementary schools clients for our After-School Drama Clubs.
- With current Park and Rec clients, offer more weeks of summer camp within those townships, while reaching farther afield to form new Parks and Recs relationships.
- Continue to survey parents, students, and our T.A.'s after every education program to confirm we are advancing students' skills and to evaluate market readiness for possible education program expansions.
- To prepare audiences to receive more challenging work, use our online spaces to provide education on plot, character, and the artists' intentions via clear, compelling dramaturgy that is textual and visual.
- Form partnerships with other organizations who can increase the impact of our onstage work and also bring audience to our season, while we provide their organizations with visibility via our own networks.

Planning Strategies:

- Pursue funding to pilot the creation of a diverse committee of artistic curators/advisors to shape future programming.
- Plan seasons two to five years in advance in order to be able to secure exciting (and therefore busy) artists as well as benefit from long-range partnerships to support events.

- Secure show-specific grants and partnerships 12 to 24 months in advance of each season.
- Invest in our capacity to keep the theatre open for more events and rentals by increasing hours for the Production Manager and Technical Director staff positions.
- Use data to inform onstage programming, formalizing a process for audience surveying every spring and data analyzing every summer.

Marketing and Engagement

Goal: Attract and retain an audience as broad and diverse as Norristown itself to meet our ticket sales goals.

Objectives:

- Increase institutional visibility in Montgomery County.
 - Focus institutional visibility efforts in Blue Bell and Ambler - increase mailing list acquisition from those zip codes by 100% and patron attendance from those zip codes by 80% in 2018/19. Increase those figures by the same amount again in FY20.
 - Broaden institution visibility efforts to Gladwyne and Bryn Mawr beginning in FY20 - increasing mailing list acquisition from those zip codes by 80% and patron attendance from those zip codes by 60% in FY21.
 - Increase in-person and digital footprint in targeted communities - individuals living in those communities should become familiarized with the Theatre Horizon name and brand through multiple platforms outside of direct ticket sales campaigns.
- Increase ticket sales by 15% each fiscal year (serving an average of 850 additional individuals) by growing our family through targeted, exceptional institutional and programmatic marketing.

Where we are now: Our marketing content is high quality. Earned revenue has been flat for the last three years, around \$120,000 in ticket sales per year. We spend less on advertising than our peers. Our audience is 1,000 to 2,000 people fewer per year than other theaters our size. Cultural Data Project analysis suggests that other theatres of our size get more web traffic and better results from their email marketing than we have achieved. Cultural Alliance data shows high concentrations of arts attendees in Blue Bell and Ambler, areas not well represented in our current audience base.

In 2016/17 season, according to TRG demographics, our audience was coming from these zip codes:

- Norristown - 11%
- King of Prussia/Wayne - 8%
- Plymouth/Whitemarsh/Conshohocken - 5%
- Chestnut Hill/Mt. Airy - 4%
- Other Philadelphia zips codes - 22%
- Other zips in Montgomery, Delaware and Bucks counties - 50%

Our 2016/17 audience was comprised of 13% Generation Y, 17% Generation X, 52% Baby Boomers, 17% Traditionalists, 1% Greatest Generation. See “Norristown Connections and Collaborations” section for ethnic demographics.

Strategies:

- Increase targeted institutional marketing beyond direct ticket sales advertising so that Montgomery County residents are aware of Theatre Horizon and encouraged to attend.
- Launch a comprehensive community relations campaign, focused especially on Blue Bell and Ambler, followed by Gladwyne and Bryn Mawr.
 - Attend community events, maintain visual presence in community stores and local publications (such as such programs and local circulars), and assert targeted digital presence.
- Increase outdoor lighting and signage to make the theatre more visible and audiences more comfortable when they arrive and depart.
- Increase targeted internet advertising, both in quantity and sophistication, using tools such as Google Adwords, Facebook Ads, and Instagram Ads, to increase web visibility and footprint, specifically in Montgomery County.
- Increase email acquisition through digital capture (our website, targeted social media campaigns) and through in-person efforts (lobby, canvassing, events, raffles). Increase email capture by 2,000 email addresses in FY19 and 1,000 email addresses in each subsequent fiscal year.
- FY19:
 - Managing Director to lead branding initiative to support strategic plan. Engage Business on Board or equivalent to support effort.
 - Artistic Director to oversee community partnerships with support from Education Director and Audience Services Manager; In FY20 evaluate its success, and if warranted, create a Marketing Director Position in FY20 or 21.
 - Become more present in the fabric of the community to establish our brand - maintain Theatre Horizon representative presence at a minimum of 8 events of over 50 attendees during FY19.
- FY20-21:
 - Consider increasing marketing budget to support further digital, advertising, or marketing consultant needs as assessed in FY19, to supplement community partnerships and institutional marketing.
 - Continue to place Theatre Horizon staff at events of more than 50 attendees - goal to maintain representative presence at a minimum of 10 events during FY20 and 15 events during FY21.
- Use 5-year programming calendar to plan exceptional institutional and programmatic marketing farther in advance.
- Evaluate need for website upgrade, putting focus on clarity and usable content.

Norristown Connections and Collaborations

Our artists believe that in telling a broad range of stories, they help people stand in someone else's shoes, thereby nurturing empathy in individuals and fostering peace and tolerance in the community. Theatre Horizon is located in Norristown, an under-resourced town where many residents wrestle with the effects of poverty, racism, and systemic inequality in their daily lives. Our artists are therefore driven to challenge the status quo, point the way to a more equitable America, and empower citizens, both in Norristown and outside of it, to change their future. We do this by amplifying the voices of those who have not been widely heard, and honoring the stories of a multitude of ethnic and cultural groups, a practice that reaffirms the intrinsic value of living in a diverse society.

Goal: Become an essential institution in the Norristown community, so that more local residents report having transformative arts experiences at Theatre Horizon and report valuing Theatre Horizon as a place that celebrates what is best about Norristown.

Objectives:

- Increase the number of Norristown young people served by our education programs so that they represent 25% of our total education audience by 2021.
- Build our reputation as an essential Norristown institution, as evidenced by increasing the number of Norristown residents who serve on our Board, increasing the number of nights we rent the venue to Norristown residents and organizations by up to 20 additional nights per year, and increasing sponsorships from Norristown businesses to \$10,000 annually by FY21.
- Increase the number of people Theatre Horizon interacts with in community locations by partnering offsite with other Norristown organizations at least three times per year.
- Continue the Free Tickets for Norristown Program, with modifications to ensure the program is financially sustainable. Maintain total yearly participation in this program at 500 participants.
- Advance our relationship with the Latinx population (representing nearly a third of Norristown's population according to the U.S. census) by staging stories that specifically features Latinx characters, doubling our Latinx audience from 2% to 4%, growing from 100 Latinx audience members to 200 annually over three years.
- Survey Norristown ticket holders once annually on what they value about Theatre Horizon.

Where we are now: As an evening entertainment destination, here in our downtown Norristown location, we face stiff competition from King of Prussia, Conshohocken and Plymouth Meeting. Furthermore, Norristown revitalization seems stalled: after Theatre Horizon opened our new anchor venue in 2012, three new restaurants popped up on Main Street. However, surrounding towns have added restaurants at a faster clip (10 in Conshohocken, 30+ in King of Prussia since 2012.) Theatre Horizon faces an uphill battle attracting non-Norristown residents to come to downtown Norristown. It makes sense to explore more ways to serve the

people who are already here, and give them opportunities to increase their financial contribution to the company.

With Norristown residents making up 11% of the audience, they are the second largest bloc of Theatre Horizon's annual audience, behind Philadelphians. Of our ticket holders who live in Norristown, 80% are using our Free Tickets Program, which we established to eliminate barriers to participation. Therefore, most Norristown audience members are not paying for tickets. That said, Norristown residents using Free Tickets only accounts for about 8% of our audience.

Compared with the rest of the county, Norristown is racially far more diverse and average household incomes are half that of surrounding towns. Currently, our audience is 9% African American, 86% White, 2% Latinx and 2% Asian. Our current audience demographics do not reflect the racial diversity in Norristown, where residents are 35% African American/Black, 33% White, 26% Latinx, 3% Asian and 5% other or mixed heritage.

Overall, 15% of the children we teach via education programs are Norristown students. Those programs are funded via a mix of grants plus tuitions paid by the students' families.

Strategies:

- Use our existing Patron Technology software to create a shared "moves management" document to coordinate the relationships our staffers in Education, Artistic, Audience Services, and Marketing departments already have with Norristown residents. Move these residents from the periphery of Theatre Horizon's constituency to the center of our organization, onto committees and to the Board of Directors, where they can help ensure our programming reflects and reaches those Norristown residents who most need and value it.
- By end of FY19, Theatre Horizon completes a survey to fully understand the status of and evaluate unmet needs for arts education in Norristown's schools.
- Pursue funding to increase the number of students served in our education programming with current Norristown education partners Aclamo, Willow School, and the NASD (Norristown Area School District).
- Fully fund direct costs plus overhead costs of all Norristown education programs to ensure their sustainability.
- Continue our "Imagine" program when funding is available. These periodic partnerships will put theater artists out in Norristown, and advance our commitment to social justice work in Norristown. Past examples: *Imagine No Homelessness* and *Imagine No Hunger*.
- Invest staff time in participating in Norristown civic activities (Chamber of Commerce, etc.) that can help us build relationships that will increase rentals, ticket sales, class enrollment, and corporate sponsorships.
- Modify the Free Tickets for Norristown program, giving Norristown patrons the chance to put "skin in the game" by contributing financially to the cost of onstage programming.
- Secure sponsorship of up to \$10,000 annually for Free Tickets for Norristown.

Board Development

Goal: Expand and diversify the Board in order to increase financial support for our mission, engage new audience segments representing a wide variety of cultural viewpoints, and form collaborations with groups outside of our current sphere.

Objectives:

- Expand the size of the board by at least eight members by the beginning of the 2021-2022 season, growing from 10 to a minimum of 18.
- Expand the diversity of the board by actively recruiting members who will represent segments of our audience and community not presently represented on our board, in particular Norristown residents, younger audience members, and individuals of color.
- Continue the board's 100% participation in annual giving and increase the total revenue raised through board contributions by 90% over three years (from \$77,000 in the 2017/18 season to approximately \$140,000) by the beginning of the 2021/22 season.
- Ensure that every member of the board knows how they can individually best support the mission of Theatre Horizon through an active program of board education and involvement in board committees, audience outreach, education programs, and community outreach programs.
- Use the next three years to write a succession plan for the founder, which is a best practice to have for a 13-year-old organization. Erin Reilly has no plans to leave the organization at this time.

Where we are now: The reduction in foundation philanthropy here in Philadelphia has had a negative impact on our financial model. We cannot expect to keep using our same business model and get different results; we need to find a new way of working that sustainably generates resources from more sources. This will require a new model and process for board recruiting, which presents its own challenges given how many nonprofits we have in the region -- all of whom are seeking excellent board members. Nonetheless, we believe that board development can play a significant role in helping us to achieve our other objectives around revenue and community engagement.

Strategies:

- Expand the nominating committee in size and identify a chair who will be charged with ensuring that the committee meets at least 3 times per year.
- Through the nominating committee, create a list of types of individuals who would add diversity in race/ethnicity, age, employment, interests, and residence to the board and use that list to help identify and promote new board members.
- Actively encourage all board members and staff to send potential board members to the nominating committee for consideration by sending regular requests to board members.
- Allot at least 25% (increase from 10%) of the Artistic Director's time to prospective donor cultivation to increase the pool of high net worth individuals and others who would be assets to the board and the organization.

- Develop an active board education program that increases each board member's knowledge about Theatre Horizon and its mission and provides opportunities for board members to explore and develop their individual interests in support of the organization. For example, provide opportunities for board members to meet and work with community partners, attend education programs as a volunteer, or engage with audience members via thank-you calls or pre-show lobby greeting.

Increasing Earned and Contributed Revenue

Goal: Achieve a stable, artistically-sound financial model that supports the long-term success of Theatre Horizon.

Objectives:

- Over the three year life of the plan, develop a revenue model that allows us to reliably operate at breakeven/surplus each year.
- Maintain six months of cash on hand (per Finance Committee's recommendation)
- Maintain an unrestricted reserve fund (unrestricted net assets) of at least three months' expenses in order to respond to and quickly invest in strategic opportunities as they arise.

Where we are now: Currently, (projection for June 30, 2018) we have three months cash on hand and unrestricted reserve funds of \$350,000, equal to about three months of expenses. Our contributed revenue engine is generating solid income each year, with revenue raised from individual donors doubling over the last three years. Earned revenue has been flat for last three years, while expenses have, on average, risen 16% annually over those same years. Notably, education tuitions do not fully cover what it costs to operate that department, and ticket sales do not fully cover the cost of mounting productions. Our patron base is slightly wealthier than the general population: 67% of our patrons have annual household income over \$75,000, according to TRG demographics. Roughly 10% of our patrons, or 500-600 patrons, have household income over \$150,000.

Strategies: Contributed Income:

- Increase the Board to up to 18 members over 3 years; Existing Board members, in partnership with New Board members, will help raise money to fund FY20 and FY21.
- FY19: Bring in an additional \$30,000 in Board gifts from new and existing members; \$50,000 in FY20, and \$70,000 in FY21.
- Adjust the season planning process to allow us to know some of our programming as far as five years out, therefore allowing us to fundraise farther in advance. That fundraising would include securing Honorary Producers for projects that are 2 or 3 years away, fundraising from individuals in July for the following fiscal year.
- In FY19: Bring in an additional \$30,000 in individual donations to support the 2018/19 season by implementing strategies that continue to engage current supporters and recruit new ones as well.
 - Create increased opportunities for direct donor involvement "beyond the check." Current research indicates that donors respond to meaningful engagement beyond their checkbooks. Personal connections and ways to contribute time and expertise are important. This is especially important among high-net-worth individuals and millennials, and as such we will look for connections between the work and the donors' specific interests/talents early.

- Formalize the process of using donor events (such as leadership lunches and backstage passes) and contact points (such as donor newsletters and other communications) to solicit feedback from donors, and serve as opportunities to recruit specific issue experts/connoisseurs.
 - In addition to the Development Department's efforts, create company-wide systems that empower staff members to solicit support and expertise from community members to both increase their Theatre Horizon buy-in and provide additional resources for the art.
 - Increase opportunities for donors to be more involved and active with our education programs (attending performances, volunteering, being liaisons to the community, etc.).
 - Concurrent with long-term artistic planning mentioned above, look for possible Honorary Producers & Artistic Sponsors with expertise and resources specific to upcoming productions.
 - Retaining key Heart the Art donors at campaign giving level.
 - Excite potential donors by educating and including them in the process of long-term planning,
 - For example, hold open artistic planning meetings.
 - Create add-on contributed opportunities around the season special events, such as a "sound on" role as one of the individuals leaving answering machine messages in *The Few*.
- FY19: Bring in an additional \$30,000 in grants to be spent in FY19, and an additional \$30,000 in time restricted grants by filing applications for projects that are 2 and 3 years away.
 - FY19 ideas include:
 - Increase the number of invitation-only foundations we are asked to apply to by making connections with grant managers and board members at invitation-only foundations.
 - Attract new donors and foundations by demonstrating our social impact results.
 - Create infographic reports/LOIs to send out to invitation-only foundations whose goals align with ours.
 - Maximize resources by focusing development time on identifying and securing larger multi-year grants.
- Align total education department expenses with income by securing annual corporate underwriting for our EITC-eligible education work (our drama clubs, camps, Autism Drama Program, and In-school workshops) via EITC funding for a possible increased annual revenue by FY21 of \$20,000.
- Increase Corporate support each year: (\$18,000 in FY19 to \$22,000 in FY21)
 - FY19 strategies include:
 - More creative in-kind sponsorships
 - Increase use of space for networking opportunities
 - Prioritize corporate workers in our Board member recruitment

Strategies: Earned Revenue: the following strategies are a list of program expansions we could consider undertaking at some point during the next three years as determined by our evolving budget needs, available staff, and future assessments of market readiness and local competition. Staff and Board members did preliminary research on these program ideas, but each of the proposals below requires extensive further vetting.

- Marginally increase revenue of existing education programs year over year:
 - Replace theatre school with college coaching sessions or onsite summer camp or other program designed to engage serious theatre students. Projected total possible *additional* annual net revenue of \$5,000.
 - Pioneer new, innovative in-school workshops that align with new curriculum areas in public middle and high schools. Increase in-school workshops current 17% profit margin to 30%. Total possible *additional* annual net revenue of \$5,000.
 - Bring our annual drama clubs to *up to* 50% of the public elementary school in Montgomery County, or *up to* 49 schools. We currently operate in approximately 15 schools annually. Increase this program's 17% profit margin to 30% by raising tuitions over time. Total possible *additional* annual net revenue of \$45,000-\$65,000.
 - Increase the number of summer camps we operate in Montgomery County from 21 to *up to* 42, for an *additional* \$20,000 of projected annual net profit.

- Innovate cutting edge programs that apply the skills of theater artists to real world challenges. Meet with people in the Montgomery County marketplace who are interested in theater's potential in this area, and seek synergistic opportunities to launch new earned revenue streams. Seek start-up funds to run pilot programs.
 - Develop a Continuing Legal Education class that can be repeated regularly. Costs are covered by fees paid by the lawyers attending the CLE.
 - Develop a pilot program in response to the County's need for arts programs for Intermediate Unit students transitioning to employment. Costs are covered by the MCIU.
 - Using the techniques developed in our Autism Drama Program, develop a pilot program to help train caregivers and family members of dementia patients. Costs would be covered by health care systems.
 - Pilot an anti-racism and collaboration skills corporate workshop. Costs are covered by companies seeking EDI training.
 - Increase rentals: Rent theater out for Quinceanera dance classes. Rent theater to more community groups so we have fewer dark nights.
 - Investigate the possibility of providing programming, likely a puppet show, for a fee for the Please Touch Museum.

- Create add-on earned opportunities around the season special events, such as a Mother's Day Brunch in conjunction with our spring cabaret, or "Spoken Word 101" in conjunction with our spoken word production.