



Virginia Stage Company

Strategic Plan for years 2006 - 2016

Version 4.0
September 4, 2006

Approved and Recommended by:
Strategic Planning Committee (9/6/06)
Executive Committee (9/6/06)

Approved by:
Board of Trustees (9/12/06)

Strategic Plan 2006 - 2016

Virginia Stage Company (VSC) is the only professional resident theater company in southeastern Virginia, serving an audience of over 80,000 annually. Founded originally as The Norfolk Theatre Center in 1968 by a volunteer Board of Trustees led by Robert E. Brown, the Company changed its name to Virginia Stage Company and took on its present form in 1979. VSC's current mission statement is "to develop and sustain a fully professional theater serving southeastern Virginia that enriches the region and the field through the production of theatrical art of the highest quality." As a non-profit cultural institution, VSC is an artistically driven theater rather than a commercial venture. Contributions from individuals, corporations, foundations and government agencies enable VSC to keep ticket prices affordable for all of our citizens and sustain the highest artistic integrity. Our community services and programs include, but are not limited to American Sign Language performances and infrared hearing devices for patrons with hearing difficulties.

Virginia Stage Company's Education and Outreach Department provides matinee performances of main-stage productions as well as In-School Touring productions to over 35,000 Hampton Roads students annually. In addition, VSC participates as a Partner in Education by providing services such as performances, drama classes, production training and workshops to Title One and other local schools at no charge.

Through the efforts of our Board, our staff, and our generous supporters, the Company saved the historic Wells Theatre. The warm and inviting Wells became not only VSC's performance home, it serves a performance venue for other local arts organizations, helping to preserve the legacy of live theater for future generations.

Long-range strategic planning provides Virginia Stage Company with clear goals and objectives for future growth, as well as a road map for achieving them. Our efforts in this regard draw on the cumulative wisdom of the Board of Trustees and VSC's management, and seek durable answers to some basic questions: Who are we? What do we want to be in the future? How do we get there? This Strategic Plan, combined with the Company's previously approved Artistic Strategic Plan (Attachment A) and the Company's Business Plan will direct us and provide accountability for our mission and our goals.

Mission

(Virginia Stage Company new Mission Statement)

Virginia Stage Company, a not-for-profit, professional resident theater company, enriches, educates and entertains the region by creating and producing theatrical art of the highest quality and worthy of national prominence.

Values

While seeking to achieve our mission, we will adhere to the following values:

- The ongoing creative process is as important as each finished production. We strive to provide a supportive base for artists and craftsmen who drive the national industry.
- The arts and art education are a necessary component of a healthy society. We encourage an increasingly broad sector of public participation.
- Strong theater can only be successful through the financial responsibility of the company and the community.

Analysis of Current Position

Current Programs

1. **Main Stage Production Series:** Annual season of productions that are a mix of artistic drama, comedy and musicals produced by professional actors, directors, and artisans over an eight month season from September through April.
2. **New Works:** The Company encourages new works from established playwrights, new works to regional theaters and the creation and development of community based new works.
3. **Education and Outreach:**
 - An Emerging Artists Ensemble created to provide opportunities for early career actors to gain valuable experience and skills in a regional theater setting.
 - In-School Touring productions designed to appeal to younger audiences that provide educational intent and produced with a cast of Emerging Artists.
 - In-School Workshops designed to expand the knowledge and interest of students in classical and modern theater.
 - Presenting the VSC and its shows in areas of the community that don't have access to the main-stage productions in downtown Norfolk.
 - Professional internships for production and administrative departments that provide a bridge between academic training and the professional world.
 - Cooperation with area universities offering students internships and opportunities for pre-professional training.

Current Structure

Board of Trustees

The Board of Trustees of the Virginia Stage Company consists of no less than thirty, but no more than sixty-five members, including a President, Vice President of Development, Vice President of Finance, Vice President of Planning, and a President Elect.

The Executive Committee is comprised of the officers, immediate past president, standing committee chairs, the elected president of VSA (ex-officio), legal counsel, and up to three at large members appointed by the president. The Committee is responsible for setting and evaluating the goals of the Company, and is empowered to act on behalf of the full Board between regular meetings.

Additionally, there are several other standing committees – Finance, Development, Planning, Trustee, Marketing, Personnel and Education.

Trustees are sought from throughout Hampton Roads and Eastern Virginia; persons who represent not only the broad segment of the community which VSC serves but also who can effectively marshal the necessary support - financial and otherwise - of governments, businesses, foundations and individuals. Trustees are expected to participate actively in the work of the VSC Board and to provide leadership in VSC's annual fundraising efforts

through their personal contributions and by working to secure significant contributions from their own companies, businesses, and associates. Trustees also act to provide guidance and oversight of the management of the Company. Trustees are directly responsible for the selection and oversight of the Company's Artistic Director and Managing Director.

Staff

Since the Company's primary goal is artistic achievement, VSC is an artistically-driven company. The Artistic Director is responsible for fulfilling the Company's artistic mission, setting the Company aesthetic, selecting productions and establishing quality standards for the work. The Artistic Director also serves as the Company's primary resident artist.

The artistic company consists of both resident and guest artists. The regular return of the best of these artists forms a "floating ensemble" which ensures the emergence of an identifiable aesthetic.

The Managing Director is responsible for the administration and operation of the Company and management of the Company finances.

The Artistic Director works in tandem with the Managing Director to insure a healthy balance between artistic risk-taking and fiscal stability. The Artistic and Managing Directors hire VSC's full-time annual and seasonal staff.

Current Position

General

Virginia Stage Company is currently in a rebuilding phase. After several years of decline, the Company enjoys a resurgence of subscriptions, renewed interest in the productions and increased community support.

Virginia Stage Company is one four major arts organizations in southeastern Virginia and one of two LORT (League of Resident Theaters) theaters in the Commonwealth of Virginia.

Financial

Virginia Stage Company is a non-profit organization and as such strives to maintain a budget that supports the costs of our operation. Although Virginia Stage Company continues to improve its financial position, it suffered recurring losses in prior years which resulted in net asset decreases. Virginia Stage Company currently has negative working capital and a net asset deficiency that raise concerns. The Company is developing a ten-year Business Plan to address these concerns and its continued successful operation. Budget projections for the 2005-2006 season show a balanced budget and a reserve for partial payment of outstanding debts (Attachment B).

Market and Demographics

The Greater Hampton Roads area has a current total population of approximately 1.6 million people. Of the eight major cities (including Williamsburg):

- Total population 1,395,809
- Age 18 to 64 1,015,808 72.8%
- Age 65 and over 144,940 10.4%
- White 825,899 59.2%
- Other 569,910 40.8%
- Average median Household Income \$42,015

Goals and Objectives

Objective: Strengthen the financial stability of the organization.

Goal 1: Practice sound, fiscal policies with Company budgets.

Strategies

- Control expenses to maintain a balanced budget and generate a \$50,000+ annual profit to be used for deficit reduction, building an Operating Cash Reserve and supporting future Company artistic development.
- Develop a Business Plan that details VSC's stakeholder analysis, identifies growth opportunities and details a ten-year fiscal plan/budget.

Goal 2: Develop an endowment fund to generate interest income.

Strategies

- Start silent campaign with the board for the endowment.
- Target community leaders that can provide significant gifts that can be the starter donors.

Goal 3: Budget to develop an Operating Cash Reserve to fund cyclical shortfalls.

Strategies

- Continue to budget \$50,000+ annually to pay off vendor liabilities and then fund the Operating Cash Reserve.
- Develop a funding mechanism to address cyclical cash flow challenges.

Goal 4: Increase unearned income 2.5% per year for the next ten years.

Strategies

- Seek other national, regional or educational grants.
- Lobby for State line item budget funding.
- Form an honorary Board of ex-officio Board members to maintain their association with and support of the Company.
- Set goals for corporate donations led by Board Committee on contributions.
- Increase annual Board donation to \$2,500 per Trustee by the end of 10 years (2015-16 season)
- Continue Artistic Dream Team.

Goal 5: Increase earned income 2.5% per year for the next ten years.

Strategies

- Target new area populations/markets.
- Add sales person that targets Group Sales.
- Form a dedicated Board marketing committee.
- Grow existing subscription base to 5,000 within the next two years and sustain that level.
- Identify and develop marketing tools that target single ticket/last minute ticket buyer.
- Increase the price of the matinee shows to equal the weekend evening shows over the next three years.
- Phase in increases to the ticket pricing.
- Increase lobby bar and concession sales – use dedicated Board volunteer to coordinate gift shop.
- Increase number of sold In-School performances

Objective: All productions must be of the highest quality and of unquestioned artistic merit.

Goal 1: Attract, for all productions, the nation's top theater artists – actors, designers and directors.

Strategies

- Develop a support structure (housing, transportation, meals, etc) that provides an environment that draws artists.
- Improve the housing provided for out of town artists.
- Increase from three to four the weeks of rehearsal for selected productions.

Goal 2: Maintain an infrastructure requisite to attract top artists.

Strategies

- Keep combined Production/Education/Marketing expenses at 80% of Total Annual Expenses.
- Increase production and staff salaries to TCG (Theatre Communications Group) national averages.
- Find a dedicated rehearsal space.

Goal 3: Within five years, develop a pool of local artists that are at a skill level that is commensurate with our standards and employ them for 25% of the artists employed within each season.

Strategies

- Create a position of liaison to the community of local developing artists.
- Improve our relationships with area community theater including selection of productions and artists.
- Become directly involved in the artistic development of the local acting community.

Objective: Virginia Stage Company receiving national recognition for the quality of its work.

Goal 1: Win a Tony Award for regional theater.

Strategies

- Obtain reviews in nation press including Washington Post, Variety, and New York Times.
- Artistic and Managing Directors to be seen at national events where reviewers are present.
- Endeavor to produce at least one original production or U.S. premier each year.
- Hire a full time PR staff or consultant.

Goal 2: Develop a nationally recognized model for an innovative approach to Education and Outreach Program.

Strategies

- Develop classically inspired community projects.
- Develop funding source for research and production development (i.e. Dream Team).

Goal 3: VSC productions invited to national and international festivals.

Strategies

- Put national producers on the mailing list; contact directly for specific productions.
- Create a budget line item to send future original work to European festivals (target three to five years out).

Strategic Plan for years 2006 – 2016
Attachment A
Virginia Stage Company
Artistic Strategic Plan
By: Chris Hanna, Artistic Director
Approved by VSC Board of Trustees - October, 2004

As incoming Artistic Director, I will commit Virginia Stage Company to producing a rich mix of highly artistic drama, comedy and musicals, in order to:

connect individual audience members with a broader sense of human community.

Toward that end, I will work with the Managing Director to identify projects for production as they correspond to the following guidelines:

I. All scripts selected must be of *unquestioned artistic merit* and address each of three *key artistic strategies*:

- A) Productions must provide an emotional pull that unites audience members. Participants should be taken away from their individual concerns and agendas to engage in a transporting group adventure.
- B) Productions must require audiences to exercise their imaginations. It is only through a limbered connection to our childlike sense of “what if” that we can cross the barriers of circumstance, culture, and experience that separate us from our neighbors in the community.
- C) Productions must reach out to a larger cross section of the community than has recently been the case at VSC. This can be achieved as follows:
 - Each individual production should have the potential to be promoted as a highlighted feature within Hampton Roads’ annual cultural calendar.
 - All productions should be accessible and engaging to that cross section of the area’s educated public that is sincerely looking for a better appreciation of theater’s art and craft.
 - The work on stage should reflect Hampton Roads’ powerful racial mix accurately, both in the worlds explored and in casting choices.

II. The Company will regularly select scripts, on a production-by-production basis within a given season, from the following *ongoing target areas*:

- D) The Company must regularly produce plays that connect the audience to past cultures, relating the world immediately surrounding us to society’s ongoing search for identity, explanation and purpose.
- E) Virginia Stage Company must regularly produce plays that provoke tough public discussion. A strong theatrical performance can act as a darkroom for exposing a community’s most threatening resentments and fears, providing the cathartic release necessary for healing to begin.
- F) The Company’s artists will develop projects that assist Hampton Roads’ citizens as we define what is unique to our area’s culture and character. When completed, the Company will find opportunities to mount these productions beyond Hampton Roads, promoting the theater’s name and the area’s cultural identity both nationally and internationally.
- G) The Company will select plays that are relevant to the general educational mission of Hampton Roads’ schools and universities.

III. The Company will adhere to the following *restrictions* in choosing work for production:

- H) Although audiences may well be *offended* by certain productions,(suggesting a vital emotional connection to the evening’s offering), the Company will not produce plays that employ undo vulgarity, blasphemy, or raw subject matter in ways that are gratuitous or not germane to the production or that simply *alienate* a wide spectrum of the Hampton Roads audience.
- I) Plays may have political or ideological agendas, but the Company will not produce plays that preach that agenda *at the expense of* rich character development and dramatic tension.
- J) Although exceptions will be made, the Company will aim to select plays with a running time of two hours or less.
- K) The Company will adhere to the above artistic criteria and strive to mount productions in a financially successful manner.

**Strategic Plan for years 2006 – 2016
Attachment B
Virginia Stage Company
2005-2006 Operating Budget (pre-audit)**

SUMMARY	2003-04	2004-05	PROJECTED
			<i>As of 6/30/06</i>
ANNUAL OPERATING BUDGET	ACTUAL	ACTUAL	2005-06
Earned Income:			TOTAL
Subscription:			
Subtotal Season Subscription Tickets	\$ 366,214	\$ 351,220	\$ 392,956
Single Tickets			
Show 1 - <i>Taste Test</i>	\$ 16,268	\$ 34,923	\$ 15,161
Show 2 - <i>Rounding Third</i>	\$ 38,732	\$ 31,573	\$ 31,091
Show 3 - <i>Intimate Apparel</i>	\$ 35,355	\$ 46,461	\$ 41,175
Show 4 - <i>Of Mice and Men</i>	\$ 12,712	\$ 30,953	\$ 45,118
Show 5 - <i>Contact</i>	\$ 16,806	\$ 42,137	\$ 54,338
Show 6 - <i>A Christmas Carol</i>	\$ 0	\$ 103,023	\$ 96,801
Military Tkts/Misc Sgl/Unused Gift Cert	\$ 21,299	\$ 0	\$ 0
Subtotal Single Tickets	\$ 141,171	\$ 289,070	\$ 283,685
Act II Income/ Postage/Handling Income/Web Fees	\$ 47,623	\$ 102,481	\$ 114,323
Collected City Admission Tax	\$ 0	\$ 39,508	\$ 69,759
Other Earned Income:			
Production - Shared Income	\$ 28,505	\$ 0	\$ 26,680
Education-Student Mat/Tours/Fam Series/Wkshops	\$ 30,917	\$ 96,350	\$ 100,658
Bar/Concession - (Rev/Exp-NET FY04)/Playbill	\$ 25,088	\$ 41,212	\$ 53,367
VSC Premiere Club Other Earned/Parking Income	\$ 0	\$ 0	\$ 4,760
Forgiveness of debt/Sale of Assets/Insur Proceeds	\$ 26,043	\$ 330,964	\$ 28,372
Labor Inc from City of Norfolk/Interest/Custodials	\$ 40,581	\$ 29,973	\$ 20,405
Apartment Sub-lease Income	\$ 0	\$ 0	\$ 10,794
Gift Certificates-Not Redeemed	\$ 0	\$ 3,519	\$ 1,915
Subtotal Earned and Other Income	\$ 706,142	\$1,284,297	\$1,107,673
Contributed Income:			
Individuals	\$ 156,649	\$ 250,470	\$ 287,850
Foundation/VSA/Technology/Misc Grants	\$ 131,264	\$ 111,845	\$ 96,950
Artistic Dream Team	\$ 0	\$ 0	\$ 37,000
Corporations	\$ 223,927	\$ 285,784	\$ 244,930
Government	\$ 208,580	\$ 186,700	\$ 268,770
Special Events	\$ 80,514	\$ 108,306	\$ 106,010
Pay What You Can	\$ 7,707	\$ 19,461	\$ 11,117
In-Kind Trade – Devo/Marketing/Production/G&A	\$ 16,695	\$ 217,214	\$ 207,609
Subtotal Contributed Income	\$ 825,336	\$1,179,780	\$1,260,236
TOTAL EARNED, OTHER & CONTRIBUTED INCOME	\$1,531,479	\$2,464,077	\$2,367,909

**Strategic Plan for years 2006 – 2016
Attachment B
Virginia Stage Company
2005-2006 Operating Budget (pre-audit)**

			PROJECTED
			As of 6/30/06
SUMMARY	2003-04	2004-05	2005-06
Expenses:	ACTUAL	ACTUAL	TOTAL
Outside Contract Expense	\$ 15,600	\$ 13,480	\$ 7,773
Production Expenses:			
Show 1 - <i>Taste Test</i>	\$ 144,444	\$ 112,434	\$ 93,368
Show 2 - <i>Rounding Third</i>	\$ 142,404	\$ 68,311	\$ 59,191
Show 3 - <i>Intimate Apparel</i>	\$ 85,295	\$ 85,162	\$ 121,722
Show 4 - <i>Of Mice and Men</i>	\$ 69,180	\$ 100,025	\$ 116,994
Show 5 - <i>Contact</i>	\$ 57,332	\$ 125,830	\$ 187,437
Show 6 - <i>A Christmas Carol</i>	\$ 48	\$ 135,727	\$ 92,581
Show 7 - <i>Lear Project</i>	\$ 21,283	(\$8,955)	\$ 12,000
Subtotal Production Expenses	\$ 519,986	\$ 618,534	\$ 683,295
Seasonal Artistic Expenses:			
Salaries and Benefits	\$ 116,176	\$ 29,615	\$ 70,000
Seasonal Artistic Expenses/Research	\$ 5,207	\$ 2,202	\$ 1,642
Subtotal Seasonal Artistic Expenses	\$ 121,382	\$ 31,817	\$ 71,642
Seasonal Production Expenses:			
Salaries and Benefits	\$ 248,393	\$ 304,175	\$ 333,806
Seasonal Expenses/Lodging/In Kind Exp	\$ 119,652	\$ 150,039	\$ 125,424
Subtotal Seasonal Production Expenses	\$ 368,045	\$ 454,214	\$ 459,230
Education Expenses:			
Salaries and Benefits-Staff/Performing & SM Interns	\$ 45,552	\$ 66,265	\$ 82,320
Dept/Seasonal/Show Expenses	\$ 41,823	\$ 40,797	\$ 32,522
Subtotal Education Expenses	\$ 87,375	\$ 107,062	\$ 114,842
Bar/Concession Salaries & Expenses	\$ 0	\$ 0	\$ 20,209
Playbill Expenses	\$ 19,730	\$ 19,689	\$ 23,612
Development Expenses:			
Salaries and Benefits	\$ 66,001	\$ 63,751	\$ 63,590
Development Expenses/In Kind Expenses	\$ 24,307	\$ 38,914	\$ 32,774
Development Special Events Expenses	\$ 0	\$ 89,533	\$ 55,127
Subtotal Development Expenses	\$ 90,308	\$ 192,197	\$ 151,491
Patron Services Expenses:			
Salaries and Benefits	\$ 68,254	\$ 77,518	\$ 84,523
Patron Services Expenses	\$ 11,612	\$ 13,331	\$ 14,496
Subtotal Patron Services Expenses	\$ 79,865	\$ 90,849	\$ 99,019
Marketing Seasonal Expenses:			
Salaries and Benefits	\$ 29,369	\$ 61,175	\$ 70,352
Seasonal Expenses/In-Kind Expenses	\$ 89,062	\$ 198,762	\$ 237,093
Subtotal Marketing Seasonal Expenses	\$ 118,431	\$ 259,937	\$ 307,445
General and Administrative Expenses:			
Salaries and Benefits	\$ 130,302	\$ 155,641	\$ 153,065
Theater Rent	\$ 38,500	\$ 70,949	\$ 0
Collected City Admission Taxes	\$ 0	\$ 39,508	\$ 69,760
Office/Professional Serv Fees/Conf/Ins/In-Kind Exp	\$ 156,421	\$ 175,718	\$ 200,590
Subtotal General and Administrative Expenses	\$ 325,223	\$ 441,816	\$ 423,415
TOTAL EXPENSES	\$1,746,032	\$2,229,595	\$2,361,973
Depreciation Expense	\$ 6,785	\$ 7,776	\$ 7,703
Bad Debt Expense VSF&VSC/VSF Exp/Prior Year Exp	\$ 0	\$ 34,907	\$ 6,696
TOTAL EXPENSES	\$1,752,815	\$2,272,278	\$2,376,371
OPERATING VARIANCE – PROFIT/(LOSS)	(\$ 221,337)	\$ 191,799	\$ (8,455)*

*Note: VSC received an \$80,000 VA state grant at the end of 2005-06. This grant is credited to 2006-07.