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a new vision for the stratford festival

Rob Way wrote this case under the supervision of Professor Gerard Seijts solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

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“The time for transformation is upon us; we lack only the financial means to accomplish it.”

“To have a transformational effect in the world of tomorrow, we ourselves must embrace fundamental change while preserving the excellence of the past. We must rethink what we do, not only transforming our art, but also transforming the experience we offer our patrons and how we interact with the rest of the world.”

Stratford Festival Campaign, Preliminary Plan

Being the executive director of Canada’s Stratford Festival (the festival) was not just a job to Anita Gaffney. As she looked out her office window in January 2016, appreciating the fresh blanket of snow falling outside, she contemplated her deep ties to the organization. Three years ago, she had been appointed to the festival’s top administrative position and became responsible for the business side of the organization, setting up the strategic plan, selling tickets, fundraising, establishing and maintaining relationships with external stakeholders, and overseeing student education outreach.

More than half a century ago, a construction company owned by Gaffney’s father had helped build the festival’s first theatre in Stratford, Ontario. The picturesque city featured a collection of stately tree-lined streets and had a population of 30,000. It was situated on the Avon River, about a two-hour drive from both Toronto and the Canada–U.S. border. Years later, in the late 1980s, while serving as chair of the festival’s board of governors, Gaffney’s father had been instrumental in helping the organization stabilize during turbulent times. Maintaining the festival’s foundation while ensuring its future was now Gaffney’s responsibility. She was determined to do her family history proud, and there was much at stake. It was not just about the festival; it was also about the role the organization played in the community and the driver it represented for the city of Stratford.

The short-term picture did not worry Gaffney. The 2015 season, featuring *Hamlet*, *King Lear,* and *The Sound of Music,* had just ended with some success, which was why Gaffney confidently anticipated being able to report a small surplus to her board at the upcoming annual general meeting in March. With a mix of Shakespearean drama including *Macbeth* and *As You Like It,* musicals including *A Chorus Line* and *A Little Night Music*, and the expected blockbuster attraction *The Lion, the Witch and the Wardrobe*, the upcoming season looked equally strong. Meanwhile, a low Canadian dollar, currently trading below US$0.70, looked likely to drive an increase in U.S. patrons.

Simply put, the Stratford Festival was sitting on a much stronger financial footing than it had been when Gaffney took over operations in 2012 and faced a CA$3.4 million[[1]](#footnote-1) deficit. In 2013, a long-term reinvention plan had immediately reduced expenses by $3.1 million via layoffs, wage freezes, and a reduced performance schedule, which saw performances cut by one week in both April and October. However, the festival had avoided cancelling plays and closing theatres—both considered to be signs of a sure “kiss of death” in the theatre business. On the revenue side, marketing and advancement efforts had helped produce operating surpluses of $1.7 million and $795,000 in 2013 and 2014, respectively.

Artistic Director Antoni Cimolino had contributed to the recovery by returning the festival to its roots in 2013, following a move by his predecessor, Des McAnuff, to feature less Shakespeare, more musicals, and a higher proportion of new work. In 2013 and 2014, attendance rebounded to 474,000 and 467,000, respectively, up from 432,000 in 2012. Ticket revenues reached $29.7 million and $28.3 million, as the festival’s average ticket price was reduced in an effort to bring established patrons back and to attract a new audience.

As far as the media was concerned, the Stratford Festival was back. “After spending a scary 2012 season sinking deeper and deeper into red ink . . . Canada’s biggest theatre festival is enjoying a fiscal comeback that deserves a standing ovation,” the *Toronto Star* noted in 2013.[[2]](#footnote-2) As *The Globe and Mail* put it,

Stratford is beginning, in some ways, to look a lot more like it did in the boom years. The Festival Theatre’s thrust stage is being restored to its original configuration. Canadian-written plays are (alas) back on the margins, and Canadian stars from the pre-McAnuff era are getting back into the spotlight. Even the coming [2013] season’s playbill rings a bell: Among the offerings are *Fiddler on the Roof* and *The Three Musketeers*, both programmed on the 1,826-seat Festival Theatre in 2000, one of the years when attendance topped 600,000.[[3]](#footnote-3)

But as Gaffney admired the scenic view outside her office, she knew the long-term outlook was not necessarily as pretty as the festival’s hometown. Annual attendance was still below previous levels of more than 500,000, which was where the numbers needed to be to ensure long-term operational sustainability. In other words, the festival’s belt-tightening and its return to creative roots at a time when the Canadian dollar was in decline were not enough to ensure that the organization would survive its next economic tempest. The festival still needed a long-term and innovative strategy that could generate sustainable growth and make the organization strong enough to weather future economic downturns and exchange rate fluctuations.

A new filming initiative to extend the festival’s visibility and market reach internationally showed promise. Over the next decade, if all went well, this initiative would entail filming all of Shakespeare’s 36 plays for distribution in theatres, on DVD, and via digital media. However, the initiative had just been set back by the loss of one U.S. distribution partner, who was pulling out due to low interest from American audiences. A $100 million capital campaign, the first major fundraising effort in more than 10 years, was also in the works, pending final board approval in 2017. It was hoped that this campaign would allow the organization to rebuild the festival’s aging Tom Patterson Theatre and bolster its endowment fund. This campaign represented a tremendous opportunity for the festival to generate new momentum, improve its financial stability, and offer more innovative programming.

Still, Gaffney wondered whether these activities would be enough. She also wondered whether she was taking on too much at once. She knew for certain that strong leadership would be required to steer the pending capital campaign and film initiative while pushing for innovation and still keeping daily operations on track. After all, managing a creative culture that believed in “excellence at any cost” demanded constant vigilance, as resources were limited. But she was up for the challenge.

Gaffney had been hired 25 years earlier as an assistant publicist and had worked her way up the ranks to the position of director of marketing before landing her current position, and she had never avoided challenges in the past. “When there was something ugly, difficult, impossible, either I volunteered to do it, or it happened on my desk. I took on jobs that no one else wanted to do . . . the impossible things.”

THE STRATFORD MISSION

With a reputation for high-quality productions featuring notable stage and movie actors—such as Colm Feore, Eric McCormack, Jessica Tandy, Maggie Smith, William Shatner, Christopher Plummer, and William Hutt—the Stratford Festival was the largest classical repertory company in North America. Its purpose statement read, “We will inspire and delight our audiences, and serve to transform their perception of the world by creating an unparalleled theatrical experience centred around some of the world’s best plays, with a special emphasis on the work of William Shakespeare.”

This ambitious mission, along with the festival’s multiple commitments—to developing emerging actors through the Birmingham Conservatory for Classical Theatre, creating and staging new plays, creating educational opportunities for schools, and producing related films and documentaries—significantly influenced other theatres across Canada and around the world. As Cimolino said, “If we were a hospital, we’d be a teaching hospital.” The festival also attracted a veritable village of artistic talent to Stratford, not only to the stage but also to the backstage, creating and maintaining the festival’s proprietary collection of costumes, props, and sets.

BIRTH OF A FESTIVAL

Originally devoted solely to Shakespeare’s works, the Stratford Festival was conceived by local journalist Tom Patterson, who incorporated the Stratford Shakespearean Festival of Canada as a not-for-profit legal entity on October 31, 1952. Patterson knew almost nothing about live theatre. He simply felt a theatre devoted to Shakespeare’s plays would be a natural fit for the Ontario railway town named after the Bard’s birthplace of Stratford-upon-Avon.

Productions were initially presented in a giant canvas tent fronting Stratford’s Avon River. The main Festival Theatre was constructed in 1957. With seating for 1,824, the festival’s first permanent home was famous for its unique thrust stage that extended into the audience. Amphitheatre seating and Roman-style stage entrances from under the audience provided an intimate and engaging experience that became the festival’s trademark. Over the years, the festival’s footprint grew with the acquisition or lease of three other buildings in the city’s downtown core (see Exhibit 1).

Built in 1901 as a vaudeville house, the festival’s second-largest venue, the Avon Theatre, with capacity for 1,093 patrons, was initially rented in the 1950s, then purchased and renovated. The 260-capacity Studio Theatre was added to the Avon Theatre complex in 2002 in a space that formerly housed a scenery shop. The barn-like Tom Patterson Theatre, which seated 487 patrons, was leased from the City of Stratford.

Additional venues dramatically increased the festival’s theatrical operations while allowing the festival to offer an increased number of classes, workshops, and forums with actors and directors. Several plays were eventually presented at the same time throughout the April–October performance season. While many actors appeared together in several different productions, no two productions shared an identical cast. As a result, up to four different plays could rotate on each stage, which resulted in complicated rehearsal and performance schedules.

Venue expansion eventually turned the Stratford Festival into Ontario’s third-largest tourist attraction, following Niagara Falls and the City of Toronto. It also greatly increased its local economic impact and staffing requirements. According to the Conference Board of Canada, the repertory theatre system Gaffney managed with an annual operating budget of approximately $60 million indirectly generated 3,000 local jobs, $140 million in annual regional economic activity, and $55.8 million in taxes.[[4]](#footnote-4) By 2016, more than 200 actors, directors, and designers were typically employed by the festival throughout its eight-month schedule. Over the course of the full year, 1,000 other direct jobs were created, and approximately 250 of these were full-time. Many festival employees had more than 20 years of service. Approximately two-thirds belonged to three different unions that negotiated seasonal contracts, pay structure, benefits, and working conditions.

In 2016, the major industries in Stratford were agriculture, automotive manufacturing, and tourism. The biggest employers in town were the festival and the hospital.

TICKET SALES

Although attendance fluctuated throughout its 60-year history, the Stratford Festival—like other live theatre operations around the world—experienced a significant decline in attendance during the first decade of the 21st century as a result of turbulent economic conditions and increased competition. Patrons and potential patrons were concerned about a host of financial issues, from job security and investment returns to the overall price of a trip to Stratford. U.S. patrons in nearby Michigan, Illinois, Ohio, and New York, who at that time represented 25 per cent of the festival’s ticket sales, were also concerned about travel issues related to the thickening Canada–U.S. border as a result of global security concerns.

Stratford was a destination—that is, people needed to make a conscious decision to visit the Stratford Festival. The area had few other tourist attractions, so the experience needed to be worth a two-, six-, or eight-hour drive. For example, the Stratford Festival differed from the Shaw Festival: when tourists travelled to the Niagara area, they had access to the Shaw Festival plus other tourist attractions—Niagara Falls, wineries, the casino, and so forth. The festival surveyed its customers, and more than 90 per cent indicated they were travelling to Stratford primarily for the festival.

In addition, when people visited Stratford, they immersed themselves in the theatre experience. They could choose from multiple productions on any given day. They might run into the actors in the coffee shops. They could attend forum events—talks, debates, discussions, and showcases throughout the season. People felt a real sense of engagement and closeness to the festival. Said Gaffney, “We work to give people an experience that is going to make them think, that is going to change their perspective of the world. The plays and events connect with that.”

Following the festival’s 2013 turnaround efforts, ticket sales started to improve (see Exhibit 2). But 2015 sales of 472,000 were still well off the 600,000 record achieved during the festival’s 50th anniversary in 2002.

The festival received approximately 70 per cent of its revenue through the box office. Another 20 per cent of the revenues came through private fundraising. Most of the donors gave to the festival and the leadership because they trusted the vision. A small portion of the revenues came from government sources (for example, from the Canada Council for the Arts and the Ontario Arts Council).

According to the festival’s 2013 forecast model, every sales decline of 10,000 tickets represented a $700,000 loss in revenue (see Exhibit 3). As a result, there was little room for mistakes when selecting the plays for a season’s program. Said Gaffney:

When you do the analysis of the shows, and the people who come here, if you take away one of those segments of shows, you take away that segment of customer. So if you don’t have a 20th-century play like a Eugene O’Neill or a Tennessee Williams . . . there were some segments in certain years that were missing as a result. What was happening was we’d have one blockbuster that would carry the day, and in 2012, we didn’t have that show, and so it revealed we were relying on one show to make it all work.

As things stood in 2016, the festival had become heavily dependent on its two musicals, which represented 50 per cent of all tickets sold, while the other half of total sales was split thinly among approximately 10 plays. Gaffney commented:

This is a mad profession to be in. The success of a show is not always predictable. We’ve done titles that you’d think [had] the right actors in [them], [had] broad appeal, lots of flash on the stage, and yet did not connect with the audience for some reason. We can think a show is fabulous and we’re excited about it. It opens and the critics and audience may hate it.

AUDIENCE

Three significant age groups made up about 80 per cent of the Stratford Festival’s audience. Students accounted for 10 per cent; baby boomers aged 65–74 made up 22 per cent, and adults aged 45–64 accounted for 48 per cent. Tracked by country, approximately 75 per cent of ticket sales came from Canada, and most of the remaining 25 per cent came from the United States. Less than 1 per cent of ticket revenues came from 74 countries outside North America, the most prominent being the United Kingdom and Japan. About 35 per cent of the audience came from Toronto.

Ticket revenues were also divided according to six different patron categories: established, new, lapsed, groups, schools, and other. Audience demographics were then even more finely sifted to examine categories from gender and age to occupation, household income, education, vacation habits, leisure activities, and books read.

A big concern remained how to bring a new and more diverse audience to the festival. Gaffney explained that the festival needed to be very careful to really understand who was attending the different plays and to ensure that it had something to offer those individuals. She said, “So, for instance, with our school audience, we have to be very careful that we’ve got a blockbuster Shakespeare they can come to. This year we’re also doing *The Lion, the Witch and the Wardrobe*—a C.S. Lewis novel—and it’s great for elementary [school] students.”

The settings of the Shakespearean plays were occasionally changed to make them a bit less traditional. Gaffney explained:

This year we’re doing a production of *As You Like It*, which is set in 1980s Newfoundland. A couple of years ago we did a production of *A Midsummer Night’s Dream*. It started with a same-sex marriage at the beginning of the play. Every production is very carefully set in a certain time period. Our current artistic director doesn’t ascribe to doing things just to be quirky.

MARKETING

Unlike nearby theatre companies such as Toronto’s Mirvish Productions or Niagara-on-the-Lake’s Shaw Festival, the Stratford Festival had very little help from complementary municipal tourism advertising or marketing. In fact, the City of Stratford relied heavily on the festival to draw visitors to its restaurants, shops, and accommodations. More than 90 per cent of local tourists came specifically to see plays. Some investment in the community of Stratford was happening, but there were not a lot of other tourist attractions in the area.

In each of the past two years, the Stratford Festival spent approximately $8 million (15 per cent of its budget) on marketing and sales efforts, down approximately $1.1 million from 2011, when marketing costs reached 16 per cent of expenses. By comparison, the City of Stratford had a tourism office that spent between $300,000 and $400,000 annually. Sales and marketing represented the festival’s second-highest single expense. Production spending topped the financial statement at $30 million.

In the past four years, the organization’s marketing spend was a combination of mass-market (print and outdoor) campaigns and more pinpointed digital interest-based advertising aimed at 45–74 year olds. Demographic research on the festival’s audience showed the top two activities festival patrons enjoyed were gardening (62 per cent) and spending time at the cottage with family (40 per cent). Hiking and cycling were a close tie, at 29 and 28 per cent, respectively. To attract new patrons, the festival planned to increase digital advertising, which currently represented 31 per cent of the overall marketing spend. It also intended to continue to connect with existing patrons through call centre operations, direct mail, and email channels, while also reaching out to this group by targeting professional and alumni associations, social clubs, and service clubs.

The Stratford Festival spent between $800,000 and $1 million annually on the education market (teachers and students), which amounted to $15–$17 per student visitor in recent years. The investment was viewed as a good way to cultivate future regular customers. In past years, as many as 53,000 students attended the festival’s Shakespearean and family-focused plays every year. A good proportion participated in some form of enrichment program with the festival’s education department, which offered pre-show chats, in-class visits with artists, and post-show Q&As. However, despite these efforts, the school segment was in decline, dropping to 47,000 in 2014.

Shakespeare was no longer required reading in local school curriculums; it was now merely an option in the school system. As a result, many new teachers had little exposure to Shakespeare’s collected works. Even with the festival’s education program outreach efforts—to help teachers feel more comfortable teaching Shakespeare, to have students experience Shakespeare’s plays, and to get students on their feet thinking about how music, movement, and dance could all be part of a scene—getting into the schools to get teachers’ attention was becoming more difficult. Ontario teachers had become increasingly busy with government-mandated extracurricular activities, which reduced the time available and the interest in class field trips.

Gaffney observed, “When we survey patrons later in life, they will always cite that their first experience was on a school bus, when they came as a kid. And actually maybe not even here. But they went to a theatre some place as a student and so they have some acquaintance with the art form that hopefully grows over time.” She continued: “Transforming education is something that’s on my mind a lot. There’s an imminent pressure to do so because, if we rebuild the Tom Patterson Theatre, then education is going to be a big part of it. How would we bring in more people? What’s the case for having an education space in this theatre?”

Adults aged 45–64 did not just represent the largest portion of the festival’s audience (48 per cent). People in this demographic also accounted for a slightly higher percentage of the festival’s overall performance revenue because they weren’t eligible for the discounts offered to seniors and the under-30 crowd. A very small but extremely valuable piece of this audience segment vacationed in Stratford, taking in multiple plays while staying in local lodgings and eating in local high-end restaurants. Adults aged 45–64 also tended to be significant donors. But while this group was definitely the most significant part of the festival’s “established patrons” group, it also represented a large portion of its “lapsed patrons.” As a result, while the middle-aged group was still being cultivated, the festival was focusing on attracting new, younger customers. The “under-45” category now made up the largest portion of its “new patron” group.

CURRENT DIFFERENTIATION EFFORTS

The festival’s proposed reinvention plan included an ambition “to shift the festival from being viewed as a high-quality organization to one that is both high quality and highly innovative, delivering experiences that connect meaningfully with our patrons and that stimulate discourse that emanates beyond our borders.” The goal was to differentiate the festival from Toronto’s Mirvish Theatre, the National Ballet, and the Shaw Theatre in Niagara-on-the-Lake, while positioning it in the same category as London’s National Theatre and New York’s Metropolitan Opera (see Exhibit 4). Innovation or differentiation could take many forms: new production techniques and staging, new scripts, restaging Shakespeare in a more modern time, adaptations, gender- and race-blind plays, as well as film and digitizing the library.

During visits to New York’s Metropolitan Opera and London’s National Theatre, Gaffney had noted initiatives that aimed to extend those brands’ experiences through filming and distributing select plays to movie theatres. Although not directly competitive with the Stratford Festival, the National Theatre did present a threat in this area, since it had been the first out of the gate. Gaffney feared another Shakespeare festival in North America, such as the Chicago Shakespeare Theatre or the Oregon Shakespeare Festival, might also move ahead with film initiatives before the Stratford Festival did so, making it more difficult for the festival to carve out a competitive niche. In 2013, she presented the festival’s board of directors with the Stratford@Play business plan, a proposal to heighten awareness for the festival’s brand internationally by sharing the festival experience with audiences in Canadian and U.S. movie theatres. The plan called for the filming of all 36 of Shakespeare’s plays over the next 10 years at a rate of about three each year. This initiative fit the festival’s ambition to be more innovative and to take bolder actions in an effort to attract more people.

Before doing a full rollout of Stratford@Play, Gaffney tested the marketplace by filming several plays—*Caesar* *and* *Cleopatra*, *Twelfth Night,* and *The Tempest—*selling 10,000–15,000 tickets per play through Cineplex. Gaffney felt that number could eventually grow to 20,000 with an international reach. The National Theatre sold 50,000 tickets for the majority of its screenings, and 150,000–200,000 for more popular titles, such as *Frankenstein* and *The Audience.*

Unlike the National Theatre, Stratford had the support of its unions to record its selected Shakespearean plays and distribute them in movie theatres and online through DVDs, iTunes, and Amazon. The festival hoped to take its digital product into schools to entice teachers and students back to Stratford. It received a government grant for the first three years of filming.

But executing the film project was not a simple matter. Producing the films involved bringing a Toronto film production crew into the main festival theatre to capture a matinee performance of each of the selected productions, then following up with close-up filming later the same day and several weeks of post-production work. Distribution agreements with cinemas, such as Cineplex in Canada and Fathom in the United States, were required, which meant that multiple contracts needed to be signed. The cost for producing and distributing the first three films in 2014 was estimated at $2.1 million, with anticipated revenue from tax credits, cinemas, downloads, and fundraising of $720,000 per film.

Two years into the initiative, with six filmed plays now completed, Gaffney was able to break even on the films and saw just $100,000–$200,000 in incremental earned revenues annually. In Canada, Cineplex remained supportive as a distribution partner. However, although the festival’s plays were being shown on 300 screens in the United States, Fathom was pulling out due to low attendance and disappointing financial performance. Meanwhile, the film business—which was not the festival’s core product—was now occupying a disproportionate amount of Gaffney’s time and energy. While the project was innovative and progressive, eight years remained to film Shakespeare’s entire 36-play canon, and it remained uncertain how this project would fit into much larger plans. Gaffney knew Stratford@Play could pull her down if it were not properly staffed and managed. She was determined to continue with the initiative for a few years to see whether it would pick up momentum and commercial appeal.

FUNDRAISING EFFORTS

Although the Stratford Festival contributed significantly to regional economic activity, it received relatively little in government support. In 2014, the festival received just $3.8 million, or 6 per cent of its total revenues, from provincial and federal government grants, yet it contributed close to $60 million in taxes. By comparison, private fundraising normally contributed approximately $12 million annually, while contributions from the festival’s $72 million endowment fund averaged between $1 million and $2 million per year.

Gaffney wondered whether the time was right to launch a new fundraising initiative. It had been 10 years since the festival had wrapped up its most recent endowment campaign. Entitled “For All Time,” this campaign had raised $50 million. The “Act III” capital campaign conducted 20 years ago had generated $15.2 million from private and government donors. If approved, the proposed new $100 million capital and endowment campaign (intended to raise $60 million in capital and $40 million for an endowment), named “Vision 20/20,” would be the most ambitious fundraising effort in the festival’s history. The funds would help finance educational outreach and innovative new programming, but the major goal was to raise money to replace the Tom Patterson Theatre with a new multi-purpose facility.

The Tom Patterson Theatre typically hosted 40,000–60,000 patrons for three or four core festival productions, roughly 180 performances, each season. But the brand experience offered by this venue was not ideal. The temporary nature of the 470-seat auditorium meant it was cramped; its seats had limited legroom, making it almost impossible to exit in the midst of a performance; and it lacked key amenities enjoyed by customers at other festival theatres, such as lounges, bars, and a posh lobby.

A rebuilt Tom Patterson Theatre would feature an education facility; a digital media studio; rehearsal space; a parking structure; and expanded capacity for festival courses, forum events, and workshops. However, while the experience would be enhanced, the seating would increase only modestly, to 600, still roughly just one-third the size of the festival’s 1,800-seat main theatre. The logic for the limited increase in seating was based on maintaining the theatre’s reputation as an intimate venue for enjoying Shakespeare.

A rebuilt Tom Patterson Theatre was an exciting, tangible project that held the promise to lure patrons back to Stratford. A less glamorous but still viable alternative would be to renovate rather than rebuild the venue. That option would allow the capital campaign to focus on bolstering the festival’s endowment funds to support programming improvements at current venues. While the Tom Patterson Theatre would remain rustic and functional, it would not be the potential future festival showpiece envisioned by management. In other words, a renovation was seen as a “Band-Aid” solution that would not fully exploit the venue’s scenic location or provide an inspiring new creative environment for the future.

Before moving forward with a rebuild, however, the festival needed to hire new staff and fundraising consultants—not to mention a lobbyist and an architect—just to determine whether the plan was feasible. Meanwhile, Gaffney’s fundraising department needed an architect’s model to “sell the vision” before an architect was even hired.

The board had put the ball squarely in Gaffney’s court with a recent $500,000 commitment to study project feasibility. However, directors were growing nervous, thanks to the Ontario government’s recent wave of austerity. With provincial and municipal elections coming in 2018, the organization needed to quickly secure funding commitments before there were any changes in leadership. That, of course, was easier said than done. Stratford’s mayor, who accompanied Gaffney to government meetings in Ottawa and Toronto, had already indicated the city’s willingness to support the project. But the festival was looking to both the provincial and federal governments for $20 million each in support; the remaining $20 million was expected to come from private donors. Thus, collaboration with all levels of government was required, and each level of government’s support was contingent on that of the others. At the federal and provincial levels, officials wanted tangible proof that the project would garner private support. Meanwhile, potential private donors wanted assurances the politicians were onside.

NEXT STEPS?

The festival’s most recent five-year strategic plan, developed following the $3.4 million deficit in 2012, was coming to an end, and a new vision for future prosperity was now required to reassure the board that the organization was on the right path. Whether that meant adopting new theatrical approaches or introducing new programming, change was obviously needed.

“You don’t get the same traction or attention when you’re in a holding pattern,” Gaffney explained. “We need to be introducing new things all the time. It’s critically important; otherwise people will think you’ve gone to sleep, and then [they’ll think] it doesn’t matter if they don’t get to Stratford this year—there’s always next year.”

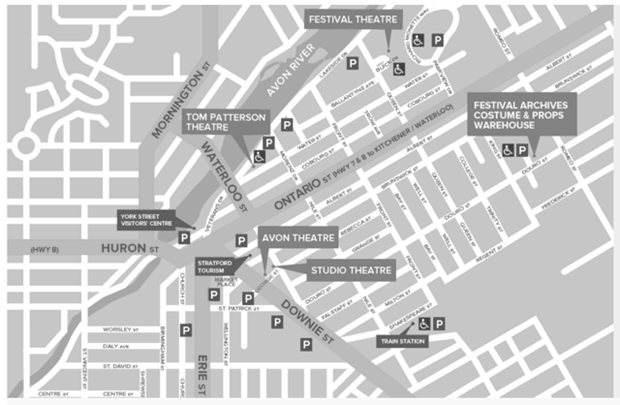
As the Stratford Festival Campaign Preliminary Plan noted, “To really make our mark internationally, we need many more projects in the pipeline, and we need a far greater appetite for risk. Risk is the inevitable —and necessary—handmaid of invention.” But while introducing a new capital campaign would generate excitement, it could also backfire if any of the internal or external stakeholders lost interest or if management was distracted by the film initiative. With or without funding for a new Tom Patterson Theatre, attendance still needed to be managed for the next four years.

As Gaffney watched snow fall outside her office, she knew in her heart that the festival currently lacked the budget and the will to sustain risk. That made her wonder whether the festival should lower its expectations and budgets, at least temporarily, and perhaps scale back its productions. Was it time to think big and strengthen the festival’s resources for greater resiliency through more innovation? Growing revenues outside of attendance would not be easy, but with the festival’s current challenges and susceptibility to economic swings, she knew that new and innovative approaches would be required to place the festival on a stable footing for the long term.

Gaffney also knew there was much more at stake than just the health of the festival. Like her father, she felt a personal responsibility toward the City of Stratford itself. And knowing her father had kept going when things were tough because it was the right thing to do for the festival and its hometown community gave her strength. She remembered him saying, “I can’t let it be somebody from Stratford that lets this thing down.” Gaffney felt the same way.

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Exhibit 1: Stratford Theatre Map



Source: Company files.

Exhibit 2: the Stratford festival’s Ticket sales, 2011–2014

|  |  |  |
| --- | --- | --- |
| **Year** | **Tickets Sold** | **Total Revenue** |
| 2011 | 455,039 | $31,351,837 |
| 2012 | 432,238 | $27,422,345 |
| 2013 | 474,097 | $29,720,929 |
| 2014 | 467,546 | $28,344,297 |

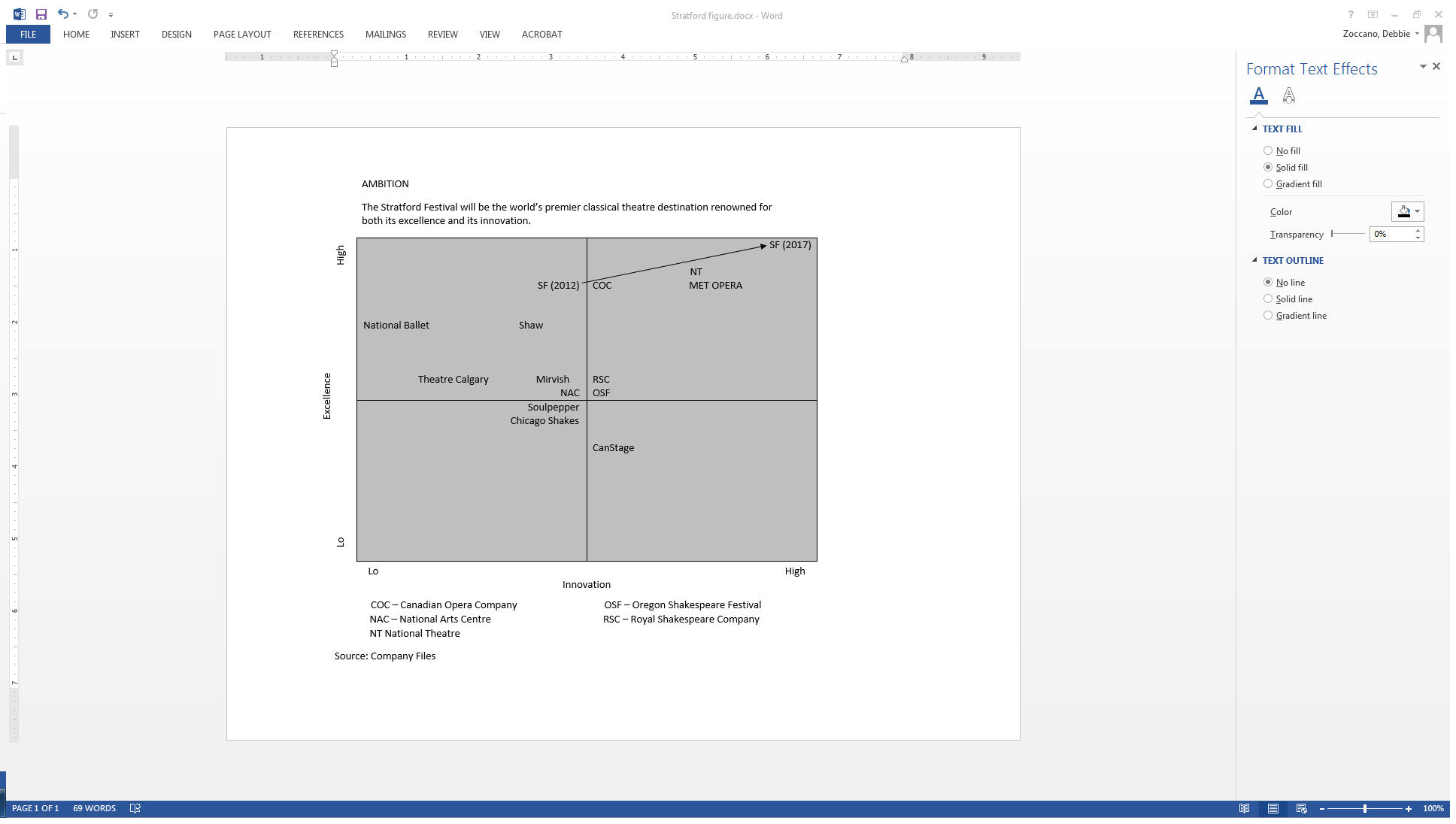
Source: Company files.

Exhibit 3: THE Stratford festival’s surplus/shortfall scenarios at various sales thresholds

|  |  |  |
| --- | --- | --- |
| **Tickets Sold** | **Average Ticket Price** | **Surplus/Shortfall** |
| 450,000 | $65 | $1.1 million |
| 440,000 | $65 | $450,000 |
| 430,000 | $65 | −$200,000 |
| 420,000 | $65 | −$850,000 |
| 410,000 | $65 | −$1.5 million |
| 400,000 | $65 | −$2.1 million |

Source: Company files.

Exhibit 4: THE stratfoRd Festival’s Ambition Matrix



Source: Company files.

1. All currency amounts are in Canadian dollars. [↑](#footnote-ref-1)
2. Martin Knelman, “Stratford Festival Has a Hit Season on its Hands,” *Toronto Star*, July 5, 2013, accessed February 26, 2016, www.thestar.com/entertainment/stage/2013/07/05/stratford\_festival\_has\_a\_hit\_season\_on\_its\_hands.html. [↑](#footnote-ref-2)
3. Kevin Van Paassen, “Now Showing at Stratford: Falling Numbers and a Bit of Stage Fright,” *Globe and Mail,* accessed February 24, 2016, www.theglobeandmail.com/arts/theatre-and-performance/now-showing-at-stratford-falling-numbers-and-a-bit-of-stage-fright/article9517866/. [↑](#footnote-ref-3)
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