

THE DALLAS MUSEUM OF ART AND CULTURE

Organizational Background

The Dallas Museum of Art and Culture (DMAC) is the oldest and largest art and culture museum in the state of Texas and surrounding regions. The museum employs approximately 300 people. The museum is located in the historic Brown Palace building, a 134 year old building located in downtown Dallas. The museum is one of the largest and oldest collections of art, sculptural, anthropological, and southwestern archaeological material in the country—in the same class as such museums as the Museum of Fine Arts in Boston, the American Museum of Natural History in New York city, and the Field Museum in Chicago.

A full day before the latest exhibition at the DMAC opened in 2015, the front page of *The Dallas Post* proclaimed, “*Furor Ahoy; DMAC Exhibit of Jones family Collections Stirs Questions over Choices, Motives*”. The exhibition featured the private collection of Allan Jones, one of the original oil barons of the American West whose family help build the massive oil businesses of Texas, Wyoming, North Dakota and Colorado that now produces 20% of the nation’s oil supply. Jones is a resident of Texas, Colorado and Florida, who, as the article acknowledged, had “assembled a collection renowned for its range and quality.”

What made the exhibition somewhat unusual was not the rare works of European masters such as Monet, or American paintings and sculptures by Remington, but instead remarkable pieces such as the firearm that killed the infamous outlaw of the American West, Jesse James, and the two large racing yachts on the lawn of the DMAC. That same article reproduced a variety of criticisms by arts, entertainment and media people of in Dallas and the region for having Jones underwrite a significant portion of the costs of staging the exhibition and publishing the associated catalog. An arts commentator on the NBC television station WDTW charged that this exhibition was more to do with “glamorizing the collector than fulfilling the museum’s educational mission,” obliquely suggesting that the exhibition was a means of enticing a prodigal patron back into the fold.

The DMAC director, Celia Daniels, quite used to such criticisms, asserted that this was just another step in her mission to bring new visitors to the DMAC. “It is as simple and straightforward as that,” offered Daniels.

By 2012, Daniels had been working actively toward achieving that goal. Just months before the Jones exhibition, another exhibition public exhibition, *“Speed, Style, and Beauty: Cars from the Ralph Lauren Collection,”* had caused its own media fury with some traditionalists in the art world deriding the exhibition as overly populist and commercial. Yet, while some were questioning the exhibition’s artistic merit, male visitors (a scarce demographic for the DMAC and all museums) were flooding through its doors. Many were avid collectors themselves who did not typically attend the DMAC.

Dan Sommers, an owner of the Texas Rangers (Dallas’s professional baseball team), noted, “When this invitation landed on my desk . . . my assistant put it right on the top. Normally, the DMAC invitations wouldn’t be right at the top”.

Ultimately, through the use of direct mailings and some television advertising sponsored by the Ralph Lauren Foundation, the car exhibition attracted 197,000 patrons, far exceeding initial projections of 140,000 visitors.

The DMAC had been alert to its audience’s tastes in other ways as well. In an opening-day tribute to the Texas Rangers at the beginning of the 2012 season, the DMAC presented a special exhibition entitled *“Rockwell and the Baseball”*. The exhibition featured a Norman Rockwell painting that depicted the 1956 Red Sox locker room and also included a special selection of baseball memorabilia.

Daniels’s motivations for bringing new visitors to the DMAC were twofold. The first was mission— the DMAC is focused on bringing art and people together to enrich lives. Without appealing to a broader base of visitors, Daniels felt that the DMAC would be compromising its mission, and indeed, some of the DMAC Board of Trustees felt likewise. To a great extent the DMAC has continued to work toward achieving that mission in spite of criticism in print and broadcast media in the region.

The second reason for bringing in a wider audience was financial. Since the Great Recession of 2008, base attendance (defined as purchasing a ticket to see the core collection) has slowly declined, and special-exhibit attendance (defined as purchasing a ticket to a special exhibition that also included access to the core collection) is volatile and unpredictable. Declining attendance had an immediate impact on the museum’s operations and was an important priority

for Daniels and her management team, especially since the museum's trustees expected the museum to maintain a balanced budget.

Funding Background

European art museums can receive as much as 90% of their funding from government agencies. In contrast, most U.S. museums rely on private donations from the public and wealthy patrons to support half of their annual operating budget. The other half raised through admissions and other revenue-generating activities.

Patricia Quattrone, deputy director of Public Relations for DMAC, remarked on the reasons people gave to the museum:

“One group of our donors is simply devoted to art, another group feels that it is their civic responsibility, and a third group believes that it is a social requirement. Many donors devote much of their personal time to learning and expanding their knowledge through collecting.”

She also noted that the Western states like Texas and Colorado were a unique market:

“Unlike many areas of the country where donors revel in the acknowledgment of their donations or gifts of a collection, many people in the Western states don't want to be acknowledged. It is a quiet and dignified kind of support.”

The external relations group competed with other regional and national cultural institutions for donations as well as with educational institutions (such as Harvard) and area hospitals (such as the Dallas Cancer Institute).

“The bad news is that we are often targeting the same people as the Harvards; the good news is that Harvard is so effective at fund-raising that donors become used to considering multimillion gifts,” noted Quattrone.

The DMAC

In the words of its founders in 1870, the museum and its collection were to be “a means of bringing art and culture to the public, of education to artists and artisans, and of enjoyment to all.” Over the next 135 years, the DMAC attempted to live up to that mission and by and large succeeded with only modest drift, according to Daniels.

“There is a perception that art museums belong to the visually literate elite, but I believe that this is wrong. Two truths have motivated me as a museum worker and then later as a museum administrator and director. The first is that great works of art embody much of what is best and most enduring in the human spirit. The second is that great art institutions

are crucial components of a civilized society, resources for every member of the community and indeed for citizens of the world.”

The DMAC is the leading cultural institution in the West and one of the leading art museums in the country.

The museum’s expansive collection of works was organized into seven major departments:

- Art of the Americas
- Art of the Ancient World of the Americas
- Contemporary Art of the Americas
- Prints, Drawings, and Photographs of historical and ancient Americas
- Textile and Fashion Arts of historical and ancient Americas

The background and tastes of the museum’s benefactors influenced the composition of the DMAC’s collection. For example, the museum included masterpiece paintings of colonial Dutch, English, French, and Spanish art. The DMAC was particularly strong in landscapes of the America west by painters of Europe as well as impressionist paintings. The DMAC, in conjunction with the Southern Methodist University, the University of Texas and Harvard University, had sought out collections and individual works for years from various corporate and individual collectors in the American west and South America, resulting in one of the best collections of art in North or South America.

Early in its development, the DMAC made a commitment to building a strong collection of Western American art, and on August of 2012, it announced a major gift to that collection, now known as the Rankin Institute of Western American Art. Rankin, a director of Marshall Oil Company, pledged to give his fine collection of approximately 50 highly regarded works of Western, especially Southwestern, art to the DMAC.

In July, 2016, the DMAC will host its annual black-tie Collectors Choice fundraising event, which will honor Rankin and other donors and supporters. Proceeds from the event will go to the DMAC acquisition fund for its collection.

The DMAC originally opened in 1876 in a dusty corner of Dallas warehouses, but over the years transformed into a major cultural arts zone in the city. Over the next 80 years, the DMAC went through several phases of expansion. In 1970, a wing was opened with space for a research laboratory, library, dining facilities, education facilities, and administrative offices, opened on the west side of the building. In the late 1980s, DMAC created space for special exhibitions, a large auditorium, and enhanced dining and retail facilities.

In addition to its galleries, DMAC offers a restaurant and bookstore to sell copies of prints and other Museum artifacts. It also provides a lighter food menu in the small Cowboy's Café. The Brown Auditorium on the first floor is a venue for films and lecture series. The DMAC's largest temporary exhibitions are displayed in the 10,000-square-foot Jones Gallery.

Leadership

In September 2016, Daniels was appointed the Director of the DMAC. In that year, DMAC began a long-term planning effort that resulted in a new strategic plan: *One Museum-New Museum-Great Museum*.

One Museum, focused on creating a team of employees that made decisions based on the return to the entire museum rather than a specific department. She was charged to address the DMAC's programs and practices to create an organization willing to experiment and innovate. The **Great Museum** plan sought to fulfill the DMAC's potential as one of the world's greatest art museums. It was an ambitious strategic plan.

When Daniels arrived, the museum faced a financial crisis—five months after her arrival she cut 20% of the workforce in what would be the most serious downsizing since she was hired. Additionally, Daniels re-organized the museum's departments, in several cases combining painting and decorative arts that resulted in the departure of two senior curators.

"We are a world-class museum but without all of the world-class appreciation we deserve," commented Daniels, who had set for herself the goal of raising the profile of the DMAC.

Access has been the focal point of Daniels' leadership. Over the course of her work as Director, Daniels' emphasis on creating access for a diverse public had drawn both praise and criticism. In 2017, Daniels reopened the museum's main doors on Colorado Avenue as a welcoming gesture to the community (five years earlier they had been closed for financial reasons). In the following year, Daniels eliminated admission fees for children under 17 and then extended the DMAC's hours of operation so that the museum was available to the public seven days a week and more than 60 hours per week. Under Daniels's guidance DMAC reached out to the community with three free open houses each year, expansion of the education program, and, in conjunction with Dallas' mayor, the renaming of Colorado Avenue as Avenue of the Arts. Daniels worked extensively with staff to enhance and expand the DMAC's collection. From 2014 to 2019, investment in curatorial and staff services expanded by over 50%.

Yet Daniels was also a self-described risk taker, and it was primarily in the area of exhibitions that she drew fire. While traditional exhibitions like the works of Monet drew praise, others, such as the exhibit of popular photographs of subjects such as Madonna and Richard Gere by fashion photographer Herb Ritts, the exhibit *“Dangerous Curves: the Art of the Guitar”*; and most recently the exhibition of classic cars.

While certain critics questioned whether the works within these exhibitions were indeed art, Daniels countered,

“Our work is to bring art into people’s lives. It is not just to preach to the converted but to make conversions.”

Daniels was responsible to the DMAC’s 15 person board of directors. Members of the board were initially drawn to the DMAC based on their own interest in collecting or their interest in art. The board took on a governance role and was active in fund-raising for the museum. In addition, the DMAC had developed a museum council of younger people interested in the arts. It was hoped that these individuals would represent a part of the future board.

DMAC Performance

In the 2014 annual report, the chairman of the DMAC’s Budget and Finance Committee remarked on the museum’s financial complexity and noted:

“The DMAC is a business made up of many businesses. We are a museum, a publisher, a retailer, a restaurateur, a film theater, and more, each financially demanding in its own right.”

The DMAC’s expenditures in 2014 were approximately \$81 million. With revenues from program and support of approximately \$83 million, the DMAC enjoyed a profit of about \$2 million. Approximately 44% of the museum’s revenues came from operations including membership, admissions, sales of merchandise, and restaurant food sales. Another 24% of revenues were received as school tuition for a small high school art school program operated by the museum. (Although, slightly more than that figure was spent on the administration of the school). Of the remaining of revenue, 20% came from the support to the DMAC through its annual appeal and contributions, gifts, and grants, and 80% from the DMAC’s investments (short-term investment income, investment return on the endowment that had been designated for current operations, etc.). Following several years of deficit in the 1980s and early 1990s, the board stressed the need for a balanced budget.

The DMAC relied almost exclusively on private funding, receiving only limited funding from government. As Daniels notes:

“The DMAC is almost certainly the largest privately funded museum in the world, and unlike the other great museums of America, we receive no generous dollars from our city and less than half a percent of our annual income from public sources all told. True, and a great tribute to Dallas and philanthropy.”

One report found that the the Dallas Office of Cultural Affairs contributed \$870,000 to the arts, compared with \$5 million given by New York’s, \$14 million by Charlotte, \$28.5 million by Pittsburgh’s, and \$37 million by San Francisco’s.

Under Daniel’s guidance, the one pressing issue for the museum has been the decline in revenue from general admittance. Taken together, the revenue from general and corporate memberships, admissions, and exhibits had declined 15% from 2011 to 2016. This decline had occurred in the context of a “perfect storm” - 9/11, a recession, a stock market collapse in 2008, a massive slump in state oil revenues, and a large fall-off in tourism.

From an operating perspective, membership and attendance drove the profitability of other revenue-generating departments such as parking, food service, and merchandise sales. But more importantly, if fewer people were visiting the museum, it raised the question of whether the DMAC could achieve the museum’s ultimate aim as stated in its mission statement: to encourage and to heighten public understanding and appreciation of the visual world.

“Attendance is a key priority for us,” said Daniels. “We need to understand if the decline is structural or cyclical. If it is cyclical, time heals economic cycles, but if it is a structural problem we need to make investments to reverse the trend.”

This was especially important in light of plans to install a significant new exhibit in 2018- “Cultural Diversity Through the Eyes of the Artists of the American West”.

The Walk Through

As museum director Daniels walked through the museum, she noted:

“This is a unique moment in the museum’s history. We want to build a new wing to house our Western American history collection. Not only will this showcase our extraordinary collection, it will allow us to reorganize our existing collections and exhibit many pieces that have been in storage due to a lack of exhibit space. We will undoubtedly get focus and attention in 2018 when the new wing opens, but we need to develop a strategy that will allow

us to take full advantage of the opening and then carry us forward once the focus has shifted away”.

“But even as we get closer to the big event, we need to make progress on improving our core attendance,” remarked Daniels. “We are bound to have cycles that correlate with the economy, but the trend should be pointing upwards.” This concern was especially important given the experience of museums around the country that were also facing overall declines in attendance.

Management’s Vision for the Museum

The management of the museum has determined that the organization must refocus the public's perception of the museum as a growing and dynamic institution. In a recent interview on KPEN radio, Daniels asserted that:

"The task ahead is a major overhaul for a major institution. We have a significant collection that has important things to say to our collective history and to the cultural history of the North American west generally. Our museum needs to take its rightful place in the city, state, and the country."

Staff members, many of whom were despairing a few months ago, are looking for signs of hope. Quoted in a recent *Dallas Magazine* interview (the piece was titled "Dallas' Oldest Museum Fixes Its Leaky Roof"), Holly Hatcher, the Acting Curator of Art at the museum said:

"All of these years can't be turned around in a few months. Every correct step that can be taken, at this point, is being taken. Every hard question is being asked to address every hard problem of this museum. In the past we ran ourselves like a private club. We had no use for the business of fundraising and selling ourselves. We are beginning to change that now."

From September through December of 2019, Daniels led the management staff through a series of planning sessions. These meetings focused on identifying problems and potential solutions to DMAC declining membership and net revenues. The management group discussed the issues and determined that a central problem was that existing membership viewed the museum as an institution with displays, exhibits, and programs that seemed to change very little from year to year or were of limited interest. In addition, the management team felt that much of the leveling in attendance, membership, and donations were due to competition from the many other cultural opportunities available to individuals and their families in the Dallas area.

Finally, the management team has further determined that since DMAC has always offered an excellent membership value, the fact that it has not recruited and retained members in the competitive cultural marketplace of Dallas seems to indicate that museum marketing efforts were inadequate to the task of recruiting and retaining visitors. A large number of employees have been with the organization for 10 years or more. While there is some promotion from within the organization, the management team feels that job security has always been one of the best benefits of employment. Thus, the view of senior management is that being more attractive and competitive as an organization has as much to do with the attitudes and performance of employees as it does with how people view the museum.

Impact Communications

As the DMAC's leadership team assembled in the museum's conference room, the critical questions on their minds were: What do we do about attendance and membership decline? When and how should we go about fixing these problems?

Daniels has requested that your public relations/promotions agency, ***CLOUD COMMUNICATIONS***, help the museum become more competitive among locals and as a tourist destination among visitors to Dallas. As the initial phase of that plan, she would like ***CLOUD COMMUNICATIONS*** to focus on:

- (1) Developing a **Situation Analysis** of the Museum which includes identification of significant internal and external, visitor, and competitor challenges and opportunities for DMAC.

(Material from this case study is taken or derived from Rangan and Bell, 2006.)