Case Study Analysis: Steppenwolf Theatre Company

**Brief History of Steppenwolf**

Steppenwolf has been in operation as a 501(c)(3) organization since 1975. It was first brought into conception by Rick Argosh, Jeff Perry, Leslie Wilson and Gary Sinise; they wanted to showcase new works and work in Chicago, Illinois. The name Steppenwolf came from a book by Herman Hesse that Rick Argosh was reading at the time and they literally just thought that it sounded cool. Their projects have almost always been focused on ensemble work which has fed into their passion for showing new, innovative works.

They serve approximately 200,000 patrons each season by having multiple shows with long runs in their 3 theatre spaces. Steppenwolf presents year round programming which includes about 16 full-scale theatrical performances and 600 performances on the three stages year round. The New Plays Initiative, and Steppenwolf for Young Adults are just a couple of examples of the variety of programs they offer. Recently, they have opened a bar called Front Bar to increase revenue and to wet the whistles of patrons day and night.

**Case Study Analysis Part I – Environmental Scan**

**I. Economic Scan**

**Economic factors are influencing the organization:**

All in all, this organization has a budget of $14,100,000.00. (Guidestar) In 2015, Steppenwolf gained nearly $25 million in overall income with $54.8 million in assets. Their contributed income has been steadily increasing since before 2011. Between 2013 and 2015 there was a spike in contributed income, but a decline in income from royalties. (Find the Company) A growing fear in many arts organizations is that we will see a decline in contributed income because of the change in the political climate. Steppenwolf may also see a decline in contributed income, but as they are so fixed in the area they may not be hit as hard as other theatre companies.

Contributed Income:

Gifts and Grants

$9,827,995 (IRS, 2013)

Earned Income: (IRS, 2013)

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| Tickets | $784,448 |
| Ticket Handling | $172,222 |
| Subscriptions | $5,740,533 |
| Costume sales/rent | $277,385 |
| Parking | $221,581 |
| Program service | $330,218 |
| Investments | $682,802 |
| Royalties | $2,832 |
| Rental Income | $9,659 |
| Net sale of securities | $242,096 |
| Net Fundraising | -$158,921 |
| Net sales of inventory | -$9,565 |

Government Income– local, state and national support

$134,250 (IRS, 2013)

Total revenue

$19,365,008 (IRS, 2013)

**Organizational economic past and present:**

Overall, the financial health of this organization seems to be great. It seems to have had issues fundraising and merchandising in the past. However, this is easily glossed over by them amount they have in assets and income that is growing. While, the most recent accessible tax form was from 2013, it seems that the organization has the potential to grow and it is.

In comparison to other organizations, I am amazed with the prominence of investment activities. Generally, non-profit organizations are not commonly thought of as investors, but this organization changes that misconception entirely. Steppenwolf consistently makes more from investments than it does from fundraising year to year. (Pro Publica, 2016)

Other economic factors that influence the organization’s situation are that Chicago is known as a theatre city for a long time. It stands with New York and California in popularity because of its great theatres. Therefore, it is likely that people will continue to go there from far and wide to see the great theatre that Chicago is known for and Steppenwolf will continue to benefit from that.

**II. Demographic Scan**

The general audience is progressive, middle to upper class adult Chicagoans. However, they are making strides to expand their audiences to out of state and international visitors. Participants in the programs vary from teenagers to adults with a range of experience in theatre. They are inclusive to people of all ethnicities and creeds. (Steppenwolf) They also do performances internationally and throughout the United States. Their audiences seem to remain constant wherever they perform. (Guidestar) Trends in sex, age, heritage, or education with participation level seem to be consistent with other theatre companies that operate with similar programming and inclusion considerations.

The demographic trends seen in Steppenwolf are more varied than the national average with the exception of the level of education of attendees and the income level of regular attendees. On average, most attendees of the theatre are white and over 60 years of age. However, in Steppenwolf the audience is a little more varied in terms of race and age.

Steppenwolf seems to be most concerned with gaining more audience members from out of state. They have many resources on their website dedicated to travel and it seems that they are expanding to performing to different nations. The organization is old and wealthy enough to expand its programming to places outside of Chicago and to attempt to draw people from outside the US by exposing them to Steppenwolf’s programming.

**III. Cultural Scan**

The general culture of the organization is that of inclusion and fearlessness. Amongst the ensemble members, the board, and the staff there are many indications that Steppenwolf is inclusive and cooperative. They have done ensemble work ever since their conception and that has bled into the structure of the organization. The collaboratory nature of the organization is a large part of what encouraged my interest in this organization and I imagine that is what brings a lot of other people to their theaters. All areas of management are also fairly evenly varied between men and women with quite a few people of different ethnicities.

In Chicago there is a long history of great theatre in the area. As long as that remains strong the organization should continue to bring in larger audiences than the usual theatre. They also have programming that relates to people in the area so as long as Steppenwolf can continue to keep pace with its audience they should continue to keep them. Chicago is full of culture that can be drawn from. From the LGBTQA community in the area to the areas of poverty and violence, there are many experiences that can be drawn from.

Steppenwolf has used many different kinds of technology in their efforts to market and to assist their audience and program beneficiaries in the use of their services. The organization does not publish much of what they actually do in their shows in terms of projections, but they do utilize YouTube to a very effective degree and they are also on Twitter and Facebook. With consistent posting to YouTube and a heavily informational and easy to navigate website, Steppenwolf is near the top in their utilization of technology.

**IV. Other Environmental Elements**

Politically it seems that Illinois as a whole votes progressively. With the results of this last election it may turn out that tensions are high and that it may affect how people donate. As the election happened stocks in the US dropped significantly and that may cause people who might otherwise donate to the theatre or travel to see shows to not do so anymore and keep people at home.

It is likely that internationally Steppenwolf may continue its trend to getting more attention based on the want for more recent, relevant, and impactful theatre.

**Case Study Analysis Part II – SWOC Analysis**

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|  | Strengths | Weaknesses | Opportunities | Challenges |
| Cultural Product(s) | Innovative Theatre, Front Bar, New Script Programming, Youth Programming, Recognition of women and veteran programming, Educational leadership programming, Internships, Apprenticeships, and Multicultural Fellowships, Special performances for those with special needs. | Website is not yet up to date with this year’s deadlines and opportunities for internships and the like. There are no promotional pictures of their theater spaces. They do not offer much information on their website about the cost of attending programs and workshops. | Offer talk-backs or more information about their availability if they are offered. | It is hard to tell if there are trigger warnings in productions because Steppenwolf does not offer them on the website. |
| Pricing | They have price incentives for ordering tickets early to earlier shows, one price for tickets (no variance in ticket cost based on where you sit), Price variance depends on the time that you can attend (later in the run, higher cost) | It seems a little unfair to charge people more if they cannot show up until later in the run. | They could give out coupons for early ticket reservations that would help offset the increase in price for later showings. This would also give incentive for people to reserve tickets for later shows sooner. | People coming from out of state already need to spend a lot on travel having tickets be over $50 on average for a show makes that a more difficult sale. |
| Place (Access) | Three different spaces, small amounts of dark time, plenty of information as to how to plan your visit on the website, there is also information about how to navigate the theaters for people with special needs, they also have a covered and open air parking lot, it is easily accessible through public transportation, they have valet parking services, and have an email service and hotline for parking availability in their own lot, they also offer discounts to certain hotels in the area | There is not much information about reasonably priced, good restaurants in the area. They have information about very expensive places within a mile, but not much else. | Perhaps cultivate relationships with more hotels and restaurants to connect the community and offer more variety. Also connecting people to airlines and taxi services that would make most sense in the area. | Saving up to afford most of the places they are recommending you to go to will restrict the number of out of state visitors coming to the theatre to the more affluent. Connecting people to airlines may require a lot of maintenance on the website. |
| Promotional Efforts | Brand promotion Vs. show promotion, trying to pull in national audiences with tourist assisting functions on their website, | They have some photos of past shows and have posters of their ongoing shows prominent on their website, but it would be nice if their website also had trailers, and interviews for upcoming shows rather than just having a tiny link to their YouTube where all of their promotional videos are | Make the promotional videos more accessible from the website. | The website already has a lot of information, adding videos may slow it down. |

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