

Stephen F. Austin State University

SFA ScholarWorks

Electronic Theses and Dissertations

5-2023

Developing the Nonprofit Theatre: Building a Foundation for the Emerging Theatre Company

Kelsey McMillan

Stephen F. Austin State University, kelseyamcmillan@gmail.com

Follow this and additional works at: <https://scholarworks.sfasu.edu/etds>



Part of the [Entrepreneurial and Small Business Operations Commons](#), [Nonprofit Administration and Management Commons](#), and the [Other Theatre and Performance Studies Commons](#)

Tell us how this article helped you.

Repository Citation

McMillan, Kelsey, "Developing the Nonprofit Theatre: Building a Foundation for the Emerging Theatre Company" (2023). *Electronic Theses and Dissertations*. 510.

<https://scholarworks.sfasu.edu/etds/510>

This Thesis is brought to you for free and open access by SFA ScholarWorks. It has been accepted for inclusion in Electronic Theses and Dissertations by an authorized administrator of SFA ScholarWorks. For more information, please contact cdsscholarworks@sfasu.edu.

Developing the Nonprofit Theatre: Building a Foundation for the Emerging Theatre Company

Creative Commons License



This work is licensed under a [Creative Commons Attribution-Noncommercial-No Derivative Works 4.0 License](https://creativecommons.org/licenses/by-nc-nd/4.0/).

**DEVELOPING THE NONPROFIT THEATRE: BUILDING A FOUNDATION
FOR THE EMERGING THEATRE COMPANY**

By

Kelsey McMillan, Bachelor of Arts

Presented to the Faculty of the Graduate School of

Stephen F. Austin State University

In Partial Fulfillment

Of the Requirements

For the Degree of

Master of Interdisciplinary Studies

STEPHEN F. AUSTIN STATE UNIVERSITY

May 2023

**DEVELOPING THE NONPROFIT THEATRE: BUILDING A FOUNDATION
FOR THE EMERGING THEATRE COMPANY**

By

Kelsey McMillan, Bachelor of Arts

APPROVED:

Scott Shattuck, M.F.A., Thesis Director

Anne Smith, Ph.D., Committee Member

Cindy Davis, Ph.D., Committee Member

Casey Hart, Ph.D., Committee Member

Sheryll Jerez, Ph.D.
Interim Dean of Research and Graduate Studies

Abstract

This paper aims to guide entrepreneurial theatre artists in beginning a nonprofit theatre arts venture. It will provide an in-depth analysis of the foundations required to begin a nonprofit theatre organization and analyze the need for expanding upon traditional structures and styles. Incorporating evidence and research from relevant literature, coursework, and market data as well as analysis of a strategic plan for The Common Theatre Company, this paper finds that non-profit theatre companies can be positively served by developing unique products and services and a nontraditional governance model as an extension of the foundational needs of a nonprofit organization. The traditional theatre venture generally includes a mission revolving around production content, follows a basic season, exclusively offers plays or musicals in its programming, and is governed by a top-down Board of Directors structure. The Common Theatre Company represents a new approach to this typical model offering diverse programming, a unique community partnership angle, and a collaborative governance structure. In a market geared toward non-arts industries that finds audiences across sectors overstimulated and oversaturated, small nonprofit theatres need more resources geared toward them. This paper is meant to serve as a blueprint for the emerging theatre company and a guide to finding unique ways to stand out in any market.

Table Of Contents

Abstract.....	iii
Table of Contents.....	iv
List of Tables	vii
List of Figures	viii
Introduction	1
Methods of Study	4
Research	5
Literature Review	5
<i>Entrepreneurship for the Creative and Cultural Industries</i>	5
<i>Shared Decision-making for Nonprofit Governance</i>	6
<i>Hybridization and Nonprofit Organizations: The Governance Challenge</i>	7
<i>Engagement Governance for System-wide Decision Making</i>	8
<i>Community Engagement GovernanceTM: System-wide Governance in Action</i>	9
<i>Examination of the Perceptions of Stakeholders on Authentic Leadership in Strategic Planning in Nonprofit Arts Organizations</i>	12
<i>The Immersive Theatre Experience for Individuals with Autism Spectrum Disorder</i>	13
Review of Literature	15

Analysis of Coursework	15
<i>Theatre Arts</i>	16
<i>Business</i>	19
<i>Public Administration</i>	21
<i>Mass Communication</i>	23
Market Research.....	24
<i>Competitive Analysis</i>	25
<i>Market Segmentation and Audience Analysis</i>	31
Strategic Plan Summary.....	42
Overview of Purpose.....	42
Overview of Operations.....	43
<i>Leadership and Team Structure</i>	43
<i>Programming</i>	43
<i>Services</i>	44
<i>Pricing Model</i>	45
Overview of Market Analysis	46
Overview of Sales and Financials.....	48
Results.....	51
Foundations	51
Expanding the Nonprofit	54
Strategic Plan	58

Discussion and Implications	62
References.....	67
Appendix A: The Common Theatre Company.....	73
Appendix B: Certificate of Formation.....	93
Appendix C: Application for Exemption	101
Appendix D: Application for EIN.....	103
Vita.....	105

List of Tables

Table 1:	<i>Gender Demo Comparison</i>	35
Table 2:	<i>Business Ownership Comparison</i>	36
Table 3:	<i>Houston, TX Ethnic Demo</i>	37
Table 4:	<i>Fort Bend County Ethnic Demo</i>	38
Table 5:	<i>Sugar Land, TX Ethnic Demo</i>	39
Table 6:	<i>Income & Spending Comparison</i>	40
Appendix A: Strategic Plan:		
Table A1:	<i>Competitor Analysis</i>	84
Table A2:	<i>SWOT Analysis</i>	85
Table A3.	<i>1 Year Sales Forecast</i>	91

List of Figures

Figure 1:	<i>Target Audience Diagram For a Small Nonprofit Theatre Company 2019</i>	17
Figure 2:	<i>Company Logo Mock-Up Assignment, 2019</i>	18
Figure 3:	<i>Cash Flow Projections Assignment, 2019</i>	18
Appendix A: Strategic Plan:		
Figure A1:	<i>Leadership Organization Structure</i>	78
Figure A2:	<i>Target Audience</i>	82
Figure A3:	<i>Sales Org. Structure</i>	88

Introduction

In any industry, developing a business plan or strategic plan that sets a company up for success is, perhaps, the essential step in the entrepreneur's journey. This planning phase can determine the outcome and lifespan of a business. Across industries and markets, it is now more important than ever for a company to have a clear and specialized framework. Due to the nature of this challenge, aspiring entrepreneurs must take the time to create a clear vision and plan to succeed. When evaluating the needs of a successful nonprofit theatre company, one must consider the various ways to develop said company and determine the most effective approach. Then, understanding the importance of individualizing a company, decide on a viable means of differentiation. This thesis will evaluate the efficacy of such ideas culminating in a strategic plan for a modern and unique take on a nonprofit theatre company, analyze the plan's merits and ability to meet the requirements of nonprofit theatre development, and expand upon the traditional approaches. It will also analyze its potential for success in a specific market. To address these, this thesis will answer three imperative questions:

- 1) What are the necessary foundational elements of a new nonprofit theatre company?
- 2) In what ways can those foundations be expanded upon to create a unique strategic plan

- 3) How are the foundational elements of a traditional nonprofit reflected in and expanded upon within the strategic business plan of “The Common Theatre Company” as outlined in Appendix A?

Traditional approaches to starting a nonprofit theatre company have been widely written about and discussed. A typically run nonprofit theatre company will usually start with top-down governance and a limited and focused programming structure. If they offer something outside normal season planning, it will be minimal. There are resources available for this approach, though not many. Still, artists seeking to develop a company that is non-conforming to a typical or standard approach, especially those interested in developing an uncommon theatrical venture, have far fewer resources to plumb for guidance. In an era of market oversaturation and overstimulation across all industries, finding a niche for an emerging company is more important than ever. The following exploration attempts to guide those looking to develop a company that falls outside the standard, seeking to establish a unique organizational structure or a specialized product and delivery. The Common Theatre will have a unique community engagement structure, feature collaborative governance, and offer diverse programming.

This thesis will explain the standard and necessary foundational elements for starting a nonprofit theatre. It will discuss mission planning, finding a board, market research, and the traditional methods most small nonprofit theatres use. Then it will analyze how a company could differentiate itself and develop a unique structure. Choosing a non-traditional governance structure and developing a unique product or product delivery

will be suggested as effective ways for a company to build on the traditional theatre model. Finally, it will summarize and analyze a strategic plan for The Common Theatre Company that will appear in Appendix A and describe how the plan reflects the outcomes of our first two questions. The included strategic plan should serve as an example of a theatrical nonprofit that has successfully differentiated and expanded on traditional structures. The paper seeks to provide a blueprint or guide to entrepreneurs searching for resources for strategic planning in the Theatre industry. Explicitly focusing on small nonprofit theatres and nonprofit theatres with uncommon structures. It will analyze the importance of finding a company's niche approach and provide a guide for such development.

Methods Of Study

This paper utilizes qualitative research of three main categories; literature review, coursework analysis, and market research. A robust summary and analysis of The Common Theatre Company's strategic plan will also be an additional resource. An extensive literature review will cover various books, articles, studies, and academic journals which provide relevant information to the subject matter. These sources include but are not limited to those pertaining to nonprofit theatres, nonprofit governance, strategic planning, and theatre management. There will be a discussion of relevant course content and coursework completed in the master's program. Four main disciplines will be covered as they were in pursuit of the master's degree: Theatre Arts, Business, Mass Communication, and Public Administration. Finally, this paper provides and analyzes market research primarily focusing on the Greater Houston area. The research provided can expand beyond the Houston area for comparisons or to paint a picture of the domestic and global market's current state.

Research

Literature Review

This thesis draws upon information and research gathered from a myriad of sources, including books, articles, journals, and studies. The following is a summary and brief analysis of the most relevant resources used for this thesis.

Entrepreneurship for the Creative and Cultural Industries

In *Entrepreneurship for the Creative and Cultural Industries*, Bonita M. Kolb uses frequent anecdotal evidence and digestible sections of dense information to provide a wide range of insights into the challenges faced by entrepreneurs in creative industries and the processes by which a creative individual can enter the entrepreneurial sphere. She provides a framework for strategic planning and other systems involved in running a creative enterprise, breaking the content into three key sections. These sections move purposefully through starting and running a creative business. At first, Kolb introduces creative and cultural industries to the reader and discusses the first steps that must be completed before developing a business venture. She explores the importance of entrepreneurs' self-reflection, highlighting the honest appraisal of one's concepts. Kolb helps leaders zero in on their entrepreneurial inspiration and complete the research needed to get started. In the second section, she provides practical guidance for entrepreneurs who have already conceived an idea and determined their concept has merit spending time on topics ranging from business plan development to running social media.

In the third section, the discussion turns towards the financial literacy needs of any entrepreneur, breaking the topic into small manageable sections with short discussions on each. The text concludes with multiple suggestions and strategic plans concerning general business growth, in which Kolb discusses expanding into new markets and evolving internal operations.

Kolb explores the entire process of conceiving, establishing, running, and expanding a business in the creative industries. She completes the book with a full business plan template, a sample business plan, and more. Overall, the book is written so that it comes across as easy for any prospective entrepreneur to understand and consume while providing a wealth of information that is generally helpful, particularly in a creative venture.

Shared Decision-Making for Nonprofit Governance

Heather Graham and Linda Mollenhauer developed this research on new approaches to governance and nonprofit organizations in response to an Ontario Nonprofit Network (ONN) initiative. *Shared Decision-Making for Nonprofit Governance* discusses several ways a nonprofit organization can implement a shared decision-making system within its governance structure. Without explicitly referencing system-wide or CEG, they discuss centralized authority structures' impact on organizations by inhibiting creativity and innovation, leaving many constituents disengaged and perpetuating inequality systems (Graham & Mollenhauer, 2019). Graham & Mollenhauer explore the general benefits of shared decision-making and detail how an organization can begin to adopt a model like

this. They discuss understanding the types of governance decisions that would need to be made, how they will be made, and who will be making them. They also note that “successful shared decision-making requires clear boundaries around Authority and expectations” (Graham & Mollenhauer, 2019). Finally, they identify several tools to assist organizations in making this transition, including tracking and feedback mechanisms, information-sharing protocols, and decision-making tools that create an excellent outline for the beginning steps of transitioning into a system-wide governance model.

Hybridization And Nonprofit Organizations: The Governance Challenge

In his 2010 essay, *Hybridization and Nonprofit Organization: The Governance Challenge*, Steven Rathgeb Smith discusses several varieties of hybrid nonprofit organization structures. While, in general, the hybrid systems he references are not necessarily focused on system-wide governance, their collaborative nature is still in alignment with the overall concept of collaborative governance. Specifically, Smith details many different forms of hybridization and nonprofit organizations such as the *Affiliated Foundation*. Several Arts organizations are adopting this form, allowing them to create subsidiary organizations that handle the mechanics of private donations. The Affiliated Foundation then works closely with the parent organization in a collaborative effort. They also discussed *wholly-owned nonprofit subsidiaries*. In theory, this hybrid situation could result in similarly missioned organizations forming legal partnerships to aid more widespread community reach and engagement. Though this objective is not the

number one priority of hybrid options, they present an exciting opportunity for organizational partnerships that could foster a more participatory system of governance.

Engagement Governance for System-Wide Decision Making

Early research conducted by Judi Freiwirth for the Alliance of Nonprofit Management lays out a framework for Community Engagement Governance™ (CEG). The Alliance for Nonprofit Management included researchers and practitioners across the country working toward developing a democratic and participatory system of governance.

Freiwirth argues that the “ structure of most Boards of directors prevents nonprofits from being effective and causes them to lose their connection and accountability to those they serve” (Freiwirth, 2007). The groundwork for this new system of governance discusses fundamental premises of the framework: first, leaving out those directly affected by a nonprofit organization's decisions contradicts the organizational mission. Second, governance is a function and not a structure; therefore, its operations do not necessarily need to be carried out within the confines of a board. Third, governance is about power, control, authority, and influence. CEG redistributes power throughout the organization and community to create a responsive and dynamic company managed by the whole.

The article notes that the following design principles are fundamental to system-wide governance:

- 1) *A results-oriented approach*- CEG’s primary focus centers on community impact.
- 2) *Shared authority among stakeholders*- By involving three distinct levels of the organizational system, primary stakeholders, organizational board, staff,

volunteers, and secondary stakeholders, such as funders or legislators creating full organization collaboration and buy-in.

- 3) *Open systems, ready access*- By sharing systems with the whole, this concept makes information readily available at every level of stakeholders.
- 4) *Redistributed decision-making*- This redistribution which will vary by organization, is the act of redistributing processes to be shared among members and the community.
- 5) *Competencies*- CEG's research suggests four governance competencies: strategic thinking, mutual accountability, shared facilitative leadership, and organizational learning.

Within this system, a board's function fundamentally has to change. It is suggested the board become the entity that organizes the coordination of system-wide governance, indicating that it continues to manage financial and fiduciary tasks and serve as oversight for executive directors. Freiwirth concludes, noting a need for further research that looks at system-wide governance (CEG) through the filter of cultural competency, inclusiveness, and equity.

Community-Engagement Governance™: Systems-Wide Governance in Action

In 2011, the Alliance for Nonprofit Management began a national participatory action research project that included organizations from across the US. The pilot organizations used a specific methodology to implement this new governance model. Each organization works with a community engagement governance team consultant to effectively

document their process and provide data. Each of the nine pilot organizations adopted the CEG TM model and adjusted it to fit the needs of their particular organization. Model implementation varies widely, though each consulted with the community engagement governance team in its development to ensure collaboration across the study.

The article explores an organization called Homes for Families(HFF). This organization focuses on serving the homeless throughout their state, developing a unique framework for CEG, which includes a “whole system” yearly visioning session and a constituent leadership development program. In this leadership program, constituents train in governance skills, moving into leadership roles within the organization upon graduation. HFF also includes a public policy committee. Some constituent leaders serve as board members, and they are working on developing cross-sectional teams throughout the organization. The article moves forward, looking at the organization Shaping New Jersey. Shaping New Jersey is a state-wide network that includes over 100 nonprofit and government-led organizations focused on reducing obesity levels within the state. This organization uses the CEG framework to develop partnerships across several organizations to share governance decisions, including an executive sustainability committee that works as a design and coordination team on joint advocacy, communication, and creative planning. The entire organization gathers in partnership meetings twice yearly, with most decisions being made through teamwork with partner organizations and e-governance.

From the research and data collected on these nine pilot organizations, the Alliance for Nonprofit Management made the following key findings.

1. An increased ability to respond to community needs and environmental changes and increased accountability to the community.
2. There is a correlation between a perceived improved quality and efficiency of governance decision-making: increased strategic thinking, creativity, and problem-solving ability.
3. An increased sentiment of shared ownership of the organization's missions and strategic directions between stakeholders.
4. An increase in new and more distributed leadership.
5. An improved ability for individual organizations to collaborate deeply with other nonprofits.
6. An increased visibility within the broader community.
7. Increased fundraising capacity and sustainability.
8. Increased transparency, community ownership, and more effective large-group decision-making through social media and web portals.
9. An overall shift to more engaged, passionate, and transparent boards about their organization's strategic direction and program.

Out of the nine organizations studied the research highlighted that various nonprofit organizations of differing purposes could effectively implement a version of CEG that supported their organization and community.

An Examination of the Perceptions of Stakeholders on Authentic Leadership in Strategic Planning in Nonprofit Arts Organizations

Author Anthony S. Rhine analyzes and discusses the implications of effective and authentic leadership strategies during the strategic planning process of a nonprofit arts organization. Specifically, he looked at eight arts organizations in the Detroit Metropolitan area. He wanted to see if there was a link between constituents' perception of a leader's traits and effective outcomes. Rhine finds that not only does there seem to be a link between leaders who exhibit authentic leadership traits and strategic planning success, but there appears to be a lack of these traits in his sample. Additionally, he finds that another main pain point in the strategic planning process for leaders is the battle between artistic and business leadership.

Rhine's research found fewer constituents involved in strategic planning efforts than the study assumed. There was a link between stakeholders who felt left out of the strategic planning process and a more negative experience. Those who felt they had been in a more collaborative environment were likelier to report a positive experience. They found that, in general, leaders who were reported to have perceived authentic leadership traits like "honest care, concern, empathy, or trust of all stakeholders are more likely to engage in robust strategic planning that is fully informed and therefore should be more successful." (Rhine, 2015). Not inconsequentially, the data from this study also showed that there were significant instances of a struggle between artistic leadership and business

leadership. The research shows that leaders tend to be more concerned with art over business strategy and that it hinders the strategic planning process immensely.

Overall his finding shows that authentic, collaborative, balanced, and honest leadership is the key to satisfied constituents and positive outcomes for strategic planning processes.

The Immersive Theater Experience for Individuals with Autism Spectrum Disorder

This qualitative research by Ive Giserman-Kiss and Michelle Gorenstein looks at the efficacy of theatrical programming for audience members with Autism Spectrum Disorder (ASD) or a related neurodevelopment disorder. The study is relatively small, with only 256 children and adolescents participating. Still, it points to the potential benefits of such a program and provides a set of crucial factors to consider for implementing a similar program.

They begin by defining and explaining the diagnosis, saying ASD is “characterized by impairment in social communication and reciprocal social interaction as well as the presence of restricted and repetitive behaviors and interests.” (Giserman-Kiss & Gorenstein, 2019), which is information they sourced directly from the American Psychiatric Association. They go on to speak more on the nuance of ASD and how it affects children, teens, and their families. In their study, 342 children and adolescents attended an immersive theatre performance designed for those with autism. They were asked to complete a pre and post-show survey measuring their engagement, expectations, and levels of enjoyment. Overall, the study found that there were significantly higher

levels of engagement and enjoyment reported in the post-show survey than expectations in the pre-show survey. Based on their research, they also proposed five critical components to producing a successful and beneficial program.

The five components are Pre-teaching Strategies (Social Stories and Intro of Materials pre-show), Visual Schedules, Sensory Supports, and Environmental Modifications.

Pre-teaching strategies are separated into Social Stories and Intro of Materials Pre-show.

Social stories use language to help people with autism understand appropriate behavior in a given situation. In this case, social stories were used at the show's beginning to help the audience understand what they should expect. Introducing materials pre-show involved the lobby being filled with photos of the characters, actual props, and sounds playing that would be seen in the following performance. This allows the person time to get comfortable and used to the stimuli they are about to see. Visual Schedules are essentially a visual representation of what a person is currently experiencing as a sequence of events. These shows used two types of visual schedules that broke down the play's events in sequence, hand-held by each audience member or as a large screen projection. Sensory supports, as noted by the authors, many people with autism experience sensory disorders that can have a wide range of effects on the person experiencing the sensory stimulus. To assist with this, the theatre provided several sensory accommodations that were completely optional such as rocking chairs to replace normal audience seats, weighted blankets, etc. Finally, Environmental Modifications were made to the performance space to better suit the audience. They provided various seating options, locations, and

specified places for breaks, allowing them to take in the performance from multiple vantage points and move as needed.

Overall they found their efforts successful and were able to pinpoint the five strategies that were the most beneficial. Some further research can and should be conducted on this topic. Still, there is merit to the notion that providing services for people with ASD or disabilities, in general, can be a very rewarding program.

Review of Literature

The various literature analyzed in this paper focused on mainly on general nonprofit management and development, non-traditional theatre structures, and research highlighting information about theatre for special needs patrons and students. The aim was to establish an understanding of the typical development of a traditional theatre venture with the research surrounding theatre management. Then the literature provided information on various non-traditional theatre structures and governance structures. It concluded with a look at the importance and impact of theatre, especially for those in the autistic community and the special needs community in general. The information and research discussed and gathered in this review assist in conclusions made throughout the paper, especially in later discussion of foundation nonprofit elements and the program and governance expansion of the Common Theatre Company.

Analysis of Coursework

The following section will include a brief analysis and summary of relevant coursework completed in pursuit of this master's degree, Master of Interdisciplinary

Studies, and Arts Entrepreneurship. This degree spans four disciplines: Theatre, Business, Mass Communication, and Public Administration. These analyses will cover content from all four disciplines.

Theatre Arts

Within the discipline of Theatre Arts, courses taken included *Enterprise in the Arts* and *Arts Leadership*. These two courses focused on arts-related business planning and operation. *Enterprise in the Arts* focuses on the inception of an arts business, leadership styles, arts organization operations, and how they bring unique challenges in the entrepreneurial world, culminating in the creation of a strategic plan for a nonprofit theatre organization. *Arts Leadership* focuses on leadership styles and challenges. Both courses provided content directly impacting the strategic plan proposed in Appendix A of this thesis.

Enterprise in the Arts was beneficial in helping to develop critical skills for understanding the importance of the creationary steps of business planning. It also created opportunities for leadership and concept reflection. During this class, I created personal and organizational mission and vision statements, learned the importance of market research and developing ideas based on specialized research, and was guided in building a draft of a complete strategic plan for a nonprofit theatre. I have now utilized numerous actionable lessons from this course, not only throughout my graduate program but also directly within the proposed strategic plan in this thesis and in defense of it, in answering my third central thesis question. This course covered topics that spanned the

lifespan of an organization and also focused on the steps needed for a company's inception. Some examples of actionable material developed by this course include target audience mapping (fig. 1), cash flow projections, branding and marketing materials (fig. 2), and organizational leadership planning.

Figure 1

Target Audience Diagram For a Small Nonprofit Theatre Company, 2019

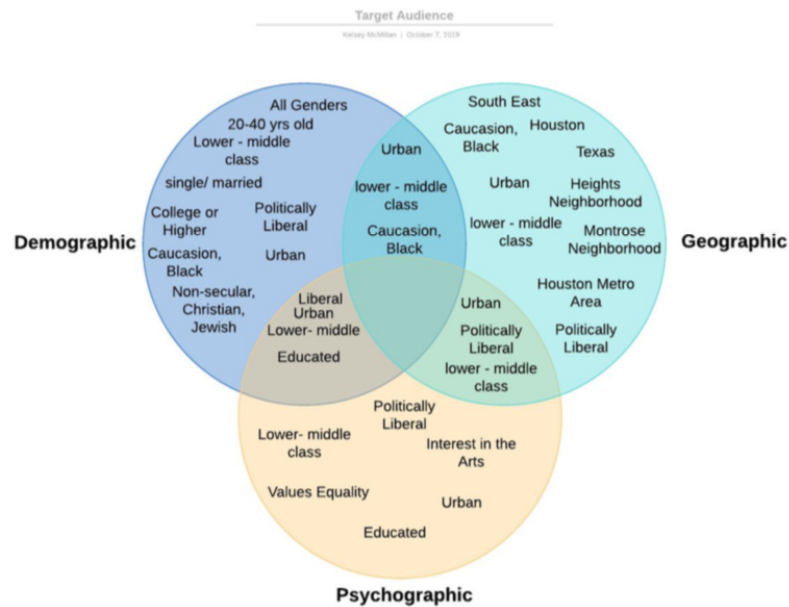


Figure 2

Company Logo Mock-Up Assignment, 2019



Figure 3.

Cash Flow Projections Assignment, 2019

MARTINE THEATRE COMPANY					
3-YEAR CASH FLOW PROJECTION					
	Month-1	Month-2	Month-3	Month-4	Month-5
	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02
TOTAL CASH IN	\$6,500	\$3,500	\$0	\$0	\$3,500
TOTAL CASH DIS	\$3,743	\$2,800	\$0	\$0	\$2,800
Closing Cash Balance	\$10,258	\$10,958	\$10,958	\$10,958	\$11,658

Enterprise in the Arts also provided research opportunities that developed into concrete goals surrounding educational theatre program concepts and provided valuable market research on other local theatre companies and their operations. Overall, this class was instrumental in developing many of the tools used to develop the conclusions

proposed in this paper and many of the initial ideas used to create the included strategic plan.

The second course, *Arts Leadership*, focused on the role of the entrepreneur, the artistic director, and the executive director. Like other leadership courses, it looked at leadership styles, understanding the role of the director, and developing personal leadership goals and values. Most significantly, this course was beneficial in its specificity: Its hard focus on leaders within the arts, specifically the theatre industry, provided valuable insight into the very niche role of a leader in the arts. The culminating project provided a practical opportunity to use newly acquired leadership skills in a real-world program, real-world leadership, program development, marketing, internal organization, and all tasks involved in leading performance groups. The process and completion of this project allowed me hands-on experience shifting from director to producer, which was directly helpful to my goals of understanding and mastering theatre business operations. Overall this class's focus on Arts leaders and the hands-on opportunities it created was instrumental in the creation of this thesis.

Business

Three courses were taken within the College of Business disciplines: *Executive Leadership*, *Managerial Communication*, and *Accounting for Management*. These courses covered various topics relevant to business operations and concentrated on managerial and/or leadership dimensions. From these, a wide array of information and tools were taken that benefit this thesis and overall entrepreneurial goals.

Executive leadership provided a wealth of research, discussion, and analysis opportunities. Still, the most influential aspect of this course was its use of a semester-long leadership project which concluded with a real-world exercise. Students were required to seek out and create a leadership opportunity in an area of interest and use guidance from James M. Kouzes and Barry Z. Posner's *The Leadership Challenge*. This project is responsible for several managerial, operational, and intercommunicative decisions that I have made and a number of those that I have planned to implement in the venture plan proposed later in this work. Two of the most beneficial lessons I learned through this process are: first, challenging conventional systems and taking risks with style and programming significantly impacted our success. Second, spending time empowering a team of capable individuals to lead alongside me created a less stressful environment and was more efficient and productive. While many other takeaways stayed with me and ultimately changed how I have led numerous projects since these two ideas have had a substantial, measurable impact on my leadership style and the organizational design of my company.

Managerial Communication and Accounting for Management have been invaluable courses providing me with highly tangible tools and resources for business operations and development. In *Managerial Communication*, I acquired an understanding and skills in writing for business that I have been able to use not only in this proposed plan but also in the majority of written work I've authored since. Much of my proposal's language and writing style result from the tools gathered throughout my master's work. *Accounting for*

Management, like *Managerial Communication*, was focused on a specific skill set pertaining to the fiscal and financial responsibilities of opening a business. This was incredibly challenging for me, someone without significant prior education in this field or perhaps a natural affinity for it; it was this struggle that made me appreciate just how much I could glean from such a class. It significantly improved my understanding of the financial side of business growth. I walked away from accounting with tools and acquired skills that had previously been entirely outside my depth. In this course, I not only deepened my understanding of the basics of accounting for business but also learned how to interpret financial information to make data-driven decisions in my company. This information is displayed throughout my strategic plan and this knowledge led to specific decisions in my planning. Overall, these courses provided highly actionable tools for everyday business operations that will impact most every aspect of any emerging company.

Public Administration

I attended three courses in Public Administration within the Department of Government. The first, *Cultural Competency in Organizations*, has had a lasting impact on me and the way I relate to those with whom I work and over. *Leadership and Organizational Change in Public Administration* changed how I understand the ebb and flow of business operations. Finally, *Nonprofit Governance* was possibly the most influential course I have taken as the information I received from this course has directly impacted the broad strokes of my proposed strategic plan.

Cultural Competency in Organizations has been critical to my leadership processes and skills across industries. The most important concept I left this course with was the understanding that cultural competence could not be learned once and then never tended to again- It is my responsibility to continue growing in this area. The importance of cultural competence in an organization's inception and processes is paramount. There were many instances in which cultural competency has shown up in the proposed strategic plan and even elements of cultural competence that are more up-to-date since attending this course two years ago. Overall, this course changed how I approached interpersonal relations and taught me how lifelong learning has and will continue to impact my entrepreneurial efforts.

Leadership and Organizational Change in Public Administration was the second course I took that relied heavily on the work of Kouzes and Posner, *The Leadership Challenge* (2017). But, the most impactful tool utilized in this course was case studies. Throughout, we were tasked with reading, summarizing, and analyzing case studies from various areas, and industries across a wide range of time. Each study revolved around some level of organizational disruption, change or arrived at the precipice of a needed change. Studying these cases developed my critical thinking skills, particularly those pertaining to seeing a whole organization, how a leader can be and is responsible for the stability of their organization, and how easily it can be thrown off track. Overall, this course helped to hone my abilities to understand flow, responsibility, and adaptation in business.

Finally, *Nonprofit Governance* was crucial to creating the ' strategic plan as seen in Appendix A. This class took a deep dive into governance and boards for nonprofit organizations. Students explored how nonprofits should be run and developed an understanding of each in a macro capacity including their legal specifics and details. The information I learned in this class changed how I planned to structure my company, showing me the myriad of ways a company like mine could function. This course provided nontraditional exemplars of organizations. Through extensive research on one such less conventional method, I found that it was a style of governance that seemed particularly well suited to my company idea. I've used it in the strategic plan proposal in this thesis. Additionally, the understanding that there are many ways to run a nonprofit organization helped me to see how those unique and less conventional startups can find a better approach. It is a cornerstone for the ideas presented in this thesis.

Mass Communication

I took two seminars in the Department of Mass Communication, one in Advertising and the other in Media Sales. Media Sales were the more impactful of these for my purposes, allowing me to get some hands-on experience in media publicity and sales. It revolved primarily around a timeline of Media Sales, but it also covered many specifics surrounding current tactics and goals. A benefit gleaned from the Media Sales course was a detailed understanding of planning and running media and publicity. This has impacted how I consider promoting and publicizing theatre events and has allowed me to see how different approaches function and what the potential benefits to my company could be.

Much like the Governance course, seeing how a company's media sales can be structured and run was interesting. *Seminar in Advertising* was an exciting course that focused mainly on the history and impact of advertising. It built a better understanding of the psychological impacts of advertising. I interpolated that information into ideas for appealing to specific demographics or keeping audiences engaged and returning. Seminar in Advertising acted more like an Advertising Theory course than a practical one. In contrast, Media Sales required some practice in implementing media sales tactics and extensive discussion on various topics surrounding media. Still, both provided new marketing information that I have been able to integrate into the strategic plan proposed. Specifically when talking about retaining patrons and developing donor programs.

So much of the work done in these courses has influenced the outcomes of the strategic plan developed. Many books, articles, cases, and assignments I read or completed are represented in this paper and directly referenced. Each course guided me in some way to the conclusions I have drawn here. From each discipline, Theatre, Business, Mass Communications, and Public Administration, I was able to gather knowledge or tools that have been instrumental in the development of my strategic plan and the analysis of its merits.

Market Research

The research conducted to understand the market for this business can be broken into three main categories,

1. Competitive Analysis

2. Market Segmentation

3. Observational Research.

What I sought to understand in this study was: what does the competition in the market look like in my geographic location? Who is my audience likely to be? and what does that specific audience want or need from a performing arts company? I gathered multiple surprising insights, ultimately informing changes in my initial strategic plan. I also discovered that consumer and market data highly validated my original ideas surrounding that audience demand.

Generally speaking, I found that audience demand for a traditional dinner theatre structure was low. While this didn't necessarily surprise me, it did push me to pursue a strategic plan that valued diversity in programming and community partnerships above a more narrowly scoped dinner theatre structure. I also found significant data to support audience demand for collaborative events and partnerships, educational offerings, values-driven programming, and interactive or community-based events. That data affirmed my thoughts about modernizing my company's structure. Overall, the market research allowed me to see that I was moving in the right direction and how I could adapt my initial structure to meet demand better.

Competitive Analysis

I wanted to understand my competition, which necessitated researching various industries and sub-industries. I also wanted to look at my geographic location, to gather a complete picture of the macro and micro levels of my region. For the purpose of this

thesis, I am operating under the understanding that this company will eventually serve the Greater Houston Area. It must be noted however, Houston, TX, is the fourth largest city in the United States, and its surrounding suburbs are expansive. Much of the location for this company will be determined by real estate market availability and cost, which means that until a physical site is secured, it is impossible to know the micro demographics of its surrounding area. Considering that, I wanted to look within Houston city limits, particularly within the 610 loop surrounding the city, and the suburbs Southwest of the city; Sugar Land and Missouri City, TX.

The reason for choosing this particular area was easy- it is where I live and have worked within the Theatre Arts industry for the past decade, equipping me with a working knowledge of the competition in the area. However, I did find new information that lead me to understand the scope and history of the theatre in Houston, one of the most prolific performance communities in the country. First, I looked within the Houston city limits for operations directly similar to my strategic plan and found only one that could be considered remotely comparable, The Dinner Detective. Additionally, there are a few companies that have popped up businesses within the last 20 years with only somewhat similar operations both of which are now closed. With these in mind, I did not find any company operating within the last 20-40 years with a comparable business plan to the one I seek to implement clearly creating a space within the community for a venture like the one I am proposing. Still, in contrast, I would be remiss to discount the

data that leads one to scrutinize that demand for a business such as a dinner theatre is possibly low.

The Dinner Detective presents a foil to the idea that audiences are not interested in dinner theatre. While they are not a traditional theatrical performance, their success shows some sustainable demand for a theatrical company that provides a whole gamut experience. The Dinner Detective, currently produced, is a murder mystery dinner theatre that follows an immersive improvisational structure presented during a plated and seated dining experience. The murder mystery dinner theatre industry typically revolves around a touring performance troupe that can be rented out for events and parties. Still, this company does have a permanent location for audiences to travel to for a dinner and performance experience. These are not staged performances, and they do not vary their programming: all performances are improvised murder mystery shows presented immersively around the dining room. The company has been operating since 2015 in Houston and generally has good reviews across platforms. Currently, The Dinner Detective is the only company in operation that offers live performances and a meal to patrons within the Greater Houston Metroplex.

Two other companies fell into a similar category, Prohibition and Magic Island. Prohibition was forced to close during the COVID-19 shutdown and has not yet re-opened. This theatre operated as a live performance and dinner/lounge, with their live performances mainly centered around burlesque shows, they also occasionally held staged performances ranging from vocal performance to improvisation. By all accounts,

Prohibition was very successful while they were in operation; they ran late-night hours performances that brought in large crowds, and their programming offered more diversity than The Dinner Detectives, but they did not stray too far from the world of burlesque performance. Magic Island was a very successful dinner theatre and magic show that ran in Houston from 1983 until it was forced to close in 2008 after a fire. The beloved Houston landmark was set to reopen in 2018 but never did. Magic Island was highly niche in that it had a particular style and particular programming, but it was a very well-attended and highly-rated company while in operation. Their programming consisted exclusively of magic shows.

Outside of the three aforementioned companies, no other company in Houston, currently or recently in operation provides a live performance experience with an additional experience like a meal or activity. The popularity of these companies tells me that there is a demand for this kind of entertainment in the market. The two companies are no longer operating; both closed due to unforeseen extenuating factors and not business failure. These companies were/are very popular with audiences and had long tenures in their space, and the fact that they have done well in the market shows me that a concept like the one presented in my strategic plan could have good audience acceptance and that there is no direct competition for the company I propose to build.

A more macro look at Houston theatre shows it is a fairly saturated market. The most recent data from 2020 tax filings show that Houston is home to over 70 theatre companies ranging from a micro company with zero employees to The Alley Theatre,

one of the countries leading regional houses. Many of these companies follow a similar structure and offer parallel programming to each other, with minor variations in the style of programming and services offered. Some examples of these variations in programming might be a company that focuses on female-driven content or exclusively contemporary or classical theatre. Examples of different services offered might be a company that provides youth theatre, educational theatre, a company that offers tours, or a company that provides workshops for adults. There is undoubtedly differentiation in the offerings of the various theatre companies in Houston from the smallest to the largest. Still, what stands apart in the data is that with all of the performance ventures within the city, there is no company currently producing that offers a substantial deviation from what we would generally consider the typical theatre structures.

To explore outside Houston city limits, several smaller professional and community theatres operate in the immediate suburbs. For this study, I looked specifically at Sugarland, TX, and Missouri City, TX, as this company's most likely suburban locations. Sugar Land, TX, is a small city that, like its next-door neighbor, Houston, is consistently ranked in the country's top five most diverse cities. This will undoubtedly factor into market segmentation and target audience, but it also positions Sugar Land as a viable location for art ventures. Missouri City is also included in this more specific look at the market due to its proximity to Sugar Land. While it does share similarities with its smaller neighbor, Missouri City is less diverse and more suburban. What is surprising is that there is only one theatre company in operation within these two suburban

communities, Inspiration Stage (iStage), which is exclusively dedicated to youth theatre and family-oriented programming. iStage has been very successful; they have been in operation since 2013 and have been the only theatre company operating in the area in as much time. Missouri City has no theatre offerings for the community. Sugarland and the surrounding small towns have two major performance halls: the smaller Stafford Center, which hosts touring shows and events, and the more impressive Smart Financial Center, which hosts touring performances of all kinds and events. Neither produces any work; they are simply large venues for traveling productions. Two well-established community theaters exist in the not-too-distant neighboring towns of Rosenberg and Pearland, however, these might pose a distance resistance to urban Houstonians struggling to justify a commute. First, in Rosenberg, there is Cast Theatrical which is a small company that is not well known in the Houston area. Then in Pearland, there is The Pearl Theatre. Though it is not a large company, it has gained traction recently and is well known by its Houston theatre contemporaries.

The takeaways from this competitive analysis are best funneled into three categories: the amount of direct competition, historical data, and market saturation based on location. Based on this research, I concluded that my proposed company has no significant comparison to any company currently operating in Houston or the surrounding areas. There would be, at this time, no direct competitor producing and delivering work in the way I plan to. There is clearly a space in the market for a contemporary and unique theatre experience such as this.

I was also curious to know if this company would be received by the market regardless of the lack of competition. Historically, theatres with a similar structure have been successful and well received, and further, many programs I am interested in implementing are traditionally well received by patrons and fully supported by communities. Finally, I wanted to get an idea of where my company would be most likely to find success. The information regarding competition in Houston city limits versus Sugar Land could suggest that the complete lack of competition would make it an ideal choice for a physical location. However, it could also indicate that Sugar Land has no demand for further arts organizations and that the market isn't there. So, I think this research portion has not been robust enough to answer that question definitively. Overall, there is a sense that a company like the one proposed in this paper would have a good chance of finding a place in the market in Houston, TX, and would face little direct competition.

Market Segmentation and Audience Analysis

When I began looking at my target audience, I wanted to understand it before segmenting it and then deciding who I was marketing to. In *Entrepreneurship for the Creative and Cultural Industries*, Kolb says this about finding your target audience: "Although creative entrepreneurs may continue to produce their work because of their inner drive to create a product, they will not have a business until the product is purchased by a customer." (p. 79) I used several resources to gather information about the demographics in the areas I am considering for the proposed company. I first looked at

Census data to understand the complete makeup of the area then expanded looking at different categories those demographics fell into. I separated the area by zip code to be specific about the locations for each segmentation discovering, unsurprisingly, that I could have many market segments represented within my chosen market area. After taking a macro look at my intended market, I used the data I sourced from various online demographic and market segmentation tools including Claritas and Semrush to categorize six segments of my potential market generally grouped based on socioeconomic status and age as follows:

- 1) Young Lower Scale, generally between 25 and 44 years old, this group encompasses a large mix: singles, couples, some families, some single-parent families, etc. They are generally diverse and live in very ethnically diverse neighborhoods, such as downtown, midtown, and EaDo in Houston, where they rent; they are likely to work in the service industry and have a high school diploma level of education. These people may also be more bohemian, typically possessing more elevated levels of schooling but prescribing a more trend-following or nomadic lifestyle with little to moderate income.
- 2) Young Mid-Upper Scale, These people are wealthy or at least moderately wealthy. They have a college degree at the least and many have a graduate-level education. They have a high technology presence in their home, with more tech gadgets than most others. These people may or may not yet have children, but they are usually homeowners instead of renters and generally hold white-collar or management

jobs. They typically live in fashionable neighborhoods, such as the Montrose or Houston Heights neighborhoods of Houston, and value new experiences and amenities; they are usually thrifty and will use their wealth on long-term goals before other things.

- 3) Middle-Aged Lowerscale, These people generally have a high-tech presence in their homes and can be very tech-savvy despite having a generally lower income. They may have gone to college and may or may not have children. These folks are generally still renters though they may be working to change that. They often work in the service industry and value community.
- 4) Middle-Aged Upper scale, These folks are under 55 and can be moderately wealthy to incredibly wealthy. They have an average tech presence in their home but wouldn't be considered "tech savvy." This is an ethnically diverse crowd, they live in urban places, and they've attended some college or more. These might be Baby Boomers, who value things like eating at a sit-down restaurant and upscale shopping. They enjoy sports, streaming services, and amenities.
- 5) Older Lower Scale, these people are often urban renters. They've had some higher education but typically not above a bachelor's degree. They value their social lives and are generally 55 years or older. Usually, this segment either has no children or their children have already left home. These people are approaching or have reached retirement age, and some may still work while others do not.

- 6) Older Mid/Upper scale, generally speaking, are empty nesters or more senior singles and couples with no children or children who have already left home. They are moderate to extremely wealthy; they own their homes, often have a graduate level of education, have average to above-average technology use, and use technology frequently in everyday life. They value taking in the news, talk radio, and upscale shopping.

After segmenting my audience, I looked at each to decide who within these was most likely to make up my company's target audience looking at the values and mission of my company and the type of programming I plan to offer. I compared that information against the buyer personas represented within these segments. Based on this information and analysis, my market's most likely target audience comprises only two main segments, Young Lower Scale and Middle-Aged Lower Scale. I may also reach the Young and Middle-Aged Mid-Upper Scale or the Older Lower Scale segments but likely not as significant as the former. The two main segments value community experiences, new experiences, and family-oriented experiences and have been shown to be historically willing to spend money on such. These consumers are diverse, have a wide range of educational backgrounds, and fill out many areas of the workforce, meaning they make up a large swath of the market but hold similar values to their compatriots.

I was also interested in breaking down the macro-demographic data for the area into a few special interest categories like gender breakdowns, ethnic breakdowns, business ownership statistics, and basic spending and income. I used US Census Bureau data to

determine the gender breakdown for The City of Houston, Fort Bend County, where Sugar Land is located, and Sugar Land, TX. The data I pulled is represented in the tables below. Tables 1-3.

Table 1.

Gender Demo Comparison

Houston, TX, Fort Bend County, Sugar Land, TX Gender Demos

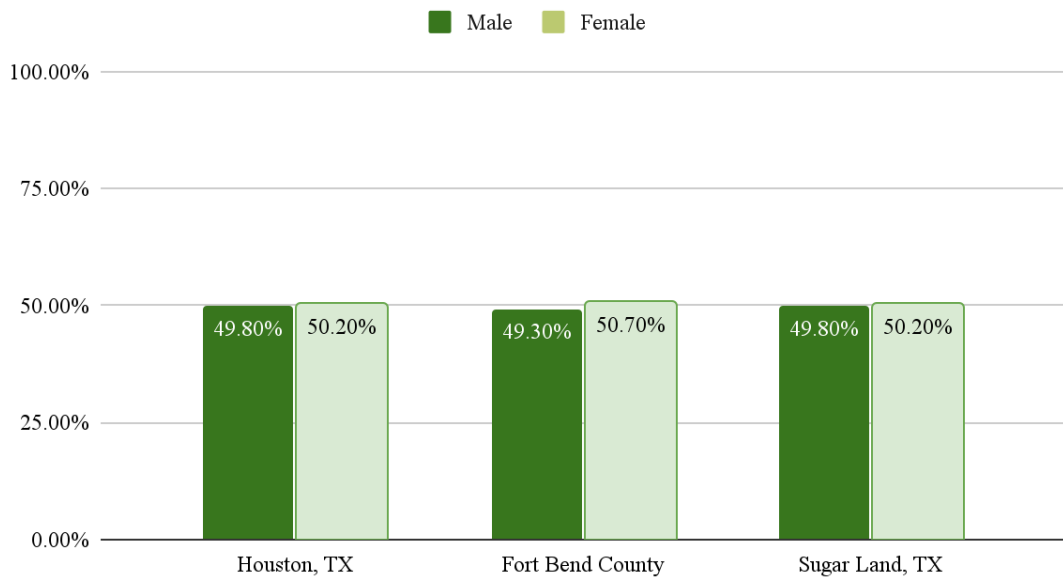


Table 2.

Business Ownership Comparison

Houston, TX, Fort Bend County, Sugar Land, TX Business Ownership

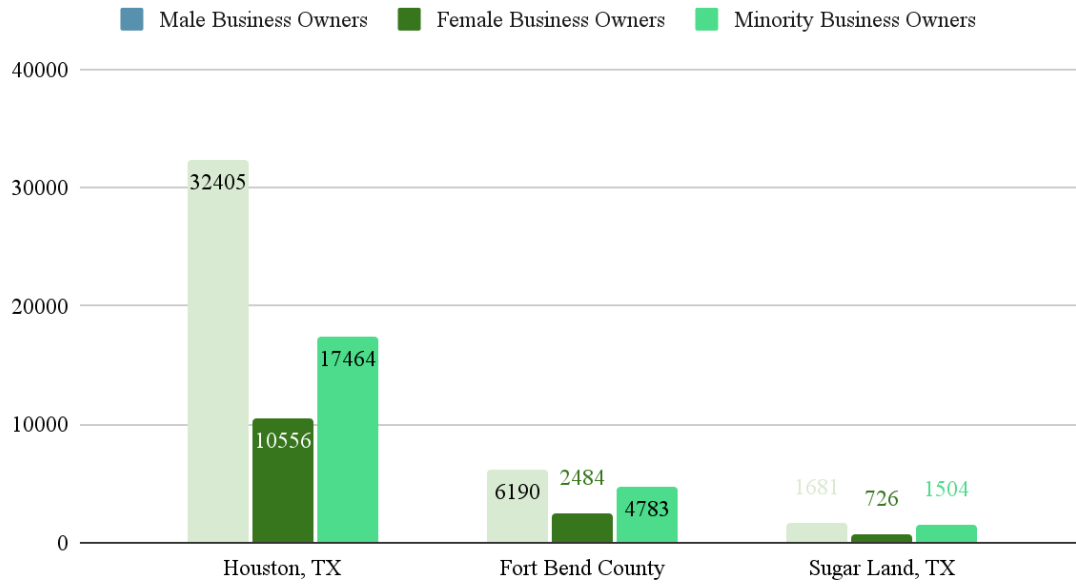


Table 3.

Houston, TX Ethnic Demo

Houston, TX Ethnic Breakup by Percent of Population

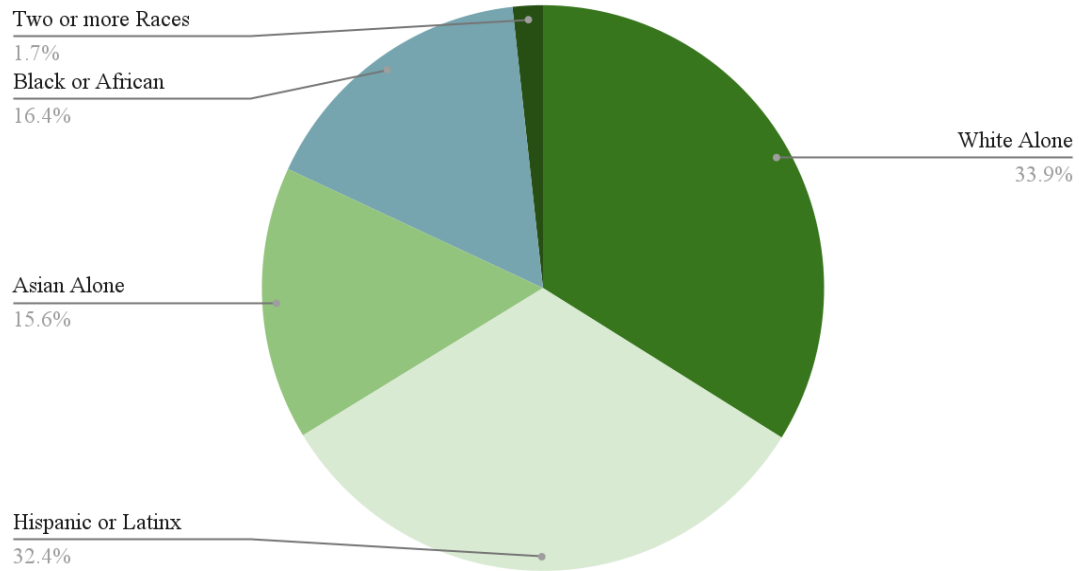


Table 4.

Fort Bend County Ethnic Demo

Fort Bend County Ethnic Breakup by Percent of Population

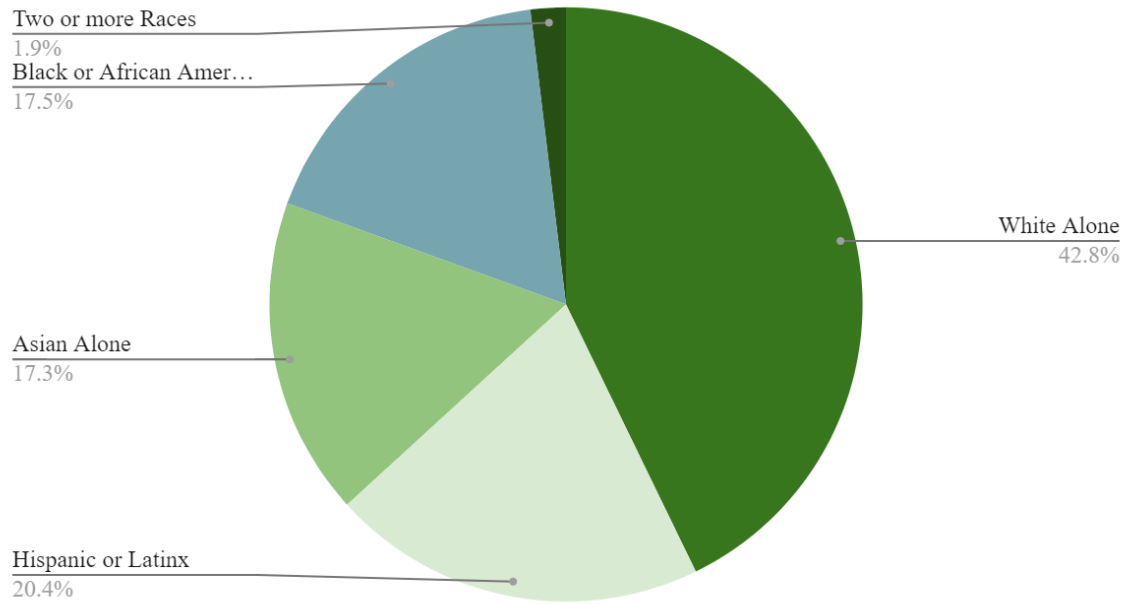


Table 5.

Sugar Land, TX Ethnic Demo

Sugar Land, TX Ethnic Breakup by Percent of Population

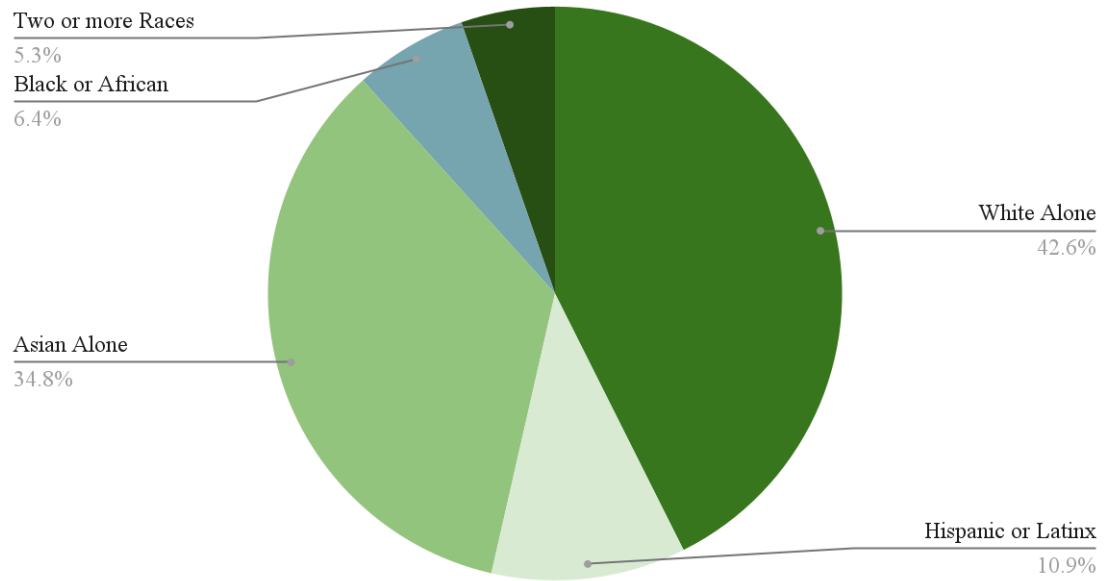
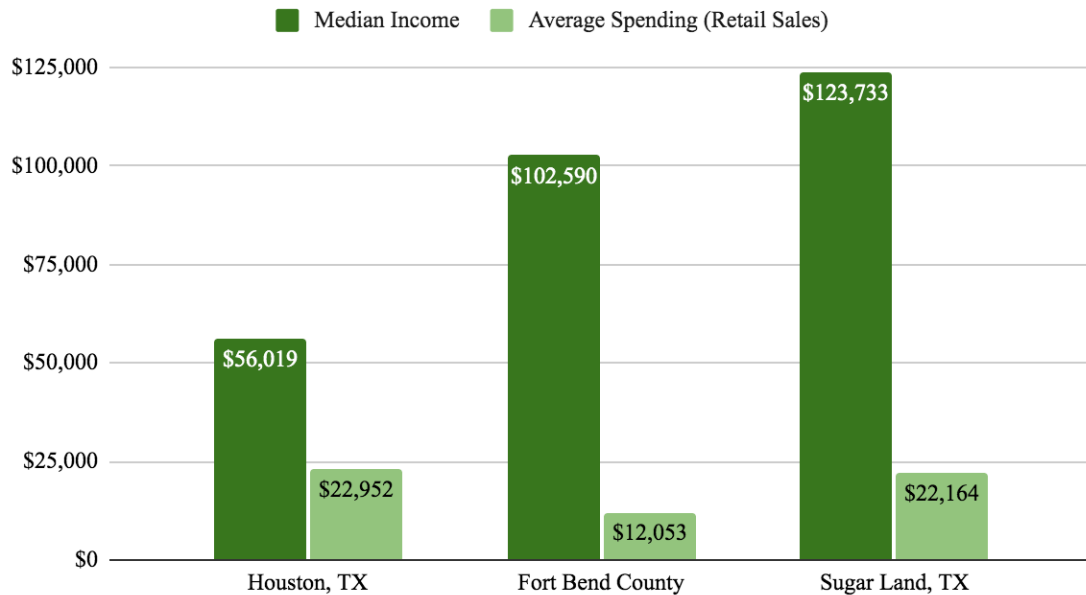


Table 6.

Income & Spending Comparison

Median Income and Average Spending (Retail Sales)



The data represented in the previous tables were pulled from 2017-2022 US Census Bureau statistics. It illuminated some intriguing points. First, the median income and overall wealth are most significant in Sugar Land, but their status as the lowest spenders is very important. All three locales are significantly diverse in their ethnic demography. Still, Sugar Land, in particular, has a large Asian population not represented in the other two locations to such a degree. Finally, although this data is not surprising, in all three locations, the female population overtakes the male population slightly. Despite this, they are by far the smallest represented population in business ownership, and there is no location with any significant difference in the number of female-led businesses. These

key points give me some insight into my target audience and help me further narrow my specific audience. First, I know that Sugar Land has the most wealth, but citizens are not spending even a fraction of the same amount on retail, leisure, and entertainment as their Houston counterparts. The wealthy residents of Sugar Land are instead saving and investing their wealth. This gives me more confidence that Sugar Land may not be the best place for this company. Sugar Land's very large Asian population could provide great diversity, inclusion, and community collaboration opportunities. Still, my company would not be immediately set up to serve that community exceptionally well.

Finally, the information I was hoping to gather from a gender breakdown and business owner statistics was not as robust or illuminating as I was hoping. I see that women-owned businesses are trailing behind in all three locations despite being a majority of the population. Still, because there is no clear stand out in this data based on the location, it doesn't give me any insight to help narrow down the location and market.

Overall, in digging into data pulled from various sources, I know that in the areas I plan to pursue a company location, I have two main audience segments that I could call my target. Those are Young Lower Scale and Middle-Aged Lower Scale. I also know I might be best served by locating my company in Houston City Limits. I was able to narrow down this audience scope by gathering a lot of data, understanding the implications of the data on my strategic plan, and then deciding what audience best fits and would be best served by my company programming and values, and defining my target audience in tangible way.

Strategic Plan Summary And Analysis

The following sections will serve to breakdown each section of the Strategic Plan for the Common Theatre Company included in Appendix A. There will be included an overview of the company to provide a general picture of the company's purpose and goals, there will be an explanation of intended operations, a review of the market analysis used to inform the company's plans, and an explanation of the financial and legal considerations for the company. The information provided here will not serve as an analysis but as summary and explanation.

Overview of Purpose

The Common Theatre Company is an organization that values community engagement, partnerships, and creating unique and modern theatrical experiences. The company's primary focus is to produce performances and events that make the audience feel seen and connected. Common Theatre Co. will offer collaborative events in partnership with local businesses, which will be affordable for all patrons who wish to attend.

The Common Theatre Company is committed to supporting emerging artists by providing opportunities through playwriting festivals, open auditions, and crew calls. The company will run an education program to teach and grow new and adult artists who

wish to hone and learn their craft. The programming and services offered by The Common Theatre Co. include traditional plays, musicals, festivals, sensory performances, youth and adult education and camps, and community events.

The target audience for The Common Theatre Co. is varied, including young to middle-aged people, 25-45-year-olds who enjoy the theatre or the arts and all-inclusive experiences, and families, especially those with young children, interested in the arts. The company aims to offer a new kind of theatre experience unique to Houston, TX and makes every night out to see a show a complete and expansive event. The Common Theatre Company is successful because there is no theatrical programming like this in the city or surrounding areas.

Overview of Operations

Leadership and Team Structure

The team consists of five members: the founder and Artistic Director, the Associate Artistic Director/Director of Community Partnerships, the Operations Manager, the Finance Officer, and the Director of Marketing, Communications, and Special Events. Each member has experience in both theatre and business, and their roles are critical to the organization's success.

Programming

The company produces at least three full-length plays and one alternative performance per season. A season-planning team chooses full-length plays based on their cohesiveness and resonance with the audience. The alternative performances could include, but are not

limited to: musicals, playwriting festivals, immersive shows, and one-act plays in repertory. These alternatives for diverse performances offer variety and break up the program delivery.

Services

The Common Theatre Company is founded on the principles of community collaboration and impact. Therefore the company prioritizes the development of programs and services that reach their community in several ways. Community partnerships during each new show cycle will create a complete experience for their audience, the education programs for youth and adults support emerging artists, and sensory shows and workshops for the special needs community widen the net of theatre's impact on their community.

The company partners with other companies or vendors in the area during each new show. This might include partnering with food trucks to offer a dinner-and-a-show experience or market vendors to turn a show into an afternoon of shopping and entertainment.

In her paper "*I'll Huff And I'll Puff And I'll Blow Your House Down*": *Building The Resiliency Of Education Departments And Nonprofit Theater Organizations* Amy Leigh Russell notes that "Theater practitioners know the benefits of theater arts; how experiencing drama increases self-confidence, fosters collaboration, and develops leadership skills, all while focusing on the art form and building knowledge in the aesthetic." A robust education program for students aged six to adult is a priority for the

Common Theatre Company for many of those same reasons. These programs include youth classes and camps, adult classes and workshops, and sensory shows and classes catered to those with special needs. The ultimate goal of the Common Theatre Company's educational ventures is to build up and encourage the next generation of artists and emerging artists and reach families and the special needs community. In keeping with their values surrounding diversity and inclusion the company will seek to find a teaching artist staff that reflects the diversity of their community. Because of this it is a priority for the company to provide students with "Teachers of different backgrounds, races, and ethnic groups because it can help reduce stereotypes, resolve implicit biases, promote cross-cultural connections, and improve success..." (Nguyen, 2019)

Common Theatre creates programming that includes sensory-friendly shows for the special needs community and workshops designed for using theatre to enrich their lives. Research has shown, for example, that "children with ASD[Autism Spectrum Disorder] have reduced participation in recreational and community activities," (Giserman-Kiss & Gorenstein, 2020). Common Theatre believes theatre is for everyone, and these programs allow the Company to reach everyone in their audience and meet them where they are.

Pricing Model

Common Theatre believes that theatre should be for everyone regardless of socioeconomic status, age, ability, etc. They live this value using a Pay-What-You-Can pricing model. This pricing model allows more generous patrons to pay more than the suggested ticket price while making it affordable for others to access their work. Tuition

for education programs varies based on the course and the age group. Tuition for education programs can be offered on a scholarship or payment plan basis to students who need it.

Overall, the company aims to make theatre accessible and affordable to everyone, regardless of income or background. They offer a variety of programs and services to meet the needs of their audience and the community. The team consists of experienced professionals who are passionate about theatre and business and are critical to the organization's success.

Overview of Market Analysis

The target market for the Common Theatre comprises residents of Houston, TX, the fourth largest city in the United States. There are many distinct neighborhoods in Houston that have wildly different demographics. So, for the purposes of this paper, we will be looking at the neighborhoods of The Heights/ Greater Heights, Montrose, Upper Kirby, Rice Village, and Midtown. Our demographic is an amalgamation of the six areas that would be most likely for a physical location. The target audience is an ethnically diverse mix of 24-45-year-olds, mostly in lower to mid-level socioeconomic strata, with a college degree or more. They are technologically savvy and value community, social gatherings, new experiences, and amenities. They will likely be liberal-leaning, and there will be a mix of singles, couples, and families. The audience shares the company's values, appreciates the arts, and enjoys doing new things with their neighbors and friends. They

spend their money on arts ventures and find affordable value in activities for their children and the whole family.

We developed buyer personas to get a feel for our target audience, these are examples of the kinds of people we might find buying our tickets. First, we have Nolan, a 32-year-old ABA(Applied Behavior Analysis) therapist who is comfortable going with the flow, spending time with others, discovering new events, and being vocal about his liberal values. Then, Lyndsay is a 42-year-old elementary school art teacher who values community, social life, and new technology and is financially comfortable. Britney and Ben, a couple under 30 who own a small house downtown, are pursuing master's degrees in engineering and are up-to-date on the latest technology trends. They love new experiences and use their free time to take in local events and community offerings. The Mikels are a family of four with a healthy financial outlook, college degrees, and Greek life backgrounds. They enjoy upscale eateries, shopping, activities, and experiences that provide many amenities and value their children's education.

The Company will reside in Houston, TX, with its diverse demographic and thriving theater market. It is home to one of the leading regional theaters in the country, The Alley Theatre. Much of the city's wealth comes from Oil & Gas and Healthcare. The exact location is yet to be determined, and it will likely not have a permanent location in the first year of operation.

Regarding competitors, The Dinner Detective provides quality content and variety, but not as consistently, and does not have a permanent location. RecRoom Arts has a solid

core team, provides variety, and is reliable, but provides less new work or premieres. Mildred's Umbrella provides quality content and welcomes new faces, but it has less tenure and is not as well connected. The Common Theatre's programming combines unique experiences that entice patrons to return.

Overall, The Common Theatre clearly understands its target market and buyer personas, and Houston's thriving theatre market presents significant opportunities for growth. The company's unique programming and focus on community values will set it apart from its competitors.

Overview of Sales and Financials

The Common Theatre Company is a new theatre company that aims to provide a unique theatre experience that is accessible to everyone. The company's marketing plan uses a positioning strategy that focuses on providing a custom experience that makes seeing a play doable for a wide variety of people and partnering with other companies to capture a broader audience. The marketing efforts are primarily leveraging social media, including search engine marketing, social media and vlogging, and co-marketing. The company also uses tools and technology such as social media automation and CRM software.

The Company will rely mainly on inbound sales, where potential customers discover the product and decide to purchase it. Sales efforts will be handled by the Associate Artistic Director/Director of Community Partnerships, and the Director of Marketing, Communications, and Special Events, with a team of two members assisting each. The

sales channels will mainly be online, with in-person ticket sales available as a walk-up service on the day or evening of a performance. The company will also offer classes and workshops sold through a representative from the Common.

The company will operate as a 501(c)(3) nonprofit organization. Legal considerations include filing for incorporation and formation, appointing a registered agent, having a board of directors, establishing bylaws, applying for nonprofit and tax-exempt status, and registering for charitable solicitation.

The Common Theatre will produce a limited launch season, including two standard shows and one special performance event. The startup costs are estimated to be \$27,728 which are broken down in the financial considerations section of the strategic plan located in Appendix A, which includes fees for formation and incorporation, initial season performance budget, venue rental, promotional expenses, performance and leadership payroll, website, domain purchase, CRM, POS Hardware, and branding materials. The sales forecasting for the Common Theatre is based on market research, target audience demo data, and the assumption that our audience and enrollment will grow over a year with word-of-mouth and earned media coverage. The growth rate is assumed to be 25% show-over-show, thanks to the marketing and the lack of direct competition. The outlook for a year of sales reflects a slow climb in enrollment, and it is estimated that the company will be profitable by the end of June 2024. The initial funding requirements for this company are at least \$35k, and the sources of funding will be loans, personal financial infusions, donations, and grants from the city and state. In its first year,

the company will likely stay away from crowdfunding as a source of fundraising due to its volatile nature. Studies are showing that young companies who run a failed crowdfunding campaign can see serious blow-back as it may be seen as a “delegitimizing signal [that] significantly hampers the organization's ability to raise funds in the future”(Alexiou, et al., 2020). While the company will seek grants from various organizations, the National Endowment for the Arts (NEA) for example, they will have to consider the standards for those revolving around “financial sustainability, artistic vitality, and recognized public value” (Wyszomirski, 2013). Moreover, any grants received in the first year will represent additional production funding and will not be counted on for bottom-line startup costs.

Results

Foundations

Any nonprofit company, at its inception, has a variety of factors that need to be considered and decided upon. Before any other actions occur, they must create their company's mission framework. Like any new venture, a nonprofit must plan for its product and everything that goes into it, including financials, delivery, and operations. Then it is time to begin work on the governing framework and establishment of a board. Finally, due to the nature of a nonprofit, necessary permits, filings, applications, and statuses must be submitted and secured.

The first round of work for the emerging nonprofit is understanding your company and its purpose. More than a typical business venture that would be more concerned with understanding its product, a nonprofit legally must have a mission to fulfill to achieve and keep its nonprofit status. The first step in developing the nonprofit is creating a mission, core values, and purpose. A nonprofit's mission should be clear, concise, and actionable. A vague or too-broad mission will not give your company the necessary guidance. An excellent clear mission should be the very first building block of a company. When the board or founder is considering their next move around things like programming options, significant change, or organizational growth, they should be able to refer to their company's mission to ensure their decisions serve it. If their mission is too vague, there will always be a way to justify any decision. The company's mission,

instead, should be a guiding light that can be referenced. This is also true for creating the company's core values or beliefs. These are genuinely the foundational elements of a nonprofit company.

Once the company has a clear mission and well-developed core values, it is time to understand the product they are producing or the service(s) they are providing. This is where the company's founder will conduct extensive market research, testing, and/or program planning. In the nonprofit world, the product should serve the mission and not the other way around. So, the founder should spend time conceptualizing a product that does so. Once initial ideas are ready extensive market research should follow. The founder should understand not only their geographic market and its constituents but also their competition, demand, and demographics. There are many ways to find this information, but a good plan includes information on market location, demographics, market segmentation, and competitive analysis. This dearth of research allows the company to hone in on its product and again ensure it is serving its mission.

A legally viable Board of Directors is required before any nonprofit can achieve nonprofit status. It is a crucial step in the process and perhaps one of the most difficult. The laws governing which board members are required and how many members must be included will vary from state to state. In Texas, a board must have at least three directors, one president, and one secretary. A good board of directors reflects the diversity of your potential organization and audience, has a variety of skill sets for the company to draw from, and comprises individuals who understand that board participation requires time,

money, and effort (relative to their abilities). It is also at this point that a founder should decide on the governing style of this company. Will the company operate with a traditional governance structure, or will it do something different such as collaborative governance? This choice will help to determine everything from board structure to internal communication.

Finally, the last of the foundational steps to developing a nonprofit company, achieving legal nonprofit status. This final step is multifaceted, but it all serves the same purpose. Though it varies by state, what is required to complete the life-giving paperwork for a nonprofit generally falls under two categories, legal paperwork and proof of concept. Most states will require you to file for tax-exempt status, file for incorporation, get a business license, and register as a charitable organization. All of the forms required by Texas for the above mentioned filings are included in Appendices B-D. State governments will also usually ask for information about your governing board and its regulations/ bylaws. To complete that paperwork or have it approved, the founder must prove they are an appropriate candidate for nonprofit status, which usually means citing the mission, values, and defense of the products or services rendered.

All new nonprofits have the same foundational steps and considerations. Those steps as mentioned previously are time consuming, arduous, and even tedious but they are vital to the creation of a healthy company structure. These are shared chores across industries. For any nonprofit to begin and hope for success, the foundation built in this time should be far from abridged.

Expanding on the Nonprofit

All nonprofits must meet specific requirements to become legal entities. It should follow best practices in its early stages of development. Still, nonprofit arts ventures, including theatres, often have to follow a different structure due to the nature of their product. The question, then, is, what does a theatre company need to do differently, and specifically, what can a theatre company do in developing their company to stand out in the market?

Arts ventures often have a much more amorphous product or service than a typical nonprofit company. Theatre companies, in particular, can be challenged by the variable nature of their product. Every season is different, every show within a season is different, and products, i.e. tickets, are not offered daily but sold per show, sometimes with months in between sales. On top of this, theatre enjoyment and, therefore, patronage is, of course, subjective. Some shows bring in larger audiences than others, and some shows will not perform financially well. These challenges create a need for theatre nonprofits to do more in developing their company to mitigate some of those risks and avoid the need for exceptionally creative and, therefore, unreliable sales projections. We know no amount of market analysis, audience analysis, or season planning could accurately predict a particular show's success in a season. Instead, small theatre nonprofits can try to mitigate the inherent risks of their industry by stepping outside of a traditional theatre company structure and/or programming structure.

There are many ways for a company to operate in a less traditional style with some being more effective than others. First, a company can change its style of governance. Most theatres follow the same board of directors formula, which is standard. This will usually look something like a top-down hierarchical system consisting of a Board of Directors, run by a Board President to which the Executive Director is answerable. Generally, constituents and stakeholders of the company will not be a part of the decision-making process or perhaps even know that decisions are being made. Another avenue for stepping outside the norm would be developing programming outside the usual theatre offerings. This could look like many things; perhaps all of their shows are performed in public spaces, or they could only do shows in partnership with other theatre companies. Those are the two most effective avenues for developing a nontraditional nonprofit theatre structure.

Nonprofit theatre companies must follow the regulations imposed by their state regarding governance, but there is more than one way that a company can be governed. Of course, there are ways to use a traditional board and change its governing style. If a typical board looks like a president and several board members above the executive or artistic director and makes all company decisions regarding policy, budget, etc., then a variation on that typical board style might be closer to a patron governance model. In this style of governance, the board remains the same, but it has less decision-making power and is more focused on fundraising and donations. Still, the top-down structure of governance is present in each. To adopt an even more nontraditional model of governance

that could benefit the small nonprofit theatre company, the company needs to consider a form of governance that dismantles the hierarchy models that are traditionally used and opt instead for a more shared form of governance, wherein “leadership is more participatory where leaders include subordinates in leading and decision making.” (Kramer, 2006)

There are three particularly appropriate forms of governance for small nonprofit theatres that are not often used. First, Cooperative Governance is the closest to the traditional models of the three. Then there is Community Engagement Governance™(CEG) which democratizes the board structure and begins involvement with patrons and the community. Finally, Partnership Governance could be an intriguing alternative to standard governance if your company has a viable partner.

Cooperative Governance is sometimes used to refer to, more accurately, Dual Governance in which there is shared leadership between an Artistic Director and a Managing Director for example (Reynolds, et al., 2017). For our purposes, this paper will reference Cooperative Governance as being shared organization-wide. Cooperative Governance takes the hierarchy model of governance and throws it out, opting instead for a genuinely democratic form of governance that gives no member of an organization any more or less say than another, including the executive director or artistic director. The ED/AD would still be in charge of day-to-day operations and standard items in the purview of such a title. Still, the entire company would come together for votes that would typically be handled by a board (things regarding policy, for example).

CEG™ takes the idea of moving to a more democratic form of governance one step further by involving their community in decisions. This doesn't mean that the community is involved in every company decision, but that there is a measurable endeavor to involve the community in decisions and governance. Companies using this model may go as far as to train community members to hold significant board seats.

Partnership Governance is different than the previous two: it may not involve a movement toward democratic governance, but it involves merging one company's governance with another. Imagine a theatre company that works very closely with an artist collective that often provides them with artwork for shows. Those companies could decide that their interests are entwined, and their mission and values are compatible. What may be beneficial then is to merge their governance without merging their operations. Now they have formed a mutually beneficial partnership with one governing board with an equal desire to create success for both ventures.

There are also many ways for a theatre company to step outside the traditional theatre structure by altering their programming rather than their company organization. This could involve coming up with a unique delivery of products like providing touring mini-shows that can travel anywhere, even to a patron's home. Or you could establish a distinct niche product; perhaps you only produce locally written work, maybe the audience is a niche, their plays are performed exclusively in ASL, or all of their actors are elderly folks from local retirement homes. In the case of the company discussed in this thesis, you might develop a collaborative or community-based product. Offering

programming for underserved communities like children and adults with disabilities is a way to differentiate your company while providing a service that has a massive impact on its audience. Anecdotally many in the industry believe that “theatre can continue to provide community and understanding to older students and adults living with autism...[and] that theater is a valid tool for overcoming many of autism's inhibitions” (Loer, 2010).

In any case, establishing a genuinely unique product, governance model, or mode of delivery can make the needs of your nonprofit’s foundational development look different than others. Less traditional forms of governance might be suitable for your company but may require extra work in structuring. Your unique product will make you stand out in the market but may require further research and preparations at the beginning.

Strategic Plan

What would a strategic plan that reflects the necessary foundational components of a non-profit and expands upon them to create a unique company look like? First, it must address the required steps of nonprofit formation and development. Still, it would also need to include one or more element in its organization that elevates it from the traditional nonprofit and makes it stand out in the market. The Common Theatre Company’s strategic plan addresses all of the foundational needs of a nonprofit theatre. It expands upon those by introducing programming that features community partnership to create a standout theatrical experience and by using a collaborative governance model that democratizes the company's operations.

Appendix A holds the strategic plan for the prospective theatre company, The Common Theatre Company (Common Theatre). Common Theatre is a Houston, TX-based company that will, most importantly, provide shows in conjunction with a distinctive activity like dinner or desserts. It will use community partnerships to develop unique experiences for its patrons. This might look like a play featuring a dinner provided by a local food truck or two who have created a limited menu to compliment the following performance. It could also look like a small market of local vendors whose products complement the attached performance. The company also prioritizes education, equity, and inclusion. It will offer various classes and camps for an extensive range of ages. It will offer scholarship and payment plan options for those who usually couldn't afford such things, and even their tickets are on a pay-what-you-can pricing model to stunt exclusivity. The Common also programs sensory performances for all shows and will develop classes and camps for students with special needs. Developing a theatre experience featuring partnerships with local vendors and businesses as a staple product for the company is especially effective in making the company a unique option in its market. The company's community aspect also gives them an advantage when seeking grants and donations. Its product serves the area and isn't oversaturated, making it an ideal candidate for charitable giving and government assistance. Moreover, its commitment to inclusivity, through flexible pricing and, even more significantly, programming designed for the special needs community, also helps the company stand out and create opportunities for grants and donations.

Finally, the company will follow a collaborative governance model instead of a traditional hierarchical top-down model more typically used by nonprofit theatres. This means the few members of the original company and board would work together on governance and have an equal say in all decision-making. Like most other governance models, the Executive Director, or in this case, the Artistic Director (AD), would still handle day-to-day operations and decision-making. The AD would still be responsible for things like finalizing season planning outcomes and developing new programs. The difference between collaborative and traditional governance is in who holds voting power for the major organizational issues. The company members of the Common Theatre company would also hold voting rights on matters like company policy and budgetary issues, essentially all things typically under the purview of a board of directors. There would still be board members who were not everyday company members, and those board members would hold the board leadership positions. Company members would be on board committees for various needs. The AD would also be a voting member of the board, but their vote would count no more than anyone else, and they would not be permitted to vote on any items directly related to themselves, such as a vote to give them a pay increase. This form of governance maintains the leadership of the Artistic Director and the oversight of the Board of Directors. It also gives the constituents a genuine voice in their company.

The Common Theatre Company's strategic plan hits all of the requirements for nonprofit formation along with the specialty needs of a theatrical nonprofit, a season

plan, or an explanation of ticketing software, for example. Its potential product would be the only one of its kind in the Houston market. Its focus on community partnership elevates the standard nonprofit model to something providing a unique customer experience. Moreover, their adoption of a collaborative form of governance, makes the company and its plan stand out.

Discussion And Implications

Developing a business plan or strategic plan is crucial for success in any industry, including nonprofit theatre. It can determine the outcome and lifespan of a business, making it essential for entrepreneurs to create a clear vision and plan to succeed. As market oversaturation and overstimulation become more prevalent, finding a niche for an emerging company is crucial, especially for those seeking to establish an innovative organizational structure or specialized product delivery.

This thesis aimed to evaluate the efficacy of different approaches to developing a modern and unique nonprofit theatre company. It analyzed the necessary foundational elements of a nonprofit theatre company and explored ways to expand upon them to create a unique strategic plan. It also guided entrepreneurs searching for resources for strategic planning in the theatre industry, specifically focusing on small nonprofit theatres and those with uncommon structures.

The paper used qualitative research, including literature reviews, coursework analysis, and market research, to provide relevant information on nonprofit theatres, nonprofit governance, strategic planning, and theatre management. The strategic plan for The Common Theatre Company, presented in Appendix A, served as an example of a nonprofit that successfully differentiated and expanded on traditional structures. Overall, this thesis provided a blueprint for those looking to establish a nonprofit theatre company

that falls outside the standard approach, with a focus on finding a company's niche approach and guiding its development.

In analyzing the results of this paper, the following conclusions have been made: Creating a nonprofit organization requires careful planning and consideration of various factors. One of the foundational steps in creating the mission framework includes planning for financials, delivery, and operations. The nonprofit must also establish a board and obtain necessary permits and statuses. The nonprofit's mission, core values, and purpose should be clear and actionable, serving as the company's foundation. A vague or broad mission can hinder decision-making, while a clear mission can guide programming options, significant changes, and organizational growth. Extensive market research and testing should be conducted to understand the product or service and ensure it serves the mission. The nonprofit must also establish a legally viable board of directors, reflecting the diversity and a variety of skill sets. The governing style of the company should also be decided at this point. Finally, the nonprofit must complete the legal paperwork and provide proof of concept to obtain nonprofit status, which varies from state to state. These foundational steps are crucial to building a solid nonprofit organization and setting it up for success.

Nonprofit theatre companies face unique challenges due to the nature of their product, which is often heterogeneous and subjective. They must develop strategies to mitigate risks and stand out in a crowded market. One approach is to develop a unique product and adopt a nontraditional governance model. Most theatres provide standard

programming that changes only in performance style, genre, or message, and a majority of theatres follow the standard board of directors formula. Still, some alternatives could work better for small nonprofit theatres.

Collaborative Governance may be the closest to a traditional governance model while providing a unique framework. Rather than strip the Board or the Executive Director of power, this structure shares some of that power with the organization's constituents.

Community Engagement Governance™ (CEG) democratizes the board structure completely and measurably involves the community in governance decisions. Partnership Governance would merge one company's governance system and board with another compatible company's board, forming a mutually beneficial partnership.

In addition to governance, theatre companies can differentiate themselves through their programming. They can stand out by offering unique products or delivery methods. For example, a theatre company might offer to tour mini-shows to people's homes for parties or only produce locally written work, or exclusively offer ASL performances. Collaborative or community-based products can also set a company apart, especially if the offered experience isn't available elsewhere.

While adopting nontraditional governance or programming, the work of development may require extra effort, but making a nonprofit theatre company stand out in a crowded market can pay off. However, research and preparation are essential to ensure these nonstandard aspects work effectively for the company's specific needs.

An analysis of the plan proposed by The Common Theatre Company finds that it addresses both the foundational components required for a nonprofit and the unique elements that set the company apart from traditional organizations. The plan focuses on providing a unique theatrical experience by partnering with local vendors and businesses to offer activities such as dinner or desserts that complement the following performance. The company also prioritizes education, equity, and inclusion by offering classes and camps for various ages, scholarships, and payment plans, pay-what-you-can pricing for tickets, providing sensory performances, and developing classes and camps for students with special needs. These unique offerings and commitment to inclusive practices will be instrumental in giving them an edge in their market and in securing funding.

The Common Theatre Company has also adopted a Collaborative Governance Model, that rejects a typical top-down form of governance in favor of one that allows for full organizational input. This form of governance is in line with the company's values of collaboration while still allowing for day-to-day leadership to be handled by their Artistic Director.

The company's strategic plan is comprehensive, addressing all the requirements for nonprofit formation while including unique elements that elevate the standard nonprofit model to something providing a unique customer experience. The focus on community partnership and inclusivity, along with the Collaborative Governance Model, makes the company stand out and creates opportunities for grants and donations. With its potential

product being the only one of its kind in its market, The Common Theatre Company is set to be a successful nonprofit theatrical company.

References

- Alexiou, K., Wiggins, J., & Preece, S. B. (2020). Crowdfunding acts as a funding substitute and a legitimating signal for nonprofit performing arts organizations. *Nonprofit and Voluntary Sector Quarterly*, 49(4), 827–848.
<https://doi.org/10.1177/0899764020908338>
- AnswerThePublic.(n.d.). *Search listening tool for market, Customer & Content Research*. <http://www.answerthepublic.com/>
- Barlow, J. (2016, April19). Board governance models: A comprehensive list. *Board Effect*.
<https://www.boardeffect.com/blog/board-governance-models-a-comprehensive-list/>
- Berson, M. (2015). In seattle, it's okay to play with your food. *American Theatre*, 32(5), 56–59.
- Borrego, E., & Johnson, R. G. (2012). Cultural competence for public managers: Managing diversity in today's world. *CRC Press*.
- Carmicheal, K. (2022). Target audience: How to find yours [+ 5 campaign examples]. *HubSpot Blog*.
https://blog.hubspot.com/marketing/target-audience?hubs_content=blog.hubspot.com%2Fmarketing%2Ftarget-audience&hubs_content-cta=Target+Market+Vs.+Target+Audience

Cause IQ. (n.d.). *Web-based tools and information on the nonprofit sector*.

<http://www.causeiq.com>

Cheshes, J. (2015, April 17). Dining, drinks, drama: The new dinner theater. *Wall Street Journal, Volume 1*.

<https://www.wsj.com/articles/dining-drinks-drama-the-new-dinner-theater-1429295335>

Claritas. (n.d.). *Custom targeting and audience segments*. <https://claritas.com/>

Conte, D. M., & Langley, S. (2007). *Theatre management: Producing and managing the performing arts*. EntertainmentPro.

Donahue, J. D., & Zeckhauser, R. J. (2012). Collaborative governance: Private roles for public goals in turbulent times. *Chronicle of Philanthropy*, 25(1), 29-31.

Gallagher, B. K. (2019). Passing the hat to pay the piper: Alternative mechanisms for publicly funding the arts. *The Journal of Arts Management, Law, and Society*, 50(1), 16–32. <https://doi.org/10.1080/10632921.2019.1664690>

Giserman-Kiss, I., Gorenstein, M., Feldman, E., Rowe, M., Grosman, H., Weissman, J., Rouhandeh, A., Wilkinson, E., Meyering, K., Durkin, A., Isenstein, E., Kolevzon, A., Buxbaum, J. D., & Siper, P. M. (2019). The immersive theater experience for individuals with autism spectrum disorder. *Journal of Autism and Developmental Disorders*, 50(3), 1073–1080. <https://doi.org/10.1007/s10803-019-04284-7>

Hanberg, E. (2015). *The little book of boards: A board member's handbook for small (and very small) nonprofits*. Side x Side Publishing.

Harbor Compliance.(n.d.). *How to Start a Nonprofit Organization in Texas*. (n.d.).

<https://www.harborcompliance.com/information/how-to-start-a-non-profit-organization-in-texas>

Kaiser, M. M. (2019). *Strategic planning in the arts : A practical guide*. Brandeis University Press.

Kim, M., & Mason, D. P. (2017). Representation and diversity, advocacy, and nonprofit arts organizations. *Nonprofit and Voluntary Sector Quarterly*, 47(1), 49–71.

<https://doi.org/10.1177/0899764017728364>

Kolb, B. M. (2020). *Entrepreneurship for the creative and Cultural Industries*. Routledge.

Kramer, M. W. (2006). Shared leadership in a community theater group: Filling the leadership role. *Journal of Applied Communication Research*, 34(2), 141–162.

<https://doi.org/10.1080/00909880600574039>

Lee, Y.-J. (2021). Nonprofit arts organizations' pursuit of public interests: The role of board diversity. *Nonprofit Policy Forum*, 12(4), 563–587.

<https://doi.org/10.1515/npf-2020-0036>

Loer, J. M. (2010). Full spectrum access. *American Theatre*, 82–87.

Newman, M. A. (2004). Dinner theatre. *Entertainment Design*, 38(7), 24–26.

Nguyen, T. (2019). Recruitment and selection of teaching artists of color in nonprofit theatre arts education. *Teaching Artist Journal*, 17(3-4), 69–85.

<https://doi.org/10.1080/15411796.2019.1668641>

- Oseland, J. (1998). Dinner theatre, U.S.A. *American Theatre*, 15(4), 22.
- Posner, B. Z., & Kouzes, J. M. (2007). *The leadership challenge*. John Wiley & Sons.
- Reynolds, S., Tonks, A., & MacNeill, K. (2017). Collaborative leadership in the arts as a unique form of dual leadership. *The Journal of Arts Management, Law, and Society*, 47(2), 89–104. <https://doi.org/10.1080/10632921.2016.1241968>
- Rhine, A. S. (2015). An examination of the perceptions of stakeholders on authentic leadership in strategic planning in nonprofit arts organizations. *The Journal of Arts Management, Law, and Society*, 45(1), 3–21. <https://doi.org/10.1080/10632921.2015.1013169>
- Rosenberg, G. (2010). *The artist's guide to grant writing: How to find funds and write foolproof proposals for the visual, literary, and performing artist*. Random House Inc.
- Russell, A. L. (2015). “I’ll huff, and I’ll puff, and I’ll blow your house down”: Building the resiliency of education departments in nonprofit theatre organizations. *The Journal of Arts Management, Law, and Society*, 45(1), 22–32. <https://doi.org/10.1080/10632921.2014.997847>
- Semrush. (n.d.). *Online Marketing Can Be Easy*. <https://www.semrush.com>
- Telenko, S. (2000). Jeff Peller: The redmill dinner theatre. *Performing Arts & Entertainment in Canada*, 33(1), 16.
- Temesgen, N. (2019). On the banks of the Chattahoochee. *American Theatre*, 36(8), 92–97.

Texas Attorney General. (n.d.). Registration and Filings Office of the Attorney General.

<https://www.texasattorneygeneral.gov/divisions/charitable-trusts/registration-and-filings>

Texas Comptroller. (n.d.). *Texas Applications for Tax Exemption*.

<https://comptroller.texas.gov/taxes/exempt/forms/index.php>

Texas Health and Human Services. (n.d.). *Fees*

<https://www.hhs.texas.gov/providers/protective-services-providers/child-care-regulation/child-care-regulation-background-checks/fees>

Texas RioGrande Legal Aid (TRLA). (n.d.). Nonprofits & Small Businesses.

<https://www.trla.org/nonprofits>

U.S. Census Bureau (n.d.). *Quickfacts: Houston city, texas*.

<https://www.census.gov/quickfacts/fact/table/houstoncitytexas/PST045222>

Volz, J. (2011). *How to run a theater: Creating, leading and managing professional theatre*. Methuen Drama.

Woronkiewicz, J. (2017). Community engagement and cultural building projects. *The Journal of Arts Management, Law, and Society*, 48(1), 32–43.

<https://doi.org/10.1080/10632921.2017.1366962>

Wyszomirski, M. J. (2013). Shaping a triple-bottom line for nonprofit arts organizations:

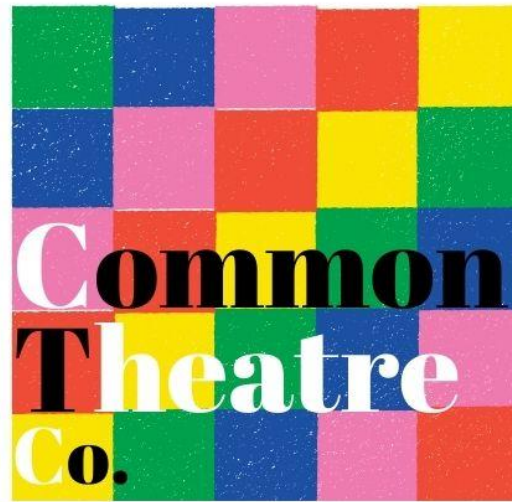
Micro-, macro-, and meta-policy influences. *Cultural Trends*, 22(3-4), 156–166.

<https://doi.org/10.1080/09548963.2013.817645>

Zadek, S., Radovich, S. (2006.) *Governing collaborative governance enhancing development outcomes by improving partnership governance and accountability.* Accountability and the Corporate Social Responsibility Initiative, Working paper No. 23. Cambridge, MA, John F. Kennedy School of Government, Harvard University

Appendix A

The Common Theatre Company



Strategic Plan

March 2023



Table of Contents

Executive Summary	1
Company & Business Description	1-4
Programming	4-5
Market Analysis	6-9
Marketing Plan	9-10
Sales Plan	10-12
Legal Notes	12-13
Financial Considerations	13-15

Executive Summary

The Common Theatre Company is focused on engaging and partnering with our community in exciting ways that support our neighbors and provide a unique and collaborative theatrical experience. We are dedicated to offering authentic programming produced and performed by fresh artists of all backgrounds. We believe theatre is for all people and are committed to making our art accessible.

The Common Theatre Company is the lifelong dream of founder and Artistic Director Kelsey McMillan. McMillan has been a professional director and theatre educator for over a decade. In her leadership, she values collaboration, community, and finding joy in the work. Common Theatre is a natural progression of her values. The Common Theatre Company will operate as a 501c(3) nonprofit arts organization that employs a Collaborative Governance model. The Common Theatre believes that theatre is a collaborative art and that the business of theatre should be collaborative as well.

The company will operate within Houston, TX, and until it can secure a permanent location, it will rent performance venues within the city. Houston is home to many theaters ranging in size and offering a variety of programming. However, The Common Theatre Co. has an advantage in this market because it offers unique programming and has no direct competition. The Common has developed a style of programming that includes partnerships with local businesses to make a night at the theatre more than just a show. Their use of community partnerships and one-of-a-kind experiences makes them stand out in a city that so values the arts. These unique season offerings, coupled with a robust education program, are pivotal to the healthy financial outlook of the company. Based on projections, the company expects to be profitable within the first year of operation.

The Common Theatre Company wants to create a new kind of theatrical experience for the people of Houston, TX. This company is dedicated to making good theatre for everyone in their community that doesn't feel exclusive, brings people together, and feels fun, intriguing, and fresh. We have big dreams for this company. Our most pressing goals include:

- Raising \$50,000
- Finding and purchasing a permanent location.
- Negotiating a season's worth of community partnerships.
- Hiring qualified teaching artists and teaching artists who specialize in special needs students.
- Securing the best-suited board members to fill out our board leadership team.

To make this dream a reality and get into the business of doing this amazing work for and with our community, we need the help of investors, donors, and those

interested in participating in this journey. Today we humbly ask interested parties to help in any of the following ways:

- Invest in The Common Theatre Company to help us reach our goal of \$50,000.
- Join our Board of Directors if our mission inspires you.
- Facilitate a community partnership for our flagship season.
- Assist in the search for our permanent home.

We hope you find something that resonates with you and gets you excited about theatre in the following proposal, and we thank you for your time and consideration.

- The Common Theatre Company Team

Company & Business Description

Company Purpose

The Common Theatre Company is a highly collaborative organization that values community engagement, partnerships, and modern unique theatrical experiences. The CommonTheatre Company will produce performances and events that make our audience feel seen and connected. In conjunction with performances, we will seek to partner with other businesses in our community to offer collaborative events. They will be affordable for all patrons who wish to attend. Our shows will push boundaries and take risks, come from our hearts, and touch the hearts of our patrons. We will create opportunities for emerging artists through playwriting festivals, open auditions, and crew calls. A typical season will feature mostly full-length plays, including special events and multidisciplinary performances. Our season would not exist to feed a bottom line.

The Common Theatre Co. values community engagement, partnerships, and supporting new and emerging artists. We will develop programming that includes events like a modern take on dinner theatre where local catering companies or food truck owners will partner with us to create a “dinner and a show” performance run. It may also include partnering with other local vendors like retailers and market vendors to create a performance run that includes a themed market experience. We will seek out emerging artists for our shows and staff and prioritize the development of an education program that seeks to teach and grow new artists. We will seek to provide theatrical experiences for all patrons, including those who typically cannot afford to attend live theatre or those who have special needs. We will prioritize developing programming specifically for our patrons with special needs. Our programming and values will revolve around creating unique and authentic theatre experiences in partnership with and supporting our community.

The Common Theatre Co. will offer a wide variety of programming and services. We will provide typical plays, festivals, musicals, sensory performances, youth education and camps, and community events. We aim to create a new kind of theatre experience that offers more. Our target audience will be somewhat varied, young - middle-aged people, 25-45-year-olds who enjoy the theatre or the arts and all-inclusive experiences, and families, especially those with young children interested in the arts. We are excited to bring them a kind of theatre they haven't experienced in Houston, TX. This is one reason we feel that we are likely to succeed. There is no other theatrical programming like this in the city or surrounding areas; we want to offer theatre in a way that makes a night out to see a show a complete and expansive event every time.

Mission/Vision Statement

The Common Theatre Company is focused on engaging and partnering with our community in exciting ways that support our neighbors and provide a uniquely collaborative theatrical experience. We are dedicated to offering authentic programming produced and performed by fresh artists of all backgrounds. We are committed to delivering innovative theatre experiences that create a real human connection.

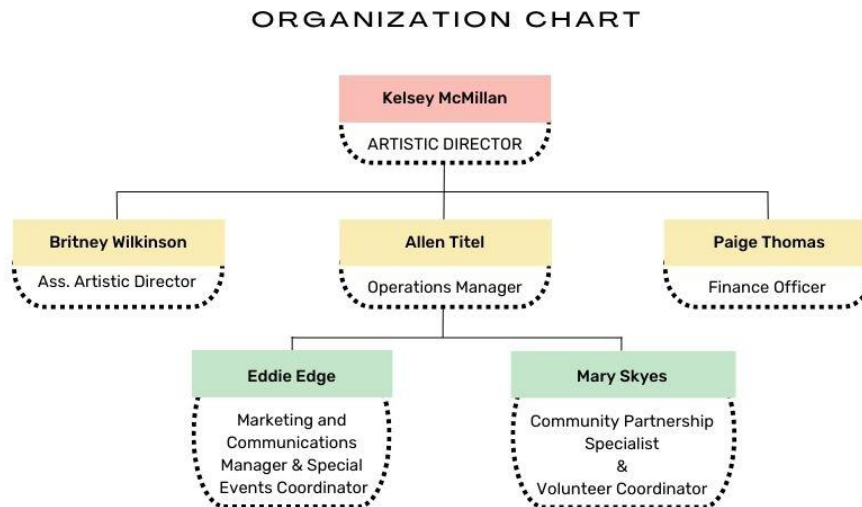
Core Values

- *We will be unbound by convention; we believe that the arts should be a free space and that by releasing ourselves from norms, we can find the fun in our work.*
- *We will capture people with unique experiences; we want to offer people something they can't get anywhere else and delight our audiences with exciting new experiences.*
- *We believe collaboration is the key to exciting things; we value making community partnerships and working with others to develop great work.*
- *We support people; we believe that all people should be able to enjoy the theatre, and we believe it is our responsibility to make it accessible to everyone.*
- *We develop the future; we believe in supporting emerging artists and educating our youth to strengthen our industry's future.*
- *We will deliver authentic and thought-provoking work; we believe it is important for theatre to connect us and help us understand our humanity. We are dedicated to developing content that creates that.*

Team & Org Structure

Figure A1.

Leadership Organization Structure



Kelsey McMillan is our founder and Artistic Director, and she holds a BA and an MIS in Theatre and Arts Entrepreneurship, both from Stephen F. Austin State University. She has been directing and producing professionally for over a decade, developing work that has earned her nominations and awards and has been involved in theatre both on and off stage for nearly 20 years. Her Master's emphasis was on arts enterprise and business.

Britney Wilkinson is our Associate Artistic Director. She has been acting for nearly two decades and has built connections in the Austin, TX, and Houston, TX, theatre communities. She holds a BA in Musical Theatre and BA in English Literature from the University of Texas, Austin.

Allen Titel is our Operations Manager. He holds a BA in Theatre from Stephen F. Austin State University and has nearly two decades of experience on and off stage in the theatre. He also has nearly a decade of experience in operations management across industries.

Paige Thomas is our Finance Officer. Paige has more than 15 years of experience on stage and off. She has over five years of experience in theatrical accounting and development. She holds a BACC from Texas A&M University.

Eddie Edge is our Marketing and Communications Manager and Special Events Coordinator. Eddie has a BFA in Theatre from Stephen F. Austin University and has

nearly two decades of experience in performance and production. He has served as a board member and company executive for a small theatre company for over five years.

Mary Sykes is our Community Partnership Specialist and Volunteer Coordinator. Mary holds a BA in Theatre from Louisiana State University and spent a number of years as a production assistant at the Public Theatre in New York. Mary has nearly 20 years of experience in the industry.

The Common Theatre will also make use of volunteer work, especially in the first few years of its existence. Volunteers will be used for

- Box office
- Ushering
- House management
- Development
- Miscellaneous crew needs

In the beginning volunteers will be sourced from friends and family of the leadership team and the board. Once it become necessary for the volunteer program to grow Allen Titel will be in charge of recruiting and organizing volunteers. Background checks will be performed on all volunteers prior to their start date. The cost of \$39.75 for a fingerprint check will be the responsibility of the volunteer. (*Texas Health and Human Services*, n.d.)

Programming

Product Offering(s)

Full-Length Plays Our company will produce at minimum 3-4 full-length plays per season. These will be works chosen by a team of season planners that are cohesive and that resonate with our audience. The shows will vary from season to season. These will serve as our main season and the guide to our season.

Alternative Performances Within each season, we will program at least one performance alternative to a typical play. This may be a musical, playwriting festival, an immersive show, or one-act plays in repertoire for example. These performances will serve to break up our program delivery and offer variety.

Service Offering(s)

Community Partnerships Our goal is to partner with other companies or vendors in our area during each new show to create a full experience for our audience. This might be partnering with Food Trucks during one show to offer a dinner and a show experience or market vendors to turn a show into an afternoon of shopping and entertainment.

Education Programs We will begin offering classes and camps soon after inception. There will be youth classes and camps offered by season and adult classes and workshops. These will serve to meet our goal of building up the next generation of artists and emerging artists, as well as our goal to reach families.

Sensory Shows and Workshops We will offer sensory-friendly shows to our special needs community members as well as workshops designed for using theatre to enrich the lives of the special needs community. We believe theatre is for everyone, and this will allow us to reach everyone in our audience and meet them where they are.

Pricing Model

Tickets Pay-What-You-Can with a suggested ticket price of \$20 and a minimum of \$1. We believe theatre should be accessible to anyone who wants to experience it. We feel this makes it affordable for anyone to access our work while also allowing more generous patrons to pay more than the suggested ticket price. This is for standard shows and those without add-ons such as desserts, dinners, or drinks.

Sensory Performances Base Ticket Price of \$20 or Pay-What-You-Can with a minimum of \$1. Price without add-ons.

Tickets with Dining The base ticket cost will remain \$20 or Pay-What-You-Can, but an extra fee will be added to cover the cost of a meal per person. Negotiations with community partners will determine an exact amount based on a fair market.

Tickets and Market Access The base ticket cost will remain \$20 or Pay-What-You-Can, but an extra fee will be added to guarantee market admission and perhaps a discount on goods. Negotiations with community partners will determine the exact amount.

Youth Classes Tuition would be for a one-month course offered one night a week or on weekends. Scholarships and payment plans would be offered to students who needed them.

6-8 years old - \$200 per course

9-12 years old - \$225 per course

Teen Classes Tuition would be for a 3-month course on weekends. Scholarships and payment plans would be offered to students who needed them.

13-17 years old - \$350 per course

Adult Workshops Base price of \$100 per class. The cost would vary slightly based on the course offerings. Workshops would be 1-2 day classes taught by industry professionals.

Sensory Workshops Sensory-friendly workshops are designed to use theatre as enrichment for special needs students or as training for students interested in pursuing theatre. Offered once a month on weekends.

Tuition for an entire season - is \$300 per student

Single Day - \$50 per student.

These prices are competitive within the market but also align with our values of making theatre affordable and accessible to all people and not just the very wealthy.

Market Analysis

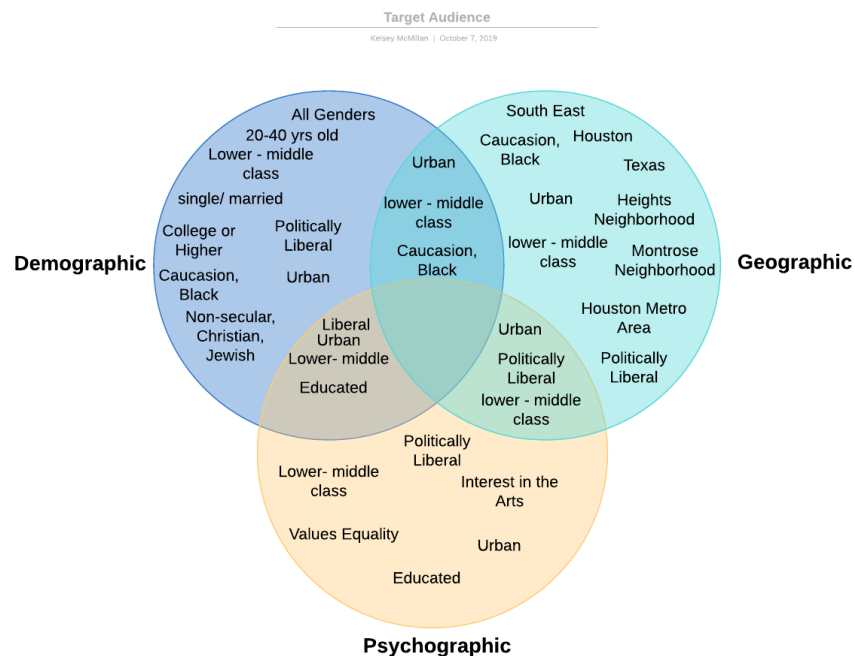
Target Market

The target market for The Common Theatre consists of residents in the Houston, TX, area. As Houston is the fourth largest city in the United States, using the full population of the city would be too wide a net to cast in terms of a full addressable market. It is more realistic to assume the total market audience will comprise those in the immediate local area or the “neighborhood” where the theater site will be located. That location is yet to be determined and will likely be fluid in the early months and years of the company, while it primarily rents performance space. Still, in understanding and segmenting the Houston market, we can make educated assumptions about the target market.

The target market for The Common Theatre Company consists of an ethnically diverse mix of 24-45-year-olds who are either in lower to mid-level socioeconomic strata. They will likely have a college degree or more. This audience is likely relatively bohemian as opposed to white-collar, and they may be more likely to be currently renting even if they pursue homeownership. They are technologically savvy and value community, social gatherings, new experiences, and amenities. They are most likely liberal or liberal-leaning. There will be a family mix, some singles, couples, and families. This audience shares the company's values, appreciates the arts, and enjoys doing new

things with their neighbors and friends. They aren't the wealthiest people in Houston, but because they value the arts, they spend their money on arts ventures. They also find value in activities for their children and the whole family, which they will find provided with affordable prices.

Figure A2.
Market Demographics



Buyer Personas

Nolan Nolan is 32 years old and has lived in Houston his whole life. He works as an ABA therapist currently, but he has had four different jobs in the last five years. Nolan is currently single but has aspirations to have a family someday. He lives in a more affordable area of Houston in an incredibly diverse neighborhood where he rents. Nolan is happy and comfortable going with the flow, and he finds a lot of enjoyment in spending time with others, discovering new events, and helping his community. He is liberal and vocal about his values.

Lyndsay Lyndsay is single; she is 42 years old and has been an elementary school art teacher for 18 years. She is highly adept at learning new technology and implementing it into her life. She graduated from a state school out of Texas with a degree in Art. She has no children and doesn't plan to have any. She rents her small townhouse, where she has lived for 10 years. She deeply values community and her social life, which she

takes full advantage of every weekend. She isn't exceptionally wealthy, but her income and single lifestyle have made her financially comfortable.

Britney and Ben Britney and Ben have been married for three years and have recently moved to Houston. They own a small house downtown. This is a popular new area to live in with many things to do within walking distance. They are both under 30 and graduated from State Schools. Ben is pursuing a Master's Degree in engineering. They do not have children yet but may in the future. Both Ben and Britney are very up on the latest trends in technology and will always upgrade their tech. They love new experiences and use their free time to take in local events and community offerings.

The Mikels The Mikels have four members in their family, Tiara, her husband Justin, and their two elementary-aged kids. Tiara is a therapist, and her husband is in operations at a firm. Combined, they have a very healthy financial outlook, and their children want for nothing. They purposefully have chosen to live in a very diverse area of Houston in a moderate house they own. Both have college degrees from universities and were part of the greek life systems. They enjoy upscale eateries, shopping, and activities or experiences that provide many amenities. They also value their children's education and want to offer them as many opportunities as possible.

Location Analysis

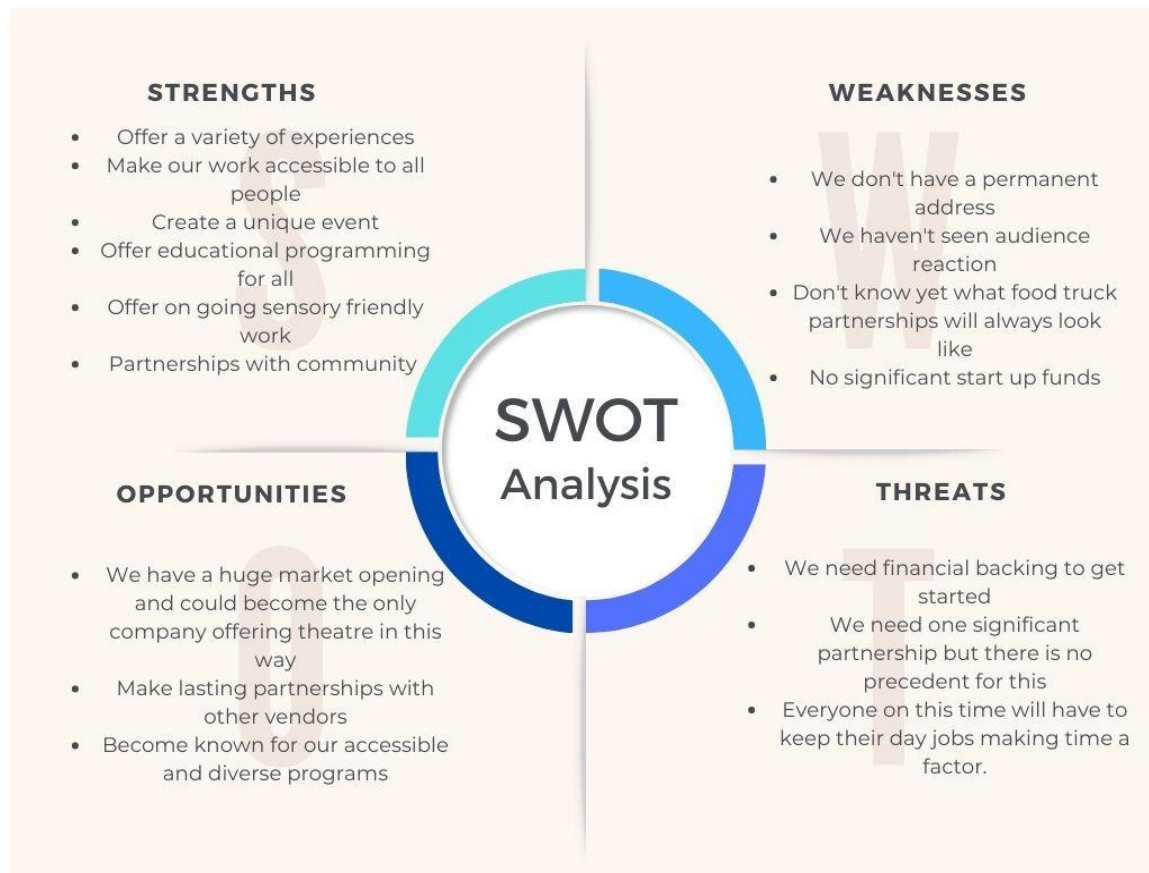
The Company will reside within Houston, TX. The exact location is not yet determined and the company will likely not have a permanent location within the first year of operation. That being said, Houston is the fourth largest city in America and has an incredibly diverse demographic. Houston has an already thriving theatre market; it is home to one of the leading regional theaters in the country, The Alley Theatre. There is an already large audience for the arts and theatre in particular in the city and a historically demonstrated willingness of the city's wealthy members to patronize and donate to theatrical ventures. Much of the wealth in Houston comes from Oil & Gas, or Healthcare.

Competitor Analysis

Table A1.
Competitor Analysis

	Comparative Strength(s)	Comparative Weakness(es)	Counter-point(s)
The Dinner Detective	<ul style="list-style-type: none"> • Provide quality content • Offer variety 	<ul style="list-style-type: none"> • Not as consistent • No permanent location 	Variety is what makes patrons return.
RecRoom Arts	<ul style="list-style-type: none"> • Have a solid core team • Provide variety • Reliable 	<ul style="list-style-type: none"> • Less notoriety • Provide less new work or premiers 	Our programming is coupled with unique experiences
Mildred's Umbrella	<ul style="list-style-type: none"> • Provide quality content • Welcome new faces 	<ul style="list-style-type: none"> • Not as much tenure • Not as well connected 	The company is new but its team is well connected with long histories in HTX.

Table A2.
SWOT Analysis



Marketing Plan

Positioning Strategy

Our audience will be drawn to our theatre despite its newness because it will offer a unique way to experience theater, and be incredibly accessible. They'll come for the novel experience, but they'll come back because our shows will present them with an opportunity for a whole event, and they'll love the variety of activities presented to them.

Right now, the biggest block for audiences is two-fold. The first blockage is cost. It is expensive to go to the theatre, to go to dinner, to go shopping. The Common Theatre Company will aim to provide a custom experience that makes seeing a play doable.

The second is audience knowledge. Most people do not know what plays are, happening around them. We hope that by partnering with other companies who provide a more mainstream product, we can begin capturing an audience we may not have.

We will take full advantage of social media and the reach it has to offer. We will operate a website that provides information and ticketing services. And we will integrate video marketing.

Acquisition Channels

We will employ various methods of marketing. Considering we will be starting on a bootstrap budget, we will take advantage of as much free marketing as possible and try to maximize everything we do.

- *Search Engine Marketing* - Houston is a big city with many theaters, and having our company populate when someone searches "show this weekend" makes a big difference.
- *Social Media and Vlogging* - This will be our number one marketing method at the beginning of our journey. We will utilize a variety of social media platforms and spend a lot of energy on TikTok and Youtube doing Vlogs to bring in audience interest.
- *Co-Marketing* - Our events will include community partnerships and collaboration with various businesses. We will be able to create marketing campaigns that are collaborative as well. We will be able to take advantage of their more established customer base.

Tools and Technology

In the beginning, to streamline our social media marketing, we will run software that automates the work on your social media suite, like Hootsuite. We may even take advantage of AI-generated marketing content for social media campaigns. Eventually, we will be able to hire someone to run our media and marketing and will do so. But in the beginning, all media and Marketing will be run by the Marketing Director.

Sales Plan

Sales Methodology

Most sales will be inbound and develop organically from our social media content, community engagement, and word of mouth. We will use search engine optimization and co-sales as well.

We will use some outbound sales strategies. These might include social media advertising that isn't standard content or ads.

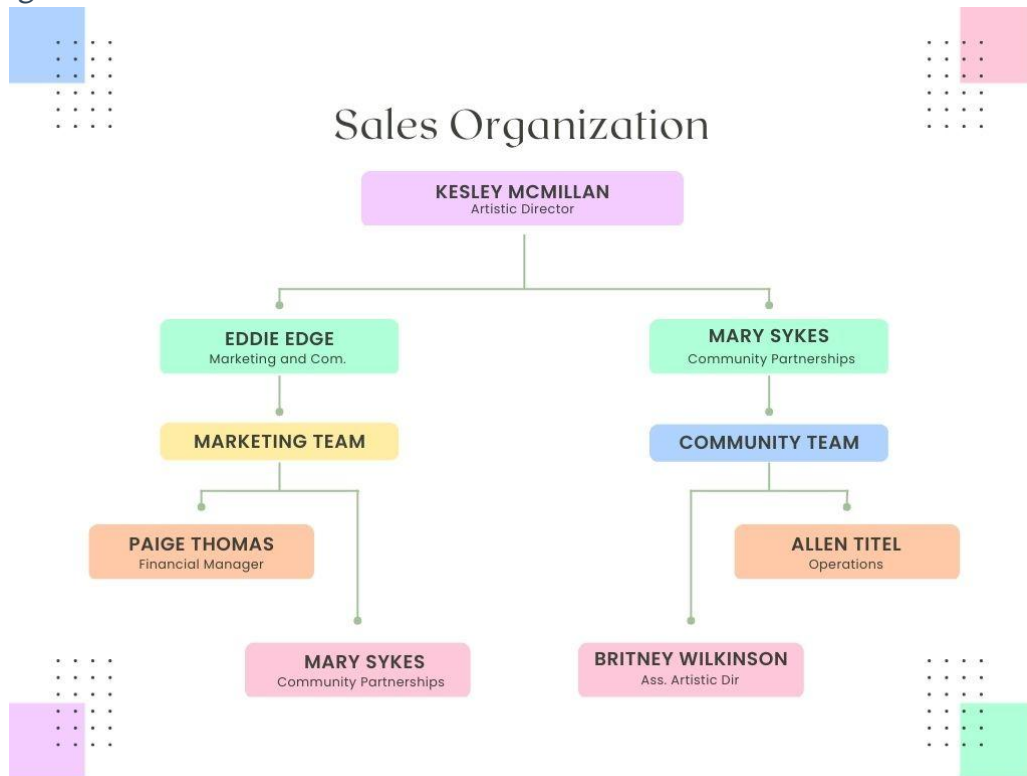
Because theatre as a product is subjective and can be enjoyed by such a wide range of people, it makes a lot more sense to allow for an organic inbound sales strategy that allows potential ticket buyers to discover our product and understand it's something they want to enjoy. There would be too many variables for us to confidently rely on only outbound sales. We need people to find us and say, "That's for me."

Sales Organization Structure

The following chart shows the sales organization structure for The Common Theatre Company based on each member's role. The Common is a very small company, so sales and marketing, in this case, will be interwoven. Our Head of Marketing and Head of Community Partnerships will be in charge of our two sales branches.

First, our Head of Media and Marketing will cover all inbound marketing strategies for normal ticket sales or ticket sales to special events. Then our Head of Community partnerships will lead all educational and sensory content sales. They will each have a team of two company members assisting them. The sales work will fall to all company members, especially considering our size. A team will be in place who are specifically tasked with sales.

Figure A3.
Sales Org. Structure



Sales Channels

Our sales will be conducted mainly online, with some in-person ticket sales. In-person ticket sales will usually occur as a walk-up service on the day or evening of a performance. Our ticketing portal will only be available on our website.

Class and workshop tuition will go through a representative from The Common to be sold. Our website will direct interested parties to register/ apply, and then once accepted via email, they will pay for the course or request information about scholarships and payment plans. This will all be conducted with the help of a Comm Theatre representative.

Tools and Technology

Website/ Ticketing Software and Class Registration - We will be using Wix as the host for our website, and general ticket sales and course registration will be embedded into the site. Wix offers affordable web hosting that is charged monthly and includes a lot of great features. This site will allow us to operate how we need it with a well-designed and easy-to-use website.

CRM Software - Salesforce Nonprofit Cloud - Enterprise edition. This software is more affordable at only \$60 per month. But we will apply for their Power of Us program, which provides their entire suite of tools and systems at discounted rates. It provides access to Donor tracking and direct payment integration, data analytics, fundraising and marketing tools, email campaigns, and more.

Additional Hardware - Square POS (Point of Sale) hardware. \$600 one-time cost for hardware and no monthly payment after that. Square's system charges a fee per transaction.

DipJar. We may utilize DipJar to take cashless donations at events and shows, the rental price for three jars is \$150 per event. It is costly but it is the only solution on the market that allows for this kind of fundraising.

Legal Structure

The Common Theatre Company will operate as a 501(c)(3) Nonprofit Organization.

Legal Considerations

One we begin working on incorporation we will apply for Legal Aid through Texas C-Bar, or TRLA.

Texas requires:

- Filing for incorporation and formation using Form 202, Certificate of Formation : Nonprofit Corporation, as seen in Appendix B
- Appointing a registered agent for the company, generally a founder
- Obtain an Employer Identification Number (EIN) with IRS Form SS4 as seen in Appendix D
- You must have at least three directors on your board, one president, and one Secretary on your board
- Established bylaws
- Applying for nonprofit and tax-exempt status using Form AP-204 and Form AP-205-2, for Income and Sales Tax respectively as seen in Appendix C

- Potentially: obtaining licenses and permits, zoning permits, alcohol license, construction permits etc. (*Harbor Compliance*, n.d.)

To run a commercial location as a theatre in Texas the property must meet these requirements:

- Have one parking space for every three audience seats available.
- Must follow all Houston, TX Sign Code regulations.
- “To attain a federal tax exemption as a charitable organization, your certificate of formation must contain a required purpose clause and a dissolution of assets provision.”

Texas laws regarding forming a Nonprofit entity will be completed based on the information found in this strategic plan. All Zoning and regulations will be followed when the company settles on a permanent location. Ensuring the company follows those laws will fall under the purview of a yet-to-be-added team member in charge of The Common’s legal needs.

Financial Considerations

Startup Costs

The following Startup costs consider the cost to produce a launch season of shows, two standard shows, and one special performance event.

<i>Formation and Incorporation fees</i>	\$150
<i>Initial Season Performance Budget</i>	\$3,500
<i>Initial Season Venue Rental</i>	\$6,000
<i>Promotional expenses</i>	\$3,000
<i>Initial Season Performance Payroll</i>	\$2,400
<i>1st year Leadership Payroll</i>	\$10,000
<i>WIX Website</i>	\$59 / month
<i>Domain Purchase</i>	\$150 /3 years
<i>CRM</i>	\$60 /month
<i>Branding Materials</i>	\$500
<i>Hardware</i>	\$600

Sales Forecasts

Sales forecasting for The Common Theatre is based on Market research, target audience demo data, and the assumptions that over a year out audience and enrollment will grow with word-of-mouth and critic marketing coverage. Growth assumes a 25% rate of growth show-over-show. This growth rate considers the lack of direct competition and marketing.

The following table shows the possible outlook for a year of sales. It does not reflect a sold-out audience or full-capacity classes but a more realistic slow climb in enrollment.

Table A3.
1 Year Sales Forecast

	1 Year Sales Forecast												
Start Date: Jan. 01, 2024	YEAR ONE												
SALES	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	TOTAL
Gen Tickets	20	100	200			20	380			500			1,220
Sensory Tickets			25			32				40			97
Youth Classes			15			20			25				60
Teen Classes			5			7			9				21
Adult Classes				10				13				17	40
TOTAL UNITS SOLD (YEAR 1)	20	100	245	10	0	79	380	13	34	540	0	17	1,438
Cost of Sales	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	AVERAGE
Gen Tickets	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00
Sensory Tickets	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00
Youth Classes	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
Teen Classes	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00
Adult Classes	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00
PRICE	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023	AVERAGE
Gen Tickets	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00
Sensory Tickets	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00
Youth Classes	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00
Teen Classes	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00
Adult Classes	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
REVENUE	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	TOTAL
Gen Tickets	\$400.00	\$2,000.00	\$4,000.00	\$0.00	\$0.00	\$400.00	\$7,600.00	\$0.00	\$0.00	\$10,000.00	\$0.00	\$0.00	\$24,000.00
Sensory Tickets	\$0.00	\$0.00	\$500.00	\$0.00	\$0.00	\$640.00	\$0.00	\$0.00	\$0.00	\$800.00	\$0.00	\$0.00	\$1,940.00
Youth Classes	\$0.00	\$0.00	\$3,000.00	\$0.00	\$0.00	\$4,000.00	\$0.00	\$0.00	\$5,000.00	\$0.00	\$0.00	\$0.00	\$12,000.00
Teen Classes	\$0.00	\$0.00	\$1,750.00	\$0.00	\$0.00	\$2,450.00	\$0.00	\$0.00	\$3,150.00	\$0.00	\$0.00	\$0.00	\$7,350.00
Adult Classes	\$0.00	\$0.00	\$0.00	\$1,000.00	\$0.00	\$0.00	\$0.00	\$1,300.00	\$0.00	\$0.00	\$0.00	\$1,700.00	\$4,000.00
TOTAL REVENUE (YEAR 1)	\$400.00	\$2,000.00	\$9,250.00	\$1,000.00	\$0.00	\$7,490.00	\$7,600.00	\$1,300.00	\$8,150.00	\$10,800.00	\$0.00	\$1,700.00	\$49,690.00
MARGIN PER UNIT	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	AVERAGE
Gen Tickets	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00
Sensory Tickets	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00
Youth Classes	\$185.00	\$185.00	\$185.00	\$185.00	\$185.00	\$185.00	\$185.00	\$185.00	\$185.00	\$185.00	\$185.00	\$185.00	\$185.00
Teen Classes	\$320.00	\$320.00	\$320.00	\$320.00	\$320.00	\$320.00	\$320.00	\$320.00	\$320.00	\$320.00	\$320.00	\$320.00	\$320.00
Adult Classes	\$96.00	\$96.00	\$96.00	\$96.00	\$96.00	\$96.00	\$96.00	\$96.00	\$96.00	\$96.00	\$96.00	\$96.00	\$96.00
GROSS PROFIT	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	TOTAL
Gen Tickets	\$260.00	\$1,300.00	\$2,600.00	\$0.00	\$0.00	\$260.00	\$4,940.00	\$0.00	\$0.00	\$6,500.00	\$0.00	\$0.00	\$15,860.00
Sensory Tickets	\$0.00	\$0.00	\$325.00	\$0.00	\$0.00	\$416.00	\$0.00	\$0.00	\$0.00	\$520.00	\$0.00	\$0.00	\$1,261.00
Youth Classes	\$0.00	\$0.00	\$2,775.00	\$0.00	\$0.00	\$3,700.00	\$0.00	\$0.00	\$4,625.00	\$0.00	\$0.00	\$0.00	\$11,100.00
Teen Classes	\$0.00	\$0.00	\$1,600.00	\$0.00	\$0.00	\$2,240.00	\$0.00	\$0.00	\$2,880.00	\$0.00	\$0.00	\$0.00	\$6,720.00
Adult Classes	\$0.00	\$0.00	\$0.00	\$960.00	\$0.00	\$0.00	\$0.00	\$1,248.00	\$0.00	\$0.00	\$0.00	\$1,632.00	\$3,840.00
TOTAL GROSS PROFIT (YR 1)	\$260.00	\$1,300.00	\$7,300.00	\$960.00	\$0.00	\$6,616.00	\$4,940.00	\$1,248.00	\$7,505.00	\$7,020.00	\$0.00	\$1,632.00	\$38,781.00

Break-Even Analysis

The startup costs for this company total \$27,728, which would cover all necessary costs for the first year of operation. Due to the nature of the timeline for revenue with a theatre company, traditional break-even models that require unit sales or month-to-month sales/ expenses do not fit here. Instead, by looking at projected sales per show and course offering, we can assume we will be profitable by the end of September 2024. From there, the remainder of the year should represent all net profit.

Funding Requirements

To begin this company significantly, we will be looking for a funding infusion of at least \$35k if we want a financial cushion to account for unknown variables.

To reach this goal, we will primarily look at loans, personal financial infusions, and donations. We will also be applying for grants from the city and state. Any grants received in our first year would represent additional production funding and will not be counted on for bottom-line startup costs.

Appendix B

Form 202—General Information (Certificate of Formation – Nonprofit Corporation)

The attached form is drafted to meet minimal statutory filing requirements pursuant to the relevant code provisions. This form and the information provided are not substitutes for the advice and services of an attorney and tax specialist.

Commentary

A nonprofit corporation is governed by titles 1 and 2 of the Texas Business Organizations Code (BOC). Title 1, chapter 3, subchapter A, of the BOC governs the formation of a nonprofit corporation and sets forth the provisions required or permitted to be contained in the certificate of formation. Nonprofit corporations may be incorporated for any lawful purpose. Corporations formed for the purpose of operating a nonprofit institution, including an institution devoted to a charitable, benevolent, religious, patriotic, civic, cultural, missionary, education, scientific, social, fraternal, athletic, or aesthetic purpose, may be formed and governed only as a nonprofit corporation under the BOC and not as a for-profit corporation. In a nonprofit corporation, no part of the income of the corporation may be distributed to a member, director or officer of the corporation.

Please note that this form cannot be used to form a corporation authorized by or under a special state statute, such as a water supply corporation, a cemetery corporation or an industrial development corporation.

Taxes: Nonprofit corporations are subject to a state franchise tax and federal income taxes unless an exemption from those taxes is granted. For franchise tax information visit the web site of the Comptroller of Public Accounts at <https://comptroller.texas.gov/taxes/>. For information on state tax exemption, including applications and publications, visit the Comptroller's Exempt Organizations web site at <https://comptroller.texas.gov/taxes/exempt/> or call (800) 252-5555. For information relating to federal income tax filing requirements, exemptions, federal employer identification numbers, tax publications and forms call (800) 829-3676 or visit the Internal Revenue Service (IRS) web site at www.irs.gov.

This form does not include any additional statements or provisions that the Texas Comptroller of Public Accounts or the IRS may require as a condition to granting a tax-exempt status. Please refer to IRS publication 557, "Tax-Exempt Status for Your Organization," and Comptroller publication 96-1045, "Guidelines to Texas Tax Exemptions," for further information before completing this form.

Instructions for Form

- **Article 1—Entity Name and Type:** Provide a corporate name. An organizational designation may be used but is not required. The entity name must comply with the provisions of chapter 5 of the BOC and the administrative rules on entity name availability adopted by the secretary of state. Chapter 5 of the BOC requires that the entity must be distinguishable in the records from the name of any existing domestic or foreign filing entity, any fictitious name under which a foreign filing entity is registered to transact business in this state, or any name reservation or registration filed with the secretary of state. In addition, the entity name may not contain any word or phrase that by its inclusion in the name: 1) indicates or implies that the entity is engaged in a business that the entity is not authorized to pursue, or 2) falsely implies that the entity is affiliated with a governmental entity. If the entity name does not comply with these provisions, the document cannot be filed.

The administrative rules adopted for determining entity name availability (Texas Administrative Code, title 1, part 4, chapter 79, subchapter C) may be viewed at www.sos.state.tx.us/tac/index.shtml. If you wish the secretary of state to provide a preliminary determination on name availability, you may call (512) 463-5555, dial 7-1-1 for relay services, or e-mail your name inquiry to corpinfo@sos.texas.gov. If the entity name does not meet the standard for availability, the document will not be filed. A final determination cannot be made until the document is received and processed by the secretary of state. Do not make financial expenditures or execute documents based on a preliminary clearance. Also note that the preclearance of a name or the issuance of a certificate of formation under a name does not authorize the use of a name in violation of another person's rights to the name.

- **Article 2—Registered Agent and Registered Office:** The registered agent can be either (option A) a domestic entity or a foreign entity that is registered to do business in Texas or (option B) an individual resident of the state. The corporation cannot act as its own registered agent; do not enter the corporate name as the name of the registered agent.

Consent: A person designated as the registered agent of an entity must have consented, either in a written or electronic form, to serve as the registered agent of the entity. Although consent is required, a copy of the person's written or electronic consent need not be submitted with the certificate of formation. *The liabilities and penalties imposed by sections 4.007 and 4.008 of the BOC apply with respect to a false statement in a filing instrument that names a person as the registered agent of an entity without that person's consent.* (BOC § 5.207)

Office Address Requirements: The registered office address must be located at a street address where service of process may be personally served on the entity's registered agent during normal business hours. Although the registered office is not required to be the entity's principal place of business, the registered office may not be solely a mailbox service or telephone answering service (BOC § 5.201).

- **Article 3—Management:** Except as provided by section 22.202 of the BOC, the affairs of a nonprofit corporation are governed by a board of directors.

Board of Directors: The board of directors may be designated by any name appropriate to the customs, usages, or tenets of the corporation. If managed by a board of directors, three directors are required. A director must be a natural person; there are no residency requirements for directors. Set forth the name of the individual in the format specified. Do not use prefixes (e.g., Mr., Mrs., Ms.). Use the suffix box only for titles of lineage (e.g., Jr., Sr., III) and not for other suffixes or titles (e.g., M.D., Ph.D.).

Please note that a document on file with the secretary of state is a public record that is subject to public access and disclosure. When providing address information for directors, use a business or post office box address rather than a residence address if privacy concerns are an issue.

Managed by Members: A nonprofit corporation is considered to have vested the management of the corporation in the board of directors unless otherwise provided in the certificate of formation. This certificate of formation also may be used to create a nonprofit corporation that is managed solely by its members. If management of the corporation is to be vested in the nonprofit corporation's members, a statement to that effect must be included in the certificate. If the nonprofit corporation is to be governed *solely* by its members, check the appropriate statement and proceed to Article 4 of

this form. *The fact that the individuals named on the board of directors are also members of the nonprofit entity does not mean that the corporation is governed by its members.*

Article 4—Members: If the corporation will not have members, the certificate of formation must include a statement to that effect. If management of the affairs of the corporation is vested in its members, you also must check statement A in Article 4 of this form. Checking statement B in Article 4 is inconsistent with a corporation that is managed by its members and will result in a rejection of the instrument.

- **Article 5—Purpose:** State the purpose of the corporation in the space provided. A nonprofit corporation may be formed for any lawful purpose or purposes not expressly prohibited under title 1, chapter 2, or title 2, chapter 22, of the BOC, which may be stated as “any or all lawful purposes” in the space provided. While the BOC allows formation with a general purpose, please note that other laws, including the Texas Tax Code and the Internal Revenue Code, may require that the certificate of formation include a more specific purpose statement as a basis for granting a license or a tax-exempt or tax-deductible status. An additional text area is provided to include any additional language or additional provisions that may be needed. In addition, the “Supplemental Provisions/Information” section may be used if the additional text area provided in this section is not sufficient.
- **Initial Mailing Address:** *Effective January 1, 2022*, the certificate of formation of a filing entity must provide the initial mailing address for the entity. The initial mailing address is the address that will be used by the Comptroller of Public Accounts for sending tax information and correspondence to the entity. The initial mailing address may be a post office box or street address.
- **Supplemental Provisions/Information:** Additional space has been provided for additional text to an article within this form or to provide for additional articles to contain optional provisions. This space also may be used to provide for additional statements or provisions needed by the Texas Tax Code or Internal Revenue Code as a basis for granting a tax-exempt or tax-deductible status.

Manner of Distribution: Section 22.304 of the BOC provides that after all liabilities and obligations of the corporation in the process of winding up are paid, satisfied, and discharged in accordance with chapter 11 of the BOC, the property of the corporation shall be applied and distributed as follows:

- Property held by the corporation on a condition requiring return, transfer, or conveyance because of the winding up or termination shall be returned, transferred, or conveyed in accordance with that requirement; and
- The remaining property shall be distributed only for tax-exempt purposes to one or more organizations that are exempt under Section 501(c)(3), or described by Section 170(c)(1) or (2) of the Internal Revenue Code as provided in a plan of distribution adopted by the corporation under the BOC unless the certificate of formation provides otherwise.

If the corporation is not applying and distributing its property in accordance with section 22.304, the certificate of formation must include a statement describing the manner of distribution in the Supplemental Provisions/Information section of this form. If the space provided is not sufficient, an addendum may be included and attached to this form.

Duration: Pursuant to section 3.003 of the BOC, a Texas nonprofit corporation exists perpetually unless provided otherwise in the certificate of formation. If formation of a corporation with a stated

period of duration is desired, use the “Supplemental Provisions/Information” section of this form to provide for a limited duration.

- **Organizer:** Only one organizer is required for the formation of a nonprofit corporation. An organizer may be any person having the capacity to contract for the person or for another; that is, a natural person 18 years of age or older, or a corporation or other legal entity. There are no residency requirements for an organizer.
- **Effectiveness of Filing:** A certificate of formation becomes effective when filed by the secretary of state (option A). However, pursuant to sections 4.052 and 4.053 of the BOC the effectiveness of the instrument may be delayed to a date not more than ninety (90) days from the date the instrument is signed (option B). The effectiveness of the instrument also may be delayed on the occurrence of a future event or fact, other than the passage of time (option C). If option C is selected, you must state the manner in which the event or fact will cause the instrument to take effect and the date of the 90th day after the date the instrument is signed. In order for the certificate to take effect under option C, the entity must, within ninety (90) days of the filing of the certificate, file with the secretary of state a statement regarding the event or fact pursuant to section 4.055 of the BOC.

On the filing of a document with a delayed effective date or condition, the computer records of the secretary of state will be changed to show the filing of the document, the date of the filing, and the future date on which the document will be effective or evidence that the effectiveness was conditioned on the occurrence of a future event or fact. In addition, at the time of such filing, the status of the entity will be shown as “in existence” on the records of the secretary of state.

- **Execution:** The organizer must sign the certificate of formation, but it does not need to be notarized. However, before signing, please read the statements on this form carefully. The designation or appointment of a person as registered agent by an organizer is an affirmation that the person named in the certificate of formation has consented to serve in that capacity. (BOC § 5.2011)

A person commits an offense under section 4.008 of the BOC if the person signs or directs the filing of a filing instrument the person knows is materially false with the intent that the instrument be delivered to the secretary of state for filing. The offense is a Class A misdemeanor unless the person's intent is to harm or defraud another, in which case the offense is a state jail felony.

- **Payment and Delivery Instructions:** The filing fee for a certificate of formation for a nonprofit corporation is \$25. Fees may be paid by personal checks, LegalEase debit cards, or American Express, Discover, MasterCard, and Visa credit cards. Checks or money orders must be payable through a U.S. bank or financial institution and made payable to the secretary of state. Fees paid by credit card are subject to a statutorily authorized convenience fee of 2.7 percent of the total fees.

Submit the completed form in duplicate along with the filing fee if submitting the document by mail or by courier delivery. The form may be mailed to P.O. Box 13697, Austin, Texas 78711-3697 or delivered to the James Earl Rudder Office Building, 1019 Brazos, Austin, Texas 78701. On filing the document, the secretary of state will return the appropriate evidence of filing to the submitter together with a file- stamped copy of the document, if a duplicate copy was provided as instructed.

Need Faster Delivery and Processing? Use our SOSupload system to electronically submit a PDF copy of the completed and executed document. When submitting a document through SOSupload, do not include a copy of these instructions, a duplicate copy of the document, payment information, or personal identifying information (PII). Inclusion of this information may lead to a rejection of the

document. For more information on SOSUpload, please call (512) 463-5555; email corpinfo@sos.texas.gov; or visit <https://direct.sos.state.tx.us/lef/index.aspx>

- **Registered Agent/Office:** A corporation is required to maintain a registered agent and a registered office address in Texas. If the registered agent or registered office address changes, it is important to file a statement with the secretary of state to effect a change to the certificate of formation. Failure to maintain a registered agent and registered office may result in the involuntary termination of the corporation.
- **Periodic Reports:** Under section 22.357 of the BOC, the secretary of state may require a nonprofit corporation to file a report not more often than once every four years. The secretary of state will send notice to the corporation at its registered office as to the time the report is due. Failure to file the report when requested to do so by the secretary will result in the involuntary termination of the corporation.
- **Information for Public Inspection:** Records, books and annual reports of the corporation's financial activity are required to be maintained at the registered office or principal office for three years after the close of a fiscal year. The corporation shall make those documents available to the public for inspection and copying during regular business hours and may charge a reasonable fee for preparing a copy of those records. Failure to maintain those records, prepare an annual report or make the record or report available to the public is a Class B misdemeanor. These provisions do not apply to those corporations exempted under section 22.355 of the BOC. Also note that a nonprofit corporation supported in whole or in part by public funds or that spends public funds is considered a governmental body under chapter 552 of the Government Code (Public Information Act) and thus subject to the provisions of that Act regarding access to public information. In addition, a property owner's association may also be subject to the Public Information Act pursuant to section 552.0035 of the Government Code.

Revised 12/21

Form 202
(Revised 12/21)

Submit in duplicate to:
Secretary of State
P.O. Box 13697
Austin, TX 78711-3697
512 463-5555

Filing Fee: \$25



This space reserved for office use.

Certificate of Formation
Nonprofit Corporation

Article 1 – Entity Name and Type

The filing entity being formed is a nonprofit corporation. The name of the entity is:

Article 2 – Registered Agent and Registered Office

(See instructions. Select and complete either A or B and complete C.)

☐ A. The initial registered agent is an organization (cannot be entity named above) by the name of:

OR

☐ B. The initial registered agent is an individual resident of the state whose name is set forth below:

<i>First Name</i>	<i>MI</i>	<i>Last Name</i>	<i>Suffix</i>
-------------------	-----------	------------------	---------------

C. The business address of the registered agent and the registered office address is:

<i>Street Address</i>	<i>City</i>	<i>State</i>	<i>Zip Code</i>
		TX	

Article 3 – Management

The management of the affairs of the corporation is vested in the board of directors. The number of directors constituting the initial board of directors and the names and addresses of the persons who are to serve as directors until the first annual meeting of members or until their successors are elected and qualified are as follows:

A minimum of three directors is required.

Director 1				
<i>First Name</i>	<i>MI</i>	<i>Last Name</i>	<i>Suffix</i>	
<i>Street or Mailing Address</i>	<i>City</i>	<i>State</i>	<i>Zip Code</i>	<i>Country</i>

Director 2				
<i>First Name</i>	<i>MI</i>	<i>Last Name</i>	<i>Suffix</i>	
<i>Street or Mailing Address</i>	<i>City</i>	<i>State</i>	<i>Zip Code</i>	<i>Country</i>

Director 3				
<i>First Name</i>	<i>MI</i>	<i>Last Name</i>	<i>Suffix</i>	
<i>Street or Mailing Address</i>	<i>City</i>	<i>State</i>	<i>Zip Code</i>	<i>Country</i>

OR

☐ The management of the affairs of the corporation is to be vested in the nonprofit corporation's members.

Article 4 – Membership

(See instructions. Do not select statement B if the corporation is to be managed by its members.)

☐ A. The nonprofit corporation shall have members.

☐ B. The nonprofit corporation will have no members.

Article 5 – Purpose

(See instructions. This form does not contain language needed to obtain a tax-exempt status on the state or federal level.)

The nonprofit corporation is organized for the following purpose or purposes:

The following text area may be used to include any additional language or provisions that may be needed to obtain tax-exempt status.

Initial Mailing Address

(Provide the mailing address to which state franchise tax correspondence should be sent.)

Mailing Address _____ City _____ State _____ Zip Code _____ Country _____

Supplemental Provisions/Information

(See instructions.)

Text Area: [The attached addendum, if any, is incorporated herein by reference.]

Organizer

The name and address of the organizer:

Name

Street or Mailing Address _____ City _____ State _____ Zip Code _____

Effectiveness of Filing (Select either A, B, or C.)

- A. ☐ This document becomes effective when the document is filed by the secretary of state.
- B. ☐ This document becomes effective at a later date, which is not more than ninety (90) days from the date of signing. The delayed effective date is: _____
- C. ☐ This document takes effect upon the occurrence of a future event or fact, other than the passage of time. The 90th day after the date of signing is: _____

The following event or fact will cause the document to take effect in the manner described below:

Execution

The undersigned affirms that the person designated as registered agent has consented to the appointment. The undersigned also affirms that, to the best knowledge of the undersigned, the name provided as the name of the filing entity does not falsely imply an affiliation with a governmental entity. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized to execute the filing instrument.

Date: _____

Signature of organizer

Printed or typed name of organizer

Appendix C



Texas Application for Exemption – Federal and All Others

GLENN HEGAR

TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

Texas tax laws provide exemptions from sales, franchise and/or hotel taxes for organizations meeting specific requirements. The exemptions available vary, depending upon the category of exemption under which the organization might qualify.

Please use this application, Form AP-204, to apply for exemption if you are

- applying on the basis of the organization's designation as a qualifying 501(c) organization, or
- applying on any basis OTHER THAN as a religious, charitable, educational organization or a homeowners' association.

Separate applications are available for organizations applying for exemption as a religious (Form AP-209), charitable (Form AP-205), educational (Form AP-207) or homeowners' association (Form AP-206).

The applications, laws, rules and other information about exemptions are online at

www.Comptroller.Texas.Gov/taxes/exempt

You can submit your completed application along with required documentation by mail, fax or email

Mail: Texas Comptroller of Public Accounts
Exempt Organizations Section
P.O. Box 13528
Austin, Texas 78711

FAX: (512) 475-5862
Email: exempt.orgs@cpa.texas.gov

We process applications in the order they are received. To establish claimed exemptions, we may require additional information. After review of the material, we will inform the organization in writing if it qualifies for exemption. The Comptroller, or an authorized representative of the Comptroller, may audit the records of an exempt organization at any time during regular business hours to verify the validity of the organization's exempt status.

If you have questions or need more information, contact us at 800-252-5555.

You have certain rights under Chapters 552 and 559, Government Code, to review, request and correct information we have on file about you. Contact us at the address or phone number listed on this form.

AP-204-1 (Rev. 12-18/12)

Texas Application for Exemption – Federal and All Others



• Remove All Staples • TYPE OR PRINT • Do NOT write in shaded areas.

1. Organizations applying for exemption under one of the categories listed below should check the appropriate box and complete this application.

Our publication, *Guidelines to Texas Tax Exemptions (96-1045)*, includes a description of the additional documentation required for each category of exemption. For the category you select, be sure to read the requirements listed in the publication. **If you send in an application without including the documentation described in the publication, we will return the application to you with a request for additional information. We are unable to process incomplete applications.**

<input type="checkbox"/> Federal Exemption under qualifying Internal Revenue Code (IRC) Section 501(c). Attach IRS Determination Letter.	<input type="checkbox"/> Credit Unions - Federal
<input type="checkbox"/> Cemetery Corporations	<input type="checkbox"/> Credit Unions - State
<input type="checkbox"/> Certain Insurance Corporations for Farm Mutuals, Local Mutual Aid Associations and Burial Associations	<input type="checkbox"/> Development Corporations
<input type="checkbox"/> Certain Insurance Corporations Licensed as Title Insurance Companies and Title Insurance Agents	<input type="checkbox"/> Electric Cooperatives
<input type="checkbox"/> Certain Corporations Subject to the Insurance Code	<input type="checkbox"/> Emergency Medical Service Corporations
<input type="checkbox"/> Chambers of Commerce	<input type="checkbox"/> Farmers' Cooperative Societies or cooperatives whose single member is a farmers' cooperative described in Section 521(b)(1), IRC, that has at least 500 farmer-fruit grower members.
<input type="checkbox"/> Convention and Tourist Promotional Agencies	<input type="checkbox"/> Health Facility Development Corporations
<input type="checkbox"/> Cooperative Associations	<input type="checkbox"/> Hospital Laundry Cooperative Associations
<input type="checkbox"/> Cooperative Credit Associations	<input type="checkbox"/> Housing Finance Corporations
<input type="checkbox"/> Corporations Exempted by Another Law	<input type="checkbox"/> Local Organizing Committees
<input type="checkbox"/> Corporations with Business Interest In Solar Energy Devices	<input type="checkbox"/> Lodges
<input type="checkbox"/> Corporations Organized for Agricultural Purposes	<input type="checkbox"/> Marketing Associations
<input type="checkbox"/> Corporations Organized for Conservation Purposes	<input type="checkbox"/> Nonprofit Water Supply Corporations
<input type="checkbox"/> Corporations Involved with City Natural Gas Facility	<input type="checkbox"/> Open-End Investment Companies
<input type="checkbox"/> Corporations Organized to Provide Cooperative Housing	<input type="checkbox"/> Corporations Organized to Promote County, City or Another Area (Public Interest Organizations)
<input type="checkbox"/> Corporations Organized to Provide Convalescent Homes for Elderly	<input type="checkbox"/> Railway Terminal Corporations
<input type="checkbox"/> Corporations Organized for Student Loan Funds or Student Scholarship Purposes	<input type="checkbox"/> Recycling Operations
	<input type="checkbox"/> Telephone Cooperatives
	<input type="checkbox"/> Volunteer Fire Departments
	<input type="checkbox"/> Youth Athletic Organizations

2. ORGANIZATION NAME
 (Legal name as provided on Articles of Incorporation, or if unincorporated, the governing document.)

3. ORGANIZATION MAILING ADDRESS
 Street number, P.O. Box or rural route and box number

City State/Province ZIP Code County (or country, if outside the U.S.)

4. Texas taxpayer number (if applicable)

5. Federal Employer Identification Number (EIN) (Required if applying for exemption on the basis of a federal exemption)

6. a) Enter filing information issued by the Texas Secretary of State:

File Number File Date: Month Day Year

OR

b) ☐ Check this box if this organization is not registered with the Texas Secretary of State.
Special note to non-Texas organizations: Include a file-stamped copy of your organization's formation documents AND a current Certificate of Existence from the Secretary of State or equivalent officer in your home state.

7. Contact information of the person submitting this application

Name Email Address

Firm or Company Name Daytime Phone (Area code and number) Extension

Address City State ZIP Code

We will notify you by email when the exemption has been added to let you know where the exemption can be verified online. If an email address is not provided, indicate where our response should be mailed: ☐ organization's mailing address or ☐ mailing address of the submitter.

Appendix D

Form (Rev. December 2019) Department of the Treasury Internal Revenue Service	<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <h1 style="margin: 0;">SS-4</h1> <h2 style="margin: 0;">Application for Employer Identification Number</h2> <p style="font-size: small;">(For use by employers, corporations, partnerships, trusts, estates, churches, government agencies, Indian tribal entities, certain individuals, and others.)</p> <p style="font-size: x-small;">▶ Go to www.irs.gov/FormSS4 for instructions and the latest information. ▶ See separate instructions for each line. ▶ Keep a copy for your records.</p> </div> <div style="width: 35%; text-align: right;"> OMB No. 1545-0003 EIN </div> </div>	
Type or print clearly.	1 Legal name of entity (or individual) for whom the EIN is being requested	
	2 Trade name of business (if different from name on line 1)	3 Executor, administrator, trustee, "care of" name
	4a Mailing address (room, apt., suite no. and street, or P.O. box)	5a Street address (if different) (Don't enter a P.O. box.)
	4b City, state, and ZIP code (if foreign, see instructions)	5b City, state, and ZIP code (if foreign, see instructions)
	6 County and state where principal business is located	
	7a Name of responsible party	7b SSN, ITIN, or EIN
	8a Is this application for a limited liability company (LLC) (or a foreign equivalent)? <input type="checkbox"/> Yes <input type="checkbox"/> No	
	8b If 8a is "Yes," enter the number of LLC members ▶	
	8c If 8a is "Yes," was the LLC organized in the United States? <input type="checkbox"/> Yes <input type="checkbox"/> No	
	9a Type of entity (check only one box). Caution: If 8a is "Yes," see the instructions for the correct box to check. <div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <input type="checkbox"/> Sole proprietor (SSN) _____ <input type="checkbox"/> Partnership _____ <input type="checkbox"/> Corporation (enter form number to be filed) ▶ _____ <input type="checkbox"/> Personal service corporation _____ <input type="checkbox"/> Church or church-controlled organization _____ <input type="checkbox"/> Other nonprofit organization (specify) ▶ _____ <input type="checkbox"/> Other (specify) ▶ _____ </div> <div style="width: 48%;"> <input type="checkbox"/> Estate (SSN of decedent) _____ <input type="checkbox"/> Plan administrator (TIN) _____ <input type="checkbox"/> Trust (TIN of grantor) _____ <input type="checkbox"/> Military/National Guard <input type="checkbox"/> State/local government <input type="checkbox"/> Farmers' cooperative <input type="checkbox"/> Federal government <input type="checkbox"/> REMIC <input type="checkbox"/> Indian tribal governments/enterprises Group Exemption Number (GEN) if any ▶ _____ </div> </div>	
9b If a corporation, name the state or foreign country (if applicable) where incorporated	State _____ Foreign country _____	
10 Reason for applying (check only one box) <div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <input type="checkbox"/> Started new business (specify type) ▶ _____ <input type="checkbox"/> Hired employees (Check the box and see line 13.) <input type="checkbox"/> Compliance with IRS withholding regulations <input type="checkbox"/> Other (specify) ▶ _____ </div> <div style="width: 48%;"> <input type="checkbox"/> Banking purpose (specify purpose) ▶ _____ <input type="checkbox"/> Changed type of organization (specify new type) ▶ _____ <input type="checkbox"/> Purchased going business <input type="checkbox"/> Created a trust (specify type) ▶ _____ <input type="checkbox"/> Created a pension plan (specify type) ▶ _____ </div> </div>		
11 Date business started or acquired (month, day, year). See instructions.	12 Closing month of accounting year	
13 Highest number of employees expected in the next 12 months (enter -0- if none). If no employees expected, skip line 14.	14 If you expect your employment tax liability to be \$1,000 or less in a full calendar year and want to file Form 944 annually instead of Forms 941 quarterly, check here. (Your employment tax liability generally will be \$1,000 or less if you expect to pay \$5,000 or less in total wages.) If you don't check this box, you must file Form 941 for every quarter. <input type="checkbox"/>	
<div style="display: flex; justify-content: space-around;"> <div style="width: 30%;">Agricultural</div> <div style="width: 30%;">Household</div> <div style="width: 30%;">Other</div> </div>		
15 First date wages or annuities were paid (month, day, year). Note: If applicant is a withholding agent, enter date income will first be paid to nonresident alien (month, day, year) ▶		
16 Check one box that best describes the principal activity of your business. <div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <input type="checkbox"/> Construction <input type="checkbox"/> Rental & leasing <input type="checkbox"/> Transportation & warehousing <input type="checkbox"/> Real estate <input type="checkbox"/> Manufacturing <input type="checkbox"/> Finance & insurance </div> <div style="width: 48%;"> <input type="checkbox"/> Health care & social assistance <input type="checkbox"/> Wholesale-agent/broker <input type="checkbox"/> Accommodation & food service <input type="checkbox"/> Wholesale-other <input type="checkbox"/> Retail <input type="checkbox"/> Other (specify) ▶ _____ </div> </div>		
17 Indicate principal line of merchandise sold, specific construction work done, products produced, or services provided.		
18 Has the applicant entity shown on line 1 ever applied for and received an EIN? <input type="checkbox"/> Yes <input type="checkbox"/> No		
If "Yes," write previous EIN here ▶ _____		
Third Party Designee	Complete this section only if you want to authorize the named individual to receive the entity's EIN and answer questions about the completion of this form.	
	Designee's name	Designee's telephone number (include area code)
	Address and ZIP code	Designee's fax number (include area code)
Under penalties of perjury, I declare that I have examined this application, and to the best of my knowledge and belief, it is true, correct, and complete.		Applicant's telephone number (include area code)
Name and title (type or print clearly) ▶ _____		Applicant's fax number (include area code)
Signature ▶ _____ Date ▶ _____		

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 16055N

Form **SS-4** (Rev. 12-2019)

Do I Need an EIN?

File Form SS-4 if the applicant entity doesn't already have an EIN but is required to show an EIN on any return, statement, or other document.¹ See also the separate instructions for each line on Form SS-4.

IF the applicant...	AND...	THEN...
started a new business	doesn't currently have (nor expect to have) employees	complete lines 1, 2, 4a-8a, 8b-c (if applicable), 9a, 9b (if applicable), and 10-14 and 16-18.
hired (or will hire) employees, including household employees	doesn't already have an EIN	complete lines 1, 2, 4a-6, 7a-b, 8a, 8b-c (if applicable), 9a, 9b (if applicable), 10-18.
opened a bank account	needs an EIN for banking purposes only	complete lines 1-5b, 7a-b, 8a, 8b-c (if applicable), 9a, 9b (if applicable), 10, and 18.
changed type of organization	either the legal character of the organization or its ownership changed (for example, you incorporate a sole proprietorship or form a partnership) ²	complete lines 1-18 (as applicable).
purchased a going business ³	doesn't already have an EIN	complete lines 1-18 (as applicable).
created a trust	the trust is other than a grantor trust or an IRA trust ⁴	complete lines 1-18 (as applicable).
created a pension plan as a plan administrator ⁵	needs an EIN for reporting purposes	complete lines 1, 3, 4a-5b, 7a-b, 9a, 10, and 18.
is a foreign person needing an EIN to comply with IRS withholding regulations	needs an EIN to complete a Form W-8 (other than Form W-8ECI), avoid withholding on portfolio assets, or claim tax treaty benefits ⁶	complete lines 1-5b, 7a-b (SSN or ITIN as applicable), 8a, 8b-c (if applicable), 9a, 9b (if applicable), 10, and 18.
is administering an estate	needs an EIN to report estate income on Form 1041	complete lines 1-7b, 9a, 10-12, 13-17 (if applicable), and 18.
is a withholding agent for taxes on nonwage income paid to an alien (that is, individual, corporation, or partnership, etc.)	is an agent, broker, fiduciary, manager, tenant, or spouse who is required to file Form 1042, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons	complete lines 1, 2, 3 (if applicable), 4a-5b, 7a-b, 8a, 8b-c (if applicable), 9a, 9b (if applicable), 10, and 18.
is a state or local agency	serves as a tax reporting agent for public assistance recipients under Rev. Proc. 80-4, 1980-1 C.B. 581 ⁷	complete lines 1, 2, 4a-5b, 7a-b, 9a, 10, and 18.
is a single-member LLC (or similar single-member entity)	needs an EIN to file Form 8832, Entity Classification Election, for filing employment tax returns and excise tax returns, or for state reporting purposes ⁸ , or is a foreign-owned U.S. disregarded entity and needs an EIN to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business	complete lines 1-18 (as applicable).
is an S corporation	needs an EIN to file Form 2553, Election by a Small Business Corporation ⁹	complete lines 1-18 (as applicable).

¹ For example, a sole proprietorship or self-employed farmer who establishes a qualified retirement plan, or is required to file excise, employment, alcohol, tobacco, or firearms returns, must have an EIN. A partnership, corporation, REMIC (real estate mortgage investment conduit), nonprofit organization (church, club, etc.), or farmers' cooperative must use an EIN for any tax-related purpose even if the entity doesn't have employees.

² However, don't apply for a new EIN if the existing entity only (a) changed its business name, (b) elected on Form 8832 to change the way it is taxed (or is covered by the default rules), or (c) terminated its partnership status because at least 50% of the total interests in partnership capital and profits were sold or exchanged within a 12-month period. The EIN of the terminated partnership should continue to be used. See Regulations section 301.6109-1(d)(2)(iii).

³ Don't use the EIN of the prior business unless you became the "owner" of a corporation by acquiring its stock.

⁴ However, grantor trusts that don't file using Optional Method 1 and IRA trusts that are required to file Form 990-T, Exempt Organization Business Income Tax Return, must have an EIN. For more information on grantor trusts, see the Instructions for Form 1041.

⁵ A plan administrator is the person or group of persons specified as the administrator by the instrument under which the plan is operated.

⁶ Entities applying to be a Qualified Intermediary (QI) need a QI-EIN even if they already have an EIN. See Rev. Proc. 2000-12.

⁷ See also *Household employer agent* in the instructions. **Note:** State or local agencies may need an EIN for other reasons, for example, hired employees.

⁸ See *Disregarded entities* in the instructions for details on completing Form SS-4 for an LLC.

⁹ An existing corporation that is electing or revoking S corporation status should use its previously-assigned EIN.

Vita

After completing her work at Westwood High School in Austin, Texas, in 2007, Kelsey McMillan entered Stephen F. Austin State University in Nacogdoches, TX. Between the Summers of 2007 and 2011, she attended school there and received a Bachelor of Arts in Theatre from the University in May 2011. In the following seven years, she held various roles in the theatre industry in Austin and Houston, TX. She became a theatre educator in Houston, TX, in 2015 and remains a teacher. She has directed and produced many productions in Houston, TX, over the past nine years. In August of 2019, she entered the Graduate Program at Stephen F. Austin State University to pursue a Master's Degree in Interdisciplinary Studies for Arts Entrepreneurship and is set to earn her degree in the May of 2023.

Permanent Address: 2903 Carnoustie Dr.
 Missouri City, TX 77459

Style Manual: APA 7th Edition

This thesis was typed by Kelsey A. McMillan.