

Research on the Management Philosophy and Methods of Building Sustaining Strategic Cooperative Relationships for Chinese Symphony Orchestras

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Abstract

The most challenging aspects of managing a symphony orchestra are enabling pursuit of the artistic vision of the orchestra and ensuring the financial stability of the orchestra. The managers of Chinese symphony orchestras generally believe that the biggest difficulty they encounter is insufficient funds. However, knowledge on this topic remains one-sided and fragmented problems in both the perspective of practical operation and theoretical research. Therefore, using the systematic literature review method and practical investigation, this article advances knowledge on the topic by identifying, analyzing, and consolidating into an integrative conceptual framework, all the factors affecting the shortage of funds. The article puts forward the philosophy that building a sustaining strategic cooperative relationship will provide a solid foundation for the sustainable and high-quality development of orchestras, and further discusses the people, channels, and methods of building a sustaining strategic cooperative relationship.

Key words

Symphony Orchestra, Strategic Management, Strategic Cooperative relationship

Introduction

As we all know, the development of symphony orchestras is an important symbol of the cultural and artistic development of a country and even a city. The development of symphony orchestras in China has a history of more than 100 years. Nowadays, with the comprehensive development of China's economy and society, the standard, scale, and influence of symphony orchestras are one of the benchmarks to examine the cultural and artistic life of a city. In the face of the challenges and opportunities of the new era, new requirements have been put forward for the management philosophy and methods of high-quality development of symphony orchestras. Among them, the most challenging aspects of managing a symphony orchestra are enabling pursuit of the artistic vision of the orchestra and ensuring the financial stability of the orchestra (Newton, 2022a). After all, artistic activities (especially large-scale artistic activities) cost money, and the production of high-quality artistic works and the maintenance of efficient management of the orchestras cannot be achieved without a solid economic foundation.

Since China's reform and opening, with the further advancements of the market economy and the deepening of the cultural system reform, the government has gradually withdrawn from the

full funding of artistic activities and has promoted many artistic activities to the society, including the symphony orchestras we discussed. Therefore, what are the sources of funds needed to maintain the operation of the symphony orchestra, and what proportion of each, as well as how to raise more funds to promote the development of the orchestras to a higher quality, these issues have become the problems that orchestra managers have to think about. The funding sources of Chinese symphony orchestras are roughly divided into government appropriations and special subsidies, corporate sponsorships, and ticket revenue. Taking the China Philharmonic Orchestra as an example, as a national-level cultural institution, it enjoys a national financial allocation of about 40 million yuan per year. Even so, in the interview with Li Nan, the head of the China Philharmonic Orchestra, he mentioned that the biggest difficulty encountered in the operation and management of the orchestra is the reduction of funds, and the solution is to rely on corporate sponsorship, which is even the case for orchestras in first-tier cities, not to mention the development of local orchestras (Zhang, 2022). Nearly half of the income of Chinese symphony orchestras comes from government appropriations and special subsidies. It is precisely for this reason that orchestras are not proactive in seeking sponsorship, and lack long-term financing planning and ability, and lack the concept and mechanism of establishing lasting strategic cooperative relations, which is not conducive to the hematopoietic function and sustainable development of symphony orchestras.

In fact, it's no secret that, worldwide, many orchestras have struggled financially. No orchestra in the world earns enough to cover its operating expenses (Robert J. Flanagan 2012). One of the ways to solve the financial difficulties of the orchestra is to raise funds. It is undeniable that fundraising is crucial part of the overall income mix of ordinary orchestras and a prerequisite for their survival and development. The ability of the orchestra to raise and manage funds will determine whether the orchestra can develop in a high quality or even survive. On the one hand, based on the situation and trend of the internal and external environment of the orchestra, long-term and systematic planning is carried out on the fundraising goals, structures, channels, and methods of the orchestra, aiming to provide reliable financial support for the high-quality development and enhancement of core competitiveness of the orchestra. On the other hand, the financing of the orchestra is to adapt to the future environment and the strategic requirements of the orchestra. It is not about minimizing short-term funding cost for the orchestra, but rather ensuring the reliability and flexibility of the orchestra's long-term funding sources, and based on this, continuously reducing the long-term funding cost and risk of the orchestra.

Although some stakeholders may view that increased reliance on donors as a failure to garner enough earned income, this perspective does not sufficiently recognize that fundraising is a strategic, intentional, and important piece of the puzzle. Fundraising remains a mystery to many orchestra managers. Usually considered as "asking people for money", a high-functioning development operation is far less about "ask", and more about the time and effort that it takes to build sustaining relationships.

Research Basis and Method

Based on the theory of strategic management, with reference to the latest research and practice results of the management concepts and methods of European and American symphony orchestras and combined with the actual situation and practical cases of Chinese symphony orchestras, this article puts forward the idea that building a sustained strategic cooperative

relationship will provide a solid foundation for the sustainable and high-quality development of symphony orchestras. Furthermore, the channels and methods of establishing sustainable strategic cooperative relations are discussed.

From the existing strategic management theory, it involves the analysis of internal and external factors and corporate social relations. From the internal situation of the enterprise, it is necessary to understand the basic structure of the enterprise, which consists of five dimensions: the dimension of resources such as finance, capital, knowledge, information and other; the human dimension; the organizational structure dimension; the spiritual dimension of system, culture, purpose, and strategy; the activities dimension of management, research and development, production, marketing, service, transportation and other. The theories that form strategy from these five dimensions have basically been established, they respectively are resource theory, entrepreneur strategy theory, Chandler's structure-following strategy view, new institutional school's partial view, Porter's value chain theory.

Corporate social relationship is an important theoretical basis of this article, which is related to the concept of corporate social capital. Although corporate social relationship is more derived from the external environment of enterprises, it is indeed different from the general analysis of corporate environment. The difference between the two is that the enterprise can coordinate and integrate, and even manage and control its social relations to a certain extent. For the environment, the enterprise is unable or difficult to coordinate, integrate, let alone manage. From the perspective of corporate social relations, an enterprise should not only deal with the relationships between internal organizations, people, but also deal with the relationships between competitors, target sponsors, potential donors, governments, enterprises, associations, universities, research institutes, communities, and other organizations, to maximize corporate social capital (Wang Ge, 2004a).

In terms of research methods, this article adopts the combination of qualitative and quantitative methods, mainly using literature research, case study, in-depth interview, and comparative research. The empirical research mainly investigates and interviews the current situation of 17 major professional symphony orchestras in China to understand the difficulties and challenges they face and analyze the reasons. Reference to other survey data such as: Seung Ho Park et al. also made an empirical study on the relationship network of Chinese enterprises. Propose that relationship is social capital. It is pointed out that to overcome the shortage of competition and resources, Chinese enterprises exchange benefits through cooperation with competitors and the government, and then develop relations as a strategic mechanism. Through empirical research. They explored the impact of relationships on firm performance. The conclusion is that, in general, relationships bring higher performance to the company, but only to the increase of sales volume, the company's market control and competitive position, and have no effect on profits and internal operations (Wang Ge, 2004b).

The Philosophy of building a Sustaining Strategic Cooperative Relationship

1. Building Relationships is a Mutually Beneficial Process

Based on the resource-based theory of strategic alliance, strategic alliance is essentially to obtain each other's valuable resources through cooperation, and to maximize its own value by gathering and using valuable resources (Xu Libo, 2011). For the orchestra, it has a variety social

function, such as meeting the needs of local citizens for their own cultural life, becoming a cultural symbol of the city's external publicity, and cultivating citizens' artistic aesthetic abilities. The orchestra, which take fulfilling these social missions as their own responsibility, is obviously far from being able to accomplish these tasks only through the sponsorship of a single concert or a single series of concerts. Therefore, obtaining long-term and stable strategic cooperation is crucial for the high-quality and sustainable development of symphony orchestras. This includes large project collaborations with longer time spans and more collaborative content. To achieve this kind of cooperation with more benefits, there need to be more conditional restrictions on both parties involved in the cooperation, so as to reduce the high uncertainty brought by the existence of inter-organizational heterogeneity, opportunistic behavior, and inter-organizational barriers and other factors (Wang Tao, 2022).

The "like-minded" of both parties in cooperation is mainly reflected in the consistency of concepts and purposes. Under the cooperative effect of "concentrating efforts to accomplish great things", the cooperative relationship is more stable, and the cooperative progress is more efficient. Therefore, in strategic cooperation, the orchestra and the sponsoring enterprise need to examine whether the basic organizational information such as organizational mission, purpose, and vision of the other party match each other. Only when the organizational mission is consistent, can higher-value cooperation be integrated. The cases in point are the strategic cooperation between the Shanghai Symphony Orchestra and Jaguar Cars Limited, and China NCPA (National Center for the Performing Arts) Concert Hall Orchestra and Mercedes Benz Group, and so on.

Case 1: The cooperation between Shanghai Symphony Orchestra (SSO) and Jaguar Cars Limited is based on a consistent motivation and plays an important role in the integration of urban cultural activities in the deep cooperation of social mission, shared market, and complementary advantages. The president of the SSO said, "Culture is an important component of a city's soft power, and the promotion of culture cannot be separated from the assistance of social resources"(Qian Lei, 2021). The motivation for cooperation between SSO and enterprises largely lies in the use of social resources to promote the development of cultural undertakings. As an illustration in July 2021, British car brand Jaguar has reached a long-term strategic partnership with the Shanghai Symphony Orchestra Concert Hall --- renaming it the Jaguar Shanghai Symphony Concert Hall. With the support of Jaguar, the Student Festival Orchestra of SSO has recruited children from all over China for the first time, further expanding the scale and scope of the influence of SSO.

Jaguar has been committed to aligning its brand value with Chinese culture, the spirit of the times, and localization needs since entering the Chinese market for over a decade. Jaguar has reached a partnership with the SSO, which has a history of more than 100 years, not only hopes that SSO's innate Shanghai style cultural genes can be perfectly integrated with Jaguar's British design, but also hopes to give new vitality to the design and brand by integrating cultural and artistic charm, improve user value experience and perception realm, and give new vitality to brand development.

At the same time, the SSO and Jaguar jointly hope to share audiences and markets with each other through cooperation. The Chinese market is the largest and youngest luxury car market in the world, with an average age of 35 for Chinese luxury car customers. The fan base of the

SSO also has the characteristic of youthfulness. There is a shared value and goal alignment between both parties in terms of user rejuvenation, and cooperation can achieve the sharing and transmission of audience resources.

From the perspective of organizational learning theory in strategic alliance, strategic alliance provides opportunities to internalize the knowledge of partners, including codified knowledge (explicit skills such as books, technical specifications, design) and experiential knowledge (implicit skills such as corporate culture and management). The cooperation between SSO and enterprises is mainly reflected in the learning of experiential knowledge of both parties. As a non-for-profit arts organization, the orchestra lacks norms, standards, and experience in internal management and market operation. Through cooperation with enterprises, the orchestra has acquired an open business philosophy and market-oriented operation mode and learned how to seek survival in the market mechanism, to enhance the vitality of the orchestra's management and operation. For enterprises, the humanistic values and cultural connotations contained in orchestras help them learn how to improve corporate culture, improve the aesthetic taste and artistic accomplishment of employees, and enhance their centripetal force and cohesion, strengthen their sense of identification and belonging to the enterprise, so as to achieve the ultimate goal of optimizing enterprise management.

Case 2: Based on cultural identity and brand win-win, China NCPA and strategic partners rely on the advantages of both sides to establish and maintain a lasting and stable cooperative relationship. Strategic partners provide a certain amount of sponsorship support for the development and operation of the NCPA, and the NCPA provides corresponding returns and services for its partners, awarding it the title of strategic partner of the NCPA, helping corporate culture construction and brand communication to achieve win-win results. The NCPA is China's first national-level arts center, which officially opened at the end of 2007. In just 16 years, it has surprisingly risen to the ranks of the world-renowned arts centers and become the dream stage for top performing artists both domestically and internationally. As the creator of the first automobile and the world's top luxury car brand, Mercedes Benz is a global company with a long history and excellent quality. With a high sense of social responsibility, Mercedes Benz has been actively promoting the spread and development of culture and arts in China. The brand itself contains rich artistic temperament, and this high-quality, noble, and mature brand connotation is perfectly matched with the NCPA. Mercedes Benz is not only the first strategic partner of the NCPA, but also the first and only automotive brand to cooperate with the NCPA. As the resident orchestra of the NCPA, it carries many responsibilities and missions, including various large-scale performances such as concerts, operas, ballet, and other small-scale performances such as chamber music. Since the launch of the "Weekend Concert" series by the NCPA Orchestra, Mercedes Benz has long been a major partner in sponsoring and supporting this series of activities; The Mercedes Benz International Music Festival, founded in 2010, has won widespread praise for its superb artistic level and has become one of the most impressive music festivals in China; Mercedes Benz also sponsors a concert of the NCPA Orchestra every year, which is named the "Mercedes-Benz Night" concert, further ties up the bond between the two parties' cross-border cooperation relationship.

Wang Ning, president of the NCPA, said: "We sincerely look forward to receiving the great support of Mercedes-Benz as always, to carry out deeper cooperation in original arts

production, Sino-foreign cultural exchanges and arts communication and promotion, and jointly build a warm theatre, introduce high-quality artistic works, inherit cultural treasures and respond to the demands of the times." Yang Ming, President and CEO of Beijing Mercedes-Benz Sales and Service Co., LTD., said: "Mercedes-Benz will continue to work with the NCPA to inherit classics with the power of the brand, to fulfill the responsibility of the company to spread arts, to contribute to the prosperity of culture and arts, and to add beautiful melody to the harmonious development of society and the happy life of the people" (NCPA, 2020) .

This case of strategic cooperation, which deeply explores the connotations of both brands and jointly undertakes social missions, not only confirms that large enterprises seek to make contributions in the promotion of culture and arts to fulfill their social responsibilities as well-known brands, but also demonstrates that such strategic cooperation based on a common social mission has broad prospects.

2. Building Relationships is a Long-Term Process

The fundraising process is closely tied to the approach that people are likely to take when forming any meaningful relationship. Meaningful relationships aren't built overnight, and the same goes for relationships with donors.

As an orchestra holding arts activities, it usually strives to expand the channels of fundraising and the ways of sponsorship return. One viewpoint is that when it comes to corporate sponsorship, these concepts come to mind, such as "building a good corporate image", "increasing sales", and "high-quality marketing" come to mind, emphasizing mutual benefit and equal exchange between both parties, which can be referred to as "transaction marketing". From another perspective, obtaining financial support for artistic activities as a commercial transaction is far from enough. The act of sponsorship increasingly emphasizes the importance of building a long-term and stable relationship between fundraisers and sponsors, which involves the field of interpersonal marketing. It is built on the foundation of emotions, commitment, and trust, and this relationship will continue to run through arts sponsorship activities for a long time. In this regard, Dr. h. c. Sissy Thammer, President of Festival Junger Künstler Bayreuth in Germany, emphasized three important points in her lecture on "Financing of Cultural Institutions in the Federal Republic of Germany" in the "International Arts Festival and Urban Development Summit Forum and Arts Management Workshop" (China, 2014) —

- 1) **Fundraising is essentially a kind of interpersonal marketing.** Fundraising is centered on the management of interpersonal relationships, and its strategy and principle are to establish long-term and stable friendships with donors and sponsors.
- 2) **Establishing a network of people based on value identification.** Fundraising under the concept of interpersonal marketing is an ongoing process. In this process, we not only care about our own interests, but also about the interests of our sponsors, forming a circle of relationships centered around fundraising for the orchestra, covering individuals, corporations, governments, and foundations. This circle of relationships is similar in terms of values and attitudes towards arts. Most importantly, people within this circle need to achieve a high degree of identification with the development of the symphony orchestra.
- 3) **Potential fundraising targets also need to be expanded.** All potential fundraising targets also need to be continuously expanded, so that when new ideas emerge, we can promptly find the most suitable fundraising targets to implement the

ideas, and then successfully hold the next cultural and artistic event (Thammer, 2014a).

3. Fundraising is Related to Everyone

The quick and simple answer to "who does fundraising?" is everyone. Each internal constituent of the orchestral organization plays a role in fundraising, from the box office to the receptionist, from board members to musicians (Newton, 2023b). While the development process and strategy are governed by the board of directors and managed by expert staff members, everyone associated with the orchestra enables and supports the relationship-building that underpins the entire orchestra. Firstly, The Orchestra Manager (General Manager) ---Fundraising is usually an important task for any orchestra manager. As the core leader and promoter of fundraising work, he/she has incomparable strong appeal and can better reflect the value essence of fundraising work. Secondly, the Board---Fundraising is often a major expectation of board members. The fundraising level of board members determines the pace of the rest of the orchestra. Thirdly, Staff Members---There are myriad tasks related to fundraising that staff members must accomplish. These tasks are important to the overall fundraising activities of the orchestra and provide an important foundation for effective fundraising efforts. Fourthly, Musicians---Although many musicians may feel that fundraising is not their job, the reality is that donors love few things more than building relationships with the members of the orchestra. The musicians of the orchestra are the organization's greatest asset---not only due to their musical abilities, but also because they live and work in the community, routinely building relationships with audience members and donors. Finally, Volunteers---Those who volunteer their time to work with orchestras provide a tremendous amount of support to the organization's on-going operations. Most importantly, volunteers serve as a valuable connection to the community within which the orchestra performs.

Channels and Methods for Building Sustaining Strategic Cooperative Relationships

One of the keys to the financial success of any organization is diverse revenue streams. Successful modern professional orchestras do not rely on one (or a few) mega-donors, but rather on diverse sources of income to cover costs. For Chinese symphony orchestras, there are four possible financing channels: (1) Sales revenue---proceeds from selling goods and services; (2) Own resources---income from investments and Membership fees; (3) Public funds---National fund, local fund (Provincial and Municipal fund); (4) Patronage donations from companies---sponsoring and fundraising. Funding from individuals, corporations, foundations, and government agencies is subject to ongoing environmental changes. Funding for the arts may change when the economic situation improves or declines. Other factors include reduced government funding for social services, shrinking arts budgets in various regions, and the disappearance of businesses due to mergers. Therefore, orchestra managers first need to change their mindset and ensure that the orchestra's sources of income are diverse, including various sources of contributed income, to ensure the timeliness and effectiveness of fundraising. Orchestra managers need to understand the needs of different sponsoring organizations and sponsors, formulate different reward mechanisms, encourage the public to actively participate in the development of symphony orchestras, transform from arts followers to arts lovers, and

then become arts participants, forming a virtuous cycle. That said, the establishment and maintenance of relationships with people is at the core of all contributed income. Whether with individual donors, program officers at the local foundation, business leaders, leaders of arts agencies, or holders of public office, it is important to remember that people are making the important decisions about how (and whether) to give.

1. Individuals

The tradition of privately sponsored arts activities has a long history. Due to differences in arts policies across countries, the proportion of private sponsorship in arts activities in Europe, which is directly supported by governments, is much lower than in the United States. However, the continuous downturn of the European economy in recent years and the adjustment of government cultural policies have led to restrictions on government funding for artistic activities. The proportion of private sponsorship by major European orchestras has been increasing year by year in recent years, which also indicates that it will be increasingly important to raise funds for the operation of activities from the community. In the United States, orchestras tend to rely heavily on the generosity of individuals, with an average of 46% (nearly \$262 million) of their contributed income coming from individuals in 2014 (Voss, 2016). For orchestras in America, these individuals tend to be highly engaged with the orchestras, often serving on the board, and frequently attending concerts. In most cases, they have been engaged with the orchestra for many years.

For Chinese orchestras, individual donations require support from relevant government policies, and the orchestras need to establish a strategy for many individual donors, including donors research, providing multiple donation methods, personal contact, telephone fundraising, direct mailing, and organizing special events.

(1) Donors Research

Many methods used for audience development can be applied for donors research. The existing pre-sale ticket subscribers, members, and spectators who purchase single tickets are the core of active donors. This core should be further studied, and a donor profile must be completed for each of them, with the more complete the information, the better. The second stage of the study is to focus on non-active supporters and potential supporters. For those who may become donors, we should collect a large amount of information from them and rank them according to the likelihood of donation for future use. "No pain, no gain." For the orchestra to receive sustained and stable donations, it is necessary to devote manpower in filtering through the lists of people who have previously come to book tickets, customers, and members of other arts organizations, as well as some societies or commercial organizations. We also need the school directories (including the phone books of colleges and universities), recommended individuals from existing donors, and some publicly published social celebrity lists, as these may come in handy.

(2) Methods of Raising Funds

- Visiting in person. To maintain donors more sustainably, it is best to visit them in person, as face-to-face requests for assistance are the most effective fundraising method.

Holding public events such as conferences, receptions, luncheons, and dinners gives fundraisers the opportunity to interact directly with donors without having to ask for money directly. Some donors enjoy social activities to meet and be seen, fulfill their need to be noticed, and perhaps start more private one-on-one fundraising effort later.

- **Communication tools.** To keep donors updated on the latest status and planning needs of the orchestra, the cultivating process includes a series of carefully planned communication methods, such as performance information, promotional brochures, leaflets, postcards, and emails, which are all good ways to keep potential donors informed of the current situation. Always Keeping websites or apps up to date also helps to quickly convey information to interested individuals. In addition, the public relations department of the orchestra should develop a plan to ensure that the orchestra's news and advertisements are visible to the local public. As a member of the community, donors are happy to see the orchestra they support seen by others in the community.
- **Telephone fundraising.** as face-to-face visits are more expensive than phone calls. Therefore, making phone calls is still an indispensable fundraising method. When encouraging board members, other staff, and volunteers to raise funds over the phone, the motivated manager is essential because using phone fundraising can be a frustrating task, and everyone may feel that the other person is rejecting due to improper speaking style or insufficient persuasiveness. Of course, when you did a solid preparation of relevant research materials, coupled with some well-written and flexible offensive and defensive speech training, there will be feedback.
- **Special events.** The orchestra usually holds at least one fundraising event every year, with a group of volunteers coordinating and planning a lottery winning event, or a charity performance. These types of activities can also enhance the popularity of the orchestra in the local area. For example, a lottery winning event is a good way for enterprises to participate in the orchestra by raising goods or services from everyone in the enterprise. The cost of planning a formal promotional event is high, so it is necessary to carefully control the budget, otherwise the cost may be even higher than the donations raised. But if there is a good planning committee, coupled with a practical schedule, it is possible to regularly obtain financial support for the orchestra and leave an unforgettable memory for the donors.

2. Corporate Giving

For-profit businesses often give directly to not-for-profit organizations, including orchestras. Corporate giving generally comes in the form of a sponsorship since, corporations are often seeking exposure to the orchestra's audience. Not unlike a sports team, many orchestras tend to produce a large quantity of events each music season, opening considerable opportunities for corporate sponsorships. Unlike other forms of contributed income, corporate sponsorships are generated through relationship building. There may be natural community ties and overlapping constituencies between the orchestra and potential corporate sponsors. Building and maintaining relationships with local business leaders is therefore an important task for the orchestra manager, since these relationships can yield both corporate and individual support for the organization.

In a typical large-scale donation or fundraising event, the orchestra usually takes a considerable

amount of time to establish relationships with the donors. Dr. Sissy Thammer summarized the process and methods of fundraising as the following steps: 1) showcasing prospects and clarifying goals; 2) Establishing relationships and interpersonal marketing; 3) Put forward needs and reach consensus; 4) Value identification and appropriate methods; 5) Gratitude mentality and consistent implementation; (6) Sincere treatment and long-term cooperation. (Thammer, 2014b)

3. Foundation

Most of the existing foundations in China are established with government support and have dual identities as social welfare organizations and official backgrounds. This is determined by China's specific national conditions. In addition to being highly flexible in terms of funding priorities, the organization of foundations is also diverse. For example, **the China National Arts Fund**, the funding projects include general projects and major projects, and the scope of funding includes artistic creation and production, communication and promotion, and talent cultivation. The funding methods include project funding, excellent rewards, and matching funding. The funding projects are based on guidance, representativeness, and demonstration, and strive to reflect the national artistic level.

Another example is **the China Symphony Development Foundation**, is to cultivate talents, prosper the market, improve skills, and promote international exchanges. The original fund amount of the foundation is 8 million yuan, which was donated by domestic and overseas associations, enterprises, units, commercial firms, and individuals. The business scope of the foundation's public welfare activities: 1) organizing symphony public welfare performances and competitions; 2) Training symphony talents and improve their technical level; 3) Organizing international cultural and academic exchanges; 4) Other activities to popularize, develop, and enhance the symphony.

Shanghai Symphony Foundation (the former Shanghai Symphony Development Foundation) was founded in 1985. With the support from the government and various circles of society, Shanghai Symphony Foundation has promoted the symphony cause in Shanghai and has gained a favorable social reaction over the past few years through subsidizing symphony performances, popularization activities and international communications undertaken by the Shanghai Symphony Orchestra. The foundation has officially introduced the "council" system, becoming the first orchestra in China to establish a council in line with international standards. As the enterprises as council unit provide 20 million yuan to the orchestra every year, which solves some of the financial difficulties of the orchestra.

Given the diverse funding priorities and types of foundations, it is important for those tasked with raising funds for the orchestra to understand the situation of their regional foundations. In any case, establishing connection with foundation project officials or other representatives is a good starting point. Additionally, much can be learned by perusing the application form for the Foundation. Regardless of the number of pages in the application form, the applicant must indicate the unique features of the orchestra, explain the necessity of the orchestra for public cultural services, and explain how to evaluate the effectiveness of the orchestra.

4. Investment Income

Derived from the earnings of an orchestra's endowment fund, investment income is typically categorized separately from other types of revenue. However, it should be noted that this income is a direct result of effective development efforts, since it is based on the size of the organization's endowment, as well as the performance of investments over a period.

Not unlike a personal savings account, an endowment consists of two major categories of funds: principal and interest. Typically, the principal of an endowment is invested in a variety of ways (stocks, bonds, etc.), generating investment income (or interest) annually. These investments are usually managed by the orchestra's chief financial officer, in conjunction with members of the board of directors.

The amount of investment income that is generated by an orchestra's endowment will vary from one year to the next, as will with amount that the orchestra chooses to withdraw. In a high-performing year, the orchestra's leaders may choose to re-invest a portion of the earnings in the principal; in other years, the orchestra may need to draw all the earnings to support their various projects and programs. How the orchestra approaches investment income is ideally spelled out in a board-approved investment policy.

Conclusion

The various activities organized by the orchestra are often expensive, and how active the orchestra can be depending on its budget. Therefore, fundraising is an essential part of the management process of the orchestra, and in many ways, the success or failure of an orchestra's fundraising efforts reflects the overall health of the orchestra. On any given day, orchestra managers may and will face challenges from various aspects. These challenges, whether short-term, long-term, internal, or external, all exist. Considering these challenges, in addition to many other difficult competitions faced by orchestra managers, consciously building and maintaining relationships becomes the core of their daily work. In fact, focusing on relationships could be a solution to many of the challenges faced by current orchestra managers. To sum up, for Chinese orchestra managers, how to build sustaining strategic cooperative relationships with the government, enterprises, communities, arts institutions, and artists in their respective cities, and play an important role in the intersection and integration of urban arts activities, is a topic that needs to be continuously discussed. Confronting and adapting to long-established cultures and traditions will mean questioning a myriad of assumptions and rebuilding internal and external relationships, as well as initiating new relationships with those who may not feel that orchestral music is "for them." Therefore, building and sustaining internal and external relationship has always been (and will continue to be) the most important task for the orchestras in dealing with challenges.

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