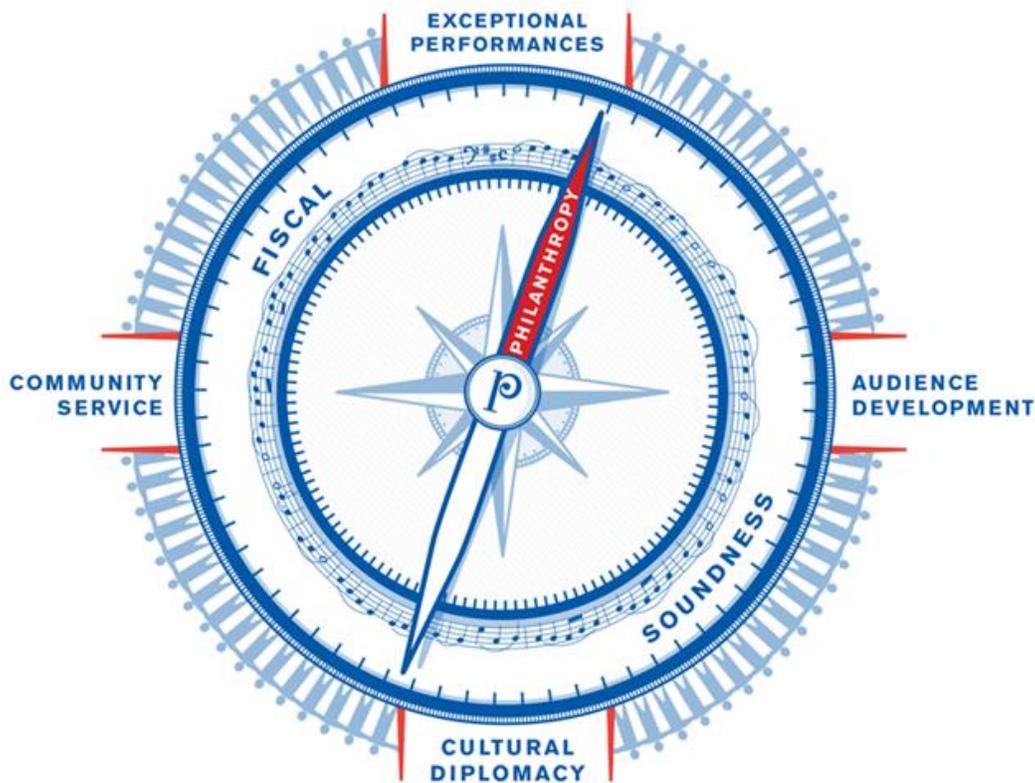


The Philadelphia Orchestra: Compass 2022 Executive Summary

The Philadelphia Orchestra has achieved success in navigating challenging fiscal waters to greater stability, while at the same time enriching the artistic excellence and exceptional performances for which it is known. Compass 2022 provides the strategic framework to continue to advance our art and deepen our connections to our local and global communities. It describes both the future directions of our work and the flexibility our approach takes to achieve our program goals, grow our audiences, and maintain our financial soundness.



September 20, 2017

The Philadelphia Orchestra: Compass 2022

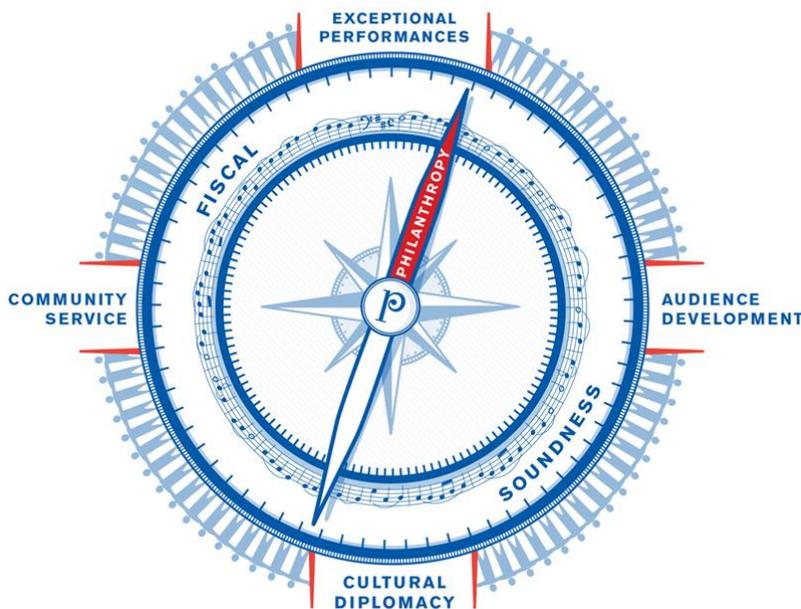
Executive Summary

“The Philadelphia Sound is born of the deep musicality, the generosity of spirit, and the incomparable commitment to ensemble playing of our Orchestra musicians. It is a unity of sound that distinguishes The Philadelphia Orchestra from all others.”
– Yannick Nézet-Séguin

“Unity.” Music Director Yannick Nézet-Séguin expresses the unique quality of The Philadelphia Orchestra. **Compass 2022**, our strategic directions for the five years beginning with 2018, is grounded in artistic excellence and captures unity of vision and purpose not only as our legacy but as our call to action.

Through steadfast attention to strategic planning in recent years, we have eliminated the organization’s debt, and dramatically expanded the range and scope of our activities locally, nationally, and globally.

We have defined programs with a breadth of vision that reflects the Orchestra’s storied legacy, its ongoing commitment to multifaceted community involvement, and its role as a global ambassador for the arts.



Compass 2022 depicts six strategic directions for The Philadelphia Orchestra’s next five-year plan. Four directions are the cardinal points of our compass: Exceptional Performances, Audience Development, Cultural Diplomacy, and Community Service. Philanthropy activates the compass needle as the fulcrum for our plan. Our commitment to Fiscal Soundness is the housing for Compass 2022, securely protecting our work.

Through the planning process, we have articulated clear directions in Compass 2022. The compass imagery represents the flexibility we will need to be responsive to both economic opportunities and challenges, and the case is a vivid illustration of the importance we place on managing responsibly and prudently within our resources.

The **Mission Statement** adopted in 2016 is the foundation for Compass 2022:

The Philadelphia Orchestra creates and shares music of the highest caliber for people of all ages and backgrounds. The Orchestra is committed to excellence, innovation, and creativity, onstage and off, and serves its many communities at home and abroad by performing music, encouraging music-making, and improving the quality of life.

We carry out this mission within the context of a set of guiding principles adopted with the mission: Art, Service, Learning, International Exchange, Innovation, and Excellence (see text boxes below). These values are an essential reference point in implementing the strategic directions.

Compass 2022: Six Strategic Directions

Art

We believe that music is a universal form of human expression. We broaden the art to be inclusive of many different modes of orchestral presentation, breaking traditional definitions and eliminating boundaries.

North: Exceptional Performances

Securing the Orchestra's artistic core—our musicians and their work with our music director—is at the very heart of Compass 2022 and is as central to our future as it has been to our past. We have tremendous opportunities to continue to create, evolve, and deliver exceptional performances through the talents of our music director, Yannick Nézet-Séguin, whose commitment to the Orchestra extends through 2026. Under his baton, the Orchestra's artistry is flourishing in critically acclaimed interpretations of the symphonic repertoire, ranging from Baroque to contemporary. We must invest in highly creative artistic projects to excel as one of the world's premier musical

ensembles. Yannick's passion for operatic and oratorio projects presents exciting prospects for audiences and artistic partners. Repertoire during the coming years will include American sounds—jazz, Broadway, techno, spirituals, and folk music—that transcend traditional barriers in these genres. Community performers and collaborators from varying art forms, disciplines and backgrounds will join the Orchestra onstage in Theater of a Concert productions. We will commission works for our principal players and feature the nation's largest mechanical action concert hall pipe organ in the Fred J. Cooper Memorial Organ Experience. Innovative community projects with composers in residence will create collective, immersive performance experiences enjoyed by a wide range of performers and audiences.

Service

We provide outlets for expression and appreciation of orchestral music in service to Philadelphia and our region, as well as communities around the nation and the world.

East: Audience Development

The Philadelphia Orchestra derives meaning and purpose from its audiences. The musical experience exists for our audiences, whether performances in Verizon Hall; Carnegie Hall; at our summer homes in Saratoga, Philadelphia or Vail; on tour; streamed live from China; broadcast on the radio; or any of the hundreds of educational programs and concerts at community venues in any given year. Exceptional performances animate our initiative to enlarge and energize our patron base and reward patron loyalty in ways that are meaningful to the audiences themselves; these efforts will continuously build diverse

audiences and encourage deeper levels of enthusiasm and support. The audience development initiatives approach relationship-building through the lens of a lifelong connection between the individual and the Orchestra. Encouraging membership in the Young Friends of The Philadelphia Orchestra (age 21 to 40) will continue to lower the average age of our audiences and nurture the next generation of Orchestra donors, leaders, and volunteers. LiveNote® and other innovative technology applications are tools we will use to give ever greater numbers of patrons access to the experience of classical music.

International Exchange

Through music, we bring together people and cultures across the globe. We honor and foster our legacy relationships while continually cultivating new partners locally, nationally, and internationally.

South: Cultural Diplomacy

Over the past seven years, we have focused our entrepreneurial talent to diversify operations, developing China as a second market through robust collaborations with central and municipal government officials. Key multi-year strategic partnerships in China have manifested in traditional performances, side-by-side events in which Orchestra musicians and Chinese artists perform together, PopUp concerts in historic and culturally meaningful locations, master classes, coaching, and dissemination of these connections through both traditional and new media channels. This innovative commitment allows us to develop

mutually beneficial partnerships and reciprocal presentations with a significant number of Asian and European cities.

Learning

Our Collaborative Learning initiatives provide open musical exchange within Philadelphia's robust arts ecosystem, providing access to performance and educational activities and enhancing the value of music in all communities.

West: Community Service

We foster music-making and a love for classical music in all that we do. The **HEAR** initiative (**H**ealth, **E**ducation, **A**ccess, and **R**esearch) extends the reach of the Orchestra beyond Verizon Hall and the Academy of Music into neighborhoods, welcoming the entire community—people of every age and from all walks of life—to actively engage with The Philadelphia Orchestra as performers, listeners, and contributors to the art. HEAR transforms the lives of young Philadelphians through music, providing immersive educational experiences for K-12 students as well as authentic opportunities for adult audiences to engage directly with our musicians and music. We create opportunities to collaborate with community leaders in education, medicine, and human services to offer

musical experiences that provide hope and inspiration for those experiencing trauma, such as homelessness, incarceration, and recovery challenges.

Innovation

The Orchestra has been committed to innovation in the art form of orchestral music since its founding. We continue to expand access to our ensemble and music through unique creative programming, concert presentation, and technology.

The Fulcrum: Philanthropy

Our commitment to programmatic and operational innovation will inspire confidence and encourage philanthropy from established and new donors. The strategic directives of Compass 2022, linked with new investment opportunities for donors (such as our new Artistic, Collaborative Learning, and International Leadership Councils) will enable us to connect progress toward meeting our contributed revenue goals with progress within any initiative. The Orchestra will continue its successful annual fundraising program, concentrating our efforts on sustaining and strengthening contributed revenue from all sources. We will position the organization to undertake a fundraising campaign to increase the endowment to address our historic undercapitalization.

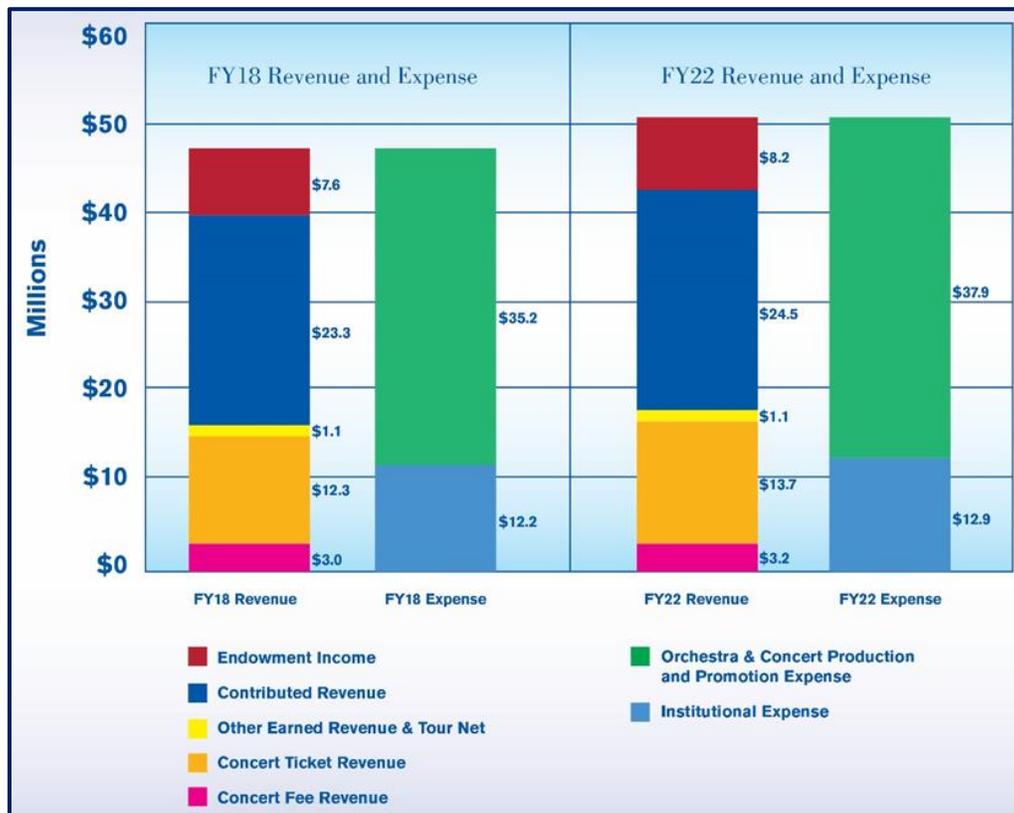
Creative programming will extend to original opportunities for audiences to learn more about the Orchestra, its artists, and its operations as one vehicle to invite an ever-larger group of patrons to become donors and investors. Philanthropy steadies and advances our progress toward any compass point in support of our mission and guiding principles.

Excellence

Our ensemble of musicians achieves excellence by performing at the highest standards of orchestral repertoire. Our Board, volunteers, and staff mirror these standards in their activities in support of the organization, following best practices for non-profit management.

The Compass Case: Fiscal Soundness

Our commitments to excellence and fiscal soundness are inextricably linked in Compass 2022. The fiscal model that is an integral component of Compass 2022 includes responsible goals for managing expenses and resources, and realistic targets for contributed revenue. We must steward the Academy of Music, the historic former home of the Orchestra, which we still own. Best practices and disciplines guide our work, including strong management and good governance. Budgets are balanced every year, we escrow ticket sales, manage liquidity, and mitigate risk. Compass 2022 sets a course of flexible and scalable initiatives to achieve an ever-improved fiscal standing in support of a new era of musical programming and community service.



TRUE NORTH: Our Success

The Philadelphia Orchestra will be valued by diverse audiences and loyal patrons first and foremost for exceptional performances, community engagement, cultural diplomacy, and fiscal soundness. Our success is determined by how we affect our region's quality of life for the better, meeting audiences where they are, in celebration or solace, energy or tranquility. Knowing this to be our True North unifies our focus on creatively achieving the goals of Compass 2022.