

The Eastman **Case Studies**

ANALYZE | QUESTION | ANTICIPATE
ASSESS | STRATEGIZE | SOLVE

CelloBello



EASTMAN
INSTITUTE FOR
MUSIC LEADERSHIP



EASTMAN
SCHOOL OF MUSIC
UNIVERSITY of ROCHESTER

CelloBello

Paul Katz has had an illustrious career as a cellist, giving thousands of concerts with the celebrated Cleveland Quartet, winning a GRAMMY award, and mentoring some of today's finest cellists. In 2010, he launched the website CelloBello.com, an online educational resource for both amateur and professional cellists. The site hosts contributions from respected cellists and teachers around the world. Lesson videos span an enviable array of topics, and all content is free to the global cello community. This case study reviews early partnerships CelloBello made with the New England Conservatory and Fractured Atlas. It also describes organizational changes Katz made to CelloBello and provides audience analytics for the website. As the organization develops plans for expansion, Katz needs to determine how to support the sharp rise in anticipated expenses.



This case study was prepared by Cora Swenson Lee. ***The Eastman Case Studies*** are developed solely as the basis for class discussion. Cases are not intended to serve as endorsements or sources of primary data nor are they to serve as illustrations of effective or ineffective leadership or decision making.

Book, Television, or Website?

Paul Katz rose to prominence as cellist of the renowned Cleveland Quartet. As a member of the string quartet from 1969 to 1995, he toured four continents in his career, giving thousands of concerts in some of the world's most famous performance halls, appearing on numerous television programs, and even performing at the White House. A GRAMMY award winner and recipient of multiple GRAMMY nominations, Katz has held several faculty positions at leading schools of music, and is credited with teaching generations of now-professional cellists and mentoring many of today's most successful string quartets. It was his reputation as a master-teacher that paved the way for the eventual creation of the website CelloBello.com ("CelloBello").

The origins of CelloBello date to 2002, when Elizabeth Aureden, a PhD candidate from the Harvard University Graduate School of Education, approached Katz with an idea. In her dissertation on the topic of legacy and mentoring, Aureden proposed focusing her research on Katz's cello studio at the New England Conservatory, where he has served on the faculty since 2001. Aureden's dissertation, published in 2006, was based on more than two years of observations, interviews, and filming of lessons in Katz's studio. When Aureden suggested that much of the research material could easily be turned into a book on cello pedagogy, Katz dismissed the idea, believing that the written word could too easily be misinterpreted: he felt that video was a more reliable medium for conveying his ideas on cello playing and teaching.

The lesson videos used as source material for the 2006 dissertation were eventually presented to the Educational Media Foundation of WGBH in Boston, with the hope of creating a DVD on cello pedagogy. The team members at WGBH, not musicians themselves, were excited by the fact that they could follow the lessons and hear the improvements in the students' playing. WGBH Executive Producer Arthur Smith felt that the videos could offer a window into the "mysterious world of the

artist" that would be interesting to PBS audiences, and he proposed that they make a film. Smith also believed that the future of education was online, rather than on DVDs, and offered to Katz the help of WGBH in developing a multi-faceted project, including a PBS-type film as a companion to an educational website.

The Great Recession beginning in 2008 impacted the funding for the documentary project, and the film had to be put on hold late in that year.

Katz recalled: "I was a bit depressed, thinking that this project might never be completed. That's when my wife said to me, 'You have 80 hours of film to work with. Why don't you just start the website yourself?'" And so CelloBello.com was born. The website was launched in March of 2010 and has since become a vital resource for cellists of all stripes, from professionals and teachers to passionate amateurs.

Katz felt that video was a more reliable medium for conveying his ideas on cello playing and teaching.

A Clearinghouse for Cello

Although the film (*Talent Has Hunger*) played in art cinemas in major markets and on over 200 PBS stations since its 2016 release, CelloBello emerged independently as an online library of materials relating to various facets of cello playing and teaching. Initially the content consisted exclusively of video footage from the then-incomplete documentary on Katz's teaching. The site now hosts contributions from respected cellists and teachers around the globe. Visitors to this online cello clearinghouse can browse lesson videos organized by topics such as left- or right-hand technique, body awareness, performance anxiety, and repertoire. There is a lesson section dedicated entirely to teachers and pedagogical issues. The site further provides videos and articles celebrating the greatest cellists and pedagogues of the past century, as well as a searchable archive, which contains blog posts from Katz and more than 30 other contributors on subjects

as wide-ranging as études, auditioning, warm-ups, techniques, and physical fitness for cellists. CelloBello also cultivates up-to-date lists of job and competition opportunities for the instrument. Especially relevant additions in the area of social media are the “CelloStream” and “CelloChats,” which offer users access to livestreams of interviews, masterclasses, and interactive conversations with prominent cellists. The “CelloLessons” even have official translations done by cellists in Arabic, Chinese, French, Spanish, Japanese, and Korean, and live CelloChats are also occasionally

CelloBello is in the unique position of being the primary resource in the landscape of cello instruction.

given in Korean, Spanish, and French. All of these features work to fulfill the mission of CelloBello: to “nurture and strengthen a global cello community through free online instruction and advice from renowned cellists and teachers.”

As a free online resource for cellists, CelloBello is truly unparalleled. It represents the most comprehensive collection of cello instruction available globally and continues to be curated by a leader in the field. Cellists and teachers, including some of the world’s biggest names including Katz himself, have allowed livestreaming and video taping of their master classes and have contributed their time to write cello blogs and host CelloChats—all without remuneration. Moreover, CelloBello remains under little threat of competition. Other free cello websites offer discussion boards and community advice, but no cohesive supply of information provided and endorsed by professional cellists. In 2008, the website of the Internet Cello Society would have been considered competition to CelloBello. When it was founded in 1994, the society had a pedagogical mission very similar to Katz’s website and was the first to cultivate a rich archive of educational articles and interviews with respected cellists. The Internet Cello Society has since evolved into more of a discussion forum for cellists of all levels and experiences, with professionals in the field chiming

in to offer advice. Other professional resources for cellists and teachers (such as the American String Teachers Association) have a limited online presence and require expensive yearly memberships in order to access educational content. They are also geared either towards performers or towards teachers, often encompassing the whole family of stringed instruments rather than focusing on the cello in particular. CelloBello is thus in the unique position of being the primary resource in the landscape of cello instruction, accessed by amateur and professional cellists, as well as by students and teachers. Its free content remains exclusively provided by the world’s top cellists and cello pedagogues. As its resources continue unmatched by competition in the world of playing the cello, a 2017 redesign of CelloBello and the increasing social media activity have helped to ensure relevance and sustainability in the quickly-changing online world.

Early Days Navigating the New Site

When asked to account for the success of CelloBello, Katz described a network of friends, colleagues, and other supporters of the organization’s mission, who generously donated their time and offered advice to help get the site up and running. At the time of CelloBello’s launch in 2010, there were few models of best practices for starting and maintaining a free, online educational library. Thus, the first years came with a steep learning curve for Katz. “I had no experience in this, but I was lucky and had relationships with people who did have some experience and expertise.”

Katz benefited from a network of friends, colleagues, and other supporters of the organization’s mission, who generously donated their time and offered advice to help get the site up and running.

One important relationship, established early on, was with the New England Conservatory (NEC) and its then-CFO and Senior Vice President for Finance and Operations, Ed Lesser. The affiliation between the conservatory and the website needed to be handled with care. The institution was wary of conflicts of interest and the appearance of favoritism that support of a faculty member's independent website might create. Lesser became the one to manage the partnership between the school and CelloBello. It is indeed rare to see a university faculty member and senior administration official strike a harmonious partnership in a business venture, but such was the case with Katz and Lesser. Their relationship, which has proved invaluable to the success of CelloBello, is built on mutual admiration and respect. Lesser had valuable experience in for-profit business and public accounting, as well as a position within NEC, which gave him special insights into the financial challenges facing the newly launched CelloBello. He became the chief architect of NEC's backing of the site, and further offered Katz free advice on bookkeeping as the operation got off the ground.

The New England Conservatory would provide some crucial resources that helped to ensure the smooth beginning of CelloBello. The conservatory foremost permitted the filming and streaming of cello lessons and masterclasses that took place on its campus, providing valuable and essential content for the new site. The school also provided—and continues to provide—two student workers for the CelloBello website. The arrangement is a benefit to both parties. The student workers, already required to log hours for work-study programs as part of their financial packages, gain experience by providing services of all kinds to the website operation, from site maintenance to production and updating of content (and more).

The partnership with NEC went further. In the early years of CelloBello, the school acted as a financial crutch for the young website, which had not officially incorporated. If a patron wanted to donate to CelloBello

directly, the organization could not recognize that gift as tax deductible. As a sponsor of CelloBello, NEC stepped in as an intermediary to receive donations for the website. Donations to NEC could be earmarked for CelloBello and disbursed to Katz's organization free of charge. Although this method of accepting donations was reserved for a few select donors with connections to Katz through the Boston music community (Katz was not permitted to approach NEC donors directly), these financial accommodations had the potential to give the website the appearance of being a division (or organization) within the music school, which might limit the independence of CelloBello. But according to Ed Lesser, the potential conflicts were avoided and instead the institution lent an air of legitimacy to the website. NEC's reputation, combined with Katz's own standing within the cello community, helped to set CelloBello on a path to become the definitive resource for cello information.

Funding a Free Public Service

When Katz launched CelloBello in 2010, he had no definite plans for how to sustain it. His idea was to start as a free site and hoped one day to monetize it, though never expecting to make a significant profit. However, Katz said he soon realized that he was making an impact much greater than he had first anticipated. He was receiving positive feedback from cellists who visited the site, and he came to value the grateful responses that poured in over any future profit. He decided to keep the site free for everyone. This idea of public service was central to CelloBello's mission. The site asserts that "all cellists, regardless of location, level, or economic status, will have access

"All cellists, regardless of location, level, or economic status, will have access to the highest level of musical instruction, inspiration, and interaction."

— CelloBello mission statement

to the highest level of musical instruction, inspiration, and interaction.” This is a promise that Katz feels strongly must be kept in the future. He insists that despite the thousands of unpaid hours spent on the site, the project remains a labor of love. CelloBello is his way of giving back to the community, whose support has allowed him to have such a successful career.

In order to maintain such a rich and vital resource however, the acquisition of funds was necessary. While the professional cellists (including Katz) who contribute to the site do so on a volunteer basis, ongoing costs are still incurred. Annual expenses through 2018 included expenditures for web hosting, design, video editing, ongoing maintenance, and accounting services. CelloBello’s webmaster also received a salary, and the organization incurred incidental expenses relating to translations, business meetings, and other miscellaneous administrative costs.

In 2012, a prominent Boston law firm offered a pro bono workshop for nonprofits, which Katz attended. They advised him to defer his plans to become a 501(c)(3) until CelloBello was larger, recognizing that IRS reporting regulations and bookkeeping would require a staff that he did not have. Instead, the firm suggested using a fiscal sponsor, and Katz discovered Fractured Atlas, an online service that processed donations and passed them through for 7% (less than employing staff, even part-time). Once Katz had established CelloBello under the umbrella of Fractured Atlas, it enabled his organization to accept online donations as tax-deductible.

The website capitalized on many small donations, channeled from a direct link on CelloBello.com to its fiscal sponsor. Micro-donations, while a good measure of audience enthusiasm, can be an unreliable source of funding, with great variations month to month. Katz learned that some donors were even confused or uncertain about making donations through its fiscal sponsor. Fractured Atlas’s 7% processing fee from each donation covered, among other things, the cost of the

tax and bookkeeping services it offered to clients like CelloBello. While the relationship was overall a positive one, it did cause some difficulty in applying for grants, which are typically restricted to independent nonprofit organizations. Grants could provide a source of stability and sustain the site for longer periods of time.

Reorganizing for the Future

Over the years Katz felt the responsibility of fundraising increasing. The full weight of soliciting donations was falling squarely on the master cellist, which only added to his already full calendar of teaching, performing, and traveling. In 2017, he began to consider changes to CelloBello’s organizational structure: “As I get older, I feel the need to step back, to put the website on a secure financial footing, and to entrust its future to a committed Board and Staff that understand its mission.” Katz believed that the longevity of the CelloBello website required a more permanent organizational structure, with responsibilities spread among those keen on the success of the enterprise.

Katz took steps towards securing the future of CelloBello. He applied for 501(c)(3) nonprofit status, which was granted in the spring of 2018. This new tax designation enabled the organization to apply for a wider variety of grants and to establish endowments to both increase and diversify sources of funding for the site. Katz was fortunate to have in place a number of contacts who did not hesitate to support CelloBello as it moved beyond its infancy. Boston-based law firm Locke Lord LLP dedicated pro bono assistance to help the organization prepare legal documents ranging from 501(c)3 status paperwork to new bylaws for the board. The firm even provided office space for CelloBello board meetings.

With 501(c)(3) status approved, the formation of a board of directors was an important next step. Not only would a board bring expertise to different areas of CelloBello, but it could free Katz to focus more of his time and energy on curating the content of the site, rather than attending to administrative matters.

Katz assembled a board whose members could advise on both administrative and artistic areas. Ed Lesser, now retired from NEC, serves as CelloBello's board treasurer. Legal advice comes from Kaitlin J. Levine-Brown of Locke Lord LLP. The crucial area of fundraising is helped by the addition of development specialists Emily Fritz-Endres and Deborah Smith, from the Boston Symphony and Emerson College respectively. Prominent artists have also been included as board members, namely Pei-Shan Lee (NEC collaborative piano faculty), and two well-known cellists, Natasha Brofsky (Juilliard School) and Brant Taylor (Chicago Symphony Orchestra). Katz firmly believes that the collective experience and expertise of the board members will help facilitate more financial stability and maintain the standard of excellence that has been set.

In addition to the new board, CelloBello has hired its first ever executive director, Gregory Evans. While Katz continues as artistic director, Evans has taken over day-to-day operations and development efforts. His role focuses on increasing CelloBello's presence internationally for all things related to the cello. Trained as a horn player, Evans arrived at CelloBello with degrees from two music conservatories in New York City, but also has expertise in organizational structure and development. Katz and the board are confident that this skill set puts Evans in a good position to increase CelloBello's impact with the world's cello community.

Leading up to Evans' hire, Katz was able to quietly secure an extraordinary financial gift, which has enabled CelloBello to provide for Evans' salary in addition to general operating costs for the next two fiscal years. Lesser cites impressive user statistics as one driving force behind a recent uptick in donations; however, members of the board agree that Katz continues to be the best advocate for CelloBello. His strength and passion allow him to gain lasting support for his mission. Katz hopes that CelloBello's new executive director will bring new strategies for fundraising on a larger scale, with enough to support his own future salary in addition to funding operational

costs for the site. According to Lesser, "a big part of that strategy will be grants and building an endowment. We believe as its own 501(c)(3) CelloBello's prospects in this area have greatly increased." The new organizational status, board of directors, and executive director signal that the best days of CelloBello may be yet to come.

Katz hopes that CelloBello's new executive director will bring new strategies for fundraising on a larger scale.

Audience Analytics

For CelloBello to both expand and stabilize its operation for the long term, its board and staff must understand the website's current users and their interests. Artistic content can also be customized with user profiles in mind. In 2018, more than 58,000 visitors from over 82 countries came to CelloBello.com. Web analytics suggest that the majority of users are located in metropolitan centers in the United States and Europe, though engagement from cities in Asia, South America, and Australia is also not uncommon. New York City alone contributed over 2,000 visitors in 2018. Visitors ages 25-34 make up the largest share, but there is strong usage among other age demographics (18-24, 35-44, and 45-54), as shown in **Appendix 1**. Newer features and periodically-scheduled online events such as the "CelloChats" show improving numbers, but the growth rates are slower than those of the overall site. By far the most popular page visited on the CelloBello site is the "CelloBlog", with roughly 33,000 visits each year. An analysis of blog interaction and public interest could lead CelloBello to expand its archive of articles with contributions from internationally-known cellists and teachers, and could be helpful when curating new written and video content (**Appendix 2**).

Attracting new CelloBello users also involves understanding the ways in which most people are

choosing to engage with the site. Over half of all visits have resulted from online searches relating to the cello, while 23% of visits are from direct traffic, i.e. users who visit CelloBello directly without being sent by a web search or intermediary. Another 23% of visits have come through suggested links on social media platforms (**Appendix 3**). Mobile devices now account for roughly 50% of all site visits (**Appendix 4**). The increasing importance of social media and mobile interfaces in attracting site traffic has great implications for cultivating a global audience of cellists.

Audience analytics may also inform fundraising strategies. Still, the new board will need to investigate several questions in order to draft strategies to boost revenue for the site. How reliable are smaller donations from users, and how much do they fluctuate? Do

The increasing importance of social media and mobile interfaces in attracting site traffic has great implications for cultivating a global audience of cellists.

current donors identify as amateurs, students, or professional musicians? How can deeper audience data be used to tailor fundraising drives to a particular audience? For example, should more emphasis be placed on attracting the attention of “wealthy amateurs” rather than the large body of student users, in order to have a chance at larger donations? Should other

options for development be proposed instead of a focus on online giving? What are other ways that CelloBello can capitalize on its increasing global popularity?

Supporting the Expansion

Though Katz feels strongly that the website should remain a free public service, advisors and board members of CelloBello have also suggested that it may be time to monetize the site to ensure its viability. Various subscription models are being explored that could stabilize the organization’s finances. One idea is

to curate exclusive content for subscribers, separate from the materials available to the public. This strategy would involve a paywall that would prevent casual users from obtaining more advanced or nuanced instruction. Another idea under consideration is to require a wait time on downloads of videos or articles for those users who are not paid subscribers. One web resource which seems to have implemented this successfully, though on a very large scale, is the International Music Score Library Project. It is unclear how many subscriptions could be gained from either of these monetizing concepts. Many other online resources with content of similar caliber to that of CelloBello rely on subscriptions, as well as donations, to stay in the black.

Advertising on the site is something that CelloBello already hosts. According to nonprofit law, third-party advertisements on CelloBello are permissible so long as they do not exceed 20% of the revenue collected for its operating budget. Future advertising revenue may be streamlined or maximized through sponsorships. CelloBello’s board is currently entertaining the possibility of attracting sponsors in the form of like-minded enterprises who would find it beneficial to sponsor CelloBello chat rooms, blogs, or masterclasses.

The costs of running CelloBello have naturally increased as the organization expands. The 2019 budget shows a large jump in operating costs compared to previous years, a sign of the organization’s growth (**Appendix 5**). Additional expenses for 2019 include the executive director’s salary, a development and marketing budget, and travel costs for CelloBello’s new series of livestreamed concerts around the country. These new expenditures will require additional sources of income, including increased fundraising. The site’s newest project, a merger with the Internet Cello Society website, consists of CelloBello acquiring all of ICS’s impressive archival content, including interviews with nearly 90 of the world’s greatest cellists and pedagogues. According to Tim Janof, long-time content creator for ICS, “we now believe it is time to hand the reins over to somebody else, and CelloBello seems to

"We now believe it is time to hand the reins over to somebody else, and CelloBello seems to be the perfect match."

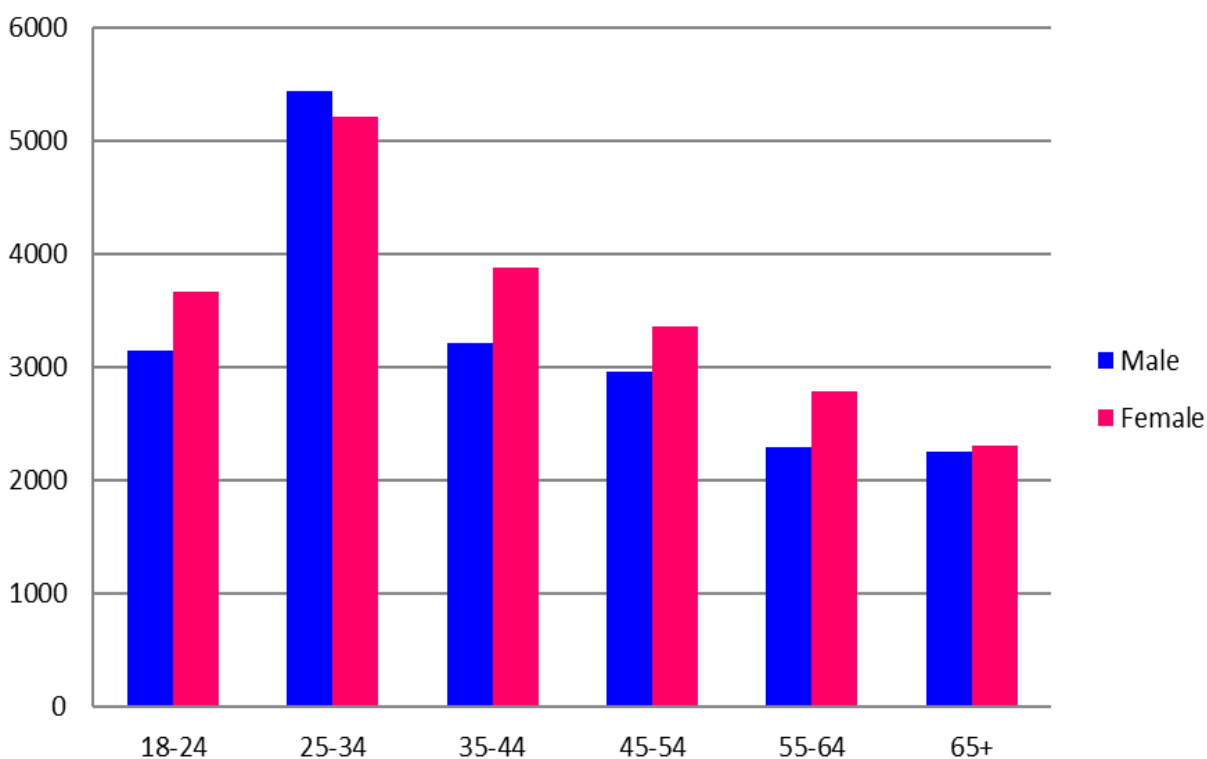
– Tim Janof, Internet Cello Society

be the perfect match." Both the original CelloBello.com and ICS's Cello.org will now be routed to the newly-minted CelloBello.org, reflecting this next stage in CelloBello's maturity. The Internet Cello Society's current membership of more than 26,000 will also hopefully become part of the CelloBello community, if they aren't already. This merger will require significant resources to execute the transition while maintaining CelloBello's high standard of excellence.

Katz says his greatest concern for the future of CelloBello is how to stay accessible and relevant while also remaining financially solvent. At the moment, he is uneasy at the thought of requiring users to pay for content. When it was suggested that someone without a subscription might be required to wait 15 seconds for a video download, he was opposed to the idea: "I don't want people to wait." Katz is focused on plans for the future. He hopes to someday be able to pay the many contributors to the site for their invaluable content. He also speaks enthusiastically about ideas for expanding web content, hinting at new sections dedicated to orchestral cellists, "CelloKids" for beginners, and "CelloChamberMusic." The challenge for Katz and the new board of directors continues to be how to procure sufficient donations, large or small, in order for CelloBello to maintain its status as a premier educational resource for cello content.

APPENDIX 1

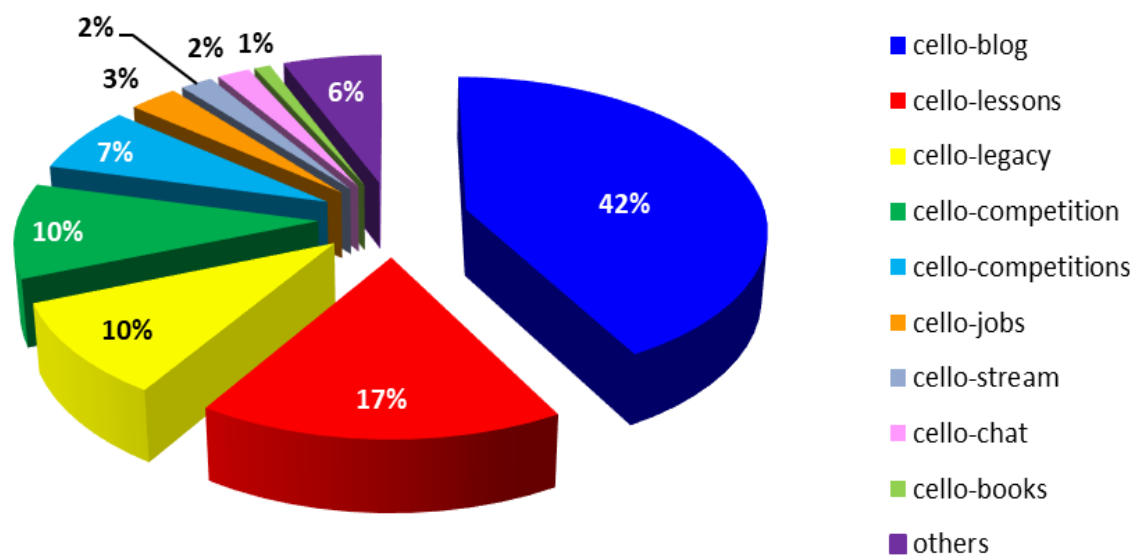
Age and Gender of CelloBello Users



Source: datastudio.google.com for the period of January 1- December 31 2018

APPENDIX 2A

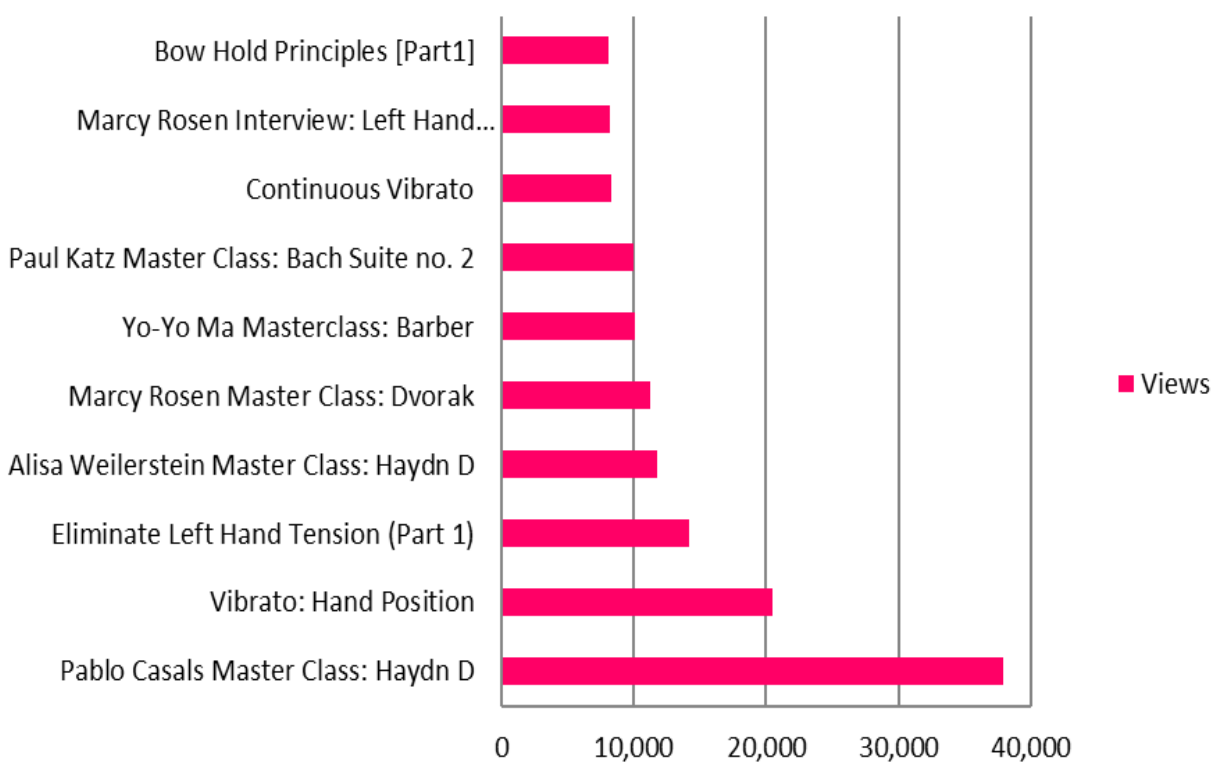
Pages Visited on CelloBello



Source: datastudio.google.com for the period of January 1- December 31 2018

APPENDIX 2B

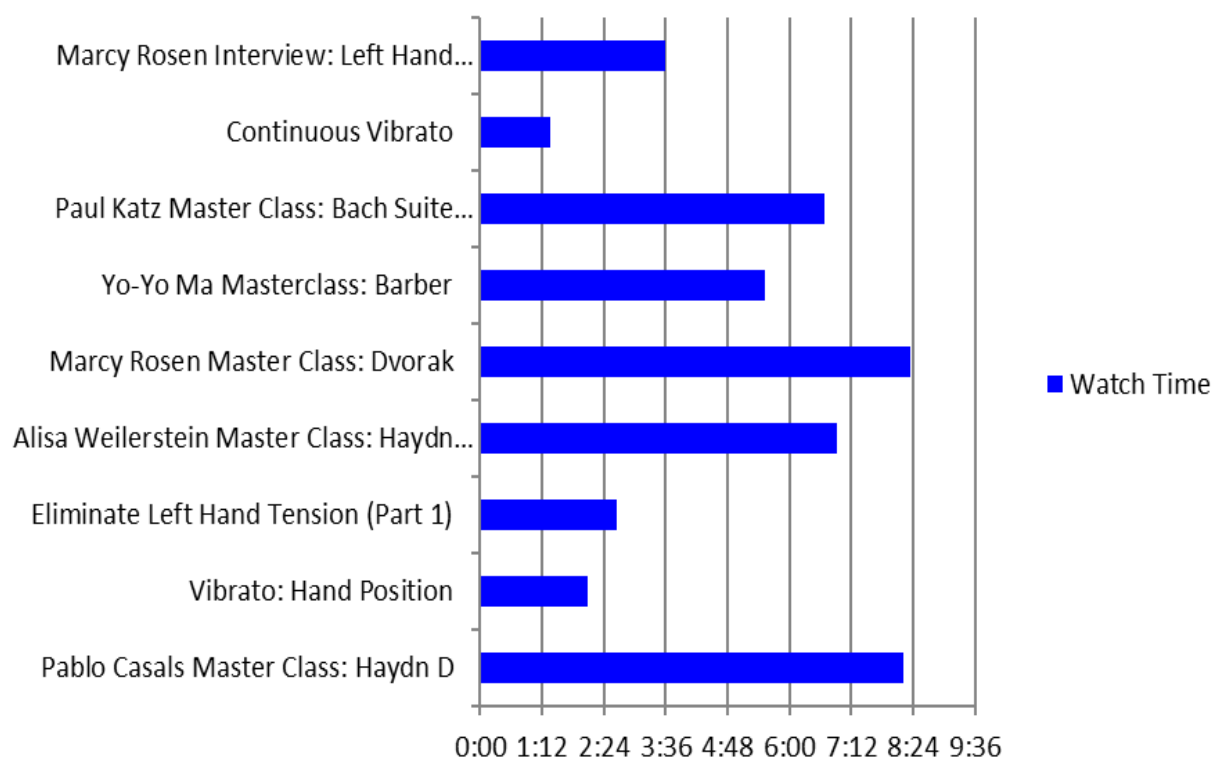
Top Videos Watched on CelloBello



Source: datastudio.google.com for the period of January 1- December 31 2018

APPENDIX 2C

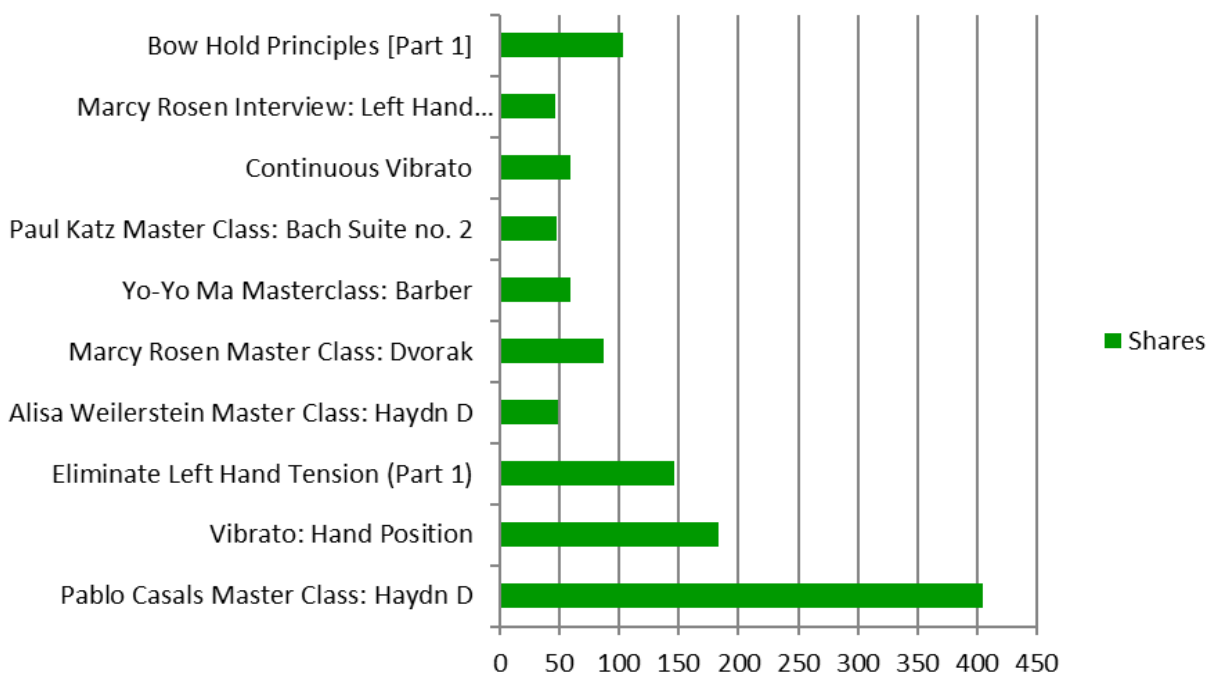
Average Watch Time of Top CelloBello Videos



Source: datastudio.google.com for the period of January 1- December 31 2018

APPENDIX 2D

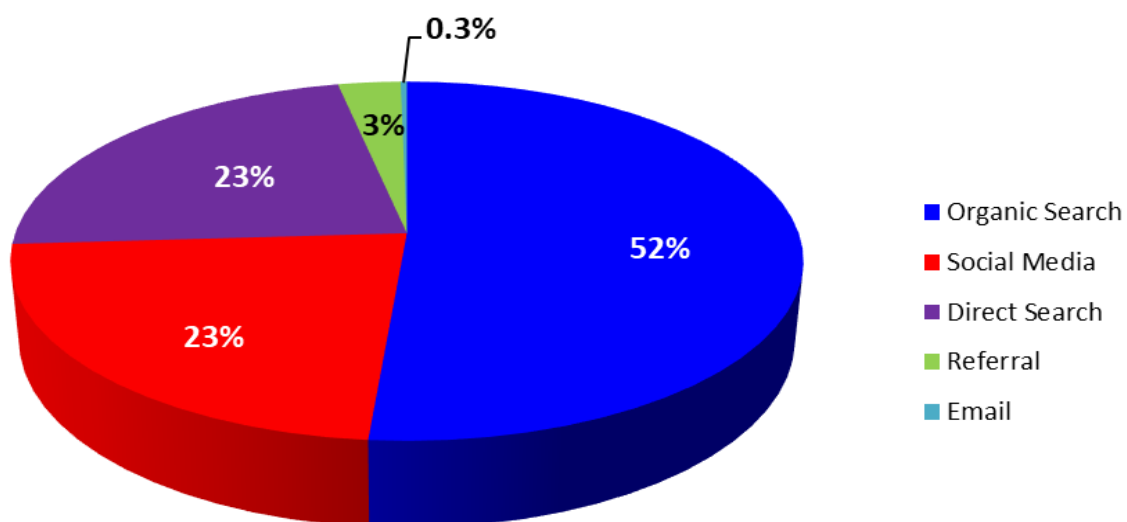
Social Media Shares of Top CelloBello Videos



Source: datastudio.google.com for the period of January 1- December 31 2018

APPENDIX 3A

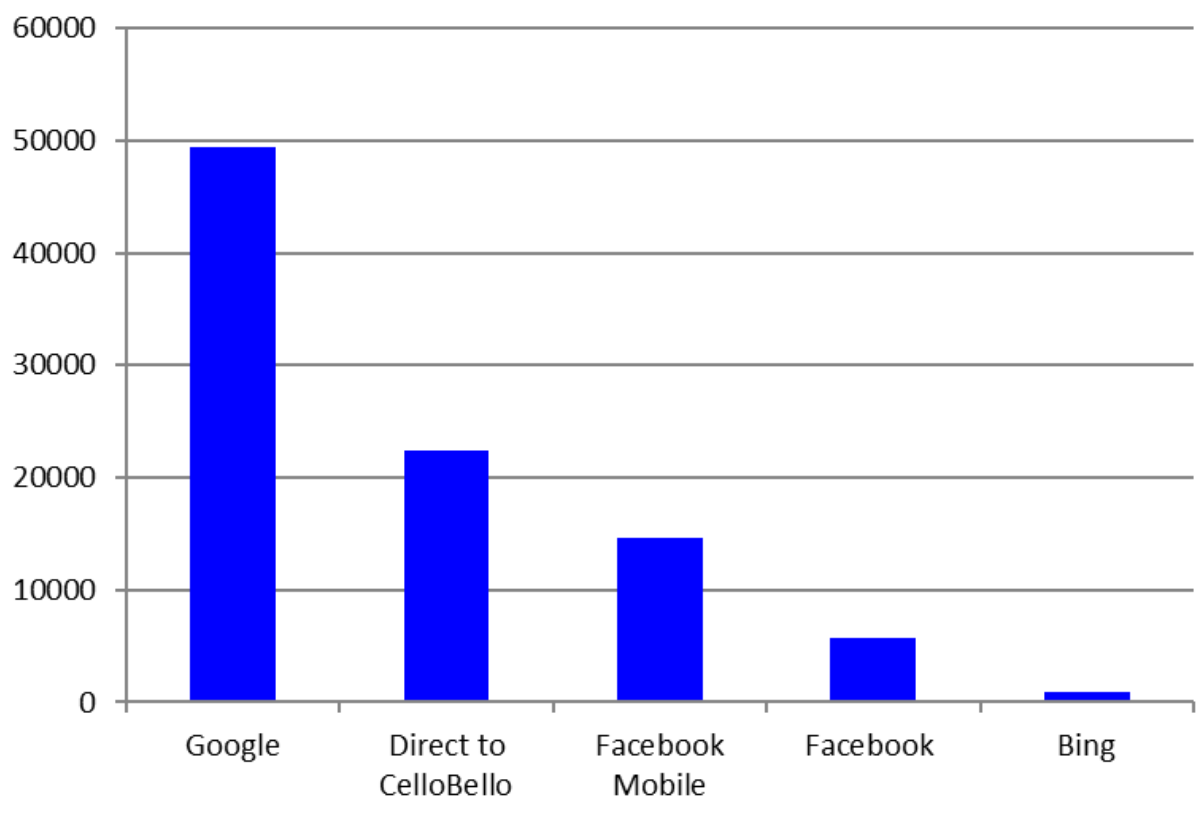
Channels Driving Visits to CelloBello



Source: datastudio.google.com for the period of January 1- December 31 2018

APPENDIX 3B

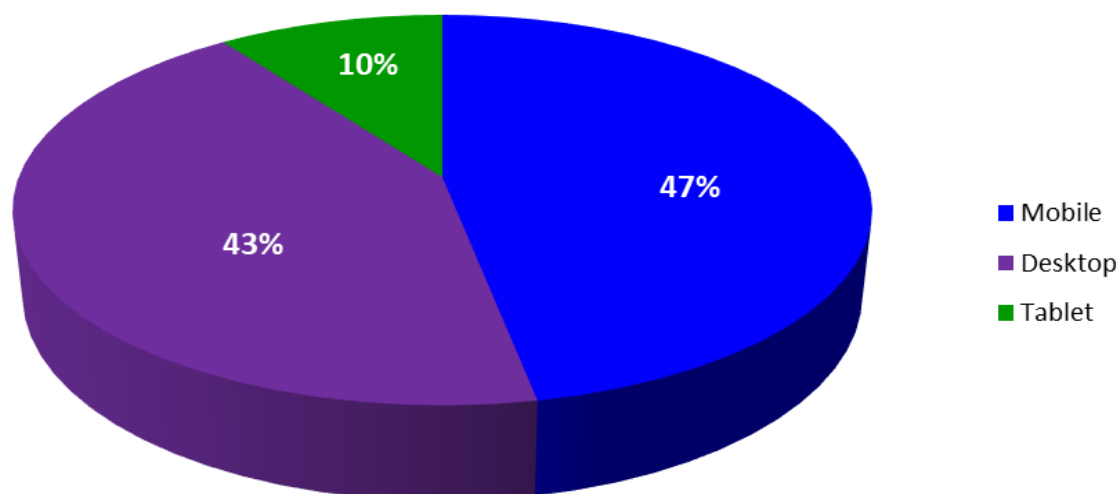
Sources of Visitors to CelloBello



Source: datastudio.google.com for the period of January 1- December 31 2018

APPENDIX 4

Devices Used to Access CelloBello



Source: datastudio.google.com for the period of January 1- December 31 2018

APPENDIX 5

CelloBello Expenditures: Historical and Projected

	Average Actual Expenses (2015-2017)	Actual Expenses 2018	Budget 2019	Budget Increase (%) 2018 to 2019
Personnel				
Senior Staff	-	-	\$ 75,000	--
Webmaster	\$ 8,500	\$ 11,750	\$ 12,000	2%
Development / Fundraising	-	-	\$ 6,000	--
Marketing and Media Support	-	-	\$ 2,500	--
Video Editing	\$ 4,000	\$ 5,550	\$ 6,000	8%
Other Web Related Costs				
Hosting and Design	\$ 8,000	\$ 9,800	\$ 10,000	2%
Regulatory Costs				
Filing Fee	-	\$ 1,560	-	--
Accounting	\$ 350	\$ 500	\$ 2,000	300%
Travel / Entertainment				
Senior Staff Travel and Lodging	-	-	\$ 10,000	--
Other Operating Costs				
Foreign Translations	\$ 500	\$ 850	\$ 2,000	135%
Online Gifts	-	\$ 700	\$ 1,500	114%
Mailing Costs	\$ 200	\$ 500	\$ 500	0%
Business Gifts	\$ 150	\$ 320	\$ 500	56%
Business Lunches	\$ 300	\$ 770	\$ 1,000	30%
Office Setup	-	-	\$ 2,000	--
Total	\$ 22,000	\$ 32,300	\$ 131,000	306%

Source: CelloBello, 2018



EASTMAN
SCHOOL OF MUSIC

UNIVERSITY *of* ROCHESTER