

Evaluation of the Canada Council for the Arts' Digital Strategy Fund and Sectoral Needs Assessment

Executive Summary

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Executive Summary

In 2017, Canada Council for the Arts (“the Council”) launched the Digital Strategy Fund (“the Fund”) with an objective to encourage digital transformation in Canada’s arts sector. The Council surpassed its stated commitment to invest \$88.5M to advance the arts sector’s digital capacity. The Fund, which ran from 2017 to 2021, invested \$96.5 million in initiatives that sought to encourage Canadian artists, arts groups, and arts organizations to understand the digital world, engage with it, and respond to the cultural and social changes it has produced. The Fund was designed to be broad to allow the arts sector to come forward with their own ideas. It was also designed to be iterative, allowing for both the Council and recipients to research, observe, and adjust accordingly as projects progressed. This flexibility was highlighted as a key strength of the Fund during this evaluation. When strategic initiatives were added to the fund (such as the Special Initiative for Core Grant Recipients) and smaller \$50K grant sizes were added as pathways to access main components, some members of the arts sector were able to access funding for smaller-scale exploratory activities when they were perhaps not prepared to apply for, and successfully implement, a larger project.

The main values of the fund were knowledge sharing, collaboration, and return to the community, to ensure project impacts are shared across the Canadian arts sector – beyond just recipients of the Fund.

The Digital Strategy Fund was initially launched with three main components:

1. **Digital Literacy and Intelligence** which supported the arts sector in building digital knowledge, skills, and capacity.
2. **Public Access to the Arts and Citizen Engagement** which supported Canadian artists, groups, and arts organizations to improve the public’s access, engagement, and participation in the arts through digital means.
3. **Transformation of Organizational Models** which helped arts organizations adapt to the digital environment by transforming the way they work.

In 2018, a one-time initiative was offered to support current core grant recipients in evaluating their digital readiness and developing a digital strategic plan. Additional building block components were subsequently added to the fund in 2019 and 2020, primarily to encourage innovation in digital creation.

The evaluation presented in this report focuses on the three main components of the DSF and the special initiative for core grant recipients. An evaluation framework was designed around these four components. The consulting team engaged in an internal data review, administered a survey of grant recipients, and conducted extensive engagement with the Canadian arts sector to validate this framework, and report on the Funds outcomes as of mid-2021.

Evaluation Key Highlights

- **Research and Experimentation:** The Digital Strategy Fund was successful in encouraging the arts sector to explore digital topics. Nearly all recipients conducted

research on and experimented with new digital tools, prototypes, frameworks, applications, and technologies – some even created new ones. Because many artists and arts organizations operate in a relatively precarious context, high-risk activities, and experimentation (excluding experimentation in artistic practice/expression) are often avoided in order to focus resources on “core” activities. In addition, digital experimentation requires a great deal of resources (especially financial) to undertake. The Digital Strategy Fund provided the necessary financial support to encourage and de-risk experimentation in the digital space. In addition, many research participants expressed that access to the Digital Strategy Fund during the pandemic’s economic shutdowns allowed them to experiment with and pivot to using digital technologies, tools, and applications during that time.

- **Digital Literacy:** The Fund supported nearly 200 projects through the Digital Literacy and Intelligence component, marking a significant investment in strengthening digital literacy in Canada’s arts sector. Many research participants reported that the Fund encouraged them to proactively think and learn about digital topics which they avoided in the past. The Fund helped build a certain base of digital literacy across the sector by bringing digital topics and transformation to the forefront, which many indicated was desperately needed. While gaps remain, the sector has significantly strengthened its collective digital capacity.
- **Increased Collaboration:** The Fund has helped break down silos and initiate a shift towards greater collaboration in the arts sector across Canada, across disciplines, and across sectors. Recipients also identified collaborating with partners in academia, human resources, local or regional government, technology, computer software, management consulting, and public services sectors through their projects. Research participants credit the Fund with providing them with the resources to connect with members of Canada’s arts community, and survey results suggest these connections are moving towards ongoing collaboration.¹
- **Encouraging Digital Transformation at the Organizational Level:** The Digital Strategy Fund was particularly impactful in supporting arts organizations in their digital transformation. Projects often resulted in the development of digital strategies, tools, operational frameworks, and policy guidelines to guide organizations’ transition to more digital ways of working. The majority (90%) of recipients surveyed had a digital strategy in place at their organization after completing their project(s). In addition, all recipients who had completed their projects reported integrating new digital tools into their operations. The COVID-19 pandemic somewhat accelerated digital transformation within arts organizations, and it was fortunate that the Canadian arts community had access to the Digital Strategy Fund during the pandemic’s economic shutdowns to allow them the ability to experiment with and pivot to using digital technologies, tools, and applications during that time.

¹ This evaluation framework defines **collaboration** as ongoing operational partnerships between members of the Canadian arts sector and between the arts sector and other sectors beyond the length of their projects

Evaluation Results

The following tables summarize the evaluation results at a glance. Each of the short-term, intermediate, and long-term outcomes are given a “meets objectives”, “improving”, “insufficient data” or “not yet obtained” score.

Short-Term Outcome Evaluation Results

Outcome	Results	Key Indicator(s) and Observations
Increased experimentation with digital technologies, tools, and applications	Meets Objectives	Digital Strategy Fund recipients reported more experimentation with digital technologies, tools, and applications as a result of completing their project(s).
Improved digital literacy	Improving	While survey results reflect that the digital literacy of recipients has improved, research participants note there is still work to be done to improve the digital literacy of the Canadian arts sector more broadly. In particular, smaller arts organizations, rural or geographically isolated artists/artist communities/arts organizations, and historically underserved and marginalized communities faced barriers that impacted their ability to participate fully in Digital Strategy Fund project opportunities.
Implementation of digital frameworks and strategies	Meets Objectives	90% of recipients surveyed indicated having a digital strategy in place after their projects representing an increase of 62 percentage points in the number of respondents with a digital strategy in place at the end of their project(s) when compared to before starting their project(s). These results illustrate that there is a significant increase in the prevalence of implementing digital frameworks and strategies as a result of Fund activities.
Citizens have increased access to/have enhanced experiences with/participate with artists/organizations	Insufficient Data	While survey results indicate that recipients’ reach through digital platforms has increased, there is not enough data on citizens’ experience with artists/arts organizations, suggesting more research should be undertaken.
Increased collaboration between the arts sector and with other sectors	Meets Objectives	66% of recipients surveyed indicated partnering with people in other sectors, including academia, human resources, government, technology, computer software, management consulting, and public services. 69% of respondents have continued their partnerships with those in other sectors beyond the duration of their project. ²

² A **project partner** is defined as any organization, artist, or business they worked with to either execute or participate in their Digital Strategy Fund project, including any service providers.

Outcome	Results	Key Indicator(s) and Observations
Increased collaboration within the Canadian arts sector	Meets Objectives	79% of recipients surveyed indicated they had arts community partners for their projects. 76% of respondents indicated that they have continued their partnerships with persons and/or organizations within the arts sector beyond the duration of their project(s) – resulting in increased ongoing collaboration. Research participants observed much more collaboration between artists and arts organizations nationally as a result of the Digital Strategy Fund.
Increased collaboration between the Canadian arts sector and international sectors	Improving	Most recipients surveyed did not partner with non-Canadian organizations (67%). While stimulating international collaboration was not an initially intended outcome of the Fund, over a quarter (28%) of survey respondents reported having international partners. Capacity concerns and a general lack of knowledge on where to find the appropriate international contacts affected recipients' ability to engage in international collaborations.
Organizations adapt to new and innovative ways of working in digital environments	Meets Objectives	100% of respondents who had completed their projects reported adopting technologies used in their projects into their operations. Interviews support this finding, with many recipients noting they started using new tools for customer relationship management, task management, content management, and distribution.

Intermediate Outcome Evaluation Results

Outcome	Results	Key Indicator(s) and Observations
Improved access to digital content for diverse Canadian publics	Improving	Recipients surveyed indicated undertaking activities to improve access to their digital content since completing their project(s). However, interviews suggest there is still work to be done to address accessibility in some contexts (e.g., of older digital works) and to create/provide more content online for audiences.
Increased prevalence of digital infrastructure	Meets Objectives	82% of survey recipients changed and/or invested in some form of digital tool/infrastructure after completing their project(s) and tended to strongly agree that digital tools have become more regularly used in their activities as a result.

Outcome	Results	Key Indicator(s) and Observations
Tools, models, and prototypes developed during DSF projects are implemented and become sustainable mainstay tools used in the Canadian art sector	Improving	The Fund supported several projects that sought to develop new tools for the Canadian arts sector. However, technology development can take a lot of time and many of these projects are still ongoing. As a result, it is likely that not enough time has passed for the Canadian arts sector to realize the full extent of this outcome.
Improved discoverability of Canadian arts and culture content	Insufficient Data	While discoverability was a popular research topic in projects, the extent to which this research has translated to widespread national action to improve the discoverability of Canadian arts and culture content is still unclear, suggesting it may be too soon to realize this outcome and that additional research is needed.
Increased adoption of digital tools	Meets Objectives	48% of recipients surveyed adopted an off-the-shelf or newly built digital tool after completing their Digital Strategy Fund project. Further, 67% of survey respondents reported the technologies they had acquired during their project(s) have been adopted into their operational processes.
Digital strategies and roles are core components of Canadian arts organization's operational frameworks	Improving	Both engagement and survey findings indicate that digital strategies and roles have become more central parts of arts organization's operational frameworks. However, financial barriers have impacted success on this outcome to date, preventing many organizations from being able to hire permanent digital staff roles.
New digital business models developed that lead to diversified revenue streams for artists and arts organizations	Improving	Half of recipients surveyed indicated starting new digital business models as a result of their project activities and 32% reported developing new digital revenue streams, which largely accounting for 0-25% of annual revenue. While only one-third of respondents developed new revenue streams, of these recipients, a total of 82% see these new streams as somewhat or very essential to their current operations. Engagements suggest that it is difficult to monetize digital offerings and when they do, the price is often much less the cost of their regular service offerings. Further research is needed to uncover the extent to which the arts sector is maximizing their potential digital business models.
Digital competencies are improved within the organization	Improving	Recipients surveyed tended to strongly agree that they are more comfortable using digital tools as a result of their projects. However, some interviewees noted that these competencies were not improved evenly across their organization, or evenly across the arts sector, suggesting there is still some work to be done to realize the full extent of this outcome.

Long-Term Outcome Evaluation Results³

Outcome	Results	Key Indicator(s) and Observations
Increased citizen participation in and engagement with arts and culture content and activities through innovative digital means	Insufficient Data	While much progress has been made, the sector is not yet at a place in their journey towards digital transformation where they are able to report on this outcome.
Canadian arts and cultural content is accessible and engaging to a diverse networked society	Insufficient Data	While there are many positive signs of early progress in achieving this outcome, there is little evidence to suggest it has been achieved to date.
Canadian arts and culture have an increased presence and demonstrate leadership on the international stage	Improving	Fund recipients generally disagreed that the Canadian arts sector was an international leader in the application of digital technology before the Digital Strategy Fund, while only slightly agreeing that the Canadian arts sector is now recognized as an international leader in the application of digital technology. Consultations also identified that project knowledge is not yet being shared widely beyond those who were directly involved in projects in some capacity. Some research participants did identify some instances of thought leadership around digital transformation. Overall, there is still work to be done to promote these efforts on both a national and international scale.

Future Needs and Opportunities for Digital Transformation in the Arts

Overall, research participants agreed that the Digital Strategy Fund was successful in stimulating digital transformation. However, it was widely acknowledged that the sector's digital transformation is only beginning and that the sector is facing a long (and ongoing) journey. Discussions revealed many emerging themes related to future needs and opportunities for digital transformation in the arts. These themes are outlined below.

- Supporting **sustainability & continuity** of digital transformation including operationalizing approaches and processes developed through funded projects. Examples included considering interoperability across the sector and building capacity in data literacy.
- Building **organizational capacity**, which is critical for many arts organizations who need to divert resources away from core activities to pursue digital transformation

³ Long-Term outcomes are those that are expected to occur later downstream, **as the result of** the short and intermediate outcomes materializing. It is likely we have yet to realize the full effect of these outcomes, as many projects are still ongoing or have only recently been completed.

activities. For example, many noted that human resources and administrative costs could be better supported in future funding initiatives to allow this organizational development.

- Enabling digital transformation to **adapt to the post-COVID world**, considering the additional resources required to successfully operate in a hybrid environment, and need to better understand how audience preferences are evolving.