

EPISODE 1125

“MS: There are times, when working in the arts, people take advantage of the fact that artists are willing to do this for free because they are not in it for the money.”

[INTRODUCTION]

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FT: Welcome to So Money, everybody. I'm your host, Farnoosh Torabi. We are spotlighting Broadway on the show today and looking at where the industry stands. It has been shut down pretty much since March, and our guest today works intimately with the shows on Broadway, and she's got a lot of insights into where the industry is headed and her own pivot during this pandemic.

Margaret Skoglund is here. She loves Broadway, business, and basketball, she says. She's a former Duke Women's Basketball manager. She traded games for performances and practices for rehearsals when she moved to New York city to manage Broadway shows. Over a dozen years later, favorites include Rock of Ages, Mamma Mia!, Once on This Island, as well as The Lion King, and Newsies first national tours. Her pivot in this pandemic has been a company called Virtual Broadway where you can connect to the world's most successful performers with professionally produced custom video experiences for your business or for your friends and family. This Virtual Broadway has been a way for Margaret and her colleagues in the theater industry to keep working, to keep doing what they love, and to be in service of the arts. Here's Margaret Skoglund.

[INTERVIEW]

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FT: Margaret Skoglund, welcome to So Money.

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MS: Thank you so much. Thrilled to be here.

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FT: I'm so impressed with how you have hustle-pivoted in this pandemic recession as somebody who is an employee of the Broadway world as we know so much devastation for creatives, people who are in the performance industry, Broadway. Lights are out. Let's take us back to March. I think it would be interesting to hear from your end what you were thinking at that moment during the year when I think we were still optimistic that this was just going to be like a fleeting moment. But, yeah, tell me back. Take me back to March and what you and your colleagues were thinking, feeling, expressing.

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MS: Absolutely. Thursday of March 12th, a date that will be forever cemented in my brain now. At about 4:00 PM, we had an alert from our trade organization, The Broadway League, saying, "No Broadway shows for the next four weeks." Now, anyone who knows Broadway knows that we have never voluntarily gone dark for that amount of time. So some people were actually already commuting into work. A lot of people show up around 6:00 or 7:00 PM for their 8:00 PM shows on Thursday night, and they all turned around, and we all went home for what we thought was going to be four weeks. Then that kept getting extended and extended and extended. Now, here we are, October 2020, hoping to come back in the late spring and/or summer. It is unprecedented to say the least.

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FT: Tell us what you were doing on Broadway at the time. I know that you bring to the industry marketing and business savvy, and you were kind of combining right brain, left brain, right?

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MS: Exactly. I work as a Broadway and off-Broadway general manager. So how I like to explain it every single show, Hamilton, Wicked, any favorite play that you've ever seen, we are all at the heart a small business. So I am an expert in opening and closing small businesses. As a general manager, you help the producer and the creatives get a production up on its feet, and you are doing the contracting with the actors, the hiring of the stagehands, the identification of where rehearsals are going to be. Then once the shows actually start, now you are working

with your advertising, marketing, and press team, getting all the word out. The most fascinating thing about being a company manager or a general manager which to anyone who's not in my world we are ops. We are basically operations. The most fascinating thing is you are at the hub of creativity nuts and bolts, black and white numbers, and entertainment. So I love, love, love the position.

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FT: Your latest venture, a pivot, maybe temporary, maybe long-term, is Virtual Broadway. Tell us about Virtual Broadway and how you're bringing all of these skills to this new direction.

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MS: Virtual Broadway emerged around April or May when I was sitting in my apartment in the upper west side and paging through those CDC reports, watching the news, seeing what was happening with opera in Europe, seeing what was happening with theater over in Japan. I said, "You know, I don't think we're going to be back for a while." So I launched Virtual Broadway to connect businesses to this plethora of world-class talent, and they're all sitting at home. Every Broadway star was sitting at home in April and May. So what we do at Virtual Broadway is pretty much three things; personalized performances, interactive workshops. We've done things like Broadway dancers doing stress relief exercises for conference attendees on Zoom. Then the third thing that we offer is keynote speakers. So you think about it. What are we experts at? Collaboration, creativity. So maybe it's a dance captain and a choreographer speaking to a C-suite retreat about how you can bring all of that to the office, really bringing your whole self to the workplace.

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FT: That's so sad, so many incredibly talented people home. Anecdotally, what are they doing? They must be doing something. I mean, I'm sure. Maybe working with you but what are some other pivots you are witnessing in the industry?

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MS: Love that question. A lot of very creative pandemic pivots. I've seen everything from people making cookbooks to teaching, and there's another fantastic business out there called

Broadway Plus, P-L-U-S, Broadway Plus, and that's where you can actually hire an individual to come join your happy birthday on Zoom or you can actually get a voice lesson if you're a 15-year-old in Ohio who usually never has access to Elphaba from Wicked to give you a voice lesson.

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FT: Oh, my gosh. Well, yeah. It sounds realistic that people who are creative are creative even in hard times. This is really when they have to exercise their creativity out of necessity, but yet many of them perhaps finding new pathways. I was just watching television about how a Broadway star, his show, I believe it was Mrs. Doubtfire, got obviously canceled like every other show early on. I think he was still in previews. Now, he's selling real estate in New Jersey and finding that his performance skills and his people skills are really differentiating him in the market. I mean, who would thought, right? He's – Then the schedule is really flexible too because he can kind of make his own appointment. So when he anticipates going back to Broadway, he's like, "I'm still going to keep the real estate business going." Do you find yourself also having those same thoughts where once Broadway is back, lights are back on, that Virtual Broadway will still exist?

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MS: I am sitting here in October and what I'm so excited about truthfully is I see a world where both continue to exist because so many of these businesses we're already working with. Public companies headquartered in Utah. Conferences that are happening in the Midwest, they've never been able to connect and plug into Broadway. So I see absolutely no reason why we can't have 41 Broadway shows happening, which is the number of Broadway theaters we have. Why can't we have 41 Broadway shows happening while simultaneously connecting virtually in a post-covered world to the rest of the US, the rest of the world? That is my passionate yes. I very much see both things coexisting as everything returns to normal.

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FT: What's the most popular thing you offer from the perspective of companies and then also from the perspective of individuals? I know like with the holidays coming around, you could gift your family, your friends a Broadway star singing your favorite song. Or on the other hand, if

you're a corporation, you could hire Virtual Broadway for a seminar, corporate event entertainment. Tell us what seems to be really resonating.

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MS: Well, first of all, thank you for clearly visiting our website. That means a lot. I appreciate that. Yes. So when you go to our website, we're www.virtualbway.com. When you go to our website, you see that our offerings for the B2C market are holiday videos that are highly, highly personalized where we're incorporating the hobbies of that person whom you're giving the gift to, all the way to photos or sometimes even videos that the customer is sending us. We work hand in hand with rights organizations. Anyone on this podcast or you, Farnoosh, might know music publishers and rights are an incredibly important aspect of our industry and how a lot of these songwriters earn their living. So we absolutely do that above board, and that's on the B2C direct to consumer side.

On the B2B side, I would say our most popular offering for conferences, whether this is an internal event or external conference event for attendees, definitely a performance where we usually have the artist help set up everything in their own home coupled with usually some sort of interactive workshop where maybe it's a star of Hamilton showing you how to present your best self on Zoom. We find that really mixing and matching the interactive with the performance, with personalization. That's when we see the best ROI for our customers.

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FT: How did you get into this? I know that you went to Duke University. I want to talk a little about your financial savvy because you masterfully paid off your student loan debt. You were introduced to me by a mutual friend who basically introduced you as like a wonderful saver, so I want to learn from you a little bit on your financial strategies. But really curious to know how you embarked on this industry. Is there a degree for this?

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MS: Of course not, no. I was a Poli Sci major.

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FT: I love it.

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MS: So, yes, Duke University. I bleed blue. I'm such a proud alma mater. I managed the Duke Basketball team. I was with the women's team all four years and I'm six feet tall. If and when we ever meet in person, I'm six feet tall and I played a lot of basketball back home in Minnesota. I think the quick version is I knew I loved entertainment and I also knew that I loved watching CNBC. So when I was at Duke, I said, "All right, let's trade practices for rehearsal, let's trade games for performances, and let's actually use some of this addiction I have to reading the Wall Street Journal, to checking Bloomberg, to listening to earnings conference calls. Let's actually apply that to entertainment, into the business side of entertainment." Then the natural progression is to apply that to my own life, right?

So the first thing I did was look at all my student loans. Let's figure out what the various interest rates are. Let's see how we can consolidate them. Let's open up that brokerage account at age 22 and actually understand why I might want to get a Roth IRA. I was so saddened. Not to get too depressing on this call, I was so saddened when I would speak to my female friends who were having trouble distinguishing between a checking account and a savings account. The marked difference between my male friends who were easily speaking about their 401(k) allocations, easily speaking about what shorts they were putting on various stocks. I just made it a personal mission to talk about money as much as humanly possible with all of my female friends.

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FT: I love it. Within your industry, how would you characterize the literacy but also the ease of speaking about money within the creative community, within the performance world? I think just I would – If I had to guess, I'd say it's even more of a taboo or we don't talk about it because I think there's always artists. There's a virtue where like, "I'm going to be a starving artist. I don't do it for the money." That can affect you negatively in a way that's not right.

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MS: Artists deserve to be paid. There are times, when working in the arts, people take advantage of the fact that artists are willing to do this for free because they are not in it for the

money. A cornerstone of Virtual Broadway which was launched with two other industry veterans, another woman and another gentleman who's a person of color. So we are this female and minority-owned business, and we pledged to each other the day that we founded this that we never ask anyone to work for free. What I see when I'm company managing shows, I worked on Mamma Mia!, I worked on The Lion King. I worked on Once on This Island. What I see when I'm general managing shows, where I'm putting offers out to all these various staff members, women must counter. You got to counter me. I see it all the time where men will say, "Thanks so much for that offer. How about \$100 more? Thanks so much for that offer. How about X, Y, Z?" It's been fascinating to see that women don't negotiate, and I know I'm not saying anything new.

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FT: We cover that very intimately on this podcast. What are your predictions for the industry? Are you hearing things that maybe the public doesn't know or signs that you're seeing because you're so close to the ground?

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MS: I think we'll definitely be back. We'll definitely be back strong. But I do wonder if we're going to really need to rely on those legacy shows. When I say legacy shows, I mean those Broadway hits that are household names. Then if we sprinkle in the smaller plays, the shows that are capitalized at a little less money, so you don't have millions of dollars to spend on advertising and marketing. My insider gossip would be I think we're going to really rely on our blue chips. We'll rely on our blue chips to help get us back and then all of our smaller businesses, which in our case, our smaller shows, will be able to come back successfully.

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FT: What about the economics of Broadway in terms of what we may see change on that end, the financing, the cost of production? Are we going to see a world where artists, performers won't be paid as much, paid more because there's like pent-up demand? Are investors going to come back into the game? Do you see any of that model getting shaken from this pandemic and any of the learnings?

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MS: That's a terrific question in terms of how this will impact us financially. So the biggest costs on any Broadway show are these three things; rent, advertising, and salaries. Rent, let's consider that more or less fixed. I'm actually quite curious if the structure and deal terms will change after COVID. But let's consider rent fix for the time being because we each show rents their theater from a theater owner. Advertising. There's a little flexibility in advertising, right? Maybe you slash your advertising budget and you do a gorilla marketing campaign. Okay, a little flexibility there. Salaries. Salaries are fascinating. We are a union-dominated industry, so the actors are part of a union, management, including myself. Management is part of a union. Stagehands are part of a union. Box office treasurers are part of a union. We have about 17 unions in any given Broadway house, which for anyone out there who knows about labor relations, yes, that's a lot to deal with.

In terms of what those salaries and rates and benefits are going to look like after COVID, that is the question. That is a spectacular question you just asked me and that is what everyone is wondering.

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FT: What was the transition like for you? I mean, how do you start a business within months? I guess you just had relationships that you leveraged. What were the immediate things that you did? I think this is a great case study for people listening who right now want to pivot maximizing, optimizing, leveraging your network, your skills. We might all have great ideas but how do you actually execute? So what were some of the things that you are grateful for that you had in your arsenal that were allowed you to launch with such little within such a quick time frame?

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MS: I'm very, very lucky in the sense that my entire career is opening and closing small businesses. So I am always astounded when I speak to people who have their MBAs who have done the management consulting route. But they've never actually run a payroll. They've never actually set up an S corp or an LLC. So that was something lucky that I just happened to learn because of my job. Something that was not lucky was the networking. As you said, knowing that every single person you come across, not only can they be a friend but they can be a fantastic resource. So to be one phone call away from friends who are attorneys to conference

planners, to accountants, you have such an arsenal of tools at your disposal just by looking at your friends. I think oftentimes we're so darn scared to pick up the phone and to say, "I'm vulnerable. I need some help."

Here's what I'm really excited about doing. What do you think? I was probably on 20 hours of phone calls each week just literally calling my friends and various people in my network to give some real numbers around what that looked like. It was 20 hours a week for about two months of my life over the summer.

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FT: Talk about acceleration and acceleration. This is fantastic. I want everyone to visit Virtual Broadway, virtualbway.com. I actually just – I texted my brother's girlfriend while we were on the phone because I was like she runs events at a big company and I was like, "You need to know about this."

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MS: Thank you, yes. I'd love to talk to her.

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FT: They're always looking for creative ways to engage their employees. Companies are still interested, the ones that are still making money, in culture and in engagement. Even though everything's on Zoom and Virtual, like how to actually still bring the company together, make everyone feel valued, entertained. So this is a wonderful, wonderful option I think for companies but also individuals. It might be an interesting surprise gift for the holidays.

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MS: Yes. Exactly, exactly.

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FT: Thank you so much for coming on the show. By the way, any relation to Kari Skoglund?

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MS: I wish. No, no relation.

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FT: So listeners, Kari Skoglund is a Hollywood director. She's been director of such shows as a Handmaid's Tale, Breaking Bad, The Walking Dead. She's been on the show, and the best piece of advice she ever gave I think to me, I mean, I use this all the time now is that if you have the opportunity to choose who you work with, of course, that's a privilege if you do. But if you do, choose right and choose elegant people. I just love that word that she used because it's such a loaded word but it's such a nice word. It implies a lot but it's like –

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MS: Elegant people. I love that.

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FT: Elegant, you know.

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MS: Yes.

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FT: These are people who will still tell you the truth. They may not like your ideas but they're collaborative and they're honest and they're respectful. I just really, really appreciate that. Well, even if you're not related, it doesn't matter. The Skoglunds, I mean, that's – It's a winning last name. What can I say?

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MS: I love it, yes.

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FT: Margaret, thank you so much and best wishes to you.

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MS: Thank you and I can't wait to hear all of your podcasts coming up, and it's been such a pleasure getting to know you.

[END]