



The Road to Resilience is Paved with Desirable, Viable and Feasible Innovative Approaches that Help you Achieve your Visionary Impact

A Report on the Conference: Beyond the Cultural Model

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Ten years after the global economic crisis and Slovenian organisations and businesses in the cultural and creative sectors (CCSs) are still feeling the effects. Everyone talks about resiliency, but how to go about achieving it seems to go left unsaid. If you work for an organisation in the cultural and creative sector, chances are your organisation operates with a two-sided business model. But is that the only way to do things? Are there other sources of revenue you haven't uncovered? Or perhaps costs you could actually do without? Are you struggling to find viable and feasible ways for your organisation to deliver its meaningful programme and make the impact that you and your team envision? If so, then chances are, it's time to take a good, hard look at your cultural (business) model using some tools that will help you reframe it.

Everyone talks about the need for resiliency, but how to achieve it?

Speakers at the conference [Beyond the Cultural Model](#) offered some approaches towards that end. Business consultant **Julie Aldridge** (UK) spoke on how organisations in the CCSs might innovate their business models as a way to better deliver their visions brilliantly. Next, communications expert and cultural model consultant **José Rodríguez** (SE) shared insights from Trans Europe Halles and Creative Lenses project, offering inspiring case studies. Finally, **Edgar Garcia Casellas** from the **Catalan Institute for Cultural Companies (ICEC)** told how the public Catalan model for CCSs has been reshaped to create a unique support and financing system that helps both non-profit organisations and for-profit companies in the creative sector to realise projects successfully.

Delivering your vision brilliantly

Where do you start to rethink how your organisation might reshape itself and more importantly, when? According to Julie, many organisations unfortunately call her when they've already hit a crisis and expect her to find the magic wand. The time to start developing strategies, advises Julie, is before the crash. She calls it "Future Proofing" and she's written [a short e-guide](#) as part of a programme from the Arts Marketing Association (AMA) to help you through the process.

If you were to call Julie Aldridge Consulting Ltd, she'd pull out a [Business Model Canvas](#) like the one developed by Alexander Osterwalder of Strategyzer.com and roll up her sleeves while she asked you a series of questions such as: What is your organisation's vision? What interest do people have in your projects or programmes? What impact do they make? Then she'd take it to the next level with the question: How might your programme matter more to more people – audiences, funders, businesses? What would it take to deliver your vision *brilliantly*?

Says Julie, **"It's not about earning more money especially, it's about generating value."** When we understand how our organisations matter to our communities and constituents, we can generate vision and purpose. To do so, she says, it's important to look at the desirability, feasibility and viability of what you are doing or aim to do. It requires taking time – before a crisis – to explore the myriad of answers to the question *What if...?*

Show me a former industrial complex and I'll show you a potential cultural centre

José Rodríguez shared his insights into cultural model innovation. He is the author of toolkit [To Sell or Not to Sell?](#) which also provides a business model canvas slightly adapted to the cultural field. Through his work with the network Trans Europe Halles (TEH), based in Lund, Sweden, he's also familiar with how some 108 citizen or artist-led initiatives in 33 countries situated in former industrial spaces or complexes are operating cultural centres. What's the most common business model behind them? In four words: Community + Space + Events + Beer. He gave examples of the components and factors that influence the TEH members such as urban or rural location, building ownership, legal structure, income generation and revenue streams. Says José, income diversification is key, for example, it's common to see a mix of funding, sponsorship, ticket sales, concessions, food and beverages, each providing approximately 20% of the organisation's revenue.

José told of the profiles of 4 different models within Trans Europe Halles: **1) Department store model:** 50% of the programme is made by the centre, multidisciplinary, professional staff; **2) Shopping centre:** the cultural centre runs the facility and rents out space to cultural organisations for the programme(s); **3) La Boutique:** strong focus, high-quality impact, specialised; **4) Charity Shop:** a "hippie model", run by volunteers, artists are paid, activities are highly connected to communities. Of course, there are also hybrid models that combine these different profiles, and while the models here are based on "commercial" enterprises, they're used to describe culture activities.

Next, he spoke about the project [Creative Lenses: Stronger Arts and Cultural Organisations for a Greater Social Impact](#) (2015–19) which poses the question: *What are the most valuable ways for the arts to be meaningful?* No doubt, a tall question to answer and it's worth checking out the website for case studies. Creative Lenses also undertook an 18-month experimental process called the [Catalyst Programme](#). In it, 8 cultural organisations were selected to participate and gained training on audience development, consultation on business model innovation, plus 20,000 EUR to implement their changes. The organisations were given space to shake things up in a different way, to see what would happen.

These Catalyst Programme participants aren't the only ones trying to figure out how to do things differently. In his book [Reinventing Organizations](#) Frederic Laloux describes a new paradigm of organisations who are radically changing the way they operate. He puts forth the concept of "Teal" organisations, as those who are able to keep in mind our humanity and our evolutionary purpose while creating sustainability.

José says there's no recipe, but he does recommend a methodology for risk-driven business model innovation. **The key is in the decisions and decision-making process. Consider who is making them, when they are making them and what type they are making. If you change who, change when, or change what type, that will bring transformation.**

Government bodies are also innovating their funding and financing models

In the final talk, **Edgar Garcia Casellas** spoke about how the Catalan Ministry of Culture's **Catalan Institute for Cultural Companies** (ICEC) is helping cultural companies and individuals in the private sector of Catalan become more competitive and successful in the areas of business development, audiences and market access. Essentially, if you have a private Catalan-based company working in AV, music, performing arts, publishing, gaming, visual arts or digital media and you have access to several unique schemes for financing your activities through the ICEC's business development area.

The ICEC was created in 2001 and began operating in 2002. Although it is a public institution within the Ministry of Culture, it works like a private company and has an executive board and a general board. The ICEC is there for the sector and is connected to the cultural and creative sector, since its board members are representatives of different areas of the CCS.

Say you have a cultural company working in these fields based in Catalan. What kind of business development support could you receive? The ICEC has essentially a five-phase cycle: Consultancy; ICEC-ICF Participation Loans PPD; Grants; Reimbursable Aids (RAs)/Repayable Contributions and ICF Culture Loans.

Consultancy can happen at all phases. The ICEC's Business Development Service offers conferences, workshops, training; deals with environmental issues in the cultural sector, provides culture consultancy,

helps with internationalisation, and digitization and consults for developing strategic plans and/or redefining business models.

Maybe you're a start-up digital cultural company offering digital products and/or services, or an entrepreneur working with just a team. The ICEC is able to act with public money in a similar way as private venture capitalists, administering **ICEC-ICF Participation Loans** between 40,000 and 200,000 euros. A successful company pays a higher interest on their loan, it's not meant to punish them for success, but to offer less financially successful companies a buffer.

Next is a combination of **Grants and Repayable Contributions (RC)**, also referred to as Reimbursable Aid (RA). This level of support is available for *project* financing for companies with at least 2 years' experience who seek to undertake market-oriented projects. These companies need money to pay their providers in order to carry out their cultural project or produce their product before it goes to market. This is an innovative mixed financing tool: part CREDIT + part GRANT, in which the Credit part is always to be repaid by the company at 0% interest irrespective of the project's success. It's given in advance, a priori, to pay providers. The Grant parts means that the entire amount is repaid if the project is financially successful (breaks even). **Reimbursable Aid is not considered as state aid by the EU. Says Edgar, this is "good news for governments who might want to implement such a scheme"**, as it means that the money goes back to the Ministry of Culture to finance new projects for CCS businesses.

Finally, the ICF Culture Loans guarantee funds for more mature organisations ranging from 20,000 euros to 1 mil euros. These loans are guaranteed by the National Bank of Catalunya, collaterals are given to the loan by the ICEC through an endowment of 10 mil euros.

Altogether, the ICEC business development area is striving to "change the philosophy from a grant culture to a culture of financing and return between Catalan cultural companies". It's a model worth watching, to see how it can facilitate businesses and projects in the sector which might not otherwise get off the ground.

WORKSHOP REPORT: Putting pen to paper – canvases and maps for innovation

In the workshop that followed after lunch with Julie and José, 30 participants got a chance to work more in depth with tools that help lead to business model innovation and a better understanding of an organisation's value proposition and audience(s). In just two hours, with some help from José, Julie presented a hyper-speed version of a workshop that she usually takes a week to cover with organisations and businesses. Participants worked with 4 canvases or maps: the Business Model Canvas (introduced above in Julie's talk), the Matrix Map, the Empathy Map Canvas and the Value Proposition Canvas.

To provide a frame for participants to try things out in a playful way without the burden of trying to apply their own organisational picture straightaway to the canvas, workshop goers were invited to map out the Business Model Canvas starting with a cow as their value proposition. That's right, the task was to imagine your organisation was based on owning a large four-legged milkable animal. Working first as individuals, then in groups of 3 or 4 to share ideas and hone them into one, we later heard the very creative and innovative ideas put forth by these ad hoc teams. If only it were so easy in relation to our own organisations. Perhaps it can be, using a team-based approach that encourages us to think outside our typical parameters and mindset.

Most importantly, participants repeatedly shared the value that came from doing this exercise in groups, as it is also a very useful method for capturing how other people see the same organisation, depending upon their role and relationship to it. These tools presented are guides that reflect a given moment in an organisation. Of course, when there are substantial internal or external changes, they need to be brought out again, revisited and revised, and put again to the test, only then can they truly be of use on the road to resilience.

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